

President (Absence of)

Monday, October 28, 2002

SENATE

Monday, October 28, 2002

The Senate met at 10.00 a.m.

PRAYERS

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

**PRESIDENT
(ABSENCE OF)**

Mr. Vice-President: Hon. Senators, I wish to inform you that Madam President is at present acting President of the Republic of Trinidad and Tobago for His Excellency, who is out of the country.

**APPROPRIATION BILL
(BUDGET)**

Bill to provide for the Service of Trinidad and Tobago for the financial year ending on the 30th day of September, 2003 [*The Minister in the Ministry of Finance*]; read the first time.

Motion made, That the next stage be taken at a later stage of the proceedings. [*Sen. The Hon. C. Enill*]

Question put and agreed to.

PAPERS LAID

1. Draft Estimates of Expenditure for the financial year 2003. [*The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill)*]
2. Draft Estimates—Details of Estimates of Recurrent Expenditure for the financial year 2003. [*Sen. The Hon. C. Enill*]
3. Draft Estimates of the Revenue and Expenditure of the statutory boards and similar bodies and of the Tobago House of Assembly for the financial year 2003. [*Sen. The Hon. C. Enill*]
4. Draft Estimates of Development Programme for the financial year 2003. [*Sen. The Hon. C. Enill*]
5. Draft Estimates of Revenue for the financial year 2003. [*Sen. The Hon. C. Enill*]
6. Public Sector Investment Programme 2003. [*Sen. The Hon. C. Enill*]

7. Public Sector Investment Programme 2003—Tobago. [*Sen. The Hon. C. Enill*]
8. Social and Economic Policy Framework—2003—2005. [*Sen. The Hon. C. Enill*]
9. Review of the Economy for the fiscal year 2002. [*Sen. The Hon. C. Enill*]
10. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statement of the Assistance to the National Drug Abuse Demand Reduction Programme for the year ended December 31, 2001 as required by Project Document AD/TR/96/910 between the Government of the Republic of Trinidad and Tobago and the United Nations International Drug Control Programme (UNDCP). [*Sen. The Hon. C. Enill*]
11. Annual Report and audited financial statements of the National Insurance Board for the year ended June 30, 2001. [*Sen. The Hon. C. Enill*]
12. Annual audited financial statements of Trinidad Nitrogen Company Limited for the year ended December 31, 2001. [*Sen. The Hon. C. Enill*]
13. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Basic Education Project for the year ended September 30, 2001 as required by Loan Agreement No. 3956—TR between the Government of the Republic of Trinidad and Tobago and the International Bank for Reconstruction and Development. [*Sen. The Hon. C. Enill*]
14. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statement of the Intellectual Property Office for the year January 01, 2001 to December 31, 2001. [*Sen. The Hon. C. Enill*]
15. Annual audited financial statements of Trinidad and Tobago Mortgage Finance Company Limited for the year ended December 31, 2000. [*Sen. The Hon. C. Enill*]
16. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Central Marketing Agency for the year ended December 31, 1984. [*Sen. The Hon. C. Enill*]
17. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Central Marketing Agency for the year ended December 31, 1985. [*Sen. The Hon. C. Enill*]

Papers Laid

Monday, October 28, 2002

18. Annual audited financial statements of Telecommunications Services of Trinidad and Tobago Limited for the financial year ended March 31, 2002. [*Sen. The Hon. C. Enill*]
19. Inaugural Annual Report of the Tax Appeal Board of the Republic of Trinidad and Tobago. [*The Attorney General (Sen. The Hon. Glenda Morean)*]
20. Report of the Statutory Authorities Service Commission for the year October 01, 2000 to September 30, 2001. [*The Minister of Public Administration and Information (Sen. The Hon. Dr. Lenny Saith)*]
21. Report of the Police Service Commission 2002. [*The Minister of National Security and Rehabilitation (Sen. The Hon. Howard Chin Lee)*]
22. Administrative Review of the Ministry of the Environment during the fiscal year 1999—2000. [*Sen. The Hon. Dr. L. Saith*]
23. The Judicial and Legal Service Commission Annual Report 2000. [*Sen. The Hon. G. Morean*]
24. Report of the Teaching Service Commission for the year 1999. [*The Minister of Education (Sen. The Hon. Hazel Manning)*]
25. The Value Added Tax Order, 2002. [*Sen. The Hon. C. Enill*]
26. The Provisional Collection of Taxes Order, 2002. [*Sen. The Hon. C. Enill*]

**APPROPRIATION BILL
(BUDGET)**

The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill):
Mr. Vice-President, I beg to move,

That a Bill to provide for the service of Trinidad and Tobago for the financial year October 1, 2002 to September 30, 2003, be now read a second time.

Mr. Vice-President, this is a money Bill and was approved in the other place on October 26, 2002. The Bill provides for the issue from the Consolidated Fund of the sum of \$13,396,416,175 under the various Heads as indicated in the Schedule of the Bill.

As my Government embarks on its second consecutive term in office it would be remiss of me if I do not express our appreciation for the deep sense of public purpose and character which the national community demonstrated over the past two years as we sought to establish once again an effective governmental

Appropriation Bill (Budget)
[SEN. THE HON. C. ENILL]

Monday, October 28, 2002

administration. Now that we have done so, we must put our political differences behind us and continue the journey forward as a united country—one people with one goal—the development of our beloved Trinidad and Tobago.

One of the founding principles of the PNM is the protection of the welfare of every citizen of Trinidad and Tobago. It is within this context that the theme for this Budget is “Vision 2020: People, Our Priority.”

For us, making “People our Priority” means eliminating poverty; providing adequate support systems for our youth, senior citizens and the less fortunate; re-establishing standards of transparency, accountability and governance to ensure that the country’s resources are employed efficiently for the benefit and welfare of all citizens; and nurturing our core values of equality, tolerance and mutual respect.

Making “People our Priority” reflects a strongly held belief of the People’s National Movement that development is about people and improvement on the quality of their lives and the potential for their children to enjoy a higher standard of living than their parents.

When we demitted office in the latter part of 1995, we left the economy on a sound footing with all the economic indicators pointing in the right direction.

Since our assumption of office in December 2001, we had begun to address the needs of the most vulnerable in our society and to provide those seeking to enter the mainstream of economic activity with the appropriate support to make the transition in an effective and enduring manner.

Moreover, as an immediate priority, we appointed a committee on January 03, 2002 “to determine the current state of the public finances of Trinidad and Tobago”. The committee reported that the forecast for current revenue should be set at \$14.128 billion compared with the original estimate of \$15.802 billion. With total expenditure budgeted at \$15.799 billion, there would be an overall deficit of \$1.671 billion or 2.9 per cent of our GDP.

Faced with this serious analytical review of the state of the country’s finances, this Government developed a number of fiscal planning scenarios, the objective of which was to protect the long-term financial, economic and social stability of our nation. To the extent that reduced revenues were being envisaged, we had to evaluate and screen the domestic expenditure profile with a view to ensuring that expenditures were prioritized so that the required reductions did not impair the economic and social viability of the country.

This was not an easy achievement. On the one hand we had to protect the available resources while on the other hand we had to address the many social concerns which had emerged within the society. It was in the context of this proactive planning process that in the fiscal year ending September 30, 2002 expenditure amounted to \$14,196.3 million. Let me emphasize, that expenditure was \$14,196.3 million in the last fiscal year. With revenue at \$14,265.2 million a surplus of \$68.9 million was achieved.

I wish to advise this honourable Senate that in the last fiscal year, that is 2001/2002, while oil and gas revenues were lower than projected, withdrawals were not made from the Interim Revenue Stabilization Fund. Let me emphasize that the trigger for depositing in or withdrawing from the Stabilization Fund is not based on changes in oil prices. It is based on whether or not oil and gas revenues exceed or are lower than budgeted. Accordingly, the balance in this Fund remains at \$1,015 million.

Let me deal now with an important aspect of public economic policy—debt management. This Government views debt management as a key element in its goal for generating macroeconomic stability and for strengthening our public finances. As an emerging market developing country we must always be appropriately concerned with our creditworthiness given our need to access international capital markets.

It came as no surprise to us when earlier this year Standard and Poor's upgraded our economic outlook from stable to positive and maintained our investment grade rating. Moody's Investors Service confirmed this outlook just two months ago. This standing will allow us to take advantage of the current low international rates of interest to source our budgeted \$930 million on the international capital markets in the current fiscal year.

I think the time is opportune to provide this honourable Senate with an inventory of the country's overall public sector debt.

At the end of September 2002, our public sector external debt amounted to \$9,400 million or 16.2 per cent of GDP. One year earlier, in September 2001, external debt amounted to \$9,729 million or 18.5 per cent of GDP.

Let me first deal with the external debt. We are reasonably assured that our external debt is viable and sustainable and this country can withstand any assessment of its external vulnerability. This is of substantial comfort to all those investors who hold our external debt.

Appropriation Bill (Budget)
[SEN. THE HON. C. ENILL]

Monday, October 28, 2002

It is more than appropriate that we should now focus on the management of our domestic debt. I say so because this source of debt had risen over the last two years. Let us review the internal debt operations of the Central Government through its normal issuance of bonds, notes and treasury bills. This direct debt amounted to \$10,890 million in September 2002 or 18.8 per cent of GDP. Compared with September 2001 internal debt was \$10,387 million or 19.8 per cent of GDP.

This honourable Senate would have no doubt taken due note that both our external and internal debt did not change materially since September 2001. The cause for the country's concern, however, is the fact that contingent debt has risen dramatically since September 2001.

In fact, contingent debt which arises from the issuance of Government guarantees and letters of comfort to state enterprises and statutory boards rose from \$9,471 million to \$11,672 million at the end of September 2002—an increase of \$2,201 million over the course of one year.

The principal reason for this increase is the expanded use of letters of comfort which rose from \$717 million to \$2,139 million—an increase of \$1,422 million. In December 2001 when this Government took office, contingent debt amounted to \$11,407 million. Nine months later, contingent debt remained almost unchanged at \$11,672 million or 22.2 per cent of GDP.

As at September 30, 2002 the public sector debt pertaining to the Central Government, that is, internal and external debt, and to the state enterprises and statutory authorities, that is, guaranteed debt, amounted to \$29,823 million or 51.5 per cent of GDP. When we add letters of comfort of \$2,139 million the outstanding public sector debt as at September 30, 2002 is \$31,962 million or 55.2 per cent of GDP.

In summary, when we assumed office in December 2001, the outstanding public sector debt was \$31,516 million or 60 per cent of GDP. Nine months later at September 30, 2002 that same stock of debt was relatively unchanged at \$31,962 million or 55.2 per cent of GDP. But as this honourable Senate would note in the three-month period September 2001—December 2001 that stock of debt rose by \$1,930 million or 6.5 per cent.

It is our intention that our public sector debt remains at a viable and sustainable level.

The Trinidad and Tobago Economy:

I turn now to the performance of our economy. In 2002 our economy would have had nine years of uninterrupted growth rates brought about by sound economic and structural policies. Let me provide you with a short summary of economic development for 2002.

- the economy grew by 2.7 per cent in real terms;
- job creation has continued as the unemployment rate fell to 10.1 per cent in June 2002;
- foreign direct investment continues to be buoyant, particularly in the energy sector, and remains an important pillar in the financing of the balance of payments;
- gross official reserves reached US \$2,005 million in September 2002 and covered six months of imports;
- the exchange rate is realistic, stable and competitive;
- interest rates began to fall as monetary conditions eased; and
- the external debt remains sustainable at 16 per cent GDP.

The Medium-Term Strategy:

Mr. Vice-President, the Government's medium-term economic framework agenda targets real GDP growth to be between 4 per cent and 6 per cent over the years 2003—2005. While the main engine of growth will continue to be the energy sector, the Government will intensify efforts to create a globally competitive and knowledge-based economy. The expansion of the non-energy sectors, the boom in construction activity coming from on-going and planned investments in the energy sector and the housing programme, as well as a concentrated thrust on small business development, are expected to result in the creation of over 30,000 new productive job opportunities.

The medium-term plan emphasizes the importance of maintaining low inflation and exchange rate stability as major planks in a comprehensive incentive framework, designed to attract both domestic and external private sector investment and safeguard real incomes. Our medium-term plan underscores the importance of fiscal discipline which when combined with prudent monetary policies should contribute to lowering domestic interest rates which would help stimulate domestic private investment.

Appropriation Bill (Budget)
[SEN. THE HON. C. ENILL]

Monday, October 28, 2002

We cannot over-emphasize the fact that the success of our medium-term strategy hinges critically on the development of our human capital. If we are to advance rapidly towards developed country status, we need, with utmost urgency, to accelerate reforms in our education and health sectors.

Mr. Vice-President, the vision of the Government is rooted in upholding and advancing the human dignity of every individual. We will ensure that all persons are self-reliant and possess the confidence to promote their own self-development and that of their communities and the nation at large. All citizens will be given equal opportunity for personal growth, self-expression and active participation in their own development.

By 2020 we expect Trinidad and Tobago to be a prosperous and progressive society catering to the needs of our citizens. Our vision is that economic growth will be based on the full participation of the population, socially responsive to the needs of all segments of the society, thereby promoting wealth-creation among all income groups.

The Government envisions that in the society of 2020, poverty and unemployment will have been significantly reduced to minimum levels.

I wish now to focus on the strategic investments in reform, which would lay the foundation for transforming Trinidad and Tobago into a developed country by 2020.

Our social and economic policy framework identifies a strong, resilient and highly diversified economic base as a starting point in moving us towards a vision for the development of our nation. In this framework we will draw on the buoyancy of the energy sector to expand the non-energy sector, primarily agriculture, manufacturing, tourism and services.

Energy:

Trinidad and Tobago has emerged as a significant energy player on the global stage over the last two decades. We will improve the infrastructure by way of completing the development of the industrial estate and the deep-water harbour facility at La Brea. We will deepen our market-leader position in LNG to take advantage of the growing US market for natural gas. We will consolidate our position as the leading exporter of methanol and ammonia, and we will build the technical capability of skills in energy-related professions.

We are currently exploring new initiatives for the energy sector. These include the direct sale of natural gas to downstream industry so as to encourage additional

competition in the gas industry; options for supplying natural gas to our Caricom partners, and a new taxation regime for natural gas.

Agriculture:

Development of the agricultural sector is critical for sustainable development and important in terms of food security. The sector is an integral component of our social and economic policy framework to drive the diversification of the economy. We will focus on revitalizing and modernizing the agricultural sector. Accordingly, we have allocated approximately \$416 million for the agricultural sector in fiscal year 2003.

This allocation will allow for improvements in the infrastructure to support the expansion of the agricultural sector. We will address the issue of water management, flood control, irrigation, agricultural access roads and land settlement. For the fishing industry, the infrastructural improvements will involve the upgrading of the wholesale fish markets around the country; the refurbishment of the San Fernando and Claxton Bay fishing centres, as well as the construction of a fishing port at Moruga.

We will improve the operations of the Agricultural Development Bank with a view to ensuring that it becomes a more efficient and effective supplier of credit to the agricultural sector.

Manufacturing:

On the basis of our diversification agenda set out in our Social and Economic Policy Framework, the Government has targeted the manufacturing sector to play a key role in the thrust towards a more diversified and resilient economy. We recognize that the retooling of the manufacturing sector is essential for maintaining and improving its competitiveness. The Government considers that the reduction of the corporation tax will free up significant resources for new investment in technology, plant and equipment.

We are also strengthening the institutional arrangements to support the expansion of the manufacturing sector. This includes the establishment of a light manufacturing estate at Wallerfield. We estimate that this estate will generate 40,000 jobs over the next 10 years.

We have put in place a trade assistance programme that would be geared towards enhancing private sector competitiveness. We are supplementing this programme by appropriate business facilitating measures, which include the recapitalization of the Export/Import Bank of Trinidad and Tobago, the

Appropriation Bill (Budget)
[SEN. THE HON. C. ENILL]

Monday, October 28, 2002

restructuring of the Small Business Development Company, the refocusing of the Tourism and Industrial Development Company, the establishment of the National Enterprise Development Company Limited and the establishment of a Credit Union Development Bank.

As we intensify our investment promotion efforts, we must recognize that the provision of the export allowance is inconsistent with the rules and procedures of the World Trade Organization. The continuation of this allowance will pose a substantial risk to our manufacturing sector, the exports of which could attract countervailing duties. As a consequence, we propose to remove the export allowance and this measure will take effect from January 01, 2003. These initiatives will create opportunities for creativity innovation and entrepreneurship.

Tourism:

The tourism sector is yet another plank in our strategy for achieving our targets for economic growth and diversification. We recognize the tremendous potential of the sector for harnessing the skills and talents of our people and in generating foreign exchange. More importantly, we envision that there will be substantial job-creation opportunities for entrepreneurship and the creation of wealth.

Our tourism development plan provides for a total of \$305 million to be injected into the tourism industry over the next three years. A revised Tourism Development Act, 2000, which will provide the legislative and regulatory framework is being finalized.

We are negotiating mutually acceptable arrangements with international airlines with the aim of boosting our visitor arrivals.

Mr. Vice-President, in order to promote incremental investment in the small scale segment of the industry, we propose a capital allowance in respect of approved capital expenditure incurred by the owner or operator in the conversion of homes to approved guest houses. This measure would take effect upon coming into operation of the Finance Act 2003.

In addition, revised policy guidelines for integrated resort development are being finalized to cover projects with a minimum capital investment of \$350 million. The expansion of the terminal building of the Crown Point Airport will also add considerable value to our tourism product.

Let me focus now on the development of the financial sector.

Mr. Vice-President, the financial sector must always be able to mobilize and allocate savings in an efficient and effective manner if we are to achieve the goals that we have established in our social and economic policy framework. We are improving the supervisory oversight of the financial system. We will introduce legislation that would integrate the supervision of insurance companies and pension funds with that of the financial system under the authority of the Central Bank. This initiative will serve to strengthen the financial sector and in so doing will improve the attractiveness of Trinidad and Tobago as a preferred destination for capital.

We are rationalizing the Government bond market as part of our broader programme to develop our capital market structure and also to help reduce the financial cost of government borrowing. The Ministry of Finance in collaboration with the Central Bank, is well advanced on a project that seeks to:

- (i) organize and structure government's borrowing plans across a range of maturities in order to establish a yield curve;
- (ii) expand the list of primary dealers and facilitate the development of a liquid secondary market in Government debt; and
- (iii) assure transparency in Government bond markets.

The Government is finalizing legislation for the establishment of a Financial Services Ombudsman.

Mr. Vice-President, the Government recognizes that national savings are an important aspect of a country's future development as a source of investment funds as well as a source of future income.

We propose to grant individuals a deduction of up to \$10,000 per annum in respect of shares bought in a society registered under the Co-operative Societies Act. This measure will take effect from January 01, 2003.

In addition, the Government proposes to reduce the individual income tax rate bands from 28 per cent to 25 per cent and 35 per cent to 30 per cent. This measure will take effect from January 01, 2003. The revenue foregone as a result of this measure is approximately \$289 million.

The Government will reduce the corporation tax rate of 35 per cent to 30 per cent except in the petrochemical and related sectors. This measure, which will take effect from January 01, 2003 will require amendments to the Corporation Tax Act.

Appropriation Bill (Budget)
[SEN. THE HON. C. ENILL]

Monday, October 28, 2002

Mr. Vice-President, we intend to increase the minimum wage to \$10 per hour within the next five years. We will engage in tripartite discussions with labour and employer representatives with respect to the timing and method of its implementation.

State Enterprises:

Mr. Vice-President, as a general philosophy, the Government will seek to enhance market efficiency and promote competitiveness on an economy-wide basis for sustained economic growth. We recognize that the state enterprise sector has been largely inefficient and many enterprises have been a drain on the state resources.

We have instituted an extensive reform agenda to ensure that the sector makes a contribution to the growth process. This process will continue in the context of the overriding strategy to divest those enterprises where continued ownership by the State cannot be justified on strategic grounds.

We will also improve the operating efficiency of those enterprises that remain in the purview of the State. Accordingly, Government is currently reviewing its involvement in a number of state enterprises including First Citizens Bank Limited and National Broadcasting Network.

We have agreed to consider the introduction of private sector into the operations of the Port Authority of Trinidad and Tobago and we intend to conclude the sale of the assets of Trinidad and Tobago Forest Products Limited.

In order to facilitate the further growth of the Trinidad and Tobago Unit Trust Corporation (UTC) in the delivery of financial services, the Government will take steps to have the UTC make an early Initial Public Offering.

Mr. Vice-President, the programme of action for modernizing Caroni (1975) Limited has already begun. This programme of action involves:

- the downsizing of Caroni to focus on its core business—sugar manufacturing; and
- the establishment of the Estate Management and Business Development Company Limited to drive the diversification of the lands at Caroni into higher productivity activities such as heavy and light manufacturing, agriculture, housing and commercial complexes.

These initiatives will be supported by the introduction of the private sector into the rum, rice, citrus, dairy and cattle activities of Caroni.

The modernization of Caroni, together with the orderly transformation of its lands into growth poles, would provide a range of alternative industrial and commercial activities to allow for a reabsorption of the unemployed labour resulting from the rationalization.

Social Sector:

Mr. Vice-President, our comprehensive development framework provides the design and implementation of effective measures to achieve simultaneous and significant advances in social development. These developments will be consistent with our vision of a society which caters to the needs of our citizens and provides a preferred place to live, thereby to raise children, to do business, to work and to go to school. We will be a society that will look after our elderly and our less fortunate.

Our social policy is based on a two-pronged approach. One approach recognizes the importance of providing direct and immediate relief to the impoverished and vulnerable groups in the society. The other approach seeks to equip our population, particularly our youth, with the skills necessary to become gainfully employed and in so doing improve their economic and social conditions.

Let me state categorically, Mr. Vice-President, that our social programmes do not create conditions of dependency but rather are aimed at alleviating the sense of hopelessness of many in the society, to allow them access to the basic “toolkit” to afford them a comfortable standard of living. The current mix of social programmes has emerged from a rationalization to make those programmes much more manageable, targeted and effective. We are strengthening some of the existing programmes.

The Social Help and Rehabilitation Effort, that is the SHARE Programme, will target needy persons between the ages of 18 and 65 who do not receive public assistance or old age pension. We have allocated \$22.7 million for this programme.

The Transformation and Development Centres Programme will provide more meals and training for needy citizens.

Mr. Vice-President, we are increasing the public assistance grants which are paid monthly to needy individuals and families. We are raising the minimum from \$222 to \$320 per month and the maximum from \$720 to \$940 per month. We have allocated \$94 million for this programme.

The special needs of the physically challenged are not being overlooked. Any member of the public who wishes to be tested and fitted with hearing aids may do so, and we intend to expand this facility to allow for the testing of every school child for hearing and sight problems. We have allocated \$3 million for this programme.

Adolescent Mothers:

Mr. Vice-President, we are expanding our Caring, Happiness, Organization, Ideals, Communication, Education, Self-Awareness (CHOICES) Programmes which provide counseling services, personal development and pre-vocational training to adolescent and at-risk teenaged mothers. We have allocated \$4.2 million for this programme.

Our Export Centres Programme will provide training in the niche industry of specialized handicraft. This programme will also serve as a business incubator programme for its graduates. We have allocated \$5 million for this programme.

The Community Enhancement and Regeneration Programme, that is the CERP, which is a new programme, will integrate a number of existing projects and priorities. These include the Depressed Communities Programme, the Integrated Projects Initiatives (IPI) Programme being run by the Community Development Fund (CDF) and the Adopt a Community Programme. The CERP targets the poorest communities in Trinidad and Tobago.

The Community Education and Support Programme will focus on skills training, group leadership development, management skills, community awareness and entrepreneurial development.

From 2003, birth certificates will be provided free of charge to the general public.

Mr. Vice-President, Government has established a number of programmes geared specifically towards the transformation and development of our nation's youth.

The Youth Training and Employment Partnership Programme has now been broadened to capture a wider range of participants—this being one such programme. We have allocated \$11 million for this programme.

The Civilian Conservation Corps has been reinstated and will be expanded to other regions of the country. A total of \$25 million has been allocated to this programme.

We have also reinstated the On-the-Job Training programme to facilitate a smooth transition between the school and work environments. We have allocated \$18 million for this programme.

The Geriatric Adolescent Partnership Programme is aimed at fostering stronger intergenerational relationships between older persons and adolescents between the ages of 17 and 25. The programme has been restructured and expanded. We have allocated \$3 million to this programme.

We have implemented a Youth Apprenticeship Programme in Agriculture aimed at attracting our youth to be apprenticed to specially selected farms to allow them to gain first-hand knowledge and experience in farming. A total of \$33.5 million has been allocated to this programme.

The Information Made Easy Through Technology Centres are being introduced in communities throughout the country to facilitate training, distance learning, and Internet access.

Mr. Vice-President, we will establish a Community Development Scholarships Programme under which bursaries would be awarded to young persons to undertake programmes of training and/or study in traditional and non-traditional areas. The awards will be tenable at local as well as overseas institutions. We have allocated \$5 million for this programme.

Mr. Vice-President, we are introducing Specialized Youth Programmes on a voluntary basis aimed at furthering the education of the youth. This programme will be managed by the Defence Force. We have allocated \$3 million for this programme.

The National Social Development Programme is aimed at improving living conditions in many of our communities. We have allocated \$4 million for this programme.

Pension:

Mr. Vice-President, we will continue to provide the present \$12,000 per annum in old age pensions to all 63,000 beneficiaries. This annual amount will be kept under review to enable the elderly to always maintain a reasonable standard of living. We expect that the results of the actuarial evaluation of the NIS pension system will allow for the rationalization of payments under both the NIS Pension Scheme and the Old Age Pension Scheme.

I now turn to Education: Mr. Vice-President, this Government recognizes the importance of developing human capital to achieve economic growth. It is for this reason that we have increased the allocation for education by 12.3 per cent. This provides for an increase in the number of secondary schools and the rehabilitation and upgrading of primary schools. In addition to the expansion of physical

Appropriation Bill (Budget)
[SEN. THE HON. C. ENILL]

Monday, October 28, 2002

capacity, junior secondary schools will be de-shifted and early childhood care and education centres will be increased. The secondary school curriculum will be modernized and the Professional Teacher and Administrator Development Programme will be intensified.

Mr. Vice-President, with particular reference to tertiary education, existing obligations under the Dollar-for-Dollar Plan will be honoured but a more suitable and sustainable alternative will be announced soon. Additional bursaries and scholarships for tertiary education will also be provided and a new tertiary institution—the Trinidad and Tobago University of Science and Technology—will be established.

I now turn to Health: Mr. Vice-President, our comprehensive development framework establishes a health policy which is geared towards improving the health status of the population by promoting wellness and healthy lifestyles and ensuring the availability of and access to efficient, affordable and quality health care services for all citizens.

We envision a society which enjoys a quality of life which is based on health services which are delivered by a first-world society. We will increase primary health care and health-promotion activities. As we promised in our elections campaign, we will provide free medication for the elderly and the poor and remove customs duty and VAT on medication. This measure will take effect immediately and the revenue foregone is \$19 million. The increased allocation for the health sector will also cater for:

- the acquisition of new and technologically advanced equipment;
- the expansion of physical facilities;
- the construction and refurbishing of primary and secondary health care facilities; and
- the construction of the Scarborough Regional Hospital.

The National Oncology Centre for cancer patients will expand its capacity for cancer treatment.

Mr. Vice-President, emphasis is also being placed on upgrading the skills and competencies of personnel involved in the delivery of health care. Training will be provided for 300 nurses per year over the next three years. A Bachelor of Science Nursing Degree at the University of the West Indies will be introduced.

Starting this fiscal year and continuing for the next five years, the Government will spend \$500 million on all aspects of the campaign against HIV/AIDS. As part of this financing, we are in the process of concluding negotiations with the World Bank for a loan of US \$25 million.

Access to comprehensive HIV/AIDS care and treatment will be significantly expanded. The cost of HIV/AIDS drugs will be reduced through appropriate subsidization.

Housing:

Mr. Vice-President, our policy agenda for housing is an essential element of our human development strategy and is based on the core principle that adequate housing is a fundamental right of every citizen. We are ensuring that appropriate conditions and opportunities are created for all segments of the population to acquire adequate housing as a means to improving their quality of life.

"The Keys to Your Dreams" Accelerated Housing Programme has already started and will provide 2,925 new two- and three-bedroom single-family, detached homes as well as apartments in high-rise buildings in 30 sites across the country. We have targeted 10,000 housing units per year for the next five years.

Mr. Vice-President, we will implement a subsidy/grant system for the acquisition of the new housing units and for home improvement. This will be reinforced by a reduction in the lending rates of the Trinidad and Tobago Mortgage Finance Company from 8 per cent to 6 per cent and a reduction of the required down payment from 10 per cent to 5 per cent.

We will provide even greater relief to the lowest income families through grants to defray part of the cost of the housing units purchased. For privately-owned dwellings, we will provide direct grants to an estimated 1,100 families for home improvement.

We have already begun our Squatter Regularization Programme which involves the upgrading of physical facilities and regularization of tenure for about 5,400 families at 17 squatter settlements throughout Trinidad and Tobago.

These programmes will be funded by the Inter-American Development Bank at a cost of US \$132 million.

We will also introduce a tax deduction of \$10,000 per year, per house, for the first five years against the purchase price of a first home. This measure will take effect from January 01, 2003.

National Security:

Mr. Vice-President, a critical element of achieving Vision 2020 is the creation of a society in which all persons can live in a state of safety and security, free from fear and the risk of criminal victimization. Our crime policy is directed towards significantly reducing the incidence of crime in the country.

The allocation of \$1,831 million to the Ministry of National Security reflects the priority attached to ensuring the safety and security of individuals, communities, enterprises and other interests.

Our programmes for reducing crime include:

- strengthening our intelligence operations and pursuing strong tactical police actions;
- continuing Operation Anaconda on a strategic and on an as-needed basis;
- building and upgrading new facilities for our protective services;
- strengthening the bond between the community and the protective services; and
- establishing a rehabilitation action programme.

But Mr. Vice-President, we are not ignoring the importance of sanctions.

- we are placing before Parliament within 90 days, a Kidnapping Prevention Act with stiff penalties; and
- we are introducing a Terrorism Prevention Bill to deal with the threat of terrorism.

Mr. Vice-President, corruption in public life is another area of serious concern for the people and Government of Trinidad and Tobago as it undermines the core values on which our society is built. As we have emphasized in our vision, we will establish strong standards for transparency, accountability and governance to ensure that the country's resources are employed efficiently for the benefit and welfare of all citizens.

We will amend the relevant legislation to increase substantially the penalties for offences involving corruption by persons in public life.

Arts, Culture and Entertainment:

Again our social and economic policy agenda is directed towards preserving and celebrating our unique culture. We cannot overemphasize its social cohesive

nature and its potential to play a major role in the tourism sector and to become a productive economic industry with significant opportunities for employment and income generation.

We propose, therefore, that companies involved in sponsoring local cultural, educational and entertainment productions that are broadcast to local, regional and international audiences, be given a tax deduction of 150 per cent of the actual expenditure in respect of those productions, up to a maximum allowance of \$450,000.

We also propose that production companies, which produce local cultural, educational or entertainment productions that are broadcast to local, regional and international audiences, be given a tax deduction of 150 per cent. These increases will take effect from January 01, 2003.

Additionally, at the community level, we have re-instituted the Prime Minister's Best Village Trophy Competition, including Village Olympics, Folk Fair, La Reine Rive and the Community Concerts Programme, which will expose the talents and skills of all communities. We have allocated \$4.7 million for these programmes.

In terms of building for the future, Mr. Vice-President, our Pan in the Classroom Programme as well as the introduction of the harmonium in schools will serve as nurseries for creating new standards of excellence in our cultural product.

Sport:

Mr. Vice-President, our National Sports Policy is focused on promoting social integration, leadership qualities, personal development, self-reliance, healthy lifestyles and greater national consciousness. A critical component in this policy is the proposed establishment of a National Sports Institute, which will be complemented by an Academy of Sport.

Government recognizes that the private sector has a major role to play in the development of sport. Our view is that the business community stands to gain considerable benefits from the use of sport as an integrating factor in society and as a mechanism for dealing with the problems of the youth.

In order, therefore, to encourage greater private sector involvement in sporting activities, we propose that a tax allowance of 150 per cent of the actual expenditure incurred, up to a maximum allowance of \$450,000 be granted to companies promoting/sponsoring sporting activities and sportsmen. This measure will take effect from January 01, 2003.

Appropriation Bill (Budget)
[SEN. THE HON. C. ENILL]

Monday, October 28, 2002

Mr. Vice-President, it should be noted that with respect to the incentives for sport and culture, the aggregate allowance that may be claimed by the company promoting or sponsoring sporting activities, artistic works and promoting audio and video productions of local culture, shall not exceed the sum of \$450,000.

Infrastructure:

Mr. Vice-President, our 2020 Vision demands superior performance in all sectors of the economy. Consequently, our economic and social policy places priority on the implementation of a planned programme of infrastructure works. We must provide our productive sectors with every advantage possible and this includes the provision of a modern infrastructure base. This will involve a programme of rehabilitation and construction of public buildings including:

- the Invaders Bay Project;
- the Harris Promenade Project;
- the construction of a new Customs and Excise Head Office and a new Board of Inland Revenue building;
- the Siparia Administrative Complex.

Work is programmed to begin on the rehabilitation of the runways at both airports, the taxiway at Piarco and the South Terminal and the Electrical Sub-Station at Piarco.

Mr. Vice-President, we will restore our historical buildings: the Parliament Building, Queen's Royal College, the President's Residence and Office, and Stollmeyer's Castle.

Government's social and economic agenda advances the human development and growth processes yet we recognize that development must be ecologically sustainable and balanced. We will adopt prudent, cost effective management approaches to ensure that development is sustainable and resilient.

Mr. Vice-President, this Government recently initiated a Community-Based Environmental Protection and Enhancement Programme, which mobilized communities working in tandem with the Solid Waste Management Company to undertake the preservation and upgrading of the environment. A total of 5,400 jobs have been created under this programme.

We are providing the Environmental Management Authority with the resource requirement to enable it to implement the various environmental regulations in a

timely manner. We are seeking funding from the World Bank's Global Environment Facility to finance a National Park and Wildlife Conservation Project.

The Green Fund:

Mr. Vice-President, the governance structure of the Green Fund is being made consistent with that of the Environmental Trust Fund. This measure will not only assure co-ordination of projects within the framework of the national environmental plans and policy but will minimize administrative costs.

Mr. Vice-President, we propose to remove from the negative list the importation of fully assembled right-hand drive foreign-used vehicles by registered foreign-used car dealers. This measure will take effect with the coming into operation of the Finance Act, 2003.

Motor vehicle tax payable on the registration of completely built-up foreign-used vehicles shall, regardless of the age of the vehicle, be at the rate of 75 per cent of the motor vehicle tax payable on the registration of a new vehicle.

We also propose to discontinue the registration by the Licensing Authority of vehicles that are re-assembled from imported new and used components. We will give a grace period until December 31, 2002 before this measure is implemented. This measure will accordingly take effect from January 01, 2003.

We intend to further simplify the regime for the import of vehicles, including left-hand drive vehicles by returning nationals. In the interim, we will grant an amnesty to those persons whose vehicles have been impounded provided that such action is not inimical to the interest of the State.

Mr. Vice-President, Government proposes to increase the rate at which gaming taxes are payable by 200 per cent.

Public Sector Administration:

Mr. Vice-President, our social and economic policy agenda highlights the need for the efficient and effective delivery of public services. We will focus on improving service delivery to ensure that our citizens are provided with high quality, modern and responsive service. A number of our public sector institutions are being restructured. A new Human Resource Management System is being implemented and so are job classification and compensation plans.

Government has allocated \$600 million to settle the 15-year-old debt to public servants. Payment will be made at the end of November, 2002. This follows on the down payment of one month's salary made in February 2002.

Tobago:

Mr. Vice-President, we recognize that Tobago's needs are urgent and critical. Consequently, we have made an overall allocation of \$742.9 million to the Tobago House of Assembly for the fiscal year.

We are currently reviewing the capital programme proposed by the THA and will be looking at the possibility of appropriate financing arrangements for the funding of certain critical development projects.

Some of the major projects earmarked for Tobago include:

- a new Scarborough Library;
- new health centres;
- the construction of the Scarborough Hospital;
- housing programmes at Roxborough, at Blenheim, and at Castara;
- a new Mason Hall Government Primary School;
- a new Scarborough Methodist School;
- commencement of Phase II of the Tobago Technology Centre at Goldsborough;
- Youth-Empowerment Centres in Castara and Charlotteville; and
- the restoration of the Mt. St. George Youth Camp.

Moreover:

- we are reviewing plans for the construction of a new airport in Tobago;
- we will also ease the burden of air travel between the islands by reducing the cost of an airline ticket from \$300 to \$200 during the fiscal year; and
- we will purchase a passenger ferry to service the inter-island sea route between Scarborough and Port of Spain.

Mr. Vice-President, let me now summarize the Government's operations for the next fiscal year.

Total Estimated Expenditure for fiscal 2003 amounts to \$20,000,507,153; \$236,000,000 of this expenditure will come from the Unemployment Fund, the Dollar-for-Dollar Fund and the Road Improvement Fund; \$6,368,090,978 is a

direct charge on the Consolidated Fund. Therefore, the remaining \$13,396,416,175 will have to be appropriated by Parliament from the Consolidated Fund by way of the Appropriation Act.

11.00 a.m.

Mr. Vice-President, we have just indicated that \$13,396 million is needed to be approved by Parliament from the Consolidated Fund. There are other expenditures which do not require such appropriation. The first such expenditure which does not require appropriation is the direct charge of \$6,368 million on the Consolidated Fund which are the capital repayments and the expenditure associated with independent bodies under the Constitution. Secondly, there is the expenditure of \$236 million from the Unemployment Fund, the Dollar-for-Dollar Fund and the Road Improvement Fund. In this formulation, Mr. Vice-President, the total expenditure for fiscal 2003 amounts to \$20,000 million.

But this honourable Senate would no doubt appreciate that the expenditure of \$20,000 million should be adjusted for principal repayments and sinking fund contributions of \$3,652 million since this latter amount represents financing operations and is excluded from total expenditure.

Accordingly Mr. Vice-President, the budgeted expenditure for fiscal year 2002–2003 is \$16,348 million. With revenue of \$15,725 million we are realizing a fiscal deficit of \$623 million or a little less than one per cent of GDP.

Mr. Vice-President, the revenue estimates are predicated on an oil price of US \$22 per barrel and are based on the existing energy tax regime. The revenue estimates take into account the tax relief and the measures that we announced earlier.

The current expenditure estimates include a one-time payment of \$600 million to cover salary arrears. In fact, it is this one-time payment that leads to the overall deficit of \$623 million. Excluding this payment, the budget would show a deficit of a mere \$23 million.

Mr. Vice-President, total amortization payments in respect of both foreign and domestic debt will amount to \$3,377 million. Planned borrowing on the domestic market will amount to \$2,989 million of which \$1,989 million is the refinancing of Government's high cost debt; contractual external borrowings from the multilateral lending institutions will amount to \$248 million; and \$930 million has been programmed to be borrowed from the international commercial market.

This budget statement represents the first phase of our action-oriented programme, which is captured in our Social and Economic Policy Framework

Appropriation Bill (Budget)
[SEN. THE HON. C. ENILL]

Monday, October 28, 2002

document and forms part of the budget documentation which has already been laid in this Honourable House. The comprehensive development framework provides a starting point as it articulates our vision for the transformation of Trinidad and Tobago into a developed country by the year 2020.

We have addressed the challenges posed by the global economy and the implications for domestic economic conditions. We have defined in clear and precise terms a medium-term policy agenda and in particular, the areas of social and economic policy. We have taken steps to facilitate the achievement of that agenda by putting in place the mechanism to create a knowledge-based society to improve service delivery in the public sector, to enhance the infrastructural base and to strengthen law and justice.

At the heart of our policy agenda is the issue of human development. We recognize that while economic growth is an indispensable requirement for improving our standards of living and general welfare, we cannot escape a human approach to development. Our people have a right to a process of development that entitles them to education and training, health, housing, basic amenities such as water and electricity, employment, equity ownership and personal safety and security.

Mr. Vice-President, we are placing high priority on poverty alleviation, the generation of sustainable employment opportunities and the creation of a harmonious society; and we must also be reasonably assured that our protective services are always adequately prepared to meet the challenges posed by the criminal element in our society. Yet we must be ever mindful that a just and fair society must accept responsibility for creating the scope for rehabilitation.

Our vision provides the road map by which the country's economic base will become increasingly diversified. This is a prerequisite for achieving developed country status by 2020. We have targeted as the key sectors to drive the growth process, energy, manufacturing including small business and micro-enterprise, tourism and agriculture.

Sen. R. Montano: Mr. Vice-President, on a point of order. May I respectfully enquire of this honourable Chair how long is the Minister allowed to talk? According to this clock, he has been speaking for 50 minutes. As I understand the Standing Orders, any speaker is allowed to talk for 45 minutes only. After that the Senate may move that he be given an extra 15 minutes. The Minister has exceeded his time and unless there is something I do not know, there cannot be one law for the goose and one law for the gander.

Mr. Vice-President: Senator, the Minister in the Ministry of Finance has one hour for his presentation and every other Senator will have 45 minutes after which we shall seek an extension.

Sen. R. Montano: Mr. Vice-President, would you kindly refer me to that Standing Order, please?

Mr. Vice-President: Hon. Senator, please observe that I have ruled on the matter and the ruling of the Chair is firm.

Sen. R. Montano: Mr. Vice-President, with the greatest of respect I understand that you have ruled and I am simply asking that your ruling must conform with—

Mr. Vice-President: Hon. Senator, I have ruled and I wish to insist that the ruling is final. I would like to ask the honourable Senate for us to observe that this is the Upper House and for us to understand that we must exercise first of all, discipline.

Sen. The Hon. C. Enill: Mr. Vice-President, as elaborated upon in the framework document, our thrust towards achieving a higher level of growth and human development must be consistent with the preservation and conservation of the environment.

Let me assure you, Mr. Vice-President, that this clearly defined policy agenda would be subject to consistent monitoring and management. For this reason the framework document has a critical policy management tool, an implementation matrix for the period 2003–2005. We have set out in that matrix our developmental objectives as well as our strategies and programmes. We intend to provide the national community on the occasion of our annual budget with a full accounting of our progress towards the attainment of developed country status by 2020.

We will proceed over the medium-term to deepen and strengthen our programmes and strategies to ensure that we achieve our vision of attaining developed country status by the year 2020, if not before. The consistent monitoring of the objectives established in our comprehensive development framework, and the evaluation of the results will ensure that the objectives that we set for ourselves are achieved in a timely and effective manner.

Mr. Vice-President, I beg to move.

Question proposed.

Sen. Wade Mark: Mr. Vice-President, it has been said that those who forget

Appropriation Bill (Budget)
[SEN. MARK]

Monday, October 28, 2002

the mistakes of the past are condemned to repeat them. Once again, this honourable Senate has been disrespected by the Minister of Finance. He has refused to come here. We have no difference with our senatorial colleague presenting the budget, but we feel that we ought to have had the presence of the Minister of Finance to present this budget as was presented elsewhere.

Let me indicate from the outset that human destiny is a choice and not a chance. As a nation we should never take such a chance in developing a vision without providing the vast citizenry with a choice to effectively participate in the shaping and fashioning of their future. Democratic governance for human development requires nothing less, maybe indeed more, but certainly not less. No government, especially one that has come to office through unfair, foul and very dishonest means, should be so boldfaced, arrogant and contemptuous not to provide the opportunity for the people to choose their future. This approach to development is consistent with the PNM's culture of wielding power without compassion, might without morality and strength without sight. Stripped of its barest essentials the 2003 budget offers little hope for the transformation of our economy from its present lopsided nature to a more balanced one. The budget is short on concrete measures for genuine, social, sustainable human development, but long on words and promises.

Sustainable human development according to the United Nations Development Programme puts people at the centre of development and ensures that everyone has access to development opportunities now and in the future. A famous advocate for genuine women's rights once remarked, it is justice not charity that is wanting in the world. Genuine compassion for the poor and vulnerable is more than merely giving handouts and establishing soup kitchens. It requires us to see that the edifice, which produces such human beings, needs restructuring.

In a word the budget is very strong on dependence, but extremely weak on sustainability and independence. In this context the budget must be viewed as a massive fraud anchored in a sea of deception, deceit and dishonesty. It offers nothing but a pie dream for the jobless, voiceless, ruthless, shirtless and powerless people. Only crumbs are offered from the master's table. That is the new Jesus Christ of Trinidad and Tobago, the hon. Minister of Finance, Patrick Manning. Even the theme is absolutely misleading since it fails to advance any serious measures to trigger the mobilization mechanism to motivate, inspire and empower the people. This constitutes intellectual stultification in its most advanced stage of deterioration.

The budget will promote stagnation and regression, whilst the nation is concerned about genuine, sustainable human development. The PNM's approach is based on dependence and handouts. The UNC's approach is focused on people's empowerment through genuine sustainable human development. We in the UNC confidently predict that not only will the 2003 budget serve to institutionalize poverty and income inequality, but it will also lead to a deeper enslavement of the mind and condition producing in the process, an army of hustlers and loafers. Sustainable human development requires creative, innovative and revolutionary thinking. It means thinking out of the box. The PNM's policies will ultimately wreck this economy. The signs emerging are clear. The Manning administration is intellectually locked in the past and as such is dinosaurian in both its thinking and public policy formulation.

It was Hippocrates who once remarked, that he would rather know what sort of person has a disease than what sort of disease a person has. I know the PNM will never understand the significance of this statement.

In this context we want to analyze and assess this budget, the theme of which as you know is Vision 2020: People, Our Priority. What exactly is this vision 2020? Are the working people its priority? From the evidence, they clearly are not. The approach as you would have seen is a top down approach. No consultation. No discussion. No dialogue with the nation's stakeholders, be it the private sector, labour movement, civil society and all its institutions. It is clear to us that development planning requires widespread participation. The approach adopted by the PNM is consistent with its arrogance and contempt for the masses of people in Trinidad and Tobago.

When we look at this green book in charge of social and economic policy, we see on the opening page that they will discuss in the coming months a vision. The train has already left the station and they are saying that the passengers are to hop on later. That is the kind of approach the PNM has taken. They have been in power for 10 months illegally and they have failed to mobilize the population. We have a document saying that after they will consult. We see the approach. They want to sell out Caroni (1975) Limited and retrench 10,000 workers, perpetuating the racial divide in our land. They want to propose the privatization of the Port Authority and the National Gas Company. Hints are coming out that that is the future. The Unit Trust of Trinidad and Tobago, that too, seems to be heading for the PNM chopping block.

A budget ought to be seen as a short-term plan to achieve long-term strategic objectives. There is a virtual disconnection between the vision 2020 manifested in

Appropriation Bill (Budget)
[SEN. MARK]

Monday, October 28, 2002

this social and economic framework and the measures and proposals articulated by the hon. Minister of Finance in his budget. If we look at the pillars that are supposed to be driving this economy and pushing this vision towards 2020, we see the government is relying on the energy sector, manufacturing sector, agriculture and the service sector, small business and micro enterprises. When we analyze the budget and identify the measures which are designed to stimulate and promote the growth process, we are not seeing from where the growth is coming. From where will the economic expansion come? From where will the output, income and employment come?

We see a mere \$882 million out of a budget of \$20 billion representing 0.04 per cent being allocated towards the capital and development programme. This is supposed to be the foundation for generating productivity and increasing prosperity in the process. This is a joke! This is a Mickey Mouse budget. It is not serious. It is low on words and short on concrete proposals. We see the over dependence once more on the energy sector where the Minister of Finance is saying his social agenda could be derailed if there is a crash in oil or if the Atlantic LNG plant is unable to complete its trains.

There is little incentive and support for the manufacturing sector. There is no incentive for the service sector. They have abolished the export trade allowance, hurting the manufacturers in the process. This is the first country within Caricom to have done so. Take a pat on the back, Sen. Dr. Lenny Saith, for doing that. It would make our manufacturers less competitive not more. I think it was a very backward and retrograde step taken by the administration to move that export trade allowance at this time. They have imposed an export service tax on the service sector. The accountants, engineers and architects who are doing work outside of Trinidad and Tobago will now have to charge those people in Grenada, Barbados, St. Lucia and Antigua 15 per cent VAT. How is that going to make our service sector more competitive? It does not make sense. That is why we ask: From where is the economic growth of 4 to 6 per cent over the 2003–2005 period coming? Where are the concrete programmes, plans and projects in this budget? It cannot come from the manufacturing sector. That sector is in a state of stagnation; 1.1 per cent contributed to GDP for the last financial year and it was 3.6 per cent in the previous year. We have an underperforming sector in the manufacturing area. It will not come from there. This sector continues to suffer from major institutional weaknesses.

The Customs Division, Food and Drugs Division, Bureau of Standards and Anti-dumping Unit are institutions that are supposed to be protecting and

safeguarding our manufacturers from illegal and unfair trading practices. They are not up to mark. No pun intended. They are not up to scratch. When we look at it there is no safeguard in here. It is a visionless, continued bankrupt and corrupt administration.

Hon. Senators: Corrupt?

Sen. W. Mark: You are, and I will demonstrate that.

Where is the economic growth to come from? We have not seen the answers. It is not from the agricultural sector. That is in a state of stagnation and decline. It is not from the service sector. That too, is under pressure. Tourism? Three hundred million dollars over a five-year period. What does that say? There are no concrete plans yet 15,000 jobs to be generated. Pie in the sky! Old talk! Bacchanal! "Comess"! That is what the PNM represents. When we look at it there is no organized activity. The economy is heading towards further stagnation and regression. We have words, promises at the end of the processes. That is equivalent to zilch, nada, zero, nil. You would get nothing from the PNM over the next year. They would apologize. There is nothing concrete.

They want to promote the dignity of the people. What role is there for labour in this budget in the development process? With the imminence of both the Caribbean single market and economy as well as the free trade area of the Americas, what is labour to expect? What role does the Government have in protecting labour? Are we about to establish basic labour standards? Are we about to promote the concept of decent work? What role will labour play in the eradication of poverty or job creation?

As we are on poverty, I think the time has come for us to debunk this argument and misleading statistical information that comes from the lips of the Prime Minister of this country. The Prime Minister has been all over the place indicating that poverty in this country is about 40 per cent, but 40 per cent of the citizens of this country live under the poverty line. This is the human development report of 2002. It is entitled *Deepening Democracy In a Fragmented World*. When we go to Appendix III, Human and Income Poverty, Trinidad and Tobago is rated in the high human development section of this report. We are No. 6 on that scale. The UNDP is showing in this report the information that was given to them by the Government of Trinidad and Tobago. Why would Mr. Manning go about the place misleading the country saying that poverty in Trinidad and Tobago is over 40 per cent. It is wrong. It is misleading. It is not correct.

Appropriation Bill (Budget)
[SEN. MARK]

Monday, October 28, 2002

We hear about human resource development, human capital formation, yet our most important asset is the people. They are the wealth of our nation, but the PNM has historically brutalized and oppressed the working people. If you look at their record of performance in terms of social protection it is limited and negative. The solitary piece of legislation introduced by the PNM between 1981 and when they left office in 1995, leaving out the NAR period 1986–1991 was the Retrenchment and Severance Benefit Act. This is absolutely of no use to workers in Trinidad and Tobago because companies have closed down and retrenched workers, and today, workers have not received their severance pay. Total waste of time! That was in 1985 under the then prime minister, the late George Chambers. Not Mr. Patrick Manning! He is anti worker! He is anti people! The evidence, I will produce to demonstrate the brutality of this regime against poor and working people.

Over the period 1991, which they boasted about in their presentation, this regime retrenched thousands of workers at the Water and Sewerage Authority. I will say more about that because that Senator who is now the Minister, the quintessential vote padder, has a history of activities that I will point out to you here. Thousands of workers were retrenched at WASA, Port Authority, PTSC and daily rated workers. The PNM knocked them out. TKO! Technical knock out! Complete! They violated in the process the rights of those workers. They denied public servants their right to accessing 2 per cent that was provided through the Special Tribunal of the Industrial Court.

As we look up the performance of the PNM we have to look at our record. Some of us are very myopic. The PNM campaigned on corruption. Who is more corrupt than the PNM? I will demonstrate in my contribution the activities of the PNM in the last 10 months when they were in office. I think we need to get Mr. Bernard who is on a witch-hunt at the commission of enquiry to have a commission of enquiry into WASA.

We in the UNC introduced in Parliament the maternity protection law to protect our women in Trinidad and Tobago who were being dismissed by unscrupulous employers when they became pregnant. The PNM was there but they never did it. On two occasions we introduced the Occupational Safety and Health Bill. The PNM torpedoed it. Michael Martin is a chap who had his hand severed because of an accident. Had that Bill been enforced that young chap who just turned 26 years might have had his hand on his body today. The PNM refused to support the Occupational Safety and Health Bill, and today we do not have one. We are still operating under the 1948 Factories Ordinance. We are talking about

developed nation status. We are talking about vision 2020. That is old talk! Gun talk! They are not serious.

We introduced the Basic Conditions of Work Bill in the Parliament. That would have established a basic flow of rights for workers in this country such as vacation leave, sick leave and letter of employment. The whole question of HIV/AIDS was in this Bill, so was sexual harassment on the job. We want to see if the PNM would proceed with that piece of legislation. We brought it so we will support a very fundamental piece of legislation to provide social protection to ordinary people of this country. We introduced the Employment Injury and Disability Benefits Bill in this Parliament. That was designed to deal with the outdated Workmen's Compensation Ordinance so workers can have coverage when they get injured on the job.

We amended the Minimum Wages Act to empower unions and workers to represent workers at the level of the Industrial Court when it comes to the violation of that Act. We are happy that the PNM has put forward the \$8 that we introduced and the minimum wages board had recommended. The only reason it could not have been brought to Parliament as an order in 2001 was because Parliament was dissolved and we went to the polls. During the eight-month period no Parliament was held so the regime could not have brought it. That is why they are talking about bringing it in the month of January. It is the United National Congress that proposed the \$8 and we are glad they are bringing it forward very shortly.

When we look at the reality, the PNM's approach to development is very top down. We are committed to a participatory approach. We want to reduce the level of dependence that is apparently being promoted. It does not appear that there is an imaginative and creative approach by the PNM. It seems to me that their financiers have begun to benefit. They have knocked out the used-car industry. We have seen why and we know why. We know their financiers and we know they would benefit enormously from this particular measure. They want to create employment.

What about training for workers, education, skills formation, improving the quality competitiveness of the labour force in the face of a global economy that is highly competitive? We have to recognize that the acquisition of skills and knowledge to cope with the challenges proposed by the global marketplace and the imminent Caribbean single market and economy are very crucial. We need to provide employers with greater incentive to train people.

Appropriation Bill (Budget)
[SEN. MARK]

Monday, October 28, 2002

If we are talking about vision 2020 in a developed society, why not give the employers an incentive to allow greater training to take place among the workers and to employ people and get an incentive for doing that, rather than moving in a very blind fashion or the normal approach by reducing? I am hoping in the process to generate more savings and investment. This is a wicked and spiteful government.

In 2001/2002 we introduced a measure to abolish the tax on interest on savings at the banks. They are so vicious, wicked and spiteful. Because UNC introduced it, these people refused to come to Parliament and endorse it. They want to increase and promote savings. The greatest disincentive especially in a period when the rate of interest is so low, they just abolished that oppressive tax on savings. We could only assume it is wickedness and spite on their part. Anything that the UNC did is evil and wicked. They talk about wanting unity. That is crocodile tears, hypocritical statement. The PNM is not serious. They want to continue to divide Trinidad and Tobago and have two nations in one country. They feel that is the only way they will survive. They want to remain in power. Power is the name of the game. They do not see power as a means, they see it as an end.

The engine of economic progress is technological innovation and increases in human productivity. We have to invest heavily in human capital formation in Trinidad and Tobago and not projects that will produce hustlers and loafers. We are talking about meaningful and productive jobs. If we want to gain greater access and control we have to deal with that question of training and more investment in human capital in an organized way, otherwise we will continue to languish in the backwaters of low value added production.

I want to look at the State enterprise sector and the approach the Government intends to take. Once the PNM was injected by this magic drug of economic liberalization. Like a piper, they continue to sell out the family jewels. The country must never forget the economic record of the PNM between 1991 and 1995. They sold the Urea Fertrin Complex, the methanol plant. They sold WASA to Severn Trent on the eve of a general election. They sold out National Fisheries for a coin. They sold Farrell House Hotel to their friends and Printing and Packaging. They sold BWIA to Edward Acker. Today we have the farcical statement being made by the same person who was the architect of the sell-out of BWIA to Edward Acker that we do not need BWIA. Look at Barbados, they have a thriving tourism industry. They do not have an airline. Who is Trinidad and Tobago? That is the backward and myopic thinking coming from that side.

BWIA is important for air transport in the Caribbean. We are the leaders in the Caribbean. We must provide air transport not only for Trinidad and Tobago but also for our Caricom colleagues. There is a backward, reactionary Minister, junior at that, indicating to this country that BWIA could go to hell. That man should resign for that insulting statement to the people of Trinidad and Tobago. That is what passes for government. They are in the back pocket of big business. They give the impression that they are so clean and decent. We shall unmask the PNM and show the country what the PNM really represents.

We must have a policy on the State enterprise sector. We do not believe we should dispose of our enterprises as the Government is proposing. I think they are making an error with Caroni (1975) Limited. I think the approach is wrong. You cannot afford to transform any industry without involving its stakeholders. The approach is consistent. It is a top down approach. They take decisions at Cabinet level, the cocktail level and then implement them regardless of the consequences. They want to introduce VSEP over a four-year period to dispose of 10,000 workers; take 10,000 acres of land and put it in the hands of Martin Joseph to build houses so they can go to Couva North and make it into a PNM seat. That is the objective. They want total absolute power. They think we will roll over and die. We shall confront them. I make no mistake about telling them that today. We will not allow the PNM to roll over our bodies and just continue to reign. This is a dangerous course that they are taking. It may lead to major social unrest even bloodshed in this country. They have to be careful of what they are doing with Caroni (1975) Limited. Do not take the people of this country for granted. That is 300,000 people. You cannot dismantle it.

We had a policy for Caroni (1975) Limited. They said the rum distillery was valued at \$1 billion. When you want untruths, half-truths, and innuendos—I remember Mr. Patrick Augustus Mervyn Manning, Prime Minister of this country telling the nation that we were selling the rum distillery for \$35 million and he could get \$1 billion. Today he is in power, where is the \$1 billion? “Conmanship!” We had a vision for Caroni. We were going to organize that place and not a worker would have gone. We were about expanding not contracting. We were about employing not retrenching.

Let me deal with pension. In its haste to bribe the population this reckless administration increased old age pension from \$800 to \$1000 without any legal sanction by this Parliament. When we moved from \$700 to \$800 we brought it to Parliament; they sanctioned it in the budget and we implemented it. The Finance Act was supposed to come in January to give full effect to it. They stole our ideas

Appropriation Bill (Budget)
[SEN. MARK]

Monday, October 28, 2002

just as they stole the election. They increased it from \$800 to \$1,000. They have to come back to Parliament to get legal sanction. They are drunk for power. They want to get in so they can continue from where they left off in 1995. We would see the Pension Act coming here for sanction of the \$1,000 retroactively.

I am a very fortunate chap at times. I got a document in my mail. It is entitled the *International Monetary Fund Option for Pension Reform April 2002*. This document outlines to the Government of Trinidad and Tobago how they should proceed with two areas. One is old age pension and the other is public service pension. That is why the Minister of Finance could have told the elderly citizens no more pensions. The reason is that the IMF has instructed the PNM regime because they invited them last year, to freeze old age pensions for 15 years in Trinidad and Tobago. That is the recommendation. The elderly and senior citizens who might be looking forward to increased old age pension are in for a new story. That is not coming under the PNM for 15 years. The elimination of early retirement including retirement with permission before 55 years of age, for public officers—you could have gone before 55 years of age—the IMF said to abolish that. They want to reduce the compulsory retirement age from 55 years to 65 years. If you could have gone at age 55 years, they want to increase it to 65 years.

They want to reduce the rate of accrual from 2 per cent to 1 per cent of final salary. They want to engage in a fully funded contributory pension plan for newly hired civil servants. That is the pension reform plan that the PNM has more or less accepted. The IMF has advised the Government that is too rich for you. You should stick to old age pension because that is a better arrangement. That is what they have told the 40,000 daily-rated workers. No pension plan that you have negotiated, instead, give them old age pension. They have not said that. The first year is a ride. Next year it would be harsh, hard decisions, then you will see the real PNM coming out. They throw crumbs on the table for the poor in the first year to consolidate their support base, but next year decision time will be here.

I want to deal with the issue of the youths. I remember between 1991 and 1995 there was the on the job training where the young people were employed in many enterprises. They had no vacation and sick leave and overtime arrangement. They used to work as hard as their counterparts who were training them. They were receiving \$20 a day. I do not know, Dr. Saith, what is the arrangement today. Is it \$200 or \$150 a day? We do not have a clue. Everything is done in secrecy. The PNM is a lodge. All these so-called programmes on the agenda are for their boys, girls, boyfriend, sister, cousin and aunt. They do not want to provide national unity and social cohesion. They are about themselves. All these

programmes would not be advertised. They had a programme called the Geriatric Adolescent Programme. The PNM went to people's homes as they are PNM members and say fill out this form and carry it to the Ministry of Community Development. They talk about accountability. They say that they are not corrupt! They are using my money. I pay taxes to employ whom? The PNM! I believe that what the PNM is doing is dangerous.

I would like to say in terms of public administration my colleague has inherited a very bright ministry. I think that all our policies that we too established, he has gone ahead with the policy framework. The HRIS that we implemented he is proceeding with it. I am happy about that. Dr. Saith is not up to the task. I have laid the groundwork for him to proceed. He is a senior citizen under a lot of pressure. I have given him a boost and I am sure he will push forward.

We need major constitution reform in this country. We cannot continue with winner take all. Everybody belongs to this country. Everybody is a citizen of this country and we must not allow the PNM to take the national pie to give it only to their supporters, friend, uncle, and wife. Dr. Saith, we have to move towards a new republic. We need a major shake-up in terms of future direction for Trinidad and Tobago.

Mr. Vice-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. S. Baksh*]

Question put and agreed to.

Sen. W. Mark: Mr. Vice-President the PNM are devils. It is only a matter of time before we expose these people. This party that sits here in Opposition has been repeatedly accused of being corrupt, engaging in corrupt activities, mismanagement of the public purse, whilst the PNM have portrayed themselves as being honest, transparent and caretakers of the public purse. In the ten months this selected government at the time, that was fraudulently elected recently engaged in an unprecedented use of the resources of the State for electioneering jobs for the boys and girls and vote buying. I think that Sen. The Hon. Martin Joseph is a man against whom according to evidence, criminal charges should be laid. Look at what has been done to WASA. First of all they wiped out all persons whom they suspected were supporters of the United National Congress. They happened to be citizens of Indian descent. At that time that Senator was an elected Member of Parliament. They moved swiftly to put their boys and girls in place. These people

Appropriation Bill (Budget)
[SEN. MARK]

Monday, October 28, 2002

removed people like Kemchand Kanhai and replaced him with a PNM man who is now the CEO of that same company. After that it was corruption, corruption, corruption! That was going on in WASA. If you look at the hiring practices of WASA under Sen. The Hon. Martin Joseph, the quintessential house padder, you will see how state funds were used.

Dr. Saith: Mr. Vice-President, I think I have allowed the Senator to roam but I want to draw your attention to Standing Order No. 35. It states:

“No Senator shall impute improper motives to any Member of either Chamber.”

I think the Senator is taking it a little too far and I ask him to temper his language.

12.00 noon:

Sen. W. Mark: Mr. Vice-President, we are dealing with reality. I know the truth hurts but that is what we are dealing with here. Mr. Vice-President, I will move a Private Member’s Motion at the appropriate time and I shall expose—but in the meantime, Sir, I must tell you the kind of payments the people got there.

Sen. Danny Montano, I know that you are a decent man, that is why they removed you from Housing and they put your partner. That “fella” represents something opposite to you, you know, that is why you are so far down and he is so—

Mr. Vice-President, they did not advertise posts and these people were employed as communication consultants getting, for instance, \$11,000; Security Consultant: \$11,500; 11,500 for what? Travelling allowance and so the list goes on. You know what they did, Sir, they went to the train lines in Marabella and run lines and water for the people! They violated every procedure in WASA. They promised people that once they run lines and the people voted for them, they would not have to pay! In other words, the District Revenue Department that is supposed to assess one’s property so that water rates could be paid accordingly, they have not done it, Sir! *[Interruption]* The PNM! And they did it in Tunapuna, Ortoire/Mayaro and San Fernando West, that is what they did!

Mr. Vice-President, when I was Minister I never engaged—I do not think Dr. Saith is doing it either. It is a principle, when you are selling State property, try to remain far. Let the auctioneers take possession of the property. At WASA, it is a different thing. I have evidence to show that properties that were valued at \$375,000, that Minister allowed the WASA Board to take a decision to provide these houses to the CEO and other general managers at a reduction of 20 per cent! The

evidence is here! Let him rise and deny, Sir, that the WASA Board reduced the value of properties that were sold to certain managers—including the CEO, by 20 per cent. Why is that? Where is the equity? Why did the workers not have access to these properties? But I have the names of these people. I do not want to embarrass anybody yet because we might be here for another year before we deal with them firmly. So in the meantime, Mr. Vice-President, I want to reserve some of my fire.

The reality is that they have actually used State funds in a most illegal way! Mr. Vice-President, if you think I am telling untruths, look at the *Sunday Mirror* “How San Fernando West was won from the UNC”. They utilized the MTS.

Sen. Morean-Phillips: You believe everything you read on the newspaper?

Sen. W. Mark: I believe this because the PNM is a crooked organization and I know its capacity. And after I have seen the performance of my—you know he was a teacher of mine but he was never a good teacher of mine. *[Interruption]* Poor “fella”. He was formerly a teacher of mine but he was never a good teacher. But at the end of the day, after learning from him and seeing how he performed in Ortoire/Mayaro, this story does not surprise me. The PNM stole the election; they did not win the election. *[Desk thumping]* The evidence is here, how they corruptly used the State resources at the MTS in order to win the elections in San Fernando West. And we have not heard the last of this. *[Interruption]* It is not me; you have won, but the country has lost. The nation of Trinidad and Tobago has lost. *[Desk thumping]* I feel sorry, but Mr. Vice-President, I always say: in a democracy, people have the right to be wrong. If they took the wrong decision by voting for the PNM, all right! *[Interruption]* The point about it is that the PNM must not continue to pretend that it is so honest and transparent when these people are absolutely corrupt! They have used the State resources to advance themselves, their objectives and goals. I think it is clear, Sir.

Mr. Vice-President, I have so much more that I can say but I know that time is upon us. We feel—*[Interruption]* Well enquiries are a waste of time. In fact, I have a document here which showed—it is a newspaper report dated April 21, *Sunday Express* which shows that commissions of enquiries are a waste of time. “Fifty commissions of enquiries since 1952; a waste of time and money.” We have a Prevention of Corruption Act before the Parliament, which would deal with corruption of all forms. It will be independent. You would not have to choose people whom you want to do your political work. It is dirty politics! We want an independent organization.

Appropriation Bill (Budget)
[SEN. MARK]

Monday, October 28, 2002

Mr. Vice-President, as far as I am concerned, the road ahead for the people of Trinidad and Tobago is not a good one. I want to give them solace in the fact that the UNC represents the alternative government. We are in waiting. We shall ensure that the PNM delivers on its promises. If it does not, we shall be here to ensure that it does. The PNM knows that we have the capacity, on these Benches, to ensure that it continues to perform. It is not “ol talk” again; the PNM has to perform.

When we have to give credit, we must give credit where it is due. The UNC has performed in a way that no other government has in an equivalent period of time. We have seen economic performance among the strongest in the Caribbean and Latin America. The IMF said that:

- “Robust growth, more job creation, low inflation, balanced fiscal and external trade accounts,...”

As well a poverty reduction. The IMF:

- The strongest and most vibrant economy in CARICOM
- One of the most successful...”

All of these things taking place under the UNC! These are reports coming from the IMF!

- “One of the most successful small states in the world
- 6.4% Growth in 2000, higher than U.S, Europe and Japan
- Six straight years of strong economic growth”

UNC!

- “Six straight years of growing foreign investment”

UNC!

- “40% Drop in Unemployment Rate”

UNC! [*Desk thumping*]

- “85,000 permanent jobs”

UNC!

- “Inflation currently at 2.5%”

UNC!

Appropriation Bill (Budget)

Monday, October 28, 2002

- “6 straight years with no new taxes”

UNC!

- “6 straight years of increased Personal Tax Allowances”

UNC!

- “Universal Free Secondary Education”

UNC!

- “52 new primary, 35 new secondary schools
- Dollar for Dollar Education Plan
- 6 straight years of increased and stronger social safety net programmes”

What more do I have to say to justify that this party was robbed of the election by the PNM in the last round, Sir! [*Desk thumping*]

Mr. Vice-President, as I close I would like to say: “As you make your bed, so shall you lie.” I want to indicate to my friends, there is the famous Methodist preacher—and I wind down here, Sir—called John Wesley—because we are about love, in the Sanskrit, Dr. Saith, Mucktan Nada, that was Gandhi’s role model, he said Sir, that the Sanskrit has no word for exclusion but there is only one for inclusion. John Wesley, the famous Methodist preacher said and I quote:

“Do all the good you can, by all the means you can; in all the ways you can; in all the places you can; at all the times you can; to all the people you can; as long as ever you can; then and only then we will have a just and stable society.”

I thank you very much.

Sen. Mary King: Thank you, Mr. Vice-President. I would like, first of all, to take the opportunity to offer you my personal congratulations on your appointment to the post of Vice-President of the Senate and, of course, today to that of the Senate Chair.

Mr. Vice-President, if I am coughing in-between, please forgive me. I am suffering from, I think they call it the 20/16, and they say it is not going anywhere. [*Laughter*] But I hope mine moves.

It is, indeed, my great fortune to, again, be in this august Senate to comment on another, my second, budget presentation. As an Independent Senator, I hold no brief for any party, and, therefore, there would be no inclination or desire on my

Appropriation Bill (Budget)
[SEN. MARK]

Monday, October 28, 2002

part, to score points off anyone. So I am afraid there would not be too much drama here from me this morning.

I think it is legitimate to assume that all of our governments and, in particular, the recent governments, made their assessment of the socio-economic condition and situation of our people. I believe this is their job. In the context of our economic power and, to a certain extent, on the global economy overall, both governments would have tried their best to satisfy all sectors of the community, even if only to maintain office.

Many of us have made the statement, and I have heard it, again, reiterated last week, that one budget on its own reveals very little of the economic and the social management of a country. One of our colleagues has called for, at least, a three-year rolling budget and, obviously, with this in mind, that a budget of its own would not tell us too much. Therefore, in recognition of the common aim of governments, whichever government is in power, I have taken the two previous budget statements, that of 2002 and juxtaposed it with that of Mr. Manning's, which was delivered a week ago.

What is truly startling about both of these—and even as one led into the other—is the similarity of the thought processes of these two governments. So the philosophy is really not very much different. However, to the credit of the People's National Movement, this budget has taken much greater strides to support a society which is reeling from poverty and lack of job opportunities. [*Desk thumping*] One must congratulate the PNM for this budget and for their feeling for people.

Mr. Manning's presentation has told us, as usual, about how good our economic fundamentals are; he looked at our GDP; our exchange rates, our unemployment—which is falling—interest rates, and he even looked at foreign direct investment. And this last Index, for some inexplicable reason, has become by its magnitude, an economic parameter that measures economic development in the Third World. Few of us realize that foreign direct investment is really a continuation of the old plantation economy. It is an exploitive economic situation that gave birth to our slave and our indentured societies. Few of us seem to realize that foreign direct investment, coupled with globalization, result in a gloomy flipside of our otherwise encouraging statistics.

Mr. Manning's presentation boasted of the developments, again, in the energy sector. The recent oil find by BHP Billiton; the completion of the LNG Train 2, and he told us that Train 3 is scheduled to begin operations in 2003. This last

announcement, I presume, informs us that pricing agreements have been agreed at, and arrived at, though none of this is public. It needs to be made public, in spite of the brouhaha with which the net-back pricing of Train 2 was met, under the UNC government.

His budget statement was glowing, with respect to the continued development of our oil and gas sector. He referred to some developments from the gas and liquid plant, aluminum smelter and an ethylene plant. Mr. Vice-President, when we look back at Mr. Yetming's budget statement, in referring to the same LNG Trains and aluminum smelter and an ethylene plant, he also sang the praises of foreign direct investment in the exploitation of the natural resources. He was very proud of the fact that we had become one of the world's largest exporters of ammonia and methanol and one of the biggest exporters of natural gas.

Both finance Ministers chose a gas price of US \$22 or thereabouts per barrel of oil, and nothing has been told to us about the price of gas. So he has pegged the cash flow of their budget at US \$22, and has promised us, again, growth of roughly 4 per cent, or thereabouts, of our GDP.

Although in the *Review of the Economy 2002* Mr. Manning had very little to say about the performability of the budget; that is, what is the likelihood that he could bring it to fruition; that oil prices would hold; that commodity prices would hold, because today we see the Bush/Blair axis is attempting to invade Iraq. If this invasion should come about, we could see a fall, actually, in oil prices, which also occurred, if we cast our memories back at the start of Desert Storm. If Iraq allows inspection, again, we expect a fall in oil price. If Iraq allows inspection again, yes, there will be an inevitable fall in oil price, and the only thing that would actually force an increase in oil price, is if Iraq were to, again, damage its own oilfields, which it has been guilty of doing before.

Mr. Yetming, in his budget, also completely ignored the decaying global economy and even the impact of September 11. You would recall, at that budget debate, one Member of Parliament expected life to go on as usual, since the Americans, he said, were resilient people. He is not in the Lower House this year. In retrospect, we see the continued stagnation of the US and the Japanese economies. We see the damage that occurred to the regional economies; the virtual collapse of the Caribbean tourism industry and even the near or pending demise of our own BWIA.

Both budget presentations of the two parties seem to suggest that the export-oriented economy of Trinidad and Tobago is somehow insulated from the

Appropriation Bill (Budget)
[SEN. KING]

Monday, October 28, 2002

vagaries of the volatile global economy. The impact of this global economy on our economy, during the last year alone, should be enough reason and another lesson for our economic planners. I recall when reality did hit Mr. Yetming last year, he said: “I might now have to go back and revise the 2002 Budget Statement.”

Mr. Vice-President, I am of the view that the Minister of Finance should explain the probability of meeting his budget expectations and possibly tell us of his contingency plans; what he intends to cut back on. For instance, what are his priorities, if the export market is not as buoyant as predicted in the Review of the Economy? But in spite of the all-glowing possible statistics, all is not well in Trinidad and Tobago. The unemployment rate, as measured by our institutions, is near 11 to 12 per cent. But on the other hand they tell us our poverty rate is some 30 per cent, and that is 30 per cent of our households live below the poverty line. So how can that be? We only have 11 to 12 per cent unemployment, unless these unemployment figures actually hide the phenomenon of large underemployment, or of large numbers of people who have stopped looking for jobs. And does this, in fact, explain the burgeoning crime figures?

The jobs that are available in the growth engine of our economy—the energy sector—according to the Prime Minister, are in the main, transient construction jobs. Even these are low paying as the current crisis—and this is the first crisis we have had in this sector—being experienced in the building of the Atlas Methanol Plant reveals that even there wages are not high.

Mr. Vice-President, this is a country with vast—for its size—natural resources. These have been rapidly exploited by foreign direct investments, in the main, and vast returns are being made by foreign direct investment. The people of Trinidad and Tobago are not sharing in the riches. Thirty per cent of us are desperately poor. Some of us are now asking for the gross national product, as opposed to the gross domestic product, to be used as a measure of our economic performance, so we can actually demonstrate what we really get from foreign direct investment.

Last year when the Minister of Finance, then Mr. Yetming, was faced with this desperate poverty, in the face of such riches, he spoke to us about the plight of the pensioners, and he told us that he could only afford to increase this by \$80 to \$800 per month. Mr. Manning has recognized the same plight of pensioners and he has increased this to \$1,000 per month; a total increase overall of \$280 per month, which is really equated to \$10 or less a day. If we look at countries like the UK, this pension, which is also non-contributory there, is five times as high.

Both Ministers would have liked to have done more but neither could. The wealth of the nation to its people is, therefore, a mirage. Our local economy is driven by a worldclass energy sector that just cannot afford it.

Both Ministers talked about reviewing the tax and royalty rates in the energy sector, in the hope of increasing the pittance that we now get from the exploitation of our natural resources. Minister Yetming, in his effort to help the poor, removed VAT from salt fish, blue soap and from some toiletries. Mr. Manning did the same thing and has removed VAT and customs duties on medication, and has given free medication to the elderly. Now, I listened last week to a trivial contribution, which said that by tinkering with VAT in this way, we are losing sight of the philosophy behind the VAT as a taxation structure. Mr. Vice-President, I, and presumably most of us here, have little forbearance of maintaining the purity of any tax structure, if by modifying it we could actually bring immediate relief to the poor of this country. [*Desk thumping*]

I said last year also that it tore Mr. Yetming's heart to tell us that in this country, a country of potentially plenty, people are dying of renal failure since all we have are 26 dialysis machines and only seven of those were in the public sector. Yet all he could do, at that stage, was to allocate \$2.5 million to purchase some renal machines. Mr. Manning with the same economic constraints has told us he would install 20—yes, 20—dialysis machines and is introducing free prostate and cataract treatment and subsidized cardiac surgery for the poor. [*Desk thumping*]

Again, both Ministers recognized that we have a drastic problem in HIV/AIDS. Mr. Yetming allocated \$10 million, and Mr. Manning has allocated \$100 million, per annum, for the next five years; part of which will be sourced from a World Bank loan of \$25 million, I believe, and other international agencies. Mr. Vice-President, our people do not deserve this present public health system. Even the middle class of our society, which is supposed to be its economic bulwark, is fast becoming poor. Mr. Yetming lowered tax by the token fashion—I think it was 1 per cent—promising to do better as the economy allowed. Mr. Manning has taken the bull by the horns and reduced the 28 per cent tax band to 25 per cent, and the 35 per cent to 30 per cent. Also a new tax deduction has been introduced in this budget of \$10,000 per annum, for five years, for first time homeowners. We must congratulate them for this. [*Desk thumping*] But I would like to say that our teachers and nurses are frightfully underpaid and we need both of them, if we are going to attack the economic and social problems in our society.

This country, based on its economic fundamentals, is being referred to as: “The tiger of the Caribbean”, but a large percentage of its cubs, our talented

Appropriation Bill (Budget)
[SEN. KING]

Monday, October 28, 2002

people, live, generally in misery. And I repeat, our social services are in such a bad state that something has to be dreadfully wrong. I also said last year that Mr. Yetming's budget statement was a *cri de cœur*; "a cry from the heart" and one echoed a week ago by Mr. Manning. They both have to maintain against their will, a very large public debt, now apparently 60 per cent of GDP. The plan was to utilize some 25 per cent of total expenditure in 2002 to service this debt. And, again, in 2003, our debt service is of the order of \$6.2 billion in a budget of \$20 billion. When Sen. Yetming joined this Senate, he promised to put a cap on borrowing, but he had to go back on his promise, and in his 2002 budget he said his intention was to borrow another \$2 billion.

Mr. Manning, in his turn, now has to borrow \$4.5 billion and when you deduct the \$2 billion, which is to repay debt, you would be equating it now to a net debt increase of \$2.5 billion. So alarm bells, Mr. Vice-President, are ringing all over the country but our Government consoles itself that Standard and Poor's and, more recently, Moody's Investment Services gave us a positive economic outlook and maintained our investment grade rating.

Last year I raised the question as to Government's policy on borrowing and I realized we still have to raise that question again this year. No one is against borrowing and, especially since a government borrowing helps the bond market to go around. Some economists see that money should only be borrowed for capital expenditure. I do not share this, what I call a "limited view", unless that capital expenditure also includes human capital and intellectual capital. Today it is recognized that a knowledge-based society is essential, though let us face it, it is not sufficient for the development of a country's economy. One would hope, therefore, that funds to be borrowed are being used for innovative and new productive investments, hence my question of last year still stands: Is there, in the Ministry of Finance, some policy underpinnings for setting debt limits? The estimates demonstrate that very little of these funds—maybe in some indirect way, some will go to education—are destined for creating an economic development system.

Government sold some of its shares in NEL, under the pretext that it is good to have the public own shares directly; shares in our productive State enterprises. But that is really fallacious, since we do own them and the Corporation Sole holds them in trust for us. However, in some cases, the sale of parts of these enterprises; the sale of some of the Government portfolio can be justified if the proceeds of the sale are reinvested to improve the local productive effort and to generate new companies. It is said that the proceeds of the sale of the NEL shares, in 2002, went

to balance current expenditure. That is not a productive enterprise. The plan to divest in part, shares of the UTC, of course, will meet with my approval but only if the proceeds are used to develop the productive capacity of this country. It is also said that UTC plans to operate a capital venture fund; this is, indeed, good news and they are to be congratulated for that.

This Government has not touched or improved the Energy Stabilization Fund—and that is with reasonably good energy prices. Nothing was saved from energy savings in 2002 and the fund is still US \$160 million or TT \$1.050 billion. This is not an effective buffer for an economy like ours, which is so very open. We do not retain, locally, enough money from our export economy. We do not have a productive activity to service the needs of our people. The budget presentations of both governments, over the past two years, almost parrot each other, both in the recognition of this characteristic, and in their responses to support the poor; to improve social services and to alleviate some suffering. They have both said this. And it is worth noting here that this is, actually, in contravention of the IMF/World Bank doctrines of the days of structural adjustment. But even now we have realized, they have realized, that those doctrines help to create the poverty that we are now seeing in many countries, and we must congratulate the Government for moving away from that doctrine. [*Desk thumping*]

This support from our Government today is, in general, admirable, although some see it, unfortunately, as the development of the dependency syndrome. The poor has got to be supported and this support can only be withdrawn as we restructure our economies. The major problem, therefore, that faces us; it faces our government is: How does one restructure such a fractured economy as ours?

The budget presented by Mr. Manning sought to address this problem by first creating and proclaiming a mission to make this a developed country by the year 2020. And in doing this, it is intended to make people the Government's priority. One quantitative objective that could be derived from this vision or mission statement is that our GDP per capita—not that that should be the be-all and end-all of everything—should become some US \$30,000 at the present value, by the year 2020. What this would require, therefore, is that this economy grows by 13 per cent on average each year for the next 18 years, and compare this to the present rate of 3 or 4 per cent.

Growth depends, in part, on investment. What this budget seems to suggest is that the bulk of this investment is going to come from foreign direct investment. Our present economy, still a plantation economy, demonstrates that foreign direct

Appropriation Bill (Budget)
[SEN. KING]

Monday, October 28, 2002

investment-driven growth occurs in parallel with abject poverty and despair for a large number of people. Some 4 per cent of the \$20 billion budget is allocated for development investment. Let that figure sink in, 4 per cent of the \$20 billion budget. I will return to that a little later when we want to talk about transformation.

The road ahead for this Government consists of a set of strategic investments and reforms. The investments include further FDI, as I just mentioned, in the energy sector; developing physical infrastructure in the agriculture sector and fisheries; investment promotion and export development in the manufacturing sector, and the expenditure of \$305 million in the tourism development plan; and this last one, \$305 million in tourism is expected to produce up to 15,000 jobs, and the objective seems to be to take advantage of eco and sports tourism, and the hosting of conferences.

Also in recognition of the importance of the creation of this knowledge-based industry and knowledge-based society, one object is to develop the human resources based on the education White Paper 1993—2003. But nothing said, in the presentation, relates directly to the methodology of creating this knowledge-based industry. We may create more educated people, for example, by pushing the tertiary education rate up to 20 per cent, but this may simply generate more people for export. A recommendation was for the establishment of a university of Trinidad and Tobago and that is another point I would like to come back to in a little while.

Another objective was the formulation of a light manufacturing park at Wallerfield to attract both foreign and local investments. So let us look back at how the UNC was going to restructure the economy. The pillars on which Mr. Yetming intended to hang the changes were: the creation of a technology park at Wallerfield; the Invaders Bay project—also included in this budget this year, by the way; the development of a cardiac centre; the building of a waterfront conference centre and other tourism facilities; agricultural development and improvement of the manufacturing sector.

So when we look at both, both governments share the same views as to the strategic path towards economic and social development of this country. I think any development which is based on attracting further foreign investment would continue exploitation of our people via the low wages—and we have to have low wages in certain areas to be in competition with other developing countries. Both governments have the similar vision for Wallerfield. The knowledge-based industry envisioned by both, appears to be the provision of call centres and

providing us with a people trained to be users of information from abroad, as opposed to being content providers. Maybe we would continue to give tax concessions to get people from the North to come down and set up the industries in Wallerfield. The planned light manufacturing sector, if locally investment driven, could help in restructuring this economy. However, neither of the governments has addressed or identified the mechanisms that would bridge the gap between creating more people with degrees and certificates, and the building of entrepreneurs and innovators, or identified the necessary local investment for such a manufacturing sector.

Mr. Vice-President, government after government would claim that they have put in place a support structure for entrepreneurship and innovators. We will hear about the DFC, which is now DFL; the SBDC, which is now the BDC and NEDCO; VCIP and the venture capital companies that it has spawned; the Agricultural Development Bank, et cetera, but none of these have been consistently able to provide any business development that could be seen as, eventually, rivalling the activity in the offshore economy. Even the manufacturing sector, of which we boast, according to our recent survey, they do not use professional engineers, and why? Because manufacturing in Trinidad and Tobago is about importing a machine, together with material inputs, generally; employing cheap labour to feed and maintain the machine, and to package and market those outputs in the region.

Knowledge has nothing to do with manufacturing in Trinidad and Tobago, and neither has research and development. I went through all the estimates of expenditure, all the sectors and I saw very little in research and development funds. It is worth noting here that Mr. Manning, in his budget speech said we are working hard, developing risk and venture capital for these sectors, in particular, knowledge-based industries which require partnerships. But there is nothing in the development finance allocations to support this statement. So I ask, Mr. Vice-President, where are we really going?

This budget intends to reduce the corporation tax on businesses outside the energy sector. The idea here is that this money would be reinvested into new business opportunities and I say this is wishful thinking. We surely could recall the reluctance—no, the refusal of the current private sector to use the high liquidity at lowered interest rates to invest in new productive activity; it is happening up to today—as it were, giving a lie to the economics that we learn in school; the economic law that savings equal investment—not here.

Both the last Minister of Finance and the last Central Bank Governor are now on record expressing their disappointment on these circumstances of large

Appropriation Bill (Budget)
[SEN. KING]

Monday, October 28, 2002

amounts of liquid cash and no takers for investment. So, Mr. Vice-President, I am asking: Has anything changed over the years?

Both governments proposed development in tourism as one of the pillars of our development. I do not think we have a tourism plant to compete with the Bahamas, Jamaica or Barbados, and we still continue to pollute our beaches, even in Tobago. Hence, what is our competitive advantage or what are we going to do to create this advantage? It cannot be to reduce the airfare between Trinidad and Tobago or offer people quick weddings in Tobago?

Activities in terrorism worldwide—and they are escalating—would put the damper on tourism even in this region. Tourism in the short to medium term is not a pillar of economic development for Trinidad, nor Tobago. Tobago would have to seek its own entrepreneurs and/or innovators across other industrial activities for the next few years.

Mr. Vice-President, for this Senate, I have quickly reviewed both budget presentations from the Ministers of Finance 2002 and 2003, and in philosophy there is no difference with respect to a reaction to poverty in the country with such a burgeoning energy export sector. Of course, this budget has given us a lot of hope that we would begin to tackle poverty.

There is, however, some lack of vision as to how to restructure this onshore economy, such that high-paying jobs are created via our own efforts. Today our onshore economy is linked to the rewards of the offshore economy—oil and gas. Many developers onshore are either in direct support of the sector or are means whereby the pittance received or reaped from energy is spent on consumption onshore. Both governments are telling us the right words: entrepreneurship, innovation, knowledge-based investment, et cetera, but neither, in my view, has established a matrix that binds these all in the creation of a vibrant onshore economy.

Mr. Vice-President, let me begin to conclude my contribution almost as I did last year, since the present budget could be described as almost a clone. I have picked out the areas where I thought were not clones of the one that went before it. One thing which is different and for which we must credit the present Government, is that it has taken the greatest risk with regard to support of a society reeling from poverty and lack of job opportunities. This risk is counterbalanced by the hope that the world economy would not go further into decline and the increase in production with appropriate prices in energy, would provide us with the wherewithal to fund these benefits in this budget.

It is my view that we have to grow this economy by at least 13 per cent per annum, and it is well established that an important ingredient has got to be well-educated people—not necessarily 20 per cent of the population with tertiary degrees and certificates. What has to be put in place is to enable these well-educated people to contribute. We must establish centres of excellence, business development units, venture and investment capital, and we must establish the local branding market. It appears to me to follow that centres of excellence should include our universities and our graduate research institutions. Hence, unlike some of my colleagues, I support the creation of a university of Trinidad and Tobago, though, perhaps for different reasons as I have heard. The education of 20 per cent of our cohort at tertiary level has no direct bearing on economic development. Our better people have got to be channelled into innovative work, and what we have today that could actually do this—yes, we have a university but, unfortunately, the culture of the University of the West Indies is alien to economic and industrial development of the region. [*Desk thumping*]

The University of the West Indies sees itself as though it were a university in the developed world where the performance criteria is certification, research and international publications. We have all heard that “Publish or perish” thrown at lecturers as they join the staff. South Korea found itself in the exact position and had to build new industrial universities. They had to build new institutions with the required new culture. It is almost impossible to change the culture of such traditional universities, like the University of the West Indies, hence we need an industrial university of Trinidad and Tobago; a university that is geared, not to producing hands for the energy sector, like the TTIT—as necessary as this may be—but we must produce the entrepreneurs and the innovators.

This new institution should house the business development units and the University of the West Indies could have a part to play in certifying its degrees, just like the IOB and other associated institutions. However, none of this will succeed without both venture capital and the local branding market. The efforts in creating venture capital, to date, have really failed. The creation of the Credit Union Bank to channel such funds into venture capital is a very innovative idea, which could fail again unless it is properly thought out. The return on venture capital is not immediate, and credit unions tend to offer its shareholders quick access to cash for consumption purposes. This culture is something that would have to change, if we want a successful credit union venture capital fund. It seems a long time ago now—it was actually in 1997—when I suggested this to a credit union in my address to them at an annual general meeting. Sen. Enill, I am sure, remembers this, as he was present that very day. So it is certainly a move in the right direction.

Appropriation Bill (Budget)
[SEN. KING]

Monday, October 28, 2002

All of our governments see no problem, even if they have to incur debts, in providing cash support for the poor; in becoming a lender of last resort for BWIA; in transferring \$1.3 billion to statutory boards and similar bodies, but for some reason venture capital—the investment of Government funds into new productive enterprises, in my mind is as important as support for the poor because without this investment, the poor will get poorer, as the energy sector declines—and it will—with the depletion of natural resources. As our academic elite is now realizing—it was the PNM Government which was innovative and entrepreneurial before now, when Dr. Eric Williams built Point Lisas. I believe that this Government is the one in position to do so again. [*Desk thumping*]

Finally, we have world-class consumers of industrial products and services, in the main sectors of our economy: in the productive sectors; the energy sectors; the telecommunication sector; hence, I believe these markets have got to become the markets of choice for the local innovative products—become the branding markets, as it were. The implication here is that local innovative development is required also in our energy sector and economic development should not be construed as only diversification out of oil and gas. We have the capability to improve upon the energy sector.

In this regard, our Government has a role to play via fiscal incentives and the like. This is not a new idea, this happens in developed countries all over the world; in the United States of America, Canada and the European Union, and do not tell me it is subsidizing, they are leading the way in the world.

In closing, we understand the structure of our present economy—this plantation economy. We know that we are our brothers' keepers and in spite of the Washington Consensus, we have provided social support for the poor. We understand the need to restructure the economy and we know some of the ingredients which we must put in place. What we seem not to know is how to put a system together that integrates our human resource, our investment and local markets, so as to produce an export competitive economy. What we do know, too, is that it involves a culture change in the financial, in the educational and industrial sectors.

There is a view that our economy is too export/import oriented—last week I heard a real meaningless statistic that says that the sum of our imports and exports is greater than our gross domestic product and said that is bad. Why was it bad? It is said it was bad because it is not so in the United States of America. What we need to examine is what does a small economy do in an open and global market? Specialization may be the only answer, and we all know that specialization drives trade.

Appropriation Bill (Budget)

Monday, October 28, 2002

Mr. Vice-President, I had a final thought this morning on the present Government's proposal to build a regional natural gas pipeline so as to help our neighbours and to preserve our regional markets situation. At today's prices, the cost to construct a pipeline is of the order of US \$1—\$3 million per mile. So we are looking at TT \$6—\$20 billion for a 1,000-mile pipeline and it also needs intermediate compressors on that line. Further, the implication is that this would be funded by local and regional capital, however, I will like to throw out other alternatives one of which is to use the output of the gas-to-liquid plant—which is in the budget—which uses the conventional transport facilities and we could even use methanol as a transport fuel. Further there is the opportunity to use natural gas hydrate, which presents local entrepreneurs and innovators with a whole new project, which is much more cost effective than LNG or in building a regional gas pipeline.

Mr. Vice-President: Hon. Senators, the speaking time of the hon. Senator has expired.

Motion made, That the hon. Senator's speaking time be extended by 15 minutes. [*Sen. Dr. E. Mc Kenzie*]

Question put and agreed to.

Sen. M. King: Thank you, Mr. Vice-President and colleagues. I really thought I had timed it beautifully but I am a few minutes out. However, I was suggesting that there were other alternatives to a natural gas pipeline in the region, one of which was a gas-to-liquid plant which uses conventional transport facilities and we could also use methanol as a fuel, and the other alternative is the natural gas hydrate, which presents local entrepreneurs with a whole new project and could be locally owned—it is not very expensive—and has lots of returns on our investments. Our industrial sector appears to be more suited to the purchase of technology, plant and equipment from abroad, which we babysit, than innovative project developments; that is, we seem to be economic development adverse. I think, for God's sake, let us begin to break that mould and move forward to a nation that we all know we could be within the next 18 years.

Thank you very much, Mr. Vice-President.

Mr. Vice-President: Hon. Senators, we shall now break for lunch. This Senate is, therefore, suspended for one hour. We shall resume at 2.00 p.m.

12.58 p.m.: *Sitting suspended.*

2.00 p.m.: *Sitting resumed.*

The Minister of Science, Technology and Tertiary Education (Sen. The Hon. Danny Montano): Mr. Vice-President, thank you very much for the opportunity to speak this afternoon. Before I go into my contribution I would like, first of all, to congratulate you on your assumption of the role of Vice-President and we look forward to your rulings, your wisdom and your impartiality as the proceedings progress.

Mr. Vice-President, I want to deal a little with some of the remarks made by Sen. Mark when he responded to my colleague, the Minister in the Ministry of Finance, Sen. The Hon. Enill. I have a few notes of some of the things he said. One of the things he said, and clearly, it demonstrated a complete lack of understanding of economics and of the subject matter that we are here to talk about this afternoon and that is, finance and the economy. He said that there was nothing in the budget to stimulate the economy. Those were his words, nothing to stimulate the economy.

Well, Mr. Vice-President, one of the things that always tends to stimulate, at least the private sector, is a reduction in income tax rates. Of course, all of us are employed and we all pay income tax on our incomes, on a personal level, and the corporations pay corporation tax. When one reduces the level of income tax what one, in effect, is allowing is more discretionary income in the hands of the private sector either for consumer spending or for investment. In either way, that stimulates the economy. That is the effect of that.

Now, it is a question of whether one considers that lowering the tax rate is an appropriate financial measure or whether it is not and I did not hear him say that it is not an appropriate fiscal measure. I did not hear him say that, therefore, his comment that there is nothing in the budget to stimulate the economy falls with a heavy thud because it is just absolute nonsense. It means absolutely nothing. The proof of the pudding is in the eating.

Mr. Vice-President, with the measures that were announced in the budget last week—a scant week ago—one only has to turn to the stock market, which is fairly vibrant and is a pretty good indication as to what the thinking is in the marketplace, generally and specifically, in the private sector. It is a pretty good yardstick as to whether or not there is confidence in the Government; whether there is confidence in the local economy. That is what it signals. What happened after the budget was read?

Mr. Vice-President, I have to tell you that the stock market had the largest gain on record. [*Desk thumping*] Over the past six years when we had to sit on the other side and listen to some of the nonsense that was spewed from this side of the Chamber, that never occurred. That never occurred, but under this Government you have the largest gain on record. Let me just show you exactly what has taken place on the stock market in the past week; just the past week alone: Angostura went up by 19 cents, 4.5 per cent of its value; ANSA McAl, \$0.20, 1.4 per cent; Barbados Shipping, \$0.20, 1.9 per cent; Grace Kennedy, \$0.06, 1.2 per cent; Guardian Holdings, \$0.54, 3 per cent; Lever Brothers, \$0.40, 1.6 per cent; NEL, which just floated millions of shares on the market went up \$0.20, a gain of 4.2 per cent. National Flour Mills went up \$0.16, 5.3 per cent; Royal Bank went up \$0.48, 3.1 per cent; Readymix went up \$0.10, 1.7 per cent; Republic Bank went up \$1.86, 4.5 per cent; Scotia Bank went up \$0.75, 4.1 per cent; TCL went up \$0.40, 7.4 per cent; Trinidad Publishing Limited, \$0.12, 3.5 per cent and L J Williams, \$0.21, 10.5 per cent. [*Desk thumping*] If that is not confidence I do not know what is. The average increase is 3.9 per cent—that is in one week—and if you analyze that it is 204 per cent. What we have done, in the word of Sen. Mark, is that we have done nothing to stimulate the economy. I do not know what else we could have done to generate that level of confidence.

Mr. Vice-President, you must understand too, that there is a complete lack of understanding from some of the utterances that were made. He said that we did a terrible thing to remove the export allowance and that the manufacturers and exporters are going to be hurting because they no longer have the export allowance. I do not even think he understands what the export allowance is. For those of you who do not know, the export allowance is a tax measure and what it does is that exporters who export outside of the Caricom region effectively pay no income tax on the profits on the sales of products outside of Caricom. It is a tax measure only.

I want to remind this honourable Senate that back in 1997 and again in 1998 the then UNC Minister of Finance signalled that it was a requirement of the World Trade Organization that the export allowance had to be removed. I took issue with him then and he told me frankly, “Senator, we have no choice. It must be done.” I said, “Well, fine.” But understand what the effect of the measure is. It is a tax measure and it encourages companies to export because it means that they can keep a larger share of their profits. It does not mean that they make no profit; it just means that the profits are tax free and that is a pretty nice deal. The reality is that the rest of the world looks at that as being a subsidy and the World Trade

Appropriation Bill (Budget)
[SEN. THE HON. D. MONTANO]

Monday, October 28, 2002

Organization will not allow that level of subsidy any longer; not if we want to trade with the rest of the world.

Unless we do this, what we will find is that they will raise tariffs on our exports so there really is no choice. Now, once you understand that then, quite frankly, any of the comments are just in the word I remember of Sen. Mark, piffle.

Mr. Vice-President, he also spoke about the measure to include VAT on the export of services to companies that engage the services in Trinidad and Tobago and that that is a retrograde measure. The Board of Inland Revenue has advised that there are people who are abusing that system by setting up dummy companies outside Trinidad, but, in fact, servicing companies inside Trinidad. Therefore, they are making a loophole so there is no VAT being charged on the services. It is to close a loophole because there are those in the system that are abusing it and there is no other way to stop that level of abuse but by shutting the door entirely on that system.

I would ask the good Sen. Mark if he is on the side of those who are abusing the income tax regime. How can someone who has been in government take a stand like that? That is completely wrong.

He went on to ask: Where are the incentives for employers to train? Then, at some point he started to talk about the On-the-Job Training Programme and he said that it was not advertised and that it was being done in secret like a lodge. He said that the Government had become like a lodge and it was doing things in secret. Well, let me tell you something. It was done in such secret that we managed to get over 10,000 applications from youngsters who cut out the application forms from the newspapers. So, of course, they knew nothing about it. [*Laughter*] They had dreams; it came to them in dreams that we had this coming.

Mr. Vice-President, let us get real. Let us talk sense. Everybody knew about it and, of course, it was advertised, or else, how on earth did these youngsters manage to apply for it? Then he spoke, also, about the pension proposals and that the Government had agreed with the International Monetary Fund (IMF) to do certain things and so forth. We are a responsible administration and the cost of pensions is an important part of the world economy. We recognize that pensions form an integral part of the whole economic framework and, of course, the lives of our senior citizens and we must ensure the financial integrity of the social welfare system; pensions, whether it is private or public.

We went to the IMF and said, "Listen, we think we need to look at the pension system, can you advise us as to whether what we are doing is wrong or right; or

Appropriation Bill (Budget)

Monday, October 28, 2002

maybe advise us as to what you think we should do.” It was only a request for information and for advice. Let me assure you that the Government has taken no decisions on the report that the IMF prepared. Here is what the document *Options for Pension Reform* by the International Monetary Fund said:

“...based on present policy, the mission estimates that the combined total of outlays for the OAP, pensions under National Insurance...and the public service pensions will rise from 3½ percent of GDP in 2002 to 4½ percent of GDP in the year 2020 and 9½ percent of GDP in the year 2050.

In this context, the mission has assessed how Trinidad and Tobago’s pension system could be placed on financially sound footing...”

Punto finale. That is all it was. We asked for some advice, we asked for someone to study it and they gave us an objective opinion as to what they thought that we should do and we got that advice. Our experts are now looking at it, coming up with our own set of recommendations. That is all there was to it.

One other matter is that I recalled the good Senator saying that over the six years there were no new taxes; like the Bush administration. Well, I do not know if it is called the Green Fund or the levy for the Greed Fund. I call it a tax and I know that in 1995 it did not exist. That is a complete untruth. It just is not true.

Mr. Vice-President, I would turn, if I may, for a few minutes to the Ministry of Science, Technology and Tertiary Education with which I have been charged. I have to admit that I have had somewhat of a disadvantage, in the sense that I have really had only a matter of hours in that ministry. Over the past week or so I have had duties elsewhere. I was summoned as a witness in a court case and my time was just not my own. So, I have had a limited amount of time to fully assimilate what the duties of my ministry are, but I do understand where my Government is headed. That much I do understand.

Mr. Vice-President, I do understand that in the 21st Century, that no modern democratic nation can progress and go forward while leaving behind nearly one quarter of the population who live in poverty. That cannot happen. In my Government’s Vision 2020, it is important for us to understand, as Sen. King was saying earlier, that we know that we have what I would call an under class—those who have no education and no employment. We have a group that we have to deal with. We have to find a way to bring them out, to elevate them and to give them the opportunities that are necessary in the society.

Appropriation Bill (Budget)
[SEN. THE HON. D. MONTANO]

Monday, October 28, 2002

We understand, too, that this can only happen through education, beginning with primary education all the way up to advanced tertiary education. In addition, you have to understand what the whole budget is all about and how it fits together. Much of the thrust of the budget is aimed at the social programmes and it is aimed directly at providing relief to those who need financial assistance.

There are those who talk about the dependency syndrome; those persons are already dependent. They are already dependent on the State, and the fact that you gave them nothing does not mean that they are not dependent on you. The fact is they are and you either chose to help them or not. That is the choice. [*Desk thumping*].

Mr. Vice-President, the question is how. Do you simply provide handouts, or do you attempt to design programmes where they can actually make a meaningful contribution to society and gain an education for themselves at the same time so that they can make an even larger and more fulfilling contribution to the national economy? That is the challenge.

If you look at this budget, Mr. Vice-President, and if you listen to the words of my colleagues, you will understand that this is what this administration is all about. I think that Sen. King put her finger on it very accurately. She pointed to the social programmes and to the effect that it would have on the whole economy, and coming out of that, the effect of further—the question—as I was chatting with one of my colleagues over lunch—whether it is referred to as tertiary education or post secondary education. To me left hand or right hand, it is the same thing because it is after secondary education, whatever it is; and there are different levels for everyone. It does not mean that everybody will be a rocket scientist, but it does mean that everybody must have the opportunity, whether he can afford it or not, to make a meaningful contribution to himself and his family.

One of the things that I learnt for the first time when I came into Government earlier this year, was the level of destitution and poverty in the country. While I had seen it from a distance, I had never seen it up close and personal like I saw it this time around and I began to understand. I understood it in a technical sense, but I saw it first-hand. I met some of the young men and women for the first time who said, “We don’t want to have to sell crack. We don’t want our women to be prostitutes, but quite frankly we have no choice. If we don’t do this we don’t eat. It is as simple as that.” Those numbers are not tens or in the hundreds, they number, unfortunately, in the thousands. Those are the individuals that we have to do something about. Because if we do not, the lessons of the past will come back

to haunt us if we do not remember to look after those who cannot look after themselves.

Mr. Vice-President, you have to understand, as well, that after six years of UNC rule and unprecedented growth in the country, the plight of those persons has not changed. After six years there has been no change. That is why, after six years they came out in their numbers and voted for this administration and they have put us here because we care about them. [*Desk thumping*]

No, Mr. Vice-President, what they want is the opportunity for huge contracts; to build another \$1.6 billion airport that should have cost \$600 million in the first instance. That is what they want. They talk about the patronage of the PNM, but I do not even know what to call it when it is UNC style. I do not even have a word for that. I do not think a word exists for it. The word “obscene” comes to mind, but I do not know what to call it.

To turn to my ministry, Mr. Vice-President, one of the things that the UNC did over the last six years—in 1997—was that they amalgamated a number of institutions into one organization called the College of Science, Technology and Applied Arts of Trinidad and Tobago (COSTAATT). This is an amalgamation of Niherst, the John S. Donaldson Technical Institute, the San Fernando Technical Institute, the Eastern Caribbean Institute of Agriculture and Forestry, Joint Services Staff College, the Government Vocation Centre and the Metal Industries Company.

Now, while it was a good idea, and while it remains a good idea, the fact of the matter is, like almost everything else they did, they had a good thing going and they did not know what to do with it. They formed COSTAATT and, quite frankly, the institutions remain doing exactly what they were doing before. Nothing actually changed within those organizations. The success rate of the students has not changed. The people who can access all of the programmes have not changed. The numbers of persons benefiting from the organizations have not changed. Nothing has actually been done, and they have not even really been able to form it into a cohesive organization. Everybody still knows all of the “campuses” as “John D” or “San Fernando Tech”. It is not called COSTAATT. Hardly anybody really knows that COSTAATT is a college in its own right with several different campuses with each specializing in different things. They took it nowhere.

Mr. Vice-President, the pass rate in some areas is still as low as between 25 and 35 per cent. Clearly, it failed and it is failing. When you have an educational

Appropriation Bill (Budget)
[SEN. THE HON. D. MONTANO]

Monday, October 28, 2002

facility that can only pass a quarter of the students, you cannot come here and tell me that it is because the standard is so high. You are failing. If, as a teacher you cannot get your students to learn, you have failed, not the student. It is the teacher who has failed and it is the system that has failed; but that is education UNC style.

Notwithstanding that, we understand what the difficulties are and that will be corrected. I hope that next year, this time, I will be on my legs saying, with some pride, that the pass rate has improved. The budget has been allocated \$24,054,636.

Mr. Vice-President, I turn to the National Energy Skills Centre. This, again, was something set up under the UNC administration. To date it has 3,294 graduates, 80 per cent of which have found jobs both locally and internationally. So that the success there has been very good. I wonder why.

The Trinidad and Tobago Institute of Technology (TTIT): The current student population at the Trinidad and Tobago Institute of Technology is 1,210 comprising 650 full-time students and 560 part-time students. Through partnerships with internationally acclaimed US and Canadian institutions, TTIT offers a four-year Bachelor of Applied Technology Degree; two-year Diplomas in Technology; a one-year Certification in Process Operations and a wide range of continuing professional development courses. Three million dollars has been allocated in the 2003 estimates for the Trinidad and Tobago Institute of Technology comprising of a Caribbean Development Bank (CDB) loan of \$2.5 million and \$.5 million coming from the Government of Trinidad and Tobago.

In addition, \$350,000 has been allocated for the upgrading of technology centres at Port of Spain, Pointe-a-Pierre, Ste. Madeleine and Point Fortin. Government will also undertake preliminary works for construction and equipping of technology centres at Palo Seco, Morvant/Laventille, Diego Martin and Sangre Grande at a cost of \$500,000.

Skills training at NESK: At the present time approximately 226 persons are enrolled in NESK Skill Training programmes. Training is ongoing and a number of skill areas including: carb and steel welding, advanced welding, pipefitting, fabrication, construction, electrical installation, industrial maintenance and instrument fitting.

Government will seek to expand the programmes offered by the National Energy Skills Centre and the Trinidad and Tobago Institute of Technology by providing funding as follows: \$500,000 for the establishment of an automotive centre and \$500,000 for the construction of a drilling school.

Computer Training: Computer literacy, as well as Level II computer training has been provided to approximately 6,850 members of the general public for the year to date. Computer centres are located across the country in both urban and rural areas using facilities at secondary schools during the vacation period. New centres were opened in La Brea and Palo Seco and additional centres are planned for Sangre Grande and Laventille

Helping You Prepare for Employment (HYPE): This programme targets those persons who have left secondary school and have been unable to find employment, either because they do not possess the necessary level of academic achievement or technical skills which can make them marketable in the workplace. The first phase of the HYPE programme was completed at the end of August. Of the 712 trainees originally registered, a total of 684 successfully passed the programme with 187 being awarded certificates of achievement. A very high pass rate.

A training programme for HYPE instructors was conducted during the week of August 19, 2002 in preparation for the start-up of Phase II, Building Construction Technology on September 16, 2002. This phase is of six months duration and includes options in music and physical education.

The programme followed the direction of Cabinet and maintained its cost within the approved budget of \$13,930,000 million. The second cycle of HYPE training commenced on September 30 with a new intake of 691 participants. Cabinet has also agreed to the establishment of an integrated HYPE programme in Tobago at an estimated capital cost of \$635,000 and recurrent expenditure of \$1,457,760.

Metal Industries Company Limited: During the last financial year, the Metal Industries Company Limited, through its training division continued to make an impact on the industrial sector and the energy-based industries. Its clients' list has expanded and there is a continuous demand for the MIC brand of training. The following highlights some of the major achievements over the last fiscal year: they have provided technical support to major manufacturers in Trinidad and Tobago; they provided skilled manpower to industries including the energy sector; they provided opportunities for on-the-job training for engineering graduates from UWI in design and product manufacturing; they have trained more than 200 trainers; they have trained, re-trained and upgraded more than 1,000 workers for industries and they have conducted training programmes in a number of institutions and agencies. Government will provide Metal Industries Company funding with the sum of \$11 million for capital and recurrent expenditure in the coming fiscal year.

Appropriation Bill (Budget)
[SEN. THE HON. D. MONTANO]

Monday, October 28, 2002

Trinidad and Tobago Hospitality and Tourism Institute: The Government recognizes that the skilled labour force in the tourism sector is of importance for economic development. In recognition of this fact, the Trinidad and Tobago Hospitality and Tourism Institute has expanded its programme offerings to include associate degrees. It is currently offering a degree in Sports Tourism Management. The enrolment figure for the academic year 2002 to 2003 is 460 students, 406 full time and 54 part time. The institute has developed a human resource management information system which links with industry. The system will enable industry partners to access skilled and qualified persons for employment and to track the development of these people within the industry. Government has allocated \$4 million to the institute as follows: recurrent, \$2.8 million and capital, \$1.2 million.

Mr. Vice-President, the On-the-job Training Programme, the one that Sen. Mark does not know anything about. During the past nine months a number of initiatives have been put in place by this administration to addressing the key social and economic issues facing the Government. The On-the-job Training Programme was one of 22 priority projects implemented in the past nine months.

The On-the-job Training Programme began in June 2002 when the technical staff assumed duties. This programme is designed to provide young persons with the opportunity to acquire work experience in order to develop the necessary skills and attitude for their entry or re-entry into the world of work. What happens is that the Government finds apprenticeship jobs for a period of six months. The Government will then pay the employer \$3.50 per hour for a 40-hour week for the duration of the six-month period. So the jobs are found both in the private and public sectors.

In the private sector it means that if you hire any one of these individuals, coming from the Ministry's On-the-job Training Programme, the Government will subsidize that employment to the tune of approximately \$525 per month. So that people can get exposure to the jobs that they require. Now, that does not mean that they are paid \$20 per day. That means that is what the Government is paying. The Government is paying \$3.50 per hour, the employer can pay them anything at all. In fact, in the Government service, entry level trainees are paid \$1,250 by the ministry. Technicians are paid \$1,800 and university trainees, in fact, are paid \$3,000. So it means that if a private sector company decided to hire one of these persons they could pay them \$3,000, \$4,000, \$1,500 per month or whatever it is, the State would make a contribution to the extent of \$525 per month.

In addition, it is useful to note, Mr. Vice-President, that one of the initiatives of the last administration was the employment allowance. That is to say, when somebody new is hired and it crosses the end of the year you get a 200 per cent allowance on the cost of your payroll. The tax incentives are there. There are real benefits here and these are the measures to encourage employment and training on the job.

As of September 30, 2002, 1,624 persons have been placed. Expenditure in the sum of \$1,258,632 was incurred in respect of stipends paid to apprentices. For the year 2003 the Government has budgeted \$17 million. The process of securing training opportunities, interviewing and selecting for placement is ongoing and, as I said, the ministry has received more than 10,000 applications to the programme that was not advertised to Sen. Mark's satisfaction.

Retraining programmes—Technical/Vocational Skill Training: This programme targets unemployed persons in the age group 18 to 45 who need to be trained in a new vocational skill area. It also targets persons who have graduated from the formal school system but found themselves inadequately prepared to penetrate the job market. Through the programme, persons from rural areas not usually able to readily access training are able to re-skill themselves.

Skill areas and locations are selected to suit the needs of the local economy and to facilitate development of needed skills in the rural and suburban areas.

In the recently completed retraining cycle, which was conducted in the period June to August 2002, 968 trainees were selected from approximately 3,000 applications to fill 75 classes in 25 different skilled areas. In this cycle the programme was expanded in terms of the number of skills offered and, by extension, the number of training providers and geographical areas. The following six skill areas were offered for the first time: flat glass design and construction; upholstery and furniture designs; small engine repairs; boat building and net repairs; auto air conditioning and landscaping. Training was conducted for the first time in areas such as at Matelot, Grand Riviere, Palo Seco, Sea Lots, La Brea, Quarry Village, Matura and Carapichaima. Class sizes ranged from 10 to 15 so as to ensure high individualized instruction, thereby providing ample opportunity for optimal performance.

Training providers are responsible for providing suitable accommodation as well as all the equipment, tools, utensils, materials and ingredients as stipulated by the ministry. Additionally, the training provider supplies each trainee with a starter kit with some basic tools required for the skill that the trainee could use

Appropriation Bill (Budget)
[SEN. THE HON. D. MONTANO]

Monday, October 28, 2002

after completing the course. For the fiscal year 2002/2003 the sum of \$5 million has been allocated for the retraining programme.

Mr. Vice-President, one of the things that needs to happen also, within the tertiary education sector, is that the training and understanding of what is being taught here has got to be made more uniform. At this time there are two agencies that are dealing with the accreditation process. There is the Committee on the Recognition of Degrees and the National Training Agency.

Now, this is not an easy situation to deal with. What is happening presently, is that in the private sector there are a number of tertiary institutions and, of course, even within the Government sector we have a number of organizations—San Fernando Technical Institute, John S. Donaldson Institute and so on—and there is no formal process by which any institution would recognize what a graduate has learnt from any other institution. There are institutions in the private sector that are holding themselves out as being quasi university level schools, offering degrees to the public and no one in authority has looked at the programmes to see whether, in fact, these qualifications and schools are worthy of the designations they call themselves and the designations of the certificates they are passing out.

It is very important, Mr. Vice-President. In the United States it has become a runaway horse and people are getting university degrees simply by making an application online and paying a \$20 fee and we run the risk of going down that road. What we need to do is to set up a commission that will ensure that there is standardization and a uniformity of standards throughout the country. Exactly how to do that, we have not yet determined. What we do know is that the University of the West Indies is a resource base that we can start with because they understand it and have been dealing with it for some time.

Mr. Vice-President, we would be forming a group to study the issue and we will be leaning heavily on the advice that we get from the University of the West Indies and the people who work there. That is not an easy nut to crack and it would take some time. Coupled with that is the idea of creating what has been called a seamless education system. With that, allow me to indicate that the cumulative impact of investment on education is difficult to determine in the absence of a coherent education and training system. A comprehensive education and training system must clearly demonstrate the linkages and effects of the various inputs, throughputs and outputs that characterize the four levels of education: pre-school, primary, secondary and tertiary level. In this regard, Cabinet, in June this year agreed to the establishment of a steering committee to design a seamless system of education and training in Trinidad and Tobago. The

committee has begun its work and is currently finalizing its report that will allow for full movement in the system. Government will seek to put in place in the medium term, policy guidelines and a system of credit transfer.

Distance Learning: This Government is committed to the creation of a culture of life-long learning through the facilitation of distance education. The Government recognizes that for our nation, life-long learning is essential to a strong economy and an inclusive society. In offering a way out of dependency and low expectation, it lies at the heart of the Government's social reforms. We must bridge the learning divide between those who have benefited from education and training and those who have not which blights so many of the communities and widens income inequality.

Life-long learning can overcome this by building self-confidence and independence. In the short term, my ministry will develop a National Distance Learning policy, review the organizational structure of the distance learning secretariat with a view to filling key positions and review the operations of the community-based distance learning centres. However, no expansions would be considered until the National Distance Learning policy is clearly articulated. For this year, the distance learning initiatives have been allocated the sum of \$3.5 million for recurrent and capital expenditure.

Mr. Vice-President: Hon. Senators, the speaking time of the hon. Senator has expired.

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

Question put and agreed to.

Sen. The Hon. D. Montano: Mr. Vice-President, I would like to thank, not only my brother, but the rest of my brothers and sisters in the Senate for their kind indulgence.

Mr. Vice-President, the University of the West Indies has completed its new strategic plan for the five-year period 2003—2007. The plan seeks to ensure that by 2007 the university would have undergone such fundamental change that it will be transformed into an institution with an international reputation for excellence. It will seek to use the new information technologies to improve the management of its key academic and administrative processes and to strengthen overall institutional effectiveness.

The university recognizes several challenges to which it must respond:

Appropriation Bill (Budget)
[SEN. THE HON. D. MONTANO]

Monday, October 28, 2002

- i) the increasing competition from higher education providers from outside the region;
- ii) the growth of public and privately owned tertiary institutions from within the region;
- iii) the desire of contributing governance to increase access to high education;
- iv) the need to ensure that academic programming is responsive to changing human resource needs in the region while maintaining standards of excellence;
- v) the necessity to use resources effectively; and
- vi) the desirability of achieving a more student-censored environment.

Government's contribution to the University of the West Indies is just over \$304 million from which \$14 million will be allocated to the University Students' Guaranteed Loan Fund.

Mr. Vice-President, what I have tried to outline for you is a little of what the ministry is all about. I have also tried to articulate the philosophy of my administration with regard to tertiary education. I have said very little about the proposed University of Trinidad and Tobago, primarily because it is very new and there are no specific plans on the table as yet. We understand where we are going and we know that there is room for a new university that can do new things that will embrace new groups of persons.

The long and short of it is that insofar as the University of Trinidad and Tobago is concerned, in its infancy it will focus on science and technology. It is likely that the emphasis will be this; that rather than focusing on teaching students to be users of the technology, the university will take it to the point where we can become the engineers of a technology. We have some very bright people in our land and there is absolutely no reason why we cannot aspire to that level.

I have already been in touch with groups outside Trinidad and Tobago and they are more than willing to help us achieve that goal. It is not going to be a university for the elitist; it will not be a university only for those who have brilliant minds. The underlying philosophy behind this administration and this ministry—if I could leave you with just a few words—will be to include the excluded. That is where we will be headed. We will be making every effort to provide advanced education to anybody and all of those who desire it, not

necessarily those who can afford it. This is where the dollar-for-dollar plan falls far short of the mark.

I would give you an example. Chile, in 1982, went into a dramatic recession. Their population is barely 14 million and they have some 26 universities. So, I would ask hon. Senators to note the ratio of universities to population. Government had to cut back on the level of its support to the universities; they had to cut the universities loose from the treasury to a large extent and to say, “Listen, you are going to have to finance yourself from the private sector.” So, the universities in Chile—and I have been in touch with the University of Chile—came up with an idea that all graduates of the university would pay 5 per cent of their professional income for 15 years back to the university. There was no loan, it was like a tax, but you can go to the university for free.

The university was able to finance that at the banks and any financier would understand that they could, in fact, finance the future flow of income. So though they needed a certain element of capital financing up front they could, in fact, finance the future flow of income. That is how they were able to survive. I am only using that as an example that has worked.

The other thing, too, that they did was that they insisted that the universities find their own sources of income. So the universities began to sell their services. So that the school of architecture at the University of Chile sells services in urban planning. They sell services so they are partner of the private sector. The result is, as of right now, only 30 per cent of the funding of the University of Chile comes from the state; 20 per cent comes from student fees and 35 per cent comes from the sale of services.

So, I think that we have some place to go. I think it is doable. I think that the University of Trinidad and Tobago can be financed and that has to be the major stumbling block. There are ways that we can find to finance it and I think—in fact I know—that this administration is going to put our tiny twin-island state on the map. We are going to put this country on the map.

Mr. Vice-President, I want to remind you, and the persons who may be listening to this budget debate, that we are not going to leave anybody behind insofar as tertiary education is concerned. The underlying theme of this ministry will be “Including the excluded”.

Thank you very much, Mr. Vice-President. [*Desk thumping*]

Sen. Dr. Jennifer Kernahan: Mr. Vice-President, if Mr. Biswas of Vidya Naipaul fame were alive today, the headline in tomorrow's gazette would be "Amazing scenes were witnessed in the Senate". Because here we have a Government Minister who has just admitted to the national community that he has spent all his life in the PNM; that he comes from a family of stalwarts of the PNM and that he does not have a clue; he has never walked among the people; he has never known the poverty and degradation which PNM policies had brought to the people of this nation to their feet. I suspect that if the truth were to be known, that every Senator opposite would have a similar story to tell.

Mr. Vice-President, in September 1996 the Ministry of Social Development did a survey in this country and it was found, using a poverty line of \$622 per capita that 35.9 per cent of the population was adjudged poor. This is after over 35 years of PNM rule. This was after a \$60 billion oil boom in this country and PNM Ministers are now admitting that they have never come face-to-face with the poverty that they have engendered in the society.

The goodly Senator also made heavy weather of the fact that the stock market saw an upward swing after the reading of the budget. It all ties in because, obviously, this particular Senator does not walk among the people; he does not speak to the people and he does not know what is happening in Trinidad.

I am not an economist, but I do not see why that should be so surprising because everybody knows that over the last nine months in this country the economy has been stagnated. If you talked to businessmen they would have told you that their businesses had gone down 40 or 50 per cent because nothing was happening. We were in a political situation, 18-18, and investment went down; nobody wanted to invest, nobody wanted to make a move because nobody knew what was happening tomorrow and the markets were inactive. Therefore, after a new government was installed, people were very clear of the direction and people felt they could make a decision either way. [*Desk thumping on Government Benches*] The stock market took off so I do not see why he was making such heavy weather of the stock market taking off after the reading of the budget. It shows, again, that he does not know what is happening in this country. He did not know the businesses had been stagnated and the people did not want to invest and were not very active.

Mr. Vice-President, another startling admission from the goodly Senator was that he knows of companies in this country that defraud the Government's export allowance tax and he admitted that the Government of Trinidad and Tobago is unable to stop it. Therefore, they had decided to penalize all legitimate exporters.

I find this extremely startling. If the Government of Trinidad and Tobago is unable to do its job—and its job is ensuring compliance by citizens of the laws of Trinidad and Tobago—I suggest they give the Government back to the UNC and let us get on with the job. [*Laughter*] Pack up and go home.

Mr. Vice-President, these startling admissions and amazing scenes that we are witnessing here in the Senate really answered one of the first questions that I wanted to pose today in the Senate. It is the question of how have we in Trinidad and Tobago come to this sorry past? Trinidad and Tobago is a twin-island state. We are richly endowed with natural resources, oil and gas—finite resources, I would like to remind the PNM. We have a tropical climate, we produce food, we have a population of just over 1.2 million literate, intelligent people and we have had some measure of political stability over the years.

I would like to remind the national community that this regime that is in power now has been in power since 1956 except for two intervals between 1986—1991 and 1995—2001. Therefore, when they act as if they were dropped from the sky, and that they do not know what is happening in this country, that when they left office in 1995, 35 per cent of the population was adjudged poor after their spending of \$60 billion.

3.00 p.m.

There is also the situation whereby the years 1986—1991, with the intervention of the NAR government, we in Trinidad and Tobago were forced to go through a period of structural adjustment because of the total mismanagement and squandermania of the PNM government. In addition to that, this country has experienced over the last nine months a disintegration of the atmosphere, the social climate degenerated. We conducted an election in this country that really frightened me because I felt we had crossed an invisible line, whereby the people of this country were obliged to conduct an election under threats of fear and terrorism in this country; where the Government of the day had an open alliance with self-confessed terrorists in this country.

There was a situation in this country where nationals were and are still leaving by droves because they are unable to co-exist with the PNM Government. There was a situation of political cleansing in this country. The tragedy of this is that the young black people of this country, young men and women, who do not know the history of this country, who do not know the history of the PNM, who never realized in their ignorance that their sense of alienation, desperation and marginalization in this society, was precisely because of the policies and

Appropriation Bill (Budget)
[SEN. DR. KERNAHAM]

Monday, October 28, 2002

programmes instituted by the PNM governments over 35 years that engendered that body of young people who felt so alienated and marginalized.

This is such a cynical government. This Government took those young people and chained them up to make them feel that other groups in the society were responsible for their condition and, therefore, they would have to transfer resources whichever way they could, kidnappings and so forth. These young people are the victims of the most cynical and most desperate manipulation that this country has ever seen of a whole group of people. It is really mind-boggling when the Minister admits to the national community that he does not even walk among these people. He does not know who they are. It is their mothers and fathers who have kept the PNM in power for all these years.

One of the tragedies of this society is that of a distorted version of the Westminster system. There is a situation where essential issues of social priorities, of political reform, and where our country needs to go, what developmental path that it needs to take to get us where it wants to go—everybody knows all the big words, all the platitudes and all the fancy phrases, but the essential issues are not dealt with by means of unbiased dialogue. These essential issues are not dealt with in a spirit of patriotism and commitment to the development of this country, but are consistently clouded and obscured by issues of race and group domination, propagated by the PNM, and this is the real tragedy of this society. [*Desk thumping*]

Mr. Vice-President, our country has gone through two excruciating years, three elections in two years, everybody is exhausted, the society is exhausted. What is essential is that we must never miss when we analyze what we have gone through—our population was signaling to the politicians of the day that it has outgrown the Westminster system of adversarial politics, that it is no longer relevant to our society that there should be a winner-take-all system because of the peculiarities of our society. England is okay, theirs is an adversarial system where they debate the issues, they have their picong and their “ol” talk, but the peculiarities of our society, where there are two major races that belong basically to two distinct political parties, one has to find a new variation to ensure that in our society all groups are represented whenever a government is in place.

When one looks at this budget as a statement of the plans for the present and the future development of this country, one gets the impression that a PNM government is of the view that the country is protected by an impenetrable curtain of oil, gas and clouds of methanol, ammonia and ethylene, and that the harsh realities of the outside world are unable to touch us.

There is no indication in this budget, according to the economists—I am not an economist—I am going to quote extensively what the economists had to say about this budget. There is no indication that our economy is considered by the economist to be an open economy driven by resources which are finite and very volatile and, therefore, we have to take these aspects of our particular situation into account when we present to the national economy a way forward.

The *Express Business* magazine of October 16, 2002. This is what this particular analyst of the economy had to say with respect to the outside world and what is happening:

“The economies for Latin America and the Caribbean are likely to experience an eight per cent fall in regional output this year after stagnating in 2001 while unemployment is expected to reach more than nine per cent, a new record high.”

It went on to say:

“Despite the heterogeneous nature of the region, the economic slowdown is widespread and the slump has affected the per capita output of many islands.

The region has not experienced such an adverse situation since the debt crisis during the first half of the 1980s.”

This is the real world in which we live and trade, and, therefore, any budget that purports to represent our future has to deal with these realities.

Mr. Vice-President, I would like to quote from another economist where he advises what one should look for in the budget statement, and how to judge the budget statement based on these realities.

Mr. Winston Dookeran in the *Saturday Express* of October 26, 2002 says:

“...the \$20 billion budget appeared to be very short on the issue of economic management, as it made no mention of the possible effect the global economy might have on the country. He quoted an IMF report which said that the ‘over-valuation of the US dollar has not been corrected and the abrupt and disruptive adjustment remains a significant risk’ to other economies.”

And including Trinidad and Tobago, irrespective of the fact that we are isolated from the real world by this gas, oil and ethane.

Mr. Dookeran went on to say:

“A budget that says nothing about commodity prices or trade shocks misses the point and cannot be interpreted as a credible statement on economic management.”

Appropriation Bill (Budget)
[SEN. DR. KERNAHAM]

Monday, October 28, 2002

So there you have it, you have heard from the economists. This is their concerns with respect to the context in which this budget is presented.

Mr. Vice-President, before the budget was actually presented we had heard from our stakeholders. They had made certain requests and pronouncements.

In the *Express* of October 16, I found an interesting editorial in the *Express Business* magazine also, which spoke to the Prime Minister and Minister of Finance. These are some of the ideas expressed in this editorial.

“The Budget is set against the backdrop of a promised billion-dollar windfall in oil and gas revenues at home, and against the spectre of a looming recession aboard. It is not an easy place to be and Mr. Manning would be well-advised not to pretend it is, election rhetoric not withstanding.”

It goes on to say:

“Regional unemployment is expected to reach more than nine per cent, a new record high. Although our economy, and the equity market in particular, has robustly resisted downward world trends we must be careful not to bury our heads in the sand like the proverbial ostrich and be fooled into believing that we can spend indiscreetly for the next five years. In this global economy we cannot afford to believe we are an island.

It is an important consideration, given the fact that our economy continues to be driven solely by the off-shore sector which is based on resources which, by their very nature, are limited. Economist Lloyd Best has repeatedly argued that the gains from our off-shore economy must be used to fuel and vitalise the domestic economy and build entrepreneurship.”

Mr. Vice-President, these are the concerns of our stakeholders, and it seems in retrospect that the Prime Minister and Minister of Finance has been unable to resist the chance to play to the gallery in his presentation of this budget.

When one looks at the society today, and one looks at the priorities and at this budget, one cannot help but notice that this budget statement that the Government of Trinidad and Tobago, Vision 2020: People...Our Priority, purports to present a framework for the development of this country to developed-country status by 2020, and yet conceptually, there are basic inconsistencies and contradictions that show a lack of clarity in the vision for development of this country. It seems that the right hand does not know what the left hand is doing.

I want to refer to a provision of the budget mentioned by my colleague Sen. Wade Mark with respect to the export allowance. I will mention it in the context of the fact that in this budget, the Government of Trinidad and Tobago has very wisely taken the UNC's idea of a technology park at Wallerfield. I congratulate them. They have twisted it around, but that is normal for the PNM. They take other people's ideas and put another word here and there. It is not a big deal. They have identified 1,100 acres of land at Wallerfield on which it is proposed that a light manufacturing industrial estate would be located. They are hoping to generate 40,000 jobs in ten years. This is one of their perspectives for development.

It seems to me odd, firstly, that at the very time that you are going to engage in a massive project like that, you are going to cut the export allowance tax for our manufacturers who, obviously, are going to be caught in a situation at a disadvantage at this point. It seems to me there is something wrong with the thinking, there is no clarity here.

With respect to the generation of employment, we talked about 40,000 jobs in ten years at the Wallerfield Industrial Park and then another 30,000 jobs which would be generated somewhere else as we recognize that employment generation is a major pre-requisite for reducing the poverty that the PNM Government cries crocodile tears about every day, with no recognition that they created this massive social problem that they are now trying to "belay to the cleaner."

How are we going to take a government budget seriously that speaks about employment generation, and in the same breath speaks about the restructuring of Caroni (1975) Limited, in fact, the destruction of Caroni (1975) Limited, a major pillar of this economy? A plan was advanced for Caroni (1975) Limited with input or consultation with the major stakeholders, the workers of Caroni (1975) Limited. In fact, there is a situation here, where on Thursday, October 24, 2002 you have the spectacle in this country of a major trade union representing thousands of workers, they had to ask for a meeting with the Prime Minister and Minister of Finance to discuss the future of Caroni (1975) through the press.

The union president, Mr. Rudranath Indarsingh, stated that they recognized that Prime Minister Patrick Manning had a demanding schedule but he was calling on the Prime Minister and Minister of Finance to meet with them at the earliest convenience to discuss several issues, which they felt warranted attention.

The union also stated that it has never been opposed to the restructuring or changes in the sugar industry, however, it was opposed to the changes being

Appropriation Bill (Budget)
[SEN. DR. KERNAHAM]

Monday, October 28, 2002

done secretly and against the spirit of industrial relations procedures. The union stated that it has always called for consultation and dialogue and it has consistently encouraged the need to address the views, ideas and aspirations of the workers in their representative body.

So here is a Government crying crocodile tears over poverty alleviation and so forth, and it does not seem to occur to them that when you dismantle an essential aspect of your economy that directly affects 100,000 workers and indirectly 300,000 workers, that has the potential to decimate whole villages in the central part of our island. It does not seem to them any sort of contradiction that they are talking about tinkering with 40,000 and 30,000 here, and that they are not talking about dismantling 300,000 jobs.

This is my problem with this Government. Other colleagues have said it before, that they seem to be a Government that works by “vaps” or by the moon. Every Monday morning it is a different story, with no sense of the realities of what these measures would mean for our country and our people. As they have admitted here today under amazing scenes as were witnessed, they do not walk among the people. They do not know how people suffer when they get up every Monday morning with a different “vap” and advances a new plan for this country.

Mr. Vice-President, the double thing continues when one looks at the medium term strategy advanced in the budget; the medium-term strategy of the PNM Government for this country. And I quote:

“The Government’s medium-term economic framework targets the real GDP growth to be between 4 per cent and 6 per cent over the years 2003—2005. While the main engine of growth will continue to be the energy sector, the Government will intensify efforts to create a globally competitive and knowledge-based economy.”

That sounds fairly familiar.

“The expansion of the non-energy sectors, the boom in construction activity coming from on-going and planned investments in the energy sector and the housing programme, as well as a concentrated thrust on small business development, are expected to result in the creation of 30,000 new productive job opportunities.

The medium-term plan emphasizes the importance of maintaining low inflation and exchange rate stability as major planks in a comprehensive incentive framework, designed to attract both domestic and external private

sector investment and safeguard real incomes. Our medium-term plan underscores the importance of fiscal discipline which when combined with prudent monetary policies should contribute to lowering domestic interest rates which would help stimulate domestic private investment.”

The double thing continues. In the budget the PNM Government identifies agriculture as one of the key sectors for development in this country. As one would have noticed, the medium-term strategy does not say a single word about the development of agriculture although it is touted in the budget as being one of the key sectors for development.

In the *Social and Economic Policy Framework* of the Government of Trinidad and Tobago, the double thing continues. Under agriculture, page 104, it states:

“the primary objectives of agriculture policy are to:

- Improve agricultural production, growth and productivity in critical areas for both domestic consumption and export;
- Promote national food and nutrition security;
- Promote sustainable management of natural resources;
- Enhance the levels of foreign exchange inflows through increasing levels of agricultural exports;
- Expand the number of permanent employment opportunities in production, marketing and agro-processing activities;
- Promote sustainable rural development; and
- increase the contribution of the agricultural sector to Gross Domestic Product.”

These are the primary objectives of the agricultural policy as noted in the *Social and Economic Policy Framework* of the Government. As I said before, nothing in the medium term strategy. And indeed, a clue to the real role that agriculture is expected to play in the development process is found at page 10 of the budget. This is what it says about agriculture after the usual developmental works that have been in the Ministry and the budget of the Ministry for the last 15 years. They said:

“We believe that there must be greater use of technology in agriculture, and in the sugar industry in particular. Accordingly, we will introduce a significantly

Appropriation Bill (Budget)
[SEN. DR. KERNAHAM]

Monday, October 28, 2002

higher level of mechanization and cultivation and automation in manufacturing. There will also be a greater reliance on agro-processing as we stimulate agricultural production—first to satisfy the local market and to market any surpluses abroad. We propose to concentrate on the use of some of the mini technologies in agro-processing that are now emerging around the world as we seek to develop this industry on a community basis.”

This is where the plot thickens, that we see after all the high-flown platitudes and homage paid to agriculture as a key sector in the development process, after recognizing that food and nutrition security is fundamental to the development of this country, we see that we are actually going to look at some mini technologies for community development of agriculture. Small-scale backyard farming is as far as agriculture is going to go in this country under the PNM administration.

Mr. Vice-President, it is business as usual for agriculture. And, I ask those on the opposite side today: How can you present yourself as a Government committed to the people, committed to reducing poverty in a sustainable manner, and there are no concrete objectives for the agricultural sector in terms of capitalization, in terms of foreign exchange earnings? There is nothing mentioned anywhere in these documents about the objectives in terms of these areas for agriculture; in terms of food and nutrition security; in terms of development of knowledge-based skills, biotechnology and information technology. In fact, what is going to happen is that one of our last major acreages of productive land under Caroni (1975) Limited—over 77,000 acres of our last bastion of self-esteem in this country, and our ability to produce food in a serious way, is going to be taken and put under the control of this so-called estate management company and these lands are going to be parceled out. Let me quote them directly because I do not want anybody to say I misquoted the grandiose plans that the PNM Government has for Caroni (1975) Limited. This is at page 17 of the budget. It says:

“Caroni (1975) Limited will remain in the sugar processing business, but cane cultivation and production will be assumed to a greater extent by the cane farmers in the context of the scaling down of the sugar industry. Mechanized cultivation and automated manufacturing will be standardized to make the industry internationally competitive and we will seek niche markets for the type of sugar we produce.

The modernization of Caroni together with the orderly transformation of its lands into growth poles would provide a range of alternative industrial and commercial activities,...

Productive, our last few acreages of productive agricultural land, in a world on the brink of war, and in a world where we do not know if we are going to be able to import food in the morning if war breaks out in Iraq; in a world where the leading economies are volatile; where we do not know what would happen to our commodity exports, what would happen to our sale of oil and gas and so forth. People seem to be under the impression that we can drink oil.

It says:

“...to allow for a re-absorption of the unemployed labour resulting from rationalization.

Moreover, this unemployment-enhancing operation would be strengthened by the introduction of the private sector into the non-sugar operations of Caroni—the rum distillery, the rice, and citrus entities and the dairy and cattle enterprises.”

Mr. Vice President, this is criminal, the proposal to take productive agricultural lands in the context of the world environment; in the context of our need for food and nutrition security in this country; in the context of all the crocodile tears that the PNM has shed today, to justify the deepening of the dependency syndrome on the unsuspecting young people of this country; in the context of the fact that agriculture and Caroni (1975) Limited particularly, can be used to increase employment generation in this country, that can be used to give people a sense of self-esteem; that can be used to ensure that the future of this country in terms of country food production is assured.

I remind the opposite side that the UNC government was going to do the very same thing that they have said here, that they would take the citrus and introduce private enterprise into the non-sugar operations of Caroni (1975) Limited, the rum distillery, the rice and citrus. This morning my colleague reminded you that there was a big hullabaloo and hue and cry when the UNC government decided to restructure Caroni (1975) Limited by making these different entities economic entities under private enterprise. They were saying that they could get a billion dollars for our rum stocks and so forth, and all this hypocrisy, and now they are saying they want to do the same thing. It is here in black and white. The national community has to take note of this. The hypocrisy of the PNM Government.

Mr. Vice-President, first of all, I would like to read from an analysis by an economist—I do not want anybody to say I am talking about things I do not know about so I always like to refer to the experts. On the *Saturday Express* of October 26, 2002,

Appropriation Bill (Budget)
[SEN. DR. KERNAHAM]

Monday, October 28, 2002

“UWI political analyst, Dr. Kirk Meighoo yesterday described the Trinidad and Tobago economy as lop-sided because it was heavily dependent on the oil and gas sectors.”

But we have already established that. He went on to also make the point that we have made here on this side:

“... because the manufacturing industry was the second most important export sector it should be given support by the government in order to develop. Therefore, he said, the removal of the export allowance—announced in the 2002/2003—was a step in the wrong direction.”

And the stakeholders have already established that.

He then went on to say something very pertinent, that:

“...economic stability was not enough to push the economy to the next stage, adding that the country needed to expand its export capabilities and find new ways to earn foreign exchange. He said it must broaden its markets, develop trade links with Asia, and Latin America and invest in research and development.”

Research and development is a sore point because I looked through the budget allocations with respect to research and development for agriculture, it was business as usual. There was nothing there from the PNM Government. He also went on to say:

“All of these things could be done by making use of current oil revenues.

The most difficult spending decisions should occur in the good times, not in the bad times. The good times are now.

Meighoo also said the Government needed to make greater capital investment as currently the country depended too heavily on foreign investment, and lamented that only \$882 million out of the \$20 billion budget had been allocated to infrastructural development.”

My colleague, Sen. Mary King made that point this morning, about the over dependence on direct foreign investment. When we look at these statements by economists, people who know what they are talking about—they mentioned the fact that we pay very little attention to capital investment. I want to look at what kind of capital investment is allocated with respect to one of our key sectors in the economy according to the PNM Government, the agricultural sector. It is interesting that for agriculture in the budget 2002, the recurrent expenditure is \$288,577,977 and the capital expenditure is \$34,645,000.

So under all the hype what is interesting, is that these people are actually cynical enough—the word “hype” is used by young people to express insincerity and they actually named one of their youth programmes—their acronym for it is HYPE. They are so cynical and so bold face and so shameless. We see a recurrent expenditure that is negligible so we know all the hype about the development of agriculture as a key sector, and all the planks they have for the development of agriculture and employment and so forth is just that, hype.

When I was looking at other allocations that were actually mentioned in the budget with respect to agriculture—because, I heard the Minister of Finance in his post-Cabinet interview cautioned his Ministers in that that they should go through the budget statement and look at the specific programmes mentioned with respect to their work in the various ministries and these are going to be their priorities. I went looking very excitedly to see what kinds of priorities we can look forward to in agriculture, what kinds of priorities our stakeholders can look forward to, because our stakeholders have spoken with us.

As minister in the former administration, I had extensive discussions with the stakeholders in agriculture and we know exactly what the stakeholders are looking forward to in this budget. I have spoken to the stakeholders and they are very disappointed. We have found here that items actually mentioned in the budget for priority projects, the allocations have been actually decreased from last year. There is a situation where the allocation for forestry and fishing from 2002 was \$604,979,000 and the allocation for 2003 is \$480,000. For fishing the budget actually mentioned the upgrading of the Orange Valley Fishing Centre, the Port of Spain Wholesale Fishing market and so forth, and there is a situation where the allocation for 2002 was \$2,867,896 and the allocation this year has decreased to \$2,450,000.

Accelerated land development programme very, very important to our farmers because these were people whom we have brought into the land ownership programme. We have regularized people, and have given them regularization status to be part of the productive process in this country. We have not been crying crocodile tears about poverty and eradication but we have been doing it in practice in all the different areas of the economy in this country. We understand that poverty eradication is not a bunch of programmes in isolation from everything else that is happening in the society. We understand that poverty eradication has to do with health, education and the UNC has unleashed a revolution in education in this country that has brought children who were before left out of the system at 10 and 13 years, and were told that they were worthless

Appropriation Bill (Budget)
[SEN. DR. KERNAHAM]

Monday, October 28, 2002

and no longer fit to be part of the school system. We brought all those children in. So we were taking steps to eradicate poverty in a very concrete way. We did not cry crocodile tears. We got up and we worked and put the necessary programmes in place to ensure that poverty eradication would be accomplished in this country.

The figures have shown that in 1996 there was a 35 per cent poverty line in this country and in a recent article, one saw figures like 23 per cent being quoted. So the UNC must have done something right. Because, poverty has been reduced in this country from 35 to 21 per cent according to the UNDP report. We do not go around crying crocodile tears about poverty eradication. We approach the problem in a holistic manner.

We looked at the Orange Valley project and we saw that the actual allocation has decreased from \$1.2 million to \$570,000—and these are top priority projects for the improvement of the quality of life of our fishermen, and to ensure that we would eradicate the low levels and low quality of life under which they live.

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

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

Question put and agreed to.

Sen. Dr. J. Kernahan: Mr. Vice-President, the Port of Spain fish market which is another top priority project of the PNM administration, one that Minister Rahael would have run off to the Ministry all in a tizzy to get done. He would have found that the 2002 allocation for this project was \$845,437. This year, it is \$380,000; poor Mr. Rahael.

There was a lot of discussion by my colleague, Sen. Mary King, this morning about the need for research and development in this country. The hon. Senator also had this big hype about research and development projects that the Government would embark on. We recognize the need for some sort of cohesion, some sort of coherency in our approach and in the way that we develop this country. I think by now they may or may not have recognized that you do not train people in a vacuum; that you train people with a particular market in mind, with a particular function in mind; that you do not train people for unemployment. That you must have some coherent plan with respect to technology, the development of industry, with respect to the linkages that you are going to make between your universities and your industrial enterprises and so forth.

I have had the privilege of living in Cuba and this is how they run their business. When graduates of the university, in my year and every year, when you come out of the university in Cuba you know exactly where you are going to be employed. They call a conference and have their business planned. They know how many jobs they are going to need in such and such area and so forth, and, therefore, the university graduates are trained with that in mind. There is this very strong linkage. I do not know why they have just discovered that, after 45 years in government. They are now discovering these things. I have never heard these things mentioned, that there are very strong linkages between the university and the industrial complex because, what actually happens in progressive countries like Cuba is that these students are actually pioneers of engineering and technology, and it is tested in the industry. That is why Cuba is able to stand up to the might of America for over 40 years because they have their own internal system, they do not depend on them for outside technology. They are able to stand up and say this is my system, this is my country and this is how I want to live and you can do the next best thing. We would never be in a position to say something like that because we import our technology, we import everything and as was mentioned by Sen. Mary King, we are a screwdriver industry.

We have to become serious about where we are going with these young people. Are we going to continue to set them up after 40 years? You created a whole generation of young people who are angry, alienated, who are untrained, unemployed and unemployable and you are really going to purport to embark on another exercise in futility, where you are going to take all these young, bright children and train them for training sake and you do not know where they are going to go from step one, to step two, to step three. They have no clue and they are now talking about what they have discovered in Chile after 40 years in government. I find it shocking; I find it embarrassing; I find it best they had never mentioned it. [*Desk thumping*]

Mr. Vice President, if you will allow me the luxury to talk to the national community, nabbing all communities, which I represent here today. The role of civil society—it is not me who say so. It is the editorial that says “Do not play to the gallery”. They were talking to Mr. Manning, and he did. So if the priest could play, who am I?

What would have made these crocodile tears for social development and poverty eradication at least credible, is if we had seen in this budget some form of involvement, some acknowledgement of the importance of the role of civil society, of NGOs, of CBOs in the whole process of development in Trinidad and

Appropriation Bill (Budget)
[SEN. DR. KERNAHAM]

Monday, October 28, 2002

Tobago. There is no indication or where there is, it is very superficial, and we know in practice—because I walk and talk among the people and I know what is happening, unlike some of my colleagues.

We know that these projects are being used simply as tools for political patronage to ensure their survival in Government and there are no two ways about it. Our NGOs or CBOs, which have a demonstrated track record of commitment of service are only superficially involved in delivering social programmes to the people and, therefore, we know, those of us who walk among the people, that is pure mamaguy, political patronage to ensure votes for the next time. That is why I have to agree with my colleague, Dr. Roodal Moonilal, who has indicated that this budget is, and I quote:

“The budget is the basis for the PNM’s campaign for up-coming local government elections.”

I have to agree with what he said, because there is no evidence of any serious attempt to involve the people who have demonstrated that they can implement projects, and there is no effort to include these organizations into the development process.

There are a number of NGOs that I am very familiar with. These are people with whom I have a very long association in my involvement in community organizations and these people have been left out of the process. I know that personally for a fact. For example, NEDCO was launched, it was launched in Tunapuna and Moruga, marginal constituencies and the community-based organizations which had been working for years in the depressed areas, where it is needed most, and have always supported the PNM; people who have given their lifeblood to the PNM have been abandoned and left to fend for themselves, while the PNM very cynically and desperately concentrated on winning or stealing the election.

I have a list of community organizations that have been left out of the process and I am very confident that even if I were to take some of these crocodile tears seriously, the fact that these organizations have been left out of the development process shows me that I am not wrong, and shows me that the representative for Oropouche is not wrong either.

In conclusion, I would like to recap and rely on the testimonies of our important stakeholders in this country, that this budget is not a credible, economic instrument. It does not address divestment of the economy, it portends rather massive unemployment, social dislocation and political instability in this

country if the Government goes ahead with its plans to dismantle Caroni (1975) Limited. It seeks to remove our last sizeable acreage of publicly owned productive lands and move them into private non-productive purposes—to be very blunt, housing for PNM supporters. It seeks to continue to use the State resources to promote political partisanship and patronage among the young, dispossessed, poor people of our country, people who do not know the history and the dangerous nature of the animal that they are dealing with when they deal with the PNM Government—and they would find out eventually. It is a pity they would have to find out the hard way. This budget seeks to perpetrate a cynical and ruthless manipulation of our human resources for political gain with no intention of elevating and developing our human potential on a sustainable basis.

It is a pity that it has come to this. It is a pity that the PNM Government has not changed its attitude towards the people of this country, that they feel that they can cynically manipulate and move their way around with high-sounding platitudes and high-sounding phrases. They could fool some people some of the time, but they cannot fool all the people all of the time and I pray God that the young people of this country would wake up and realize what is happening and where they are going. We, the caring UNC government, would be here to bring some sort of sanity back to this country. I thank you.

Sen. Ambassador Christopher R. Thomas: Mr. Vice-President, let my first words be to congratulate you on your appointment as Vice-President, and your presiding over this honourable Senate. I am most pleased to work under your presidency.

The Vision 2020, the focus on people is a most, what I would call, appealing mission statement. For many years developmental agencies have signaled to developing countries that the centrality of people and social programmes, would eventually bring about economic and sustainable development. Therefore, the programmes and Vision 2020, as we see now, while not novel is, in my view, mainstream in purposes and objectives.

The plan to move towards a developed nation status in 2020 is also very challenging and if I may say so, quite timely. Trinidad and Tobago is in the fortunate position, in my view, of having certain advantages: natural resources, a high level of literacy in our human resource, and what I would term an “accessible population” of 1.3 million. It means there is a manageable environment in which we can operate. The objective, however, moving towards the developed nation status like any other human endeavour objective, has to be based on a number of strategies and these must be both practical and realistic.

Appropriation Bill (Budget)
[SEN.AMB. C. R. THOMAS]

Monday, October 28, 2002

I take the objective of the hon. Prime Minister and Minister of Finance very seriously, and will examine the objective and the decision to try to move to developed nation status by 2002 very seriously. I, therefore, want to examine this against what I term three broad strategic areas. If, indeed, an objective has to be filled there must be certain broad strategic areas.

I look at these areas as, first of all the programmes of the objectives as we are seeing in the budget document; the economic platform on which the objective is based and what would drive the objective, and finally, the fiscal incentives that would underpin the drive.

I first of all will turn to the question of the programmes. My list here is not sequential or exhaustive. I look at the list from the budget document and I read: Reduction of poverty, not elimination. Those of us who have worked in international organizations for years know that the whole question of elimination of poverty is not within sight, perhaps, not realistic at all in terms of certain vested interests.

Wealth creation, full employment, youth empowerment, enhanced national culture, war on crime, enhanced health benefits for all, national sports programme, an academy, caring for the elderly, sustained health environment, housing for all, agricultural reform, enhanced national cultural academy and education for all and infrastructure. These are some of the programmes we are told that would put people first.

This is indeed my third term in this Senate which, because of the parliamentary interruptions over the years really constitute my second year, but because of the parliamentary interruptions it represents my third term, so that some of my more experienced colleagues would correct me if I say that not a single one of these programmes is in anyway different from programmes we have seen over the last two years, three years, maybe five years. We are dealing essentially with the same kinds of programmes, so there really is nothing new in terms of programmes

As negative as that might sound, it is a really strong and powerful purpose and what you might say, advantage. The advantage being that because there is nothing really new in terms of the programmes that we see before us, there is, in fact, almost a national consensus in terms of what one might call a national agenda. So that when I hear statements in this Senate and in the other place, about who has stolen whose ideas, the sum total of it is, that we do have, even without our realizing it, a national consensus in terms of objectives, in terms of programmes.

The task therefore, if we do have this national agreement, is how to transform the social programmes that are before us into what one might call, how to give transformational content and thrust to the social programmes that are before us so that they can become sustained and progressive? I think that is really the challenge of Vision 2020 and the whole thrust of the purpose of Vision 2020.

One of our earliest, perhaps, the Nobel Laureate of the Caribbean, Sir Arthur Lewis, said on one occasion the solution to poverty is not wealth, but education.

I begin with education and to look at a few of these programmes to see how these programmes can be, through their transformational thrust, made to be relevant in terms of the vision that we seem to be moving towards. If we are to move towards developed country status, I believe that our entire educational system needs to be reformed.

Some years ago in an address to Caricom foreign ministers I said and I still maintain that the Caribbean needs to move towards what I might term and did term then, a new literacy. Unless we move towards that new literacy, we are not going to be able to move towards developed country status.

4.00 p.m.

In many respects that new literacy is no longer as new as it used to be in the sense that many of our Caribbean countries—Barbados, Jamaica—have already seen the need to move to that new literacy. That new literacy, in my view, while not challenging, certainly parallels in many respects what we might call the grammar system of education in the Caribbean. That transformation must move from the primary school to the secondary school to the tertiary institutions to institutes of technology, so that we have an integrated programme of a new literacy and that it should move further, beyond the tertiary and university levels, to what I wish to call the national employment, that is to say, outside of the university. We are gearing our entire system to what we might call, a new transformation of a progressive society. I am not sure that I see this in terms of what is before us in the budget document. That, in my view, is the only way I can see justification for the University of Trinidad and Tobago, University of Science and Technology.

Here I want to deviate a little from the Minister of Technology and Tertiary Education. I do hope I misunderstood him. If I did, I apologize. I do not see the question of technology and tertiary education as being for those who have been left out. I do not see this as being for those who are underprivileged or who did not make it to the grammar school. I do not see it as “none should be left behind”.

Appropriation Bill (Budget)
[SEN. AMB. C. R. THOMAS]

Monday, October 28, 2002

I see the whole question of the tertiary education and the technology as those who are going in front; those who are going to fuel the society; those who have the benefit and the opportunity to move into an area of the future and Trinidad is blessed if it can develop that in that context. I certainly agree with the university, but against that background. That is to say, we are moving into a parallel structure where technology is going to drive the economy and society into a new phase and a new mode.

Now let us take crime as another example of the programme. In our fight against crime, we are going to have a number of patrol cars. We are going to have a bill on kidnapping. We will have a bill on terrorism. These are all very important, but they are just one aspect of what crime fighting, in my view, should be all about. I think it should involve the community. It should involve rehabilitation. It should involve rapid responses to reports. It should involve police reform. It should involve also prison reform.

Whereas I certainly do not believe that crime begins in prison, I am certain it does not end there. In fact, if those conditions in prison that are now so inhuman and brutish should continue, what we are doing there at the end product of the crime fight is creating a recycling of crime for those who come out of prison. So, the whole system must be so that you have what is called an integrated system of crime fighting and an integrated system of education.

Let me touch a little on health as well. Free medication is very useful. New equipment is also very useful, but we need to match this with the care and attention that is required if we are putting people first. I want to give a small experience of mine at the Sangre Grande Hospital where, after an accident, I was taken by the police, very kindly and very nicely. I waited for five hours. There were people who came after me and there were people who were there before me. There were no doctors. The nurses there were very indifferent, with the exception of one. The whole system was such that, with all the equipment, it took three hours simply to have an X-ray taken and another two hours to be attended to by a doctor, when this was supposed to be a progressive institution where we had all the equipment and everything. Something was wrong with the system in terms of how it operated.

I, therefore, feel that attention at health centres should be timely. People should be put first, as we say. Free medication must be backed by rapid emergency response, timely attention and state-of-the-art equipment. If we do not put these things together, we are going to create a situation where we have

lopsided development.

I see snippets of this in our budget document, but I do not see it as clearly stated. Even while I say this, I recognize two things: that a budget document is not an encyclopaedia. It is an outline of what the Government proposes to do. There are no quick fixes to accelerated development. My message, therefore, is that the objective of development can only be realized through integrated or interrelated sectoral programmes. Medication, pension—even in the case of medication, I ask myself whether it is the intention of the Minister and the Government to have free medication for the aged or the elderly and not have this backed by repeat prescriptions, so that the elderly are not faced with having to go to medical doctors, whether private or public, to pay excessive fees every time they have to renew their prescriptions.

I would like to think that while we are looking at one aspect, we see how it is related. A visit to a private doctor, I believe, runs between \$75 and \$100 now. On a pension of \$1,000, it is inconceivable that one should spend that kind of money every month or two months in trying to renew a prescription.

Let us, if we are putting people first and dealing with development, see a broad trajectory: where we are starting, where we are going and that must be based on ensuring that the welfare of the citizens of Trinidad and Tobago is taken care of. If we do not do that, I see several problems with Vision 2020. I see disjointed and isolated pockets of development. We may, therefore, get an academy of arts, but we will have no occupational disability plan. We may have a sports academy, but no national health insurance scheme. We may even have a tremendous golden arch, but dysfunctional secondary roads. We may have two state-of-the-art airports, with insufficient and unqualified service personnel. We may have a tourist industry without proper drainage in homes throughout the country and Vision 2020 will continue to be an ideal.

However, we can integrate because we do have some resource and opportunity because our population is so accessible—1.3 million. We do have the conditions under which we can integrate the whole question of our social services, so that we move towards developed country status. That does not simply mean tall buildings and projects. It is ensuring that the population is looked after in a way that is sustainable. I believe that this is possible.

It is possible because I look at one aspect of the budget in terms of the sports and I looked at the National Sports Policy. That policy covers rehabilitation of playing fields, increased and enhanced sporting facilities throughout the country,

Appropriation Bill (Budget)
[SEN. AMB. C. R. THOMAS]

Monday, October 28, 2002

continuing competitive programmes, induced private sector involvement and optimum conditions for international competition. That, in my view, is a sustainable programme, with focus and trajectory. In this context, if our other social programmes are so focused, I believe that Vision 2020 can be real and is very possible.

I can discuss a number of other programmes, Mr. Vice-President, but I would prefer to deal just with those three because they signal the kind of message that I would like to mention and I think it tends to suggest where we would want to go if we are really going to make Vision 2020 a reality.

I turn to that second area where I said that we should find out—to see the economic platforms and policies that will drive the social programmes in Trinidad and Tobago. I have listed seven of these. There might be more, but I take seven:

- the whole question of oil revenues;
- increased gas revenues;
- downstream operations from the energy sector;
- enhanced agricultural development and output;
- extended manufacturing sector;
- extended construction sector; and
- tourism.

Tourism has taken a beating over the years and tourism is not likely to be a significant factor in the development of the economy, certainly not within the next year. The recovery in tourism will take some time.

Contributions in agriculture have not met the expectations of the country. In my view, the reform in that sector will take some time. We are not likely to have the proposed partnership between agriculture and tourism for a long time in terms of agro-processing; in terms of laying the basis for part of the tourist industry. So, in my view, neither tourism nor agriculture can be relied upon to give any drive in terms of the economy to provide for that propulsion of the social programmes.

The expansion of the manufacturing sector, which is the second most important sector of the economy, I have my doubt as to how far that expansion will take place. Even after hearing the very lucid explanation of the Minister of Technology and Tertiary Education, I still feel that the removal of the export allowance is likely to create some problems and I would want to discuss this in a little while in relation to the expansion of that sector.

The construction industry will be as strong or as weak as the economy. The construction will depend on the buoyancy of the economy. So, in itself, it does not stand out as a pillar of the economy. It will have to depend on how strong or how buoyant the economy continues. We are therefore back to the energy sector. There are two or three areas—oil, gas and the downstream activities of oil and gas. That sector, by my calculation, will account for upward of 80 per cent of merchandise exports.

This means, to use one of the expressions of our local economists, that we are back into a redistributive economy where we use gas and oil to drive and fuel the entire other areas of the economy. What is important about this is that the oil and gas sector is finite, volatile and not by any means as sustainable as we would like to think.

Last year, when the Minister of Finance laid the bill in the other place, before it could reach the Senate, he had to make adjustments because the whole scenario of oil and gas had changed globally. So, even within a matter of a week certain radical adjustments had to be made in terms of the budget. This means that serious adjustments may have to be made in the programmes, if there are changes in the oil and gas sectors. I will say a little more about this as I go along.

I think, therefore, there is great prudence in the Government establishing \$22 a barrel for the price of oil. I think the Government should also exercise equal prudence in putting in place realistic contingency measures and an effective economic management system. I think these are necessary and I have not been convinced by what I have heard in our debate so far, that these measures have been put in, in a realistic way. I hope that our Minister of Finance will elaborate on this or at least ease my disquiet in some form as to whether there are, in his view, realistic contingency measures in the event there are adjustments to be made in relation to the oil and energy sector.

This is particularly necessary because the budget of \$20 billion, for whatever might be said, is still a deficit budget. Even when we remove the \$600 million for the public servants' arrears, there is still a small deficit. We had one last year as well. I hope that on this point I would not be contradicted, but if I am, I was contradicted last year as well and I had to sit and look at figures. I still think that whatever we do, there is the small deficit in the budget.

That deficit is so small that adjustments in terms of costs in prices of oil could play havoc with our social programmes and there is need for some contingency measure that is realistic; and that I do not see in the budget at the present time. I

Appropriation Bill (Budget)
[SEN. AMB. C. R. THOMAS]

Monday, October 28, 2002

think our economy and our budget plans will have to take into account these kinds of realistic contingency measures until we arrive at a status, which I would like to term distributive sectoral sustainable budgets. This, of course, is a long-term vision. While we move towards this through, hopefully, our tourism, construction or agriculture, there must be these contingency measures in the present budget.

Let me look at some of the fiscal measures that will underpin the drive. I am pleased to note the growth of the national economy by 2.7 per cent in real terms; the fall in the unemployment rate, although that is questionable; the status of gross official reserves at US \$2.005 million. I note that the holding of the external debt has moved somewhat from 16 to 18 per cent of GDP. I was told two or three days ago that it was 16 per cent, but I thought I heard the Minister say this morning 18 per cent of GDP. If that is the case, the ratio has moved somewhat.

I am also pleased, Mr. Vice-President, with the proposed measures for the removal of VAT and customs duties on medication and pharmaceuticals. This is in line with many progressive regimes and a great relief and benefit for our social system. I am also pleased with the introduction of a financial services ombudsman and the new regulatory systems for credit unions.

I remain concerned, however, about the removal of the export allowance. I agree that we do have an international obligation to meet. I also agree that our manufacturers at some time have to be removed from their comfort areas, but I wonder at the timeliness of the removal of the export allowance.

I listened to the Minister when he explained the purpose of it, but I am dealing now with the timeliness. We are at the present time—I refer to Trinidad and Tobago—joining with a number of developing countries to seek to ease the transition into the proposed FTAA in 2005. We are seeking to create a discriminatory system so that the soft economies in the Caribbean and developing countries will be transitioned into the kinds of conditions, programmes and obligations.

While we are negotiating this, it would seem to me that perhaps we might have waited a little rather than expose immediately the manufacturers of our country to a global situation where they will become less competitive. I am not questioning the removal. I believe that ultimately we will have to do this if we do have international obligations to meet. I wondered as to the timeliness and I would hope that this would be taken into account by the Government.

I am also a little concerned about the imposition of VAT on export services. I do not know if I am correct, but last year I believe that this proposal was made.

Exactly what I said last year, I will try to repeat. I said that if we are going to develop a knowledge-based society, if that is going to be based on technological developments and if we are going to produce what the Minister said earlier—and I believe his term was “engineers of technology”—by removing the VAT on export services, the risk exists that we will be transferring from Trinidad and Tobago overseas, a lot of these service operations that require very little labour cost and reimporting them into Trinidad as finished products.

Now, there might be another way to handle this, but I ask myself whether this particular plan was fully thought out in terms of the implications. Instead of seeking to keep and build at home a cadre of technology engineers that the Minister spoke about or persons with that kind of skill, assuming that our education system becomes so integrated to provide for those kinds of skills then, indeed, we must go further and seek to build the kind of system within the country that will keep our engineers at home rather than have them go abroad, provide these services and have them reimported into Trinidad and Tobago. I may be completely wrong in terms of my analysis, but I stand corrected by the Minister.

The reduction of corporate and personal tax, I believe is a very welcome measure. I think the measure should be bolstered by a more effective tax collection system and, in the case of corporations, a corresponding inducement for investment. I do not think that the question of tax reduction must be seen as an empty bone. It must be tied to some form of investment in the country and I would certainly like to suggest this to the Government.

I am uneasy with the management of the external national debt and the external borrowings. Last year, the Minister said that he would seek to reduce the national debt from 60—50 per cent of GDP. I would not feel comfortable until that debt is probably somewhere under 50 per cent. It has gone up since that time, but I feel that the issue is not so much the ratio. I think the issue is that we must follow and monitor the debt in its absolute terms. We must look at the rate of its accumulation and what the borrowings are used to do. Are they productive in the sense that they generate a greater economy? We need to look at them very carefully.

It is also not prudent to establish a surplus on the balance of payments account through external borrowings. This is not a realistic way of handling economies. Again, I stand corrected here, but this is what I believe.

Last year, I also cautioned that the majority of the foreign direct investment was based on projects in the energy sector and as such depended on the buoyancy

Appropriation Bill (Budget)
[SEN. AMB. C. R. THOMAS]

Monday, October 28, 2002

of the US economy. The US economy has not yet found its balance after September 11 and is still searching to position itself, so we have to be a little careful.

I argued that the reliance was disproportionate and that measures should be taken—and I am quoting myself here—“to increase foreign investment flows in other sectors of the economy”. I have seen no significant shift in this area in our present budget to that effect and I remain somewhat uneasy about that disproportionate balance between the foreign investment, particularly the whole adjustment in terms of that sector—the volatility of our sector is likely to play havoc with our programmes.

These are the points I make in relation to my perception of the national budget. I have spoken so far on what the budget contains. I would speak a little now on what the budget does not say.

Vision 2020 was not very explicit on the question of the Revenue Stabilization Fund, its use in the past and what the Government proposes to do in the future. I would like to have seen a more explicit explanation on this, given the uncertainties of our global economy. I think substantial contingency provisions need to be firmly established and I was not completely convinced by what I heard.

There was very little articulation on the programme of research and development. No country can move to developed status unless there is a progressive regime on research and development. There is nothing on which you can base your projections. Nothing on which you can deal factually and realistically with plans and projects, unless you have a proper, functioning and progressive research and data regime. I heard very little in the budget on that question.

I have heard and seen very little on the question of the national regime for marketing strategy to expand our export capabilities to gain foreign exchange. We have talked a lot about what we will do. Have we decided to look at markets? What markets did we look at? What is our marketing strategy? We are simply talking about what we will do and I have not seen anything that will complement the programmes that we have talked about in terms of a marketing strategy, bearing in mind that very shortly we are moving towards that FTAA and even if we do get transitional measures or conditions, we sooner or later have to face that global market and it is more than time that we develop the kind of marketing capabilities, perspectives and plans for the future of the economy.

I do not see a proposal for an economic management plan, especially where

the US dollar has not yet established its adjustment. We have in the past witnessed tremendous overruns in terms of capital expenditure and projects and unless we have a proper economic management investment plan that buttresses the programmes and projected expenditure, a shift or fall in terms of income that we expect could create tremendous havoc. Even without that, we have had overruns—I would not call the exact amount, but we all know what we are talking about. We have had overruns over the years in many respects.

I do not see also any significant direction in the service information and telecommunication. These are not very explicit in the budget. I do not think there is any system of development that will move forward if you do not have proper information and telecommunication. It is important that we have this. This is where all developed countries have the competitive edge in terms of information and telecommunication technology and I do not see sufficient explanation in the budget in relation to that.

Vision 2020 says very little about the ETP or URP. I consider that programme to have tremendous potential for social transformation in terms of the economy. It might not have been used that way successfully over the years, but I do think it has that kind of capability. I have heard and seen nothing about it in terms of what is proposed to be done in this programme. So my question is: Will the ETP accompany us into 2020? Is that the intention or will we seek to have it transformed so that we lessen the whole question of increases in public welfare systems and we make this a really viable social transformation agency, which I believe it is and can be?

If we are not explicit on these directions, when slippages occur, in terms of the programme, we cannot properly monitor them. If there is no diagnostic, there is no prescription. There is need for us, therefore, to ensure that we do have these things and we do know where they are. At the moment, I do not see them anywhere.

Finally, Mr. Vice-President, I would like to say that another area that the budget is extremely silent on is the question of foreign representation. I know of no country or region in the world where, in the absence of foreign representation, one can effect any substantial advancement. Foreign representation is responsible for your markets, for your technology, for your search for almost everything outside your country, and if you do not have effective foreign representation, I do not believe you can talk in terms of fully and effectively moving towards developed country status.

Last year—I believe it was last year—I proposed a bill that talked about how

Appropriation Bill (Budget)
[SEN. AMB. C. R. THOMAS]

Monday, October 28, 2002

we will deal with external representation. Because Parliament was prematurely and unfortunately dissolved, that bill did not see the light of day. I propose to revive this bill and to seek to get answers—and more than answers—measures and proposals from the Government to see where we are going so that we will be satisfied and be assured that our external representation will match the internal areas so that we will have a certain compatibility between what we are searching for, what the markets outside provide and what we can get in simpler ways through our external representation.

Mr. Vice-President, I thank you. This is all that I have to say in relation to my contribution.

Mr. Vice-President: Hon. Senators, this Senate is now suspended for half an hour as we shall take the tea break now. We resume at 5. 10 p.m.

4.35 p.m.: *Sitting suspended.*

5.10 p.m.: *Sitting resumed.*

Sen. The Hon. Martin Joseph: Mr. Vice-President, it is a privilege for me to participate in this debate on the Bill to provide for the service of Trinidad and Tobago for the year ending September 30, 2003. Before getting into my aspect of this debate, I think it is necessary for me to respond to some of the issues raised by my Senate colleagues, Sen. Dr. Jennifer Kernahan and Sen. Wade Mark, when they made their contributions earlier.

Let me deal with Sen. Dr. Kernahan first. She made a couple comments. For example, she was very critical about this Government's approach to the whole question of agriculture and, more specifically, with respect to Caroni. I just want to set the record straight and to remind her, in her absence, that the last UNC administration's strategy and approach to Caroni was one that caused the then Minister, Trevor Sudama, serious disagreement with the UNC government as it related to Caroni, specifically its intention in terms of its divestment approach and its intention to sell it out to a certain private sector interest. The then Minister, Trevor Sudama, eventually left their ranks and Dr. Kernahan took over the responsibility.

She also talked about management and “squandermania” and PNM being engaged in political cleansing and how for 40 years we have set up young people and also about young people being ignorant of the ways of the People's National Movement; and that we engage in race and group domination.

Mr. Vice-President, we need to remind Sen. Dr. Kernahan that when the UNC came into office in 1995—2001, having not even won the election, but having formed a coalition, they started talking about “we time now”. I recall asking what was meant by “we time now”, because a government is a government for and of the people. They then engaged in various types of activities to cement this whole “we time now”—attack on the media; putting in place a then Minister of Local Government who ensured that PNM-controlled regional and city corporations were starved of funds. This was a Minister who was referred to at the time, by the Prime Minister, as his “best Minister”.

We must not have short memories as to “how we got to this sorry past”. We got to this “sorry past”, for the records, when between 1995 and 2001, the then UNC administration was accused of the worst type of corruption. At the time it was accusations, you will recall; then it reached to the point where three of its most senior Ministers, when they could take the corruption no more, left the administration and said that the Prime Minister himself condoned the corruption and we had to go back to the polls.

She talked about three elections in three years and the population being weary. That is how we came to this sorry past. In 2002, it was not acquisitions any more, it was now the question of commissions of enquiry exposing the extent of the UNC administration’s corruption. We need to set the records straight with respect to the accusations that were made by the hon. Senator with respect to the PNM.

Then my colleague, Sen. Wade Mark, in this contribution, accused me of voter padding. He said that the same thing that they did they accuse everybody else of doing. I do not know what he is talking about in terms of voter padding. I do know that the People's National Movement under the astute leadership of the Prime Minister and Political Leader, the Hon. Patrick Manning and including—we must put it on the records—our Campaign Manager, Sen. The Hon. Dr. Lenny Saith and our Deputy Political Leader, Sen. The Hon. Joan Yuille-Williams mounted an election campaign the likes of which the UNC itself did not see and could not understand. So that when they talk now about stealing an election, eventually they will come to the recognition and understanding, after they have gotten out of the denial, of the fact that they lost an election fair and square.

He made comments also about WASA. I will leave the new Minister of Public Utilities and the Environment to deal with the allegations raised with respect to WASA.

Appropriation Bill (Budget)
[SEN. THE HON. M. JOSEPH]

Monday, October 28, 2002

Mr. Vice-President, both the Minister of Finance, the Prime Minister, in his budget presentation on October 21 in the other place, and our Minister in the Ministry of Finance today, presented to us the vision of the People's National Movement as it intends to make Trinidad and Tobago a developed society in the shortest time possible, at least by 2020. In it he also talked about the role of housing in that context. I would like to spend the rest of my time articulating the whole issue of housing and the role of the various agencies and the Ministry of Housing in ensuring that that vision is realized.

We have developed a clearly focused strategic vision on housing which will allow this PNM Government to ensure that every citizen of Trinidad and Tobago has ready access to housing. This strategy envisions the regularization of squatter families, the alleviation of the current shortage in housing, the increased flexibility in mortgage financing, the introduction of a sustained maintenance and refurbishment programme and the strengthening of the capabilities in the Ministry of Housing and the supporting agencies.

I wish to underscore the underlying philosophy that adequate housing is a basic need of every citizen of this country and an essential feature of human development. This is not a commitment we take lightly, nor do we of the PNM accept unquestionably that it is shared by our colleagues on the other side.

By the end of 1992, the PNM administration had developed a policy and strategy on housing settlement, based on the work of a task force drawn from a number of well-respected professionals, who had been asked to consider a broad range of the key issues affecting the sector.

On the basis of that report, many of the problems of our national community in relation to this sector and the requisite policy and strategies had been identified. We had at that time a modest programme in place through the IDB-funded First National Settlements Programme. That programme too had its own challenges in terms of fulfilling the housing needs of our people. A fundamental issue, therefore, is that when we left office in 1995, we had already identified that tens of thousands of our citizens needed to be housed and some of these persons were living in the most desperate circumstances.

I am greatly perturbed as to why an administration, laying claim to performance, would have done so little during six years with regard to this important need of our citizens for housing. Therefore, I can only conclude that this claim is only an illusion.

Of course, we now realize the almost irresistible attraction to the mega projects of those on the other side and maybe the provision of assistance to low-income groups was not a priority and did not provide the same kinds of opportunities for entrepreneurship.

Mr. Vice-President, hon. Senators, responsible government demands that we treat with the housing needs of our citizens. The commitment to such principles of governance surpasses all issues that divide us as a people. Indeed, we cannot genuinely speak of national development without addressing the critical issues of the housing sector. This is one of the points of distinction between the PNM Government and those on the other side.

In formulating the way forward, we had to consider what was initiated within the period 1995 to 2001; how indeed did the previous administration deal with the pent-up frustration regarding the lack of housing that we had identified and if, in fact, little had been done in this area as we suspected.

What does this mean for the size and the composition of the effort that we must now mount to alleviate the problems that plague this sector? During 1998, the then UNC government undertook the scoping and planning of assessment surveys and the preparation of land use and development plans for 13 growth centres, namely Port of Spain, Diego Martin, Chaguaramas, Barataria/San Juan, Curepe, St. Augustine, Tunapuna, El Dorado, Arima, Arouca, D'Abadie, Toco, Sangre Grande, Valencia, Wallerfield, Rio Claro, Mayaro and Guayaguayare, Princes Town, Moruga, Siparia, Penal, Fyzabad, Point Fortin, Erin, Cedros and La Brea, San Fernando, Marabella, Gasparillo, Couva, Claxton Bay, St. Mary's, Point Lisas, Chaguanas, Cunupia, Scarborough, Canaan, Roxborough.

During 1999, the Urban Development Corporation of Trinidad and Tobago (UDEcOTT) conducted scoping exercises for six areas, as a result these exercises have been completed for the Port of Spain Waterfront, San Fernando, Sangre Grande, Couva, Point Fortin and Mayaro. Based on the results of UDEcOTT's assignment, local area plans were completed for San Fernando and the Port of Spain Waterfront. Additionally, a national conceptual plan was completed as well as final reports on Chaguanas, Point Fortin, Sangre Grande, Mayaro and Guayaguayare. Draft reports were also completed for the Greater Port of Spain and the urban corridor between Barataria and Arima.

5.25 p.m.

Mr. Vice-President, as our Prime Minister indicated in his budget presentation, we will not tolerate the illegal occupation of lands, especially where

Appropriation Bill (Budget)
[SEN. THE HON. M. JOSEPH]

Monday, October 28, 2002

that occupation damages the environment, promotes soil erosion and scars the face of our hillsides and mountain ranges. As such, we will focus on the amelioration of this problem by assisting families covered under the State Land (Regularization of Tenure) Act, No. 25 of 1998. This PNM Government intends to continue the programme of squatter regularization in designated areas. A programme of aided self-help, which will improve the living conditions in these regularized communities, will further strengthen this programme. In support of the regularization programme, we intend to deliver a cooperative building programme which will provide affordable finance to these squatters who have regularized their status. This will allow for the improvement of the quality of life and safety in these regularized communities.

Mr. Vice-President, hon. Senators, we will also ensure, by working closely with the Ministry of Public Utilities and the Environment and the Ministry of Works and Transport, the delivery of the basic and essential services and infrastructure in these communities. You see, a record of performance of the previous administration must lead to the conclusion that it was largely concerned with the proposals for settlements in this country. I have no desire to pass judgment on the appropriateness of that strategy. The people whom we as parliamentarians serve determine the indicators of performance ultimately.

I am advised that there is a list of approximately 20,000 applicants for land, houses and rental apartments with the National Housing Authority. The Land Settlements Agency (LSA), created by Act 25 of Parliament in 1998, itself has a list of over 23,000 persons seeking to be regularized on state lands. Additionally, there are approximately another 23,000 applicants to the LSA for land. During April of this year the Ministry of Housing invited persons interested in owning a house to submit applications and received responses from over 31,000 persons. The Ministry is of the opinion that there still remains a pent-up demand, beyond the current expressed demand. The process of registration continues and we have been told that a number of individuals made no application because of lack of faith in the government to assist them with their housing needs. We intend to address the needs of all seeking assistance.

This Government is people focused. We have listened to the citizens of this country and therefore the focus of our housing programme is on delivering solutions to mitigate the housing challenges. Let me say at this point, Mr. Speaker, that we have a completely different—[*Interruption*—Mr. Vice-President. My most sincere apologies. The transition, Mr. Vice-President—no disrespect intended.

Let me say, Mr. Vice-President, that there is a strategic difference between the former administration and us. We see the provision of rental accommodation as something also critical to solving part of the housing problems. The UNC administration did not see provision of rental accommodation as part of their whole strategy or thrust and, as I said earlier, they saw settlements; we see housing accommodation in all of its facets as what is going to be our responsibility.

It is widely known that there are more than 50,000 squatters in this country, of whom more than 25,000 illegally occupy state lands. Among the persons seeking housing accommodation, the squatter community represents the poorest group. The response of the last administration was the establishment of a mechanism under the Land Settlement Agency to issue Certificates of Comfort, which were to be followed by statutory lease for 30 years, and eventually these persons would qualify for a deed of lease for 99 years. According to the LSA, a Certificate of Comfort is an instrument which says to the holder that “You may continue in occupation of the land and if you have to be moved you will be relocated to another more appropriate place.”

Certificates of comfort are not accepted by mortgage lending institutions as sufficient basis for a loan to build a house. Perhaps the other side in its response during this debate will explain the appropriateness of this measure to a person who has said to the State by the desperation of illegal occupation of state lands, “I need housing accommodation now.” What of the almost equal number of squatters on private lands? Even so, Mr. Vice-President, only 4,110 Certificates of Comfort had been issued in three years. Of this number, only nine persons received deeds of lease. It could not be clearer that housing was not a top priority of the last administration’s agenda, especially as it lustily proclaimed its reputation for performance.

Even so, Mr. Vice-President, during the period 1996 to 2001 some 376 houses were constructed via the programmes of the National Housing Authority, Project Execution Unit of the Ministry of Housing and the Sugar Industry Welfare Committee. The delivery of units at Savannah Villas, Aranguéz; El Dorado; Medine Street, San Fernando; La Horquette, Glencoe; Charlieville; Bien Venue; Strikers Village, Point Fortin; Almond Drive and other houses were due in the main to the momentum of programmes started during the PNM’s term of office from 1991 to 1995. [*Desk thumping*]

Mr. Vice-President, I have sometimes heard it said that during the UNC period not a single additional house was built. [*Interruption*] He built some? In Tunapuna. [*Laughter*] Mr. Vice-President, I am advised that there is a backlog of

Appropriation Bill (Budget)
[SEN. THE HON. M. JOSEPH]

Monday, October 28, 2002

some 25,000 deeds of lease outstanding in NHA's housing estates and that during the period 1996 to 2001 some 4,160 were prepared, registered and distributed. This is hardly complimentary performance. It suggests that there are over 20,000 families in properties without deeds and therefore these valuable assets have little use to them as potential means of security in the generation of wealth for the owners and their families. This Government has prepared and taken 2,000 deeds of lease to the doorsteps of our NHA housing estates in our 10 months in office. [*Desk thumping*] Credit, Mr. Vice-President, must be given to the former Minister of Housing, Sen. The Hon. Danny Montano. [*Desk thumping*]

What indeed was the government saying to literally thousands of persons who told the Ministry of Housing through applications that they wished to own their homes but would not break the law by squatting? In light of the previous administration's commitment to spatial planning of settlements I ask rhetorically, was this the Opposition's arrogance that government knows what is best for the people and that they should wait? If the people must wait, why would the then government not have communicated with all those hopeful applicants the plans for building the infrastructure as a prerequisite to housing?

Mr. Vice-President, herein lies yet another distinction between the two administrations. We on this side believe firmly that development is about meeting the needs of and delivering services and solutions to the people of our national community, in the short-, medium- and long-term. In September this year, the Government published its policy for development of the housing sector. This policy is a very comprehensive statement for the development of the housing sector. It takes account of citizens at all levels. It also acknowledges the need for the development of housing within the context of wholesale communities. In essence, it will bring to bear the competencies and skills of all the agencies that are stakeholders in the sector to alleviate the problems of housing. It would restructure the institution of the Ministry of Housing for effective delivery.

This Government's intention is to deliver appropriate levels of housing to critical sectors of our society; namely the economically and physically disadvantaged and new families who are facing an urgent need for new housing. Our goal is to facilitate these needs through the implementation of our housing programmes which will see the construction of 10,000 houses annually for the next five years. It is our stated intent that, by the end of the year, as part of our accelerated housing programme, some 2,925 homes at 30 sites nationally will be provided.

This sustained effort to address the shortfall in housing and the unacceptable conditions at many NHA apartment buildings will require a substantial amount of construction, contractors and construction workers. This no doubt will mean a substantial level of employment opportunities. It is our intention to ensure that mechanisms are instituted to foster the employment of youths, completing the various youth training and employment programmes.

Mr. Vice-President, let me just make an additional comment. Apart from the generation of jobs in the construction industry, it will allow not just unskilled labour to be employed, but would also allow for the employment of our masons, carpenters, plumbers, electricians, painters, et cetera, so that it will result in employment generation. What we also intend to do, as part of some of the youth development programmes, is to allow the young people to use the opportunities provided by the construction industry to serve as apprentices. Therefore, it would also generate employment opportunities or, if you want to use on-the-job training, as a means of providing employment opportunities for a large number of persons.

I noted the point that Sen. Amb. Thomas made with respect to the fact that even the construction industry, where we are looking to see employment being generated, depends to a large extent on what happens in the energy sector, but we hope that when we look at the whole question of the financing of this housing construction—as we will see there is a major role to be played by the private sector in that—it will also generate a certain number of jobs. Later on I will make some comments as to what some of the commentators, for example PricewaterhouseCoopers and Ernst & Young, had to say with respect to the housing thrust and what we can expect to get from it.

Let me just say something else also. We also mentioned the question of repairs and refurbishment of the NHA apartments. Remember I said earlier on that what distinguishes the PNM administration from the UNC administration is the whole question of rental. They frowned on rental so, as a result of that, apart from not constructing rental accommodation, existing rental accommodations were allowed to “run down”. Mr. Vice-President, I come from what we refer to in growing up as “Plannings”. That is how we called them. Those were the NHA apartments on George, Nelson and Duncan Streets. I grew up and lived there. I still have family and friends who live there and it would be amazing to see the extent of the disrepair of some of those places.

Now I know NHA found itself in almost a catch-22 position in terms of—because rental fees were so low they felt that it was uneconomical for them to put

Appropriation Bill (Budget)
[SEN. THE HON. M. JOSEPH]

Monday, October 28, 2002

in repairs. Remember again, “eh”, this is an administration that saw the “John John Towers” as too sophisticated for the people for whom they were built. Remember that! So that their whole attitude to rental accommodation was such that they allowed all of those units to “run down”. Again, under the initiative of this Government, and spearheaded by the then Minister of Housing, an entire programme of refurbishing is now taking place. We started with repainting and there are some other things that need to be done—plumbing, upgrading of the electrical works, et cetera, et cetera. So that it is going to be a complete shift and a complete difference, Mr. Vice-President, between the approaches of the UNC and the approach of the People’s National Movement.

We intend to ensure that contractors have appropriate insurance so that there will be legal recourse to any substandard work and/or materials, injury or damage to property. We intend to ensure that contractors are bonded so that unscrupulous contractors will not be allowed to fleece the country by providing shoddy work and we intend to develop a roster of approved contractors. Contractors will also have to adhere to construction schedule, and invoicing will be tied to actual work completed. Contractors not commencing work within a specified time period may lose their contracts which would be awarded to second bidders. Said contractors will have to bear the cost for lost time and re-filing of required paperwork. We intend that the public’s funds will not be wasted or frittered away by frivolous contractors.

It is our intention to ensure that new homes which are constructed take into account the realities of our environment and are designed to ensure proper natural ventilation and cooling. The disabled housing will be designed with appropriately ramped walkways, wider hallways, wide elevator openings and other handicapped/disability access user-friendly features as we talk about developed society status in the shortest space of time and improving quality of life and standard of living of our citizens.

Mr. Vice-President, I can also assure you that this construction programme is and will not be done as an island unto itself. This PNM Government will ensure that there is coordination among the various ministries and utilities. Our intention is to develop housing communities with roads designed to modern specifications and with the appropriate utility connections. These homes must be ready to support the connectivity requirements of the 21st Century. The intention is that students living in these homes will have universal access to the Internet and telephone lines. My esteemed colleagues from the Ministry of Education and the Ministry of Science, Technology and Tertiary Education will expect no less.

The accelerated housing programme is a major initiative by the Ministry of Housing for the delivery of houses to low-income beneficiaries over the next 10 years. The programme was formulated and developed over the last six years in order to commence the provision of low-cost housing units on the scale envisioned by this administration. I want to especially highlight the role of the private sector in this programme. In the past the Government, through the NHA, has engaged the private sector in home construction. A major challenge in the achievement of this target was that there were insufficient government resources to finance the home construction programme directly. Private sector developers have therefore been challenged to design, construct, finance and sell affordable units to pre-qualified low-income beneficiaries. This strategy allows the government to deliver housing at a faster rate and with minimum capital outlay.

In addition to the obvious advantage for the provision of houses, the approach is entirely consistent with the macroeconomic policy objective of private-sector led development and contributes to the vision of my Government for a developed nation status by 2020. We already have agreements with 11 contractors on sites at Pleasantville, Mayaro, Palo Seco, Point Fortin, Rio Claro, Malabar, D'Abadie, Mount Hope and Barataria, in respect of units, and we are at varying stages of preparation for the commencement of work within the next few months with respect to sites at Wallerfield, Carlsen Field, La Brea, Sangre Grande, Oropune, Debe, Morvant, La Savanne and Guayaguayare, leading to an overall total of some 2,925 units. We intend to change people's psyche about our ability and capacity to deliver new houses. As such, the houses at the Maloney site have been completed and allocated.

The second National Settlements Programme, an initiative of Government funded by the Inter-American Development Bank, will complement the accelerated housing programme by the provision of 3,000 housing units over the next three years. Significantly, this programme will target those at the lowest income levels. Households with annual incomes between \$15,000 and \$30,000 will qualify for subsidies up to \$30,000 to selected beneficiaries. Similarly, selected beneficiaries with annual incomes between \$30,000 and \$45,000 will qualify for subsidies up to \$24,000. This programme also provides for home improvement for existing homeowners at the lowest income levels. Grants up to a maximum of \$15,000 will be awarded to qualifying households on a matching basis. This is a one-dollar grant for every one dollar contributed by the beneficiary household.

The second National Settlements Programme will also address the upgrading of the infrastructure on 17 squatter sites across the country. In the first year, sites

Appropriation Bill (Budget)
[SEN. THE HON. M. JOSEPH]

Monday, October 28, 2002

at Harmony Hall, Gasparillo; La Plata KP Lands, Valencia; La Paille, Caroni; Rice Road, Malick; Bon Air Estate, Arouca; Southern Gardens and Warden Road, Point Fortin; Wallerfield, Cumuto and Sea Trace East/Bagatelle; Central and River Estate, Diego Martin will be upgraded. This regularization is the first step in a process towards facilitating the lowest income level of the society in acquiring adequate accommodation. This represents for us a clear and consistent signal that in pursuit of national development no one will be left behind.

Mr. Vice-President, just for the record, you would recall that in June of this year we signed an agreement with the Inter-American Development Bank (IADB) to fund this sustained housing development. US \$32 million was allocated to fund the first two phases of the second settlements programme over the next three years. The full project, which is a component of the accelerated housing programme, will be executed over a six-year period and the IADB is willing to fund some US \$80 million in this regard.

Affordability and accessibility have inhibited the low-income segment of the population from obtaining finance on the formal market. These two issues are at the epicentre of this strategy for housing this time. The approved mortgage companies' programme was introduced to alleviate these problems. Under this approved programme, mortgage and finance companies are allowed to originate mortgages at lower than market interest rates and to have the commensurate amount deducted from their corporation tax. This measure facilitated home financing while at the same time provided government with a measure of relief from financing substantial cash outflow towards the home mortgage subsidies.

The rates approved by government in 1998 for this measure were as follows:

- Up to \$150,000—8 per cent per annum;
- \$150,000 to \$200,000—7½ per cent per annum;
- \$200,000 to \$350,000—9 per cent per annum.

Mr. Vice-President, this PNM Government has revised the interest rate structure. The new rates were introduced in anticipation of Government's new initiative and thrust to higher levels of construction and also as an incentive to the private sector that will ultimately benefit from higher levels of demand for housing. The new interest rate structure for mortgage loans is as follows:

- Up to \$200,000—6 per cent per annum;
- \$200,001 to \$250,000—6½ per cent per annum;

- \$250,001 to 300,000—7 per cent per annum;
- \$300,001 to \$350,000—7½ per cent per annum; and
- \$350,001 to \$450,000—8 per cent per annum.

Additionally, in the attempt to make housing more accessible, this Government also decreased the down payment from 10 per cent to 5 per cent. This means that the initial down payment that a first-time homeowner is required to make is now substantially reduced. Further, Government intends to standardize the mortgage and origination documentation so that the closing cost for a mortgage can also be reduced.

Mr. Vice-President, during the last 10 months a programme of major refurbishing of NHA apartment buildings was undertaken. I mentioned that earlier on. The programme entailed the re-sheeting of roofs on 34 apartment buildings, the repainting of 202 buildings, the overhaul of plumbing systems in 135 buildings and the upgrade of electrical systems in 36 NHA apartment buildings. This was the commencement of an initiative toward continuous maintenance in view of the Government's commitment to not only creating new neighbourhoods but the restoration of existing neighbourhoods. This exercise extended to sewerage treatment plants at Santa Cruz, Bon Air, La Horquetta, Couva and Harmony Hall. The Government did not merely paint the apartment buildings.

The enduring benefit of the programme is that it has fostered community involvement and has served to rekindle the spirit of pride in local community and empowerment of residents. As a direct result of this, communities have come forward to form tenants' associations to continue the work started by the Government. We will develop a sustained maintenance programme which will involve not just the physical maintenance such as roofing, rewiring, painting, plumbing and re-plastering but also a protracted pest control programme. This programme will foster better hygiene conditions within the neighbourhoods.

Mr. Vice-President, to better serve the citizens of this country and the housing sector, it is the Government's stated intent to review the current capabilities of the ministry and its support agencies. It is expected that this review will form the basis for more effective delivery of housing stock and the maintenance and management programmes in the sector. The objective is for these agencies to become more receptive to working with the private sector in the delivery of housing opportunities. Our aim, therefore, is to rationalize and harmonize all state agencies involved in housing to meet the increasing demands for housing.

Appropriation Bill (Budget)
[SEN. THE HON. M. JOSEPH]

Monday, October 28, 2002

The Urban Development Corporation (UDEcOTT) will bring to bear significant financial resources in support of Government's accelerated housing programme. Additionally our arrangement with UDEcOTT stands to add housing solutions at San Fernando, Oropune, Carib Homes, Arima and Ortoire Village, Mayaro towards our housing target. Mr. Vice-President, we have heard Senators on the other side mention some comments made by various economists and different sets of people with respect to the budget. I have looked at the two considered to be—I do not want to say experts—leading companies with respect to the budget. I just want to highlight what are some of the comments made as they relate to the Government's thrust and policy in housing.

I am quoting from *Ernst & Young, Focus on Trinidad and Tobago Budget 2003*. I am on page 11 of that review, "Housing" and I am quoting:

"The Government's focus on human and social development was further enhanced by the proposal to implement the Accelerated Housing Programme which is estimated to provide 2,925 new housing units this year in 30 sites and a targeted 10,000 per year for the next five years. This programme is further intensified by reduced interest rates and the improvements in National Housing Authority's housing developments. Funding of these programmes will be sourced through loans of US \$112 million from the International Development Bank.

These measures will not only stimulate..."

Their comment:

"These measures will not only stimulate employment but also improve the standard of living for low to middle income sectors."

I move to page 17, "Housing Allowance" and I quote:

"In addition to the \$18,000 mortgage interest relief currently granted to home owners, a further deduction of \$10,000 per residence for a period of 5 years is proposed and it is to be granted to first time home owners who purchase their homes on or after January 1, 2003.

Commentary

This measure will assist first time homeowners in obtaining their own homes."

We note:

Appropriation Bill (Budget)

Monday, October 28, 2002

“It appears inequitable since people constructing their own homes will appear not to benefit from this measure.”

Mr. Vice-President: Hon. Senator, I must inform you that your speaking time has expired.

Motion made, That the hon. Senator’s speaking time be extended by 15 minutes. [*Sen. The Hon. Dr. L. Saith*]

Question put and agreed to.

Sen. The Hon. M. Joseph: Thank you very much, Mr. Vice-President and hon. Senators for extending my time. I go now to *PricewaterhouseCoopers 2003 Budget Memorandum The Power and Potential to Progress Together* and let me just quote page 4 of the document “Budget Memorandum”:

“Government’s ability and capacity to manage this wide range of programmes will be severely tested and any failures in this area could result in costly overruns.”

I think, Mr. Vice-President, in listening to some of the concerns raised by the Independent Senators in their contribution, this is a concern and we recognize that. We recognize that the concern will be the ability to implement all the various programmes that we are going to be putting in place, but this Government is committed to giving Trinidad and Tobago developed society status in the shortest time possible. We are committed to improving the quality of life and the standard of living of our citizens. We see government, Mr. Vice-President, as different from how the previous administration saw government. We see government as an opportunity to improve the life and standard of living of our citizens, and towards that end we will ensure that we leave no stone unturned in order to make sure that that happens.

They are talking about some of the measures, especially the question of the housing allowance. It says that:

“The above measures will impact favourably on the average household resulting in greater retention of earned income as well as increased savings.”

I think they also raised the point again with respect to implementation, Mr. Vice-President. “Construction”. It says here:

“This construction activity alone is therefore expected to generate a significant number of jobs in fiscal 2003 and beyond.”

Appropriation Bill (Budget)
[SEN. THE HON. M. JOSEPH]

Monday, October 28, 2002

As I stated when I began my discourse on the sector, our underlying philosophy is that adequate housing is a basic need of every citizen of this country and an essential feature of human development. Article 25 of the United Nations Universal Declaration of Human Rights states that and I quote:

“Everyone has rights to a standard of living adequate for health and well being of himself and of his family, including food, clothing, housing and medical care and necessary social services.”

While we in Trinidad and Tobago recognize the right to housing as fundamental, the question is whether we have recognized the lack of opportunity of our citizens to own their own home. Our challenge, therefore, is how to convert the right to housing into an opportunity for housing and to develop the mechanisms that will allow us to do so.

Implementation of all these policies will require bold leadership. It will require recognition of the importance of housing and mortgage markets. It will require a clear shift from a settlements policy to a housing policy. It will require vision and coordination. These are demanding requirements which are exacerbated by the extreme scepticism that citizens have about Government’s ability to deliver. It is clear that the task and its importance eluded my colleagues on the Opposition Benches. Our Government will continue to deliver to every citizen of Trinidad and Tobago. [*Desk thumping*] It is a comprehensive housing policy that distinguishes the PNM from all other political parties in Trinidad and Tobago. Past PNM administrations created a housing transformation throughout the country and this PNM administration will continue to foster change and the good news is that we have already begun. [*Desk thumping*]

Mr. Vice-President, housing is not only a necessity of life, it has a pervasive impact on all aspects of our existence. Housing is more than physical shelter. Housing is even more than the residential environment for it is only in relation to those who inhabit and use it that housing has meaning and significance. Not only physical and economic but emotional, symbolic and expressive. We occupy our houses and, for better or worse, they become our homes. I hope all my colleagues on the Opposition Benches will join this Government as it shows Trinidad and Tobago a new way because, as we all must agree, housing is beyond politics.

We wish to see the creation of neighbourhoods where families can enjoy the basic essential services—electricity, the various aspects of communications, well-lit and paved roads. Our objective in the housing ministry is to create and maintain communities where families are safe and they can enjoy a greater sense

of community. We envision communities supplemented with recreational areas, playing fields and community policing. We intend to deliver homes, regularize the squatter settlements and refurbish and maintain apartments on a timely basis.

I thank you, Mr. Vice-President. [*Desk thumping*]

Sen. Dana Seetahal: Mr. Vice-President, this is my maiden speech as a Member of Parliament [*Desk thumping*] and if I transgress any of the rules of this august House, I hope you will forgive me. It reminds me of a time, over 20 years ago, when I had to appear before a magistrate for the first time and I had to write down many times and learn that “I wish to apply for an adjournment” and I memorized it. Unfortunately, of course, I cannot memorize the contribution that I have to make today but what I will do is stick to something that I know a little about and I will focus my contribution on the measures to combat crime as stated in the budget presentation of the hon. Prime Minister, some of which were repeated by Minister Enill.

In the last few years many surveys in this country, both scientific and unscientific, have shown that crime is the number one concern of citizens of Trinidad and Tobago. It is higher even than the concern for unemployment and corruption. Fear of crime is in fact the chief determinant of our lifestyles—burglar bars, burglar alarms, car alarms, security gates, security guards and so on.

It is noteworthy then that, of the 22 or so ministries in existence now, the two with the largest budgetary allowances in the 2003 budget are the Ministry of National Security and the Ministry of Education. For the Ministry of Education, the sum allocated is \$2.237 billion, \$127 million of which is for developmental programmes, while for the Ministry of National Security it is \$1.831 billion.

It is gratifying to note this, especially in terms of education, that in the last two years it has been a priority and the trend continues. In fact, if we considered that in 2001 tertiary education then fell under the Ministry of Finance, and so inflated that ministry’s allocation, one can say that this is the third budget in a row where education has been the prime ministry in terms of allocation. This clearly must reflect an acceptance that education, at both the primary and secondary levels, is a must for all citizens.

As a country coming out of a colonial past where education was the privilege of the few, and the elite at that, it was recognized that without a good education you could go nowhere. As one of our calypsonians has put it, “Without a good education ‘yuh’ better off dead.” Well, that is a little extreme for me, but still, there is recognition that the future of our country was in the book bags of our

Appropriation Bill (Budget)
[SEN. SEETAHAL]

Monday, October 28, 2002

schoolchildren and, thankfully, those book bags now belong to our secondary schoolchildren as well, all of whom are guaranteed what should be their just desert—free education up to secondary level. However, Senators, educational opportunities alone will neither alleviate poverty nor control crime. If that were all it took, then the United States would have no poverty and no crime, neither would St. Kitts and Nevis, which for years has provided for free secondary education for all of their citizens and, despite that, with a population of a mere 50,000, it has become known for drug trafficking.

So let us look back to crime. What are the specific measures in this budget which purport to deal with crime and control crime? Let us consider those measures. Let us consider specifically rehabilitation. Let us look at the backdrop against which these measures have been placed. Let us look, I would say, at what I consider are the three types of people in this society in terms of who are law-abiding and who are not and let us look at that last group, the ones who are not, and see whether these measures can impact on them.

In the budget presentation, the Prime Minister pointed out that crime-control called for a holistic approach. He identified as the causes of crime—breakdown of family, unemployment, drug abuse, hopelessness and so on, and in this vein he pointed out that the Government had sought to include policy and measures to deal with these underlying problems and to tackle crime. Now, if the Prime Minister is referring to his social policy measures, some 18 of them which my colleagues have already dealt with, and which are designed to alleviate poverty or to provide training, Mr. Vice-President, I have no quarrel with this.

I note that over \$200 million so far has been allocated to these measures, although, with \$96 million going to public assistance, the training aspect will not be as great as it could be. It will of course be the question of implementation that will be of concern to many and the last speaker, Minister Joseph, mentioned this. We are also concerned whether there will be equitable distribution of opportunities to participate in these programmes; but that is for another time. What are the specific measures identified by the hon. Prime Minister in his budget presentation?

Before I go into them, let me say at the outset that I have concerns as to whether these measures will impact upon the underlying problems that he has sought to say they will and whether we can, in fact, tackle crime at its root, I think, with these measures.

The first one was a reference to Operation Anaconda. It is claimed that Operation Anaconda has brought immediate relief to citizens who were literally under siege. I am of the opinion that this much-touted operation is nothing more than the previous roadblock operations used by the police for many years. It is now under a glorified name.

In common with many law-abiding citizens, I fear that this operation is of little effect in deterring serious criminals. We have yet to see the impact of “the vast intelligence-gathering machinery” in this operation as promised by the Minister of National Security when he launched Operation Anaconda to much fanfare earlier on this year. Crimes to the person and to property appear to have continued unabated by Operation Anaconda. Indeed, newspaper reports will show that, even in the face of many initiatives under this operation, criminals continued on their merry way during the year, unfazed by the threat of “Anaconda” squeezing the life out of crime as we were promised.

Measures aimed at strengthening the protective services: these include the usual—committing increased resources to the services, expanding police presence in high crime areas, creating new police stations—although I noticed no specific allocations for these five police stations. There were some allocations in the projects’ allocations for some police stations, \$100,000 I think, \$200,000, up to \$500,000 in one case but I hardly think these would suffice to create and build new police stations. Be that as it may, it is there in the budget as well as the provision for joint army and police patrols, repairing of police stations and so on.

None of these measures is new. In fact, looking at the 2003 estimates for the police, roughly the same amount has been estimated for repair of police vehicles in the 2003 budget as was provided in the 2002 budget, that is \$20 million, and the same amount for replacement of vehicles \$4 million, although in fact only \$2 million was used last year. Repairs and maintenance of police buildings and equipment has gone up by \$24.25 million from \$2.5 million, but is this significant to put any dent on crime? In any event, what part of that will go towards repairing the Police Headquarters?

In the last six years we have seen many police stations built or refurbished but this has had little impact on the crime situation. If you are to use the yardstick of murders alone committed this year, which is a good yardstick because it is not a case where people cannot report crimes—using murders is a good yardstick internationally for measuring crime rate—you will see that it is the same percentage last year that we have had this year and it has increased in 2001/2002, so I do not think that these measures, which have been touted as strengthening the protective services, would impact on the crime situation.

Community-based projects—the weed and seed, community policing and so on. These are indeed commendable but again there is nothing novel here. Community policing has been successful internationally but in Trinidad and Tobago it appears to suffer from a lack of respect by members of the protective services. They see it as not real police work. Some of them had told me that “Those guys just fooling around. They should come in there and get in the field” and, “What are they doing talking to people? That is not really doing the work.” It needs a shot in the arm, not literally of course, but something to get it going, and merely saying that we will conduct lectures, we will get police officers to go to schools and do this, putting them back under the umbrella of community policing, Mr. Vice-President, is not good enough.

In fact, community police officers at present already conduct lectures in schools; they already go to homes and to neighbourhoods and give advice on neighbourhood watches. In fact, about 10 years ago some of them came to my neighbourhood to do that, to set up a programme, so it is not really something new. Perhaps a resuscitation of these kinds of interventions can be had through national recognition of the benefits of community policing, but until such time as we educate the populace and the police service and the protective services to the value of community policing, it will have little impact, I am sorry to say.

Other measures: and under that I look at the Centre for Criminology. In his budget presentation the hon. Prime Minister indicated that the Government would continue to work with the Centre for Criminology and support its projects, especially that of research on recidivism, and there was another project. All of this is well and good. Fine, we need scientific research into the causes of crime and how we can prevent crime and so on, but as compared to last year where the centre was allocated \$500,000, there is no allocation this year. We are continuing to work with the centre but there is no allocation. Is this a step backward?

Another measure is rehabilitation. The budget presentation states that the Government is deeply committed to rehabilitation of offenders and will commit resources to the correctional institutions to embark upon internal rehabilitation programmes for prisoners with a view to facilitating their re-entry into society. There is no mention in it of any specific allocation for this, although I have read where the Parliamentary Secretary, Mr. Roberts, said that there is \$6.7 million for prison reform. I looked through the budget again whilst I sat here, the detailed list of expenditures, and I saw nothing.

In any event, may I point out that there already exists internal rehabilitation programmes in the prison. It will be praiseworthy if more resources are put into

this, but let us not act or pretend that it is something new and we are now going to introduce this and this is a big new measure. From my practice of law I know prisoners who go into prison hardly able to read or write—in fact, one of them I recall said that, “I could just read small words”—and they have left with both skills. Often people who are on death row when they come out—and I say when because a lot of them come out eventually from death row into the regular prison—they are able to read and write properly.

Last year prisoners put on an art exhibition at the Attorney General’s office. I understand that they were taught art by Mr. Bill Trotman. Last year I visited some inmates at the Maximum Security Prison and I was told that I had to wait because they were at school. I learned that they were in the process of completing their tutors’ programmes for teaching other prisoners. So it is a fact that at our prisons there are currently rehabilitation programmes, many of them organized free of charge by our correctional officers.

Let us look at the other aspect of that. The present policy on rehabilitation, and I am not speaking here about programmes to rehabilitate which I think we have already, we can work on that and we can really get something going in our prison, not only the Maximum Security but in the Golden Grove Prison, the Women’s Prison, the State Prison in Port of Spain and the Carrera Prison—that is the only one I have not actually visited, so I could speak from experience, as it were, from having visited some of these prisons. However, the policy on rehabilitation, I am looking at—there is a lot of talk but no clearly defined policy as to how rehabilitated persons should be treated.

For instance, if it is stated that the purpose of rehabilitation is to prepare offenders to re-enter society, why is it that at present there is no more than lip service paid to this? There is no parole system in this country. In other jurisdictions, such as Jamaica, there is parole legislation, in the United States there is, which would provide for the re-entry of prisoners into the system. I understand that it is proposed that we will have parole legislation but let me say that in 1990 I was a member of a Cabinet-appointed—not under this administration, in the sense not under an administration formed by this party, the PNM—but I was a member of a Cabinet-appointed committee to consider the feasibility of the introduction of the parole system, Mr. Vice-President, and we made a report, we went to Canada, we met with many people and we put in our report, but nothing came of it. It may well be that the intervention of July 31st prevented that, but the report was laid after that and we never heard anything.

Appropriation Bill (Budget)
[SEN. SEETAHAL]

Monday, October 28, 2002

Now, why do I say there is no clear policy apart from the question of parole? There is a provision in the old 1843 Prison Rules that still exists in our country. It is a shame that Trinidad and Tobago has the oldest prison rules in the whole of the Commonwealth Caribbean. 1843 Rules provide for remission. That is where you get a cut off of one-third of your sentence if you behave well. It also provides that persons who are serving life sentences and so on could get their sentences reviewed every four years and there are various measures of that kind, but it is very difficult for prisoners to hope for proper consideration of having their sentences commuted because the bodies that are to deal with that, whether it is the Mercy Committee or the Ministry of National Security, and their clerks are not very—

PROCEDURAL MOTION

The Minister of Public Administration and Information (Sen. The Hon. Dr. Lenny Saith): Mr. Vice-President, in accordance with Standing Order 9 subsection (8), I beg to move that the Senate continues to sit until 8.00 p.m.

Question put and agreed to.

APPROPRIATION BILL (BUDGET)

Sen. D. Seetahal: Thank you very much, Mr. Vice-President. I was about to say and if I could continue now, thanks, that last January I wrote to the Ministry of National Security and the Chairman of the Advisory Committee on Mercy making a case for three prisoners who had been sentenced to serve life, and whom I considered had been rehabilitated. They had taken part in many activities, they had organized many such activities, they were tutors to other prisoners, they were model prisoners, they did voluntary work of all kind, they had been let out to paint, one of the few people, let out to paint the police services building, they had clean records before and they had been incarcerated for over 16 years. They had even been baptized, by the way, whilst in prison. That is another point. They would pose no danger to society. I asked that their sentences be commuted.

Now, despite the fact that I wrote several times, I telephoned many times, all I got was an acknowledgement in May this year. I called since that, I spoke to the Permanent Secretary, nothing; and a full year will soon have passed in January 2003 for the consideration of these men's cases and they are entitled to have a consideration of their cases every four years. So one wonders if the case is considered by January next year whether the four years will come up after that or the four years after this January that we just passed if they are refused, that is.

What is the point of talking about rehabilitation programmes and the rehabilitation of prisoners if one get worse than lax responses from the authorities? Some persons are privileged to have a pardon and have their sentences commuted but we have no idea what informs these decisions of bodies which are delegated to make these recommendations. If prisoners are not even hopeful that their cases would get some kind of speedy or reasonable consideration, what, they may ask, is the point of embarking on these rehabilitative exercises? The rate of recidivism will continue. What has a rehabilitated inmate sentenced to life to look forward to? It seems to me very little, in the present administration of the programmes that we have.

Moving on to the background against which the measures for combating crime as stated in the budget, were proposed. In presenting his measures for national security, the Prime Minister identified as the root causes of crime, and I have already stated them, breakdown in family, unemployment and so on. He claims that it is intended to deal with these underlying problems, that is, those measures, the measures that we have talked about, the measures that he outlined, the weed and seed, the rehabilitation and so on, we will deal with underlying problems; the weeding out of these elements, poverty, unemployment and as I have said I think the social policy measures are indeed good; but what about the persons who at present in our society are at risk to commit crimes?

The measures in the social policy deal with people at a later age. They relate to people who can benefit after they have left school or people who are past the age of being children. What about those in our society who are predisposed toward becoming criminals? There might be a better way to determine this and I just want to offer something for consideration. Any student of criminal behaviour, and I have been one, will know that in terms of obeying the law, there are three types of persons, Mr. Vice-President, three types in our society and in any society.

The first is those who consider that they have a moral duty to obey the law; and I am sure all of us here would fall into that category. Whether or not we agree with the law, we will obey it. We will not steal, kill or even break traffic regulations on a regular basis. Then we have the second group, those who feel no moral duty but they fear punishment. We have the third group, those who feel no moral duty and they are not deterred by punishment. It is obviously groups two and three with which we have to concern ourselves in shaping policy and in controlling deviance.

Appropriation Bill (Budget)
[SEN. SEETAHAL]

Monday, October 28, 2002

Group two: if the law is not enforced against these persons they will simply not obey it. In time, they could even impact upon the good first group or become like the third group. They would not even care whether or not they are punished. The good group might react by taking the law into their own hands, and you have seen people get so tired of people stealing their avocados and whatnot and they just let it rip.

6.25 p.m.

A good example of the second group—that is the ones who will only be deterred by punishment—are what I consider in some areas as blocks to the well-being of the citizens there; these are PH drivers. Now they may say we are making an honest living, but I beg to differ. It might be a living, Mr. Vice-President, but it is not honest. It has become almost a regular statement in the papers, “He was a PH driver,” as if that is a legitimate occupation.

There was even talk by the last administration, or the one before that, in 2000 to regularize the situation of PH drivers. That is legalizing an illegality. Let us look at an example. At the corner of Eastern Main Road and Warren Street in St. Augustine, near to where I live, cars congregate every morning to take lazy students, I consider them, who do not want to walk half mile to the school inside. From 7.00 a.m. these students wait, mostly girls, I say, but the drivers are men, not that that means anything, maybe, but that is just a fact.

The school starts at 8.30. They can take 10 minutes to walk, but they are waiting there to take a “PH taxi” with loud music. These drivers obstruct the road. They make illegal U-turns. They break the major road. They have their hazard lights on as a warning to all of us to get out of the way. They drive at excessive speed, and this is a residential area, and they prevent people from going about their lawful business and no one stops them.

The police know. I have made several telephone calls to senior police officers and I have spoken to them personally and they have told me yes, in fact, “We know that it is true. We checked it out,” as if that helps me. I know it is true. These same people continue along their way, St. John's Road, Maracas Valley. We have the law. It is not being enforced.

What message is being sent to the young people who travel in these cars? That it is fine to break the law with impunity? What about the law-abiding citizens in the area? I remember a few months ago Prof. Imbert speaking to me, he lives in that area, and asking me why do I not do something about it. I thought

maybe he would have better contacts to do something about it, but it appears not. [Laughter]

What do the students learn? What do the youngsters learn? That the police are not concerned about their well-being? Because the police cannot be if they are allowing them to travel in these cars flinging around the place at 60 miles an hour; that breaking the law brings its own rewards? These PH drivers do not have to insure for that kind of person—if you get injured in a PH vehicle you do not have anything to claim.

Some might think that this is a minor matter, but this is where the breakdown of the law starts and this is what leads to disrespect for law, maturing into serious deviance. On the other hand, enforcing the law at this level can lead to restoration of and respect for law and order.

If one is in doubt, ask the Mayor of New York City and any large US state. All the officials there have embarked upon zero tolerance. In New York City, after such programmes were embarked upon, crime rates dropped drastically in three to four years. From over 2,000 murders, this dropped in 1997 to 600. A city of eight million has fewer murders than Jamaica now.

We need to focus on enforcing the existing law rather than merely creating new ones. Creating new laws would not be preventing crime, if I may say so. We have seen in the budget talk about a new Kidnapping Prevention Act, a Terrorism Act. The Kidnapping Prevention Act would merely put into statute form what is the law. Kidnapping is an offence. Make no bones about it. Kidnapping for ransom is an offence, and at present there is a trial going on for that—the Camille Bobart case. So we know that it is an offence. But it is not clear what the penalty is in the sense that it is not stated in our law and we have to go to English law. That in itself clearly is not going to prevent any crime. The Terrorism Act is not going to prevent any crime, because the attitudes that lead to the commission of these crimes are still there. [Desk thumping]

Perhaps the most significant matter to consider in dealing with crime is what of those persons who feel no moral duty to obey the law, who are not deterred by punishment. That is group three. Remember we talked about three groups? These are the ones who are not deterred. They know it is a crime, they know they can be caught, they know they can even be executed, but they go and do it.

It is no secret that in general these are persons who are from an early age alienated from society, and I draw reference to Lincoln Guerra. Many of you may know of him, 1994 fame. He escaped from prison. He had his sentence commuted

Appropriation Bill (Budget)
[SEN. SEETAHAL]

Monday, October 28, 2002

by the Privy Council because he had been there for five years. He was a graduate from an orphanage into the St. Michael's Home and into the YTC, and we know where he eventually graduated. From an early age he would have felt alienated from society.

If we want to gain some understanding of the roots of deviance in our society we should study the backgrounds of our prison inmates. We may be able to identify common factors that could wave a red flag which may be able to identify at-risk juveniles or children. My point is, you do not wait until they are 20 or 25 years old to put in place social programmes and hope that you are meeting the needs of the society. That is well and good; it helps, but you need to go back earlier.

Now failing any kind of intervention at the prison and a lack of proper assessment at this level, a good place to look here would be at the juvenile court. I do not know if anyone here has been there, but Mr. Vice-President, it is a place which can open your eyes. In every magisterial district in Trinidad and Tobago there is a sitting juvenile court once a week where magistrates try offenders under 16 years of age for any offence in these courts except murder. They also deal with juveniles who are abandoned or who cannot be controlled by their parents.

As I said before, it is good to put social programmes in place for school leavers and those who are unemployed, but there is a failure, not only in this budget but every budget since Independence; every government I would say has failed to recognize that it is an age before 16 that the character of the person is formed, and they have failed to put in place measures to deal with deviance at that level. We need to intervene at an earlier age, and in respect of children who are at risk we are doing very little.

What happens in this country to an abandoned child, a person under 16? What happens to one who has committed an offence? It is basically the same. An abandoned child is treated just as a child who is a criminal in this country. He is sent to an orphanage or an industrial home, Mr. Vice-President.

The problem here is that there are only two approved orphanages in this country, in Trinidad, none in Tobago. And there are two industrial schools. There is a youth training centre for young men over 16, if they come before the court over 16. Fifteen years ago when I was a magistrate working in the juvenile court, the orphanages and the industrial schools were already overcrowded. Now in 2002, magistrates continue to send children to these institutions, and from a check with some of my colleagues over the weekend they indicate to me that they are

bursting at the seams. Well they were bursting 15 years ago, so they must have burst at the seams.

What people do now is unofficially send children for some short time to agencies like Care and Respect for Youth (CRY) and so on, but these are not approved institutions under the Act. So one cannot send them there permanently, so what does one do? One sends them there and brings them back, and sends them there again and they have no stable place to go to. And there are situations where children go to orphanages and stay in places designed for 200 people with 600.

No government in independent Trinidad and Tobago has built an orphanage in this country. Our two orphanages are administered by religious bodies, although the State assists. They are like assisted schools.

In 1851, the Tacarigua Orphanage, now called the St. Mary's Children's Home, was built on lands donated by American, Frederick Burnley, who owned Orange Grove Estate. He turned it over to the Anglican Church and it became partly supported by the government. The other orphanage, St. Dominic's, is run by the Catholic Church.

To these two solitary orphanages are sent orphans, children who have been abandoned by their parents, or homeless children under the age of 14. Under the age of 14, children go to the orphanages. A child 10 years of age and under, or 11 and under, who has committed a serious crime or who is convicted of a crime will go to an orphanage too. If he is a little older he goes to the industrial school, whether it is St. Jude's or St. Michael's. The problem now is that at the age of 16 they must leave the orphanage and the industrial school. What happens to these people?

Many of you may have seen articles in the newspaper a few years ago which talked about the boys living under the Tacarigua bridge. Those are people who have had to leave the Tacarigua orphanage. They have nowhere to go and that area is a source, according to the residents there—I come from Tacarigua originally—of criminal activity.

The problem in this country from the lack of provision of social amenities for these kinds of children is that, homeless children are treated the same way as young criminals in this country. Peer pressure, labelling and all of that will ensure that many of them end up the same place. If you are a criminal, if you are homeless, if one is abandoned by parents, if they say they cannot control the child, the child is on the road to “never never” and the roots of crime are seeded, or the seed to the roots of crime will be there.

Appropriation Bill (Budget)
[SEN. SEETAHAL]

Monday, October 28, 2002

These institutions, unfortunately, become a breeding ground for criminals. Disadvantaged youths—they are already disadvantaged—will have little chance and many males graduate from the orphanage to St. Michael's to the YTC. Some of them may consider that is the one way of keeping a roof over their head, because as I said at 16 they are discharged from orphanages into the society with nowhere to go.

We are failing the disadvantaged children in our society and we are creating criminals through our failure to intervene at this opportune time. No government appears to have had the political will to do anything about these abandoned or virtually abandoned children who, if they continue to be ignored by society and forgotten in crowded homes, except at Christmas time when everybody wants to take some food there, will eventually reject society's norms and they will have no respect for rules and laws, and they are doing so.

If one were to check many of the serious criminals in the prison and their background, one would see that a lot of them come through these homes. If they do not, they are homeless, from the streets. We need to start searching out the roots of crime in our orphanages and our industrial schools and nip them in the bud by creating reasonable alternatives, Mr. Vice-President. One of my suggestions would be that first there should be separate institutions for the abandoned and the parentless as compared to the young criminals. That is one. They should also be separately treated.

We cannot have young criminals who have special needs being treated the same way as persons who are abandoned and may have different psychological needs. We must build new homes, new detention centres. We need halfway houses. There is some Contingency Fund, I noticed in the budget estimates, and I am sure without waiting until next year we can get this going if we are serious about giving comfort not only to the rest of the society but to these kind of people who are vulnerable according to the Prime Minister in the budget. These people who need us.

We want to give some human dignity not only to adults but to the children who may likely become the criminals of the future. If this budget makes no provision for this it cannot be said to be providing real and effective intervention programmes for the critical sectors of our society or properly addressing crime.

It is clear that for years the disadvantaged children of our nation have been left out of our developmental efforts. It is time to redress this both in order to protect the human dignity of the nation as a whole and these individuals and to prevent

the manufacturing of criminals. Mr. Vice-President, if we fail to address this now, any later intervention might be too late. The proposed measures for crime prevention and social development would likely come to nought.

In closing, may I say that in 1985 when a “PNM government”, I use that in inverted commas, was in power, I was the beneficiary of a scholarship to do my further degree in criminology, and it is as a result of that training I am able to say what I have said with some degree of authority and make my statements in this contribution today. I think that it, in fact, is something that I have been grateful for, that I can make this contribution on the budget.

Thank you. [*Desk thumping*]

Sen. Mustapha Abdul-Hamid: Mr. Vice-President, let me begin by extending my congratulations to you on your appointment as Vice-President of this honourable Senate and let me also extend congratulations to every Member who has been appointed to this honourable Senate and, in particular, to those who have been appointed to this Senate for the very first time.

As I sat on this side, today being my first day, I recall statements from the campaign trail when speakers on the UNC platform were known to have said, never have so few done so much in such a short space of time. As I sat here and looked across, I can adopt that statement. Never have I seen so much bitterness among so few people in such a small space. [*Laughter*]

Before we came to this honourable Senate we had a very constructive and productive meeting in which we were advised as to what might be recognized as the highest standard of behaviour, and we were directed as to the standard of behaviour we were expected to have. I also add that sitting here, never have I seen so many rules broken by so few persons in one day.

I think I have a strong sense as to why that might be the case. Internationally, getting the delivery of social services right is a major challenge. It is not an easy task and many governments throughout the world have had great difficulty with that, because it is a difficult task to get the balance exactly right; to get the equilibrium; to arrive at a point where one is indeed servicing the needs of the poor and at the same time one is not contributing to the creation of lethargy and complacency among the very poor that one is trying to assist.

I think what may have the Senators opposite out of sorts is that they have suspected that we have gotten it perfectly right. As a result of that, I suspect that may be responsible for the condition in which they are terrified, traumatized and

Appropriation Bill (Budget)
[SEN. ABDUL-HAMID]

Monday, October 28, 2002

self-terrorized by the prospect that we, in fact, may have indeed gotten it perfectly right. [*Desk thumping*] Because they know for a certainty that any government that gets the delivery of social services right will never lose another election.

It is in this light, therefore, that I consider the hon. Leader of the Opposition in the other place, as I understand it is to be called, in his contribution, I considered his contribution to have been perhaps a statement of surrender, and the fact that some have avoided addressing their minds to the budget itself in this honourable House, to my mind, suggests that they too have surrendered.

Sen. Mark: I think he may be running into trouble.

Sen. M. Abdul-Hamid: Our Ministry, the Ministry of Social Development, is particularly responsible for research and policy formulation and design in the social sector. Our specific responsibilities are to analyze and monitor various institutions in the society and to determine the strengths and weaknesses of these institutions. Having performed those analyses, it is our responsibility to formulate policies that will foster the development of the very institutions which we have analyzed.

Also our analysis would extend to the society in its current state, to determine what new institutions are needed and which institutions will allow us to experience a more harmonious and constructive society. Our intention is to be universalistic rather than individualistic.

I would like to state that social development is everybody's business, having outlined what our particular responsibility is in our ministry. Every individual, every citizen in Trinidad and Tobago must be interested in the social development of our country. Every institution. The university, in particular, among others, the private sector, the Government, banks, NGOs, the media, religious institutions, and so on, all have very critical roles to play, Mr. Vice-President, in addressing our social development needs.

I was happy to hear Sen. Mary King refer to the university and its role, because I have long held the view that the university ought not to benefit only those who pass through its gates, because as a country we invest significant sums of money in the university and the university personnel to conduct research and to teach, and it is felt that the products or the results of their research ought to find their way into the daily lives or to influence the daily lives of all our citizens.

We should benefit from the indigenous opinions of our local scholars rather than have to seek guidance from MSNBC, BBC and other international media, and

there it may be that we may need to take steps to ensure that we are able to derive greater benefit from the existence of a university.

If we take two faculties, in particular, I ask the question: How is the faculty of agriculture relevant and how does it contribute to the farmer in Aranguez who is planting tomatoes? Is it, in fact, relevant to him and can it contribute to him having a more successful crop? I suggest that it ought to be relevant to each farmer in Trinidad, or at least any farmer or any agriculturist who may be willing to avail himself of their services.

I ask the question: How does the faculty of behavioural sciences affect the life of any individual in this society, of any family, whether that family is resident in Caroni, Laventille, Diego Martin or otherwise? Those things are important, because if we have a centre of learning and a centre of scholarship, the effects of that scholarship ought to find its way into the quality of life we all live.

On the question of social development, we must understand, I think, Mr. Vice-President, our social development in its proper historical context and we must understand our context as far back, perhaps, as even before the days of slavery and colonialism.

You see, during slavery, the conditions of slavery were very difficult where our ancestors were forcibly removed from their homes. They were transported in atrocious circumstances and conditions. They arrived here weak, they were stripped of their religion, language, name, history and culture. They were beaten to work and beaten to death. The average lifespan of the male slave was known to have been two years at the height of slavery, but one of the more devastating and lasting effects of the periods of slavery and colonialism was the destruction of the institution of the family. The period of slavery was characterized by the State itself using the power, authority and force of the State to undermine and destroy the institution of the family.

I suggest, Mr. Vice-President, that today the State itself must now come and play a more proactive role in the reconstruction and rehabilitation of that family unit that was destroyed so many years ago, because the destruction of the family unit is a national phenomenon. Of course, in some sectors of the society the family unit is quite stable, but there are many sectors which are still reeling, I suggest, from the effects of that destroyed family that took place so many, many years ago.

We are faced with the situation where we must encourage our young to develop healthier attitudes to stable and sustained relationships. That is the challenge before us. We must, by a process of intense education, teach our young

Appropriation Bill (Budget)
[SEN. ABDUL-HAMID]

Monday, October 28, 2002

to function in relationships, teach them to develop the skills necessary to sustain themselves in close relationships, to develop the discipline, patience and all the other characteristics necessary for successful and lasting family relations.

You see, many may have observed that in this society some sections of the community have been able to benefit immensely from the services and opportunities offered to them by government. In particular, I may, as an example, refer to educational opportunities, but in order to benefit from any educational opportunity, Mr. Vice-President, you must be in a circumstance and a condition that will allow you to derive such benefit.

I also suggest that a stable and efficient functional family unit allows many of our young people to derive the benefits from the education and other opportunities offered by the Government, whereas others are faced with more immediate and trying needs and find it impossible to avail themselves of those opportunities.

I have been very fortunate at a period in my life to have been a teacher, and very privileged I might add. I have always said that my greatest teacher was teaching, because everything that is right in a society shows up at school, and everything that is wrong in a society shows up at school. I have seen in the period of abundance when this country has had wealth in circulation making small circles among the wealthy. I have seen children who could not come to school because they had nothing to eat, and I have seen children who could not come to school because they had no transport. I have also seen children who could not come to school because their mother needed them to work. As I said, all this in a time of abundance.

It is the intention of this Government, as you would see, to ensure that as many people as possible take advantage of all the opportunities that we make available to them. No child or no young person, by virtue of hunger, or inability to afford transportation, must be deprived of an opportunity to learn a skill that is going to allow them to provide for themselves.

We have other problems in this society. After six years of the rule of the United National Congress, I heard on the radio not too long ago, a statistic which indicated that over 800,000 persons in Trinidad consume alcohol. Those 800,000 persons, the news item said, in one year consumed 1.5 million gallons of rum. In that same year they consumed 25 million litres of beer. In that same year they consumed 7 million to 8 million litres of stout.

It is perhaps going to fall to our ministry to do the research, in our capacity as the researchers in the social sector, as to why our population is drinking so much and why our population is consuming so much drugs, legal and otherwise.

Appropriation Bill (Budget)

Monday, October 28, 2002

Those are the serious challenges that confront us, and when we attempt to address the immediate needs of our society, of our citizens, we are accused of handouts. That reminds me of a story where it was said that a man would leave his air-conditioned home, jump in his air-conditioned car, drive to his air-conditioned office, work in his air-conditioned office, go back to his air-conditioned home, play with his air-conditioned children and never ever get to see people. [*Laughter*]

Accusations of handouts is, to my mind, like full belly telling hungry belly to have patience. While we speak of handouts there are people who are at this minute hungry. There are people who are at this minute unable to provide for their children, and I ask the question: Of what use is any training programme if one is going to starve to death? Of what use is any educational programme if one does not have the strength, the physical strength to benefit from the programme?

I must say, it is so silly that we must ask: Is it that they want our people to die? Because these handouts, as they call them, in many cases are in fact going to make a very real difference, Mr. Vice-President, between life and death for many. There are people out there in dire circumstances who are indeed in a life and death situation and for whom one hamper—and in some cases one bread—will make all the difference in whether they live or die. So what they call handouts, we might more appropriately describe as handups.

Social change, I am sure we all understand, is evolutionary, and we develop acceptable norms and values over time, because we must carefully craft and engineer the direction of our society through an intense process of education. At the end of it, we hope that we can cultivate a more harmonious and productive society, but as I said before, you cannot teach hungry people. I ask the question: Can we also classify concessions to businesses as handouts? Is free education a handout? Because it comes from the State and one does not pay for it.

Everybody depends on the State in different ways for different needs, and why is it that we are being asked to discriminate against those who have the most basic need, and that basic need being food?

Even if we use the statistics provided by Sen. Wade Mark where he cited 21 per cent of this population are below the poverty line, we end up with the figure of 250,000 people, at least. Are we satisfied that it is okay that 250,000 of our citizens are hungry? In fact, that statistic, minimalist as it might be, in itself reflects that we have more to do.

Appropriation Bill (Budget)
[SEN. ABDUL-HAMID]

Monday, October 28, 2002

Some of the things we have been doing which have been identified, among them, we know of the expansion of our Social Help and Rehabilitation Effort (SHARE) programme. In our SHARE programme, we have increased by 7,000 the number of families who benefit from that programme. It was previously 8,000, it is now 15,000 families per month who will benefit.

We have also increased the value of the hamper from \$150 to \$200. Instead of a three-month cycle, we have increased that to a six-month cycle. In addition, a wider range of persons are known to benefit now, because as has been said before, Mr. Vice-President, there are some who may be on social welfare and some who are on other programmes and are still unable to provide for themselves and still fall below the poverty line. So we have made adjustments to ensure that anyone who falls below the poverty line might find himself in a position to benefit from our SHARE programme.

It is noteworthy as well that we also have a developmental and empowerment component, even in this programme, because what we have done is linked our clients to training agencies so that they may engage in skills-based activities—one example is the growbox facilitated by the Ministry of Agriculture, Land and Marine Resources. In some of our other centres, our relief centres, in addition to the provision of meals, our clients are also able to benefit from training, not only in employable skills, but in remedial English and numeracy.

This is a programme, these centres to which I have referred, which we have decided to call the transformation and development centres—and the change of name is not simply cosmetic but it reflects a change in the philosophy, because we have added development and empowerment components and, as such, a name change would be applicable and suitable to reflect the new vision of these centres.

It is our intention to have an additional 21 of these centres, as has been announced before. In spite of comments about where these centres may have been located, I want to assure this honourable Senate, Mr. Vice-President, that their location has nothing to do with any constituency, nor does it have anything to do with ethnic factors. We would have located these centres based on need. They are located based on the needs of the various communities, and that is sufficient. The empirical data would suggest that those areas which we have identified are the areas that are most desirous and in need and suitable for the placement of these centres.

As we have also announced, with respect to the Social Welfare Division, we have also granted an increase in the quantum of the various grants from the lowest end of \$222. That has gone to \$320. And the higher end, \$720 has gone to \$940.

Mr. Vice-President, I also want to say that many of our school children experience various ailments which make their experience at school not the most productive. Some may have physical or psychological ailments and some may experience malnutrition. Dyslexia, hyperactivity and hearing disability are just a few of the challenges which some of our students face.

To that end, we have begun the process by embarking on an exercise of ensuring that every child is tested for hearing deficiencies, and where students are found to be deficient in their hearing, we have undertaken to provide hearing aids to those students. It is one specific challenge that students in the future will not have, and should not have. Gradually, we will expand to ensure that we address all the various challenges that students and young people may face in their personal individual development exercise.

Mr. Vice-President, we also have a comprehensive programme for adolescent mothers, for pregnant teenagers and teenagers at risk of pregnancy. We intend to achieve this with the expansion of the Government funded CHOICES programme which is conducted in collaboration with the Child Welfare League of Trinidad and Tobago.

Currently, these services are available at three centres. We intend in the next fiscal year that they be expanded to 10. We intend to have a very proactive approach to the issue of teenage sexuality. During the period May, 2002 to September, 2002, our ministry conducted a series of workshops to enable teachers, educators, parents and other categories of personnel who interact with young persons to effectively treat with issues of sexuality which impact on teenagers.

As we all know, the issue of HIV/AIDS also impacts on our national social development. I submit, Mr. Vice-President, that HIV/AIDS is not just an issue for the health care sector. It ought to be a concern of every sector in this society. At extraordinary risk is the age group of persons between 15 and 49. As you would imagine, Mr. Vice-President, that age group constitutes our most productive members of our society, so that our labour force is indeed threatened by HIV/AIDS. The fact that our Government has recognized the challenge of AIDS and the potential destruction of AIDS, and has committed \$500 million, constitutes an investment in securing the future survival of our nation.

In our research capacity, we have conducted what is called a Multiple Indicator Cluster Survey (MICS). The MICS was conducted to provide an accurate assessment of Trinidad and Tobago's attainment of goals of the 1990 World

Appropriation Bill (Budget)
[SEN. ABDUL-HAMID]

Monday, October 28, 2002

Summit for Children. The survey addressed key areas such as the infant and maternal mortality rates, immunization coverage among under-five school attendance and access to sanitation and water.

The ministry was successful in implementing a number of activities geared towards promoting and securing the well-being of the nation's children. Three sector consultations were conducted to facilitate the formulation of a new national plan of action for children following the 2002 United Nations General Assembly special session on children.

This NPA document would identify the goals for children in the key areas of health, education, protection from all forms of abuse and HIV/AIDS. In August, 2002, Mr. Vice-President, this ministry sought and received Cabinet's approval for the establishment of the board of management for the Children's Authority. Our board members have already been identified and they will soon receive their instruments of appointment.

Mr. Vice-President, the Ministry of Social Development continues to formulate programmes to address the situation of all the vulnerable groups in our society. Older persons comprise one such group. In this connection, I must inform Senators that the ministry recently received Cabinet's approval for the establishment of the division of aging. This division will be responsible for coordinating all issues regarding aging in Trinidad and Tobago. We expect that this division should become operational by January, 2003.

The Ministry, on October 01, 2002, launched a consultation on the National Policy on Aging. The first was held on October 01 for stakeholders in the North, three other consultations will be held for stakeholders in the East and South-Central of Trinidad and Tobago. The purpose of these consultations, Mr. Vice-President, is to establish a database from homes for the aged, and this database will contain information on the number and location of homes and the types of services available at these institutions. It is expected that this information will assist the Division of Aging with its monitoring exercise. That is the monitoring of homes for older persons.

Mr. Vice-President, the Ministry of Social Development has retained oversight of the restorative justice system within the scope of its portfolio, and during the period under review was heavily engaged in promoting the mediation process. A Peer Mediation Training Programme was conducted with the approval of the Ministry of Education during May, 2002 to June, 2002 in selected schools and reached a total of 90 students, 25 teachers and parents. The programme

sought to equip participants with mediations skills with the ultimate aim of reducing the incidents of extreme violence in schools and encouraging the use of conflict resolution strategies.

Training in basic mediation and family mediation was also conducted for the benefit of staff in the Ministry of Social Development and social services delivery of the Office of the Prime Minister. In July 2002, in collaboration with the Judiciary, the Ministry hosted a National Consultation on Mediation to publicly discuss critical issues to the future landscape of mediation, and to obtain consensus on the development of a national policy on mediation. This consensus was obtained with the emphasis being placed on the need to institutionalize mediation in our society. During 2002—2003, emphasis will be placed on developing the National Mediations Policy as well as devising the Community Mediations Act.

Under the Public Sector Investment Programme we will develop the following projects in the coming year: Establishment of a remand home for young female offenders; establishment of a halfway house for ex-prisoners in collaboration with the Ministry of National Security; establishment of mediation centres to expand the mediation programme.

Mr. Vice-President, you will note that the activities of the Ministry of Social Development continue to address the vulnerable groups in our society. As I have stated before, the Ministry of Social Development is now responsible for overall social sector policy and programming, and towards this end will also address the following:

The establishment of a parole system—of course, this will be done in collaboration with the Ministry of National Security; the decentralization of the social services delivery system; evaluation of the social sector programmes and projects; and very importantly, the computerization of the social sector.

Mr. Vice-President, before I go, I want to say a few words on the issue of incest which has been making headlines in the very recent past. In terms of our ministry's responsibility to address the issue of incest, what we must remember, first of all, is that incest is a criminal act, and it is our intention to provide as far as possible all the support necessary to the police and to the Ministry of National Security so that the perpetrators of that act are brought before the courts and that they face the effects of the law—of the criminal justice system.

In context of our research we may also have to do some research to determine whether the existing legislation in terms of the specific penalties that are

Appropriation Bill (Budget)
[SEN. ABDUL-HAMID]

Monday, October 28, 2002

applicable to persons found guilty of the crime of incest, whether those penalties are adequately severe. We are also going to need to find greater means of support to the families who are victims, or improved means of support to the families who have found themselves to be victims of the crime of incest. That support must not only take the form of counselling, but it must also take the form of ensuring that families are able to sustain themselves once they have come forward and successfully prosecuted a member of their very family for the crime of incest.

We also need to engage in an intense exercise in education to ensure that people understand the severity of the crime and the extent to which the crime destroys lives, because in many cases, some of the perpetrators, for whatever foolish reason, have difficulty understanding that their crime is a dastardly act. Those are some of the ways and means by which we must challenge this particular criminal act that has over the last few months found itself in our headlines.

Mr. Vice-President, I want to assure you and this honourable Senate that while the Ministry of Social Development has proposed an agenda for the current fiscal year, the Ministry will seek to be both proactive and responsive in its oversight of the social sector, addressing emerging and challenging issues and scenarios within the context of our thrust to make people our priority and to attain sustainable human and national social development as part of our contribution to making Trinidad and Tobago a developed society by the year 2020.

Mr. Vice-President, I thank you. [*Desk thumping*]

Sen. Satish Ramroop: Mr. Vice-President, I wish to thank you and congratulate you on your appointment first and also to congratulate the other hon. Senators. This debate comes at a time when Trinidad and Tobago can truly be described as being at a crossroad. I say so because the forces of globalization now demand that we make a clear choice between the development strategies of the '50s and the liberalization forces of the '90s.

While many people may think that Trinidad and Tobago has already chosen liberalization, it is clear that the negative impacts of relying solely on market forces demand that we re-evaluate our position. The negative impacts to which I refer are the increase in poverty and the unregulated growth of the trade in the financial services.

It is in this context, Mr. Vice-President, that I now proceed to deal with the subject of tourism. It is the context of diversifying the economy of Trinidad and Tobago. This has now become an economic imperative. The strategy of economic

diversification will have to be one of our keys to poverty alleviation. There is a simple and easy logic behind the determination of the Government which I have the honour to represent, to aggressively pursue the development of a strong viable and sustainable tourism industry in Trinidad and Tobago.

It has, in the first instance, to do with an ancient bit of wisdom which says, one should not put all one's eggs in a single basket. While we continue to have great confidence in the ability of the energy sector to generate a substantial part of our nation's revenue on a sustainable basis, the fact of the matter is that commodity prices have had a history of wide fluctuation. In addition, energy resources are not available in an unlimited volume. Some day they will run out. The Government is much too prudent to wait for this to happen before we take defensive action.

Mr. Vice-President, in some circles a strategy such as this is called economic diversification. I simply call it, good common sense. [*Desk thumping*] The PNM Government will be pursuing an aggressive diversification strategy and tourism development will be one of the pillars of that strategy. In addition to the ancient wisdom, the natural beauty and cultural diversity of our twin islands make us a natural destination for tourism development. In other words, it simply is good business sense to develop the tourism industry in Trinidad and Tobago.

We have sun, sea, sand, culture, food, music, forest, events, festivals, sports, birds, diving facilities, fishing, entertainment, and accommodation. Moreover, our natural hospitality is known all over the world. It is time, Mr. Vice-President, for us to give a quantum boost to our tourism industry.

Let us reflect on some tourism facts. Tourism is the largest single industry in the world. It is also the fastest growing industry and the largest single employer of labour. In the Caribbean, Mr. Vice-President, tourism represents 25 per cent of gross domestic product, 78 per cent of all capital enforcement and employs 22 per cent of all Caribbean labour. It is the largest single source of foreign exchange earnings and the largest industry in most of our economies.

Why then, we must ask, does tourism contribute less than 2 per cent of the gross domestic product of Trinidad and Tobago? Why does the industry employ less than 3 per cent of our labour force? And why is it not even one per cent of the capital investment in Trinidad and Tobago? Mr. Vice-President, the reason is that to date, only lip service has been paid to this industry. My Government will change that once and for all. [*Desk thumping*]

Here is how we will do it. First, I will outline the principles of our tourism development strategy, and then I will explain each of these. The following are the development principles that will underlie the development of the industry:

1. We will form a strong partnership between the State, investors in the tourism sector and key international players;
2. We will do a comprehensive review of the tourism master plan which was initially commissioned by the PNM government in 1995;
3. We will focus on the development of key niches while positioning Trinidad and Tobago as an upscale leisure destination;
4. Sustainability will be the cornerstone of our tourism development strategy and, therefore, environmental protection and preservation will be key components of the way forward.

7.25 p.m.

Mr. Speaker, the principles continue:

5. Service will be another cornerstone of our strategy and, therefore, human resource development will find pride of place in our plan;
6. Involvement of the general population is key to the development of the industry and, therefore, tourism awareness programmes will be aggressively implemented;
7. The Prime Minister announced that the Tourism Development Act, with particular reference to the concept of integrated resort developments, will be reviewed;
8. The Prime Minister also announced that Government expenditure on the industry will be increased substantially; this includes expenditure both for marketing and capital projects.

Let us examine these principles in some detail.

Mr. Vice-President, firstly, I will deal with the issue of partnerships. There is a role for the State in the development of any industry, usually this role is to act as facilitator as compared to being a direct investor. The PNM Government will continue to be a facilitator, but we will not be afraid to be a direct investor if a project is of strategic importance. This latter position explains, for example, why my Government kept a golden share in BWIA when the company was divested. We quite agree that flying planes is not the business of the State, but in a small

economy where a single airline can dominate the market, there most certainly is a role for the State as an investor.

On the matter of facilitation, my Government will do so with a difference. There are two primary kinds of facilitation; one is investment facilitation. We plan to streamline the bureaucracy so that investment approvals can be granted speedily and so that the business environment for investors can be simplified and made friendlier. We wish to encourage our citizens to be the leading investors while foreign investors must find our business environment to be one of the most facilitating in the world. In this regard, the Tourism Industrial Development Corporation and the Ministry of Tourism will be required to change their approach to investment facilitation.

The second aspect of facilitation has to do with destination marketing. The PNM Government will take primary responsibility for destination marketing, while the private sector will take primary responsibility for the marketing of their properties. However, we will work closely with the private sector and here is where partnership begins. We believe that if we combine our marketing budgets and work together, our budgets will add up to more than the sum of the individual parts. The partnership with the private sector will, in addition, include jointly identifying and funding capital development projects; determining and implementing human resource development strategy and reviewing the Tourism Master Plan.

Another component of partnership is international partnerships. In particular, alliances have to be formed with the airlines, cruise shipping lines and sister destinations. International transportation is the lifeblood of the tourism industry. This is a classic case of no one man being an island. Caribbean destinations should pursue a joint strategy with respect to airlifts and the PNM Government will be bold enough to take a leadership role in this regard. In addition, the strategy of multi-destination vacations could benefit all players and the PNM Government will, therefore, encourage partnerships with other Caribbean destinations to develop and market multi-destination packages.

Let us now look at the issue of reviewing the Tourism Master Plan. Firstly, we must remind ourselves that it was the PNM Government that commissioned the Master Plan. The plan is now seven years old and is in serious need of review, which the PNM Government will do. The fundamental assumptions of the Master Plan must be re-examined. For example, are the projections that were made with respect to room stops still valid? Were the capital investment projects that were recommended, implemented? Should these still not be done, the Master Plan will lack a firm quantitative basis and we must now ask whether it is time to remedy the deficiency.

The Master Plan did not envisage September 11, 2001. That event and the threat of similar events have altered the face of the tourism industry forever. The Master Plan must come to terms with that reality.

Mr. Vice-President, I now turn to the issue of niche marketing. Trinidad and Tobago has pursued the development of separate niches for Tobago and Trinidad respectively. In Tobago, the niches have been sun, sea, sand, dive, weddings, honeymoons, soft adventure and eco-tourism. In Trinidad, the niches have been business, culture, events, sun, sea, sand, and eco-tourism. It is time for us to take a firm position on casinos. I am not recommending that we go one way or another, but the fact of the matter is that we have many casinos in Trinidad and Tobago, but they are called by different names. We must have dialogue on the issue and decide which way we go. In a similar way, many people have strong views, positive and negative, about the development of cruise tourism. Which way should we go with this sector? Again, this is an issue that needs dialogue.

Having raised these issues, there are a few things of which I am sure; one is that we are too small and fragile a destination to pursue mass tourism and, therefore, we must position ourselves as an upscale leisure destination. This leads to the fourth principle that I outlined earlier. Another thing of which I am sure is that the sustainability of the tourism industry demands tough environmental standards and my Government does not intend to compromise on that issue. In this regard, we shall strengthen the regulatory and supervisory agencies that have responsibility for the environment and they shall become important partners in the development of the tourism industry.

Mr. Vice-President, the fifth principle that I outlined relates to the matter of human resource development; tourism. Tourism is a service-intensive industry. The quality of the human resource is, therefore, the most critical success variable. It is obvious, therefore, that if Trinidad and Tobago wishes to develop a world class tourism industry that is sustainable in the long run, our human resources must be second to none. In addition, if citizens of Trinidad and Tobago are to occupy the leading jobs in the industry, then we would have to ensure that they are appropriately trained. Further, it is evident that there is still some confusion between service and servitude. It is only by education that we will eliminate this lack of enlightenment.

In recognition of these facts, the PNM Government will work hand in hand with the private sector to design and implement training programmes to develop the human resource skills that the industry needs to grow. In this context, the

Trinidad and Tobago Hotel Training Institute, the University of the West Indies and the private sector will all have critical roles to play.

I now turn to the issue of tourism awareness. We have a history of economic development that is grounded in agriculture and manufacturing. We are yet to become, as a nation, comfortable with the tourism industry. In developing the industry it is important for every citizen of Trinidad and Tobago to become aware that he or she has a role to play. Citizens need to be made aware of the career and business opportunities in the industry. We have to learn to treat visitors to our island properly, because these visitors represent jobs, foreign exchange earnings and investments for our nation. We also need to establish stronger linkages between our tourism industry, our manufacturing and agriculture sectors. Once again, the partnership that we shall foster between the State and the private sector will address this issue in a sustainable manner. Let us now look at the legal environment for facilitating investment in the tourism industry.

Throughout the world it is recognized that the State is responsible for creating a facilitating legal environment for investment. This environment is a key success variable insofar as attracting investment is concerned. In Trinidad and Tobago the key piece of legislation affecting investment in the tourism industry is the Tourism Development Act. It has long been recognized that there are aspects of the Act that lack transparency, are clumsy, cumbersome and difficult to implement; in particular, the concept of an integrated resort development is unacceptably opaque. The PNM Government is committed to calling upon the partnership with the private sector to comprehensively review this piece of legislation.

Finally, Mr. Vice-President, I turn to the issue of funding. For too long we have been hearing that the marketing spend per arrival in Trinidad and Tobago is under-funded. Similar sentiments have been expressed with respect to capital expenditure; this includes the issue of crime against tourists. We have been told that the rest of the Caribbean, including territories much smaller than Trinidad and Tobago, have marketing budgets and capital budgets far in excess of our own. Hon. Senators will have noted that in the 2003 Budget we have put an end to this with immediate effect. But our commitment is not merely to making more funds available; our commitment is to ensure effective capital and marketing expenditure. We, therefore, shall involve the industry fully in our expenditure decisions and we are also committed to evaluating expenditure in terms of specific performance criteria, for example, visitor arrival, foreign exchange earnings and job creation. This is just a sample of the approach of the PNM Government to governance.

Appropriation Bill (Budget)
[SEN. RAMROOP]

Monday, October 28, 2002

Hon. Senators will note that our development strategy is led by a clear vision for sustainable development of the tourism industry. Our mission is to diversify our economy and to emphasize job creation. In so doing, our strategies are in complete alignment with the aspirations of the good people of Trinidad and Tobago.

At another time, I hope to have the opportunity to outline the Government's position on culture and community development. When that occasion arises, I am confident that hon. Senators will once more see a quality of governance that is second to none.

Before I close, Mr. Vice-President, I want to highlight some of the projections for 2003. We have the soca games fest 2003, tourism awareness programmes, which include the adult television quiz or hotel and guest house competition, sewage treatment at Maracas, refurbishment of the Las Cuevas facility, the completion of a national policy on tourism, development of a strategic plan for the tourism sector, further development and expansion of the MIST programme, to develop and maintain regular airlift services to Trinidad and Tobago, strengthened dialogue with the international cruise ship operators to encourage additional calling at ports in Trinidad and Tobago, explore the possibility of developing home porting for cruise ships, improve the tourism infrastructure, increase investment in accommodation and other tourism-related projects, collaborate with industry stakeholders in developing quality standards and encourage adherence to existing new standards, development of Trinidad and Tobago as a preferred destination for leisure, eco-tourism, sports, conferences and festivals, developing the product at the community level by engaging communities in product-development activities through training, education, and participation, encouraging training institutes to provide appropriate training programmes to industry participants, and support the efforts pursued by regional agencies in developing regional tourism.

Mr. Vice-President, as I close, I wish to thank you once more for this opportunity and also to thank hon. Senators for giving me such a good hearing. I thank you.

ADJOURNMENT

The Minister of Public Administration and Information (Sen. The Hon. Dr. Lenny Saith): Mr. Vice-President, I beg to move that this Senate do now adjourn to Tuesday, October 29, 2002 at 10.00 a.m.

Adjournment

Monday, October 28, 2002

Mr. Vice-President: Hon. Senators, before I put the question, I take this opportunity to compliment all of today's presenters and to specially congratulate those Senators who made their virgin speeches in the Senate—[*Laughter*] Minister in the Ministry of Finance, Sen. The Hon. Conrad Enill, Minister of Social Development, Sen. The Hon. Mustapha Abdul-Hamid, Parliamentary Secretary in the Ministry of Community Development and Gender Affairs, Sen. Satish Ramroop. I wish to specially congratulate and commend Sen. Dana Seetahal, from the Independent Benches. [*Desk thumping*]

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 7.43 p.m.