ADDRESS OF THE POLITICAL LEADER
TO P.N.M.'S ELEVENTH ANNUAL
CONVENTION, SEPTEMBER 27, 1968

As is customary and required by our Constitution, I begin this Annual Convention, the eleventh in our records, convened shortly after the twelfth anniversary of our election victory on September 24, 1956, with a comprehensive analysis of political developments in the country.

As you know, the Second Five-Year Plan, 1964/68 is coming to an end and a new Plan is being prepared for the period 1969/73.

On the whole, this present Five-Year Plan has been successfully carried through as far as the public sector is concerned. Thus, a large part of the sums allocated for public sector capital investment has been spent. The public sector has been able to mobilise a large amount of domestic financial resources for financing its Development Programme, in fact much more than had been anticipated when the Plan was brought up. Many important institutions for promoting development have been built up or remodelled and many new policies and organisational changes designed to strengthen the development effort have been carried through.

Take first public sector expenditure on the Development Programme. Over the five-year period 1964/68, it is estimated that the public sector will have spent about $310 mn. on the Development Programme as against the planned estimate of $320 mn. Of this total sum, $46 mn. or 15% of total development expenditure will have been devoted to Agriculture, Forests and Fisheries. Infrastructure (Transport and Communications, Electricity, Drainage and Reclamation and Education and Training) will have received an estimated $168 mn. or 53% of the total. Social sector projects (Health, Sewerage, Water and Housing) will have absorbed $94 mn. or 30% of the total. The Special Works Programme which has as its main objective employment creation (while improving the stock of useful community assets) will have received just under $9 mn. or 3% of the total.

The physical targets for Electricity, Health and Water production will have been completely achieved while the targets in Agriculture and Industry will have been substantially achieved. The greatest shortfalls will have been in Highways, Education and Housing. (I should mention that only a small part of the Supplementary Development Programme, initiated in 1967, has been carried out, largely because of the need to fit the biggest single project - the new Ten-Storey Administration Block - into the plans for the Re-development of Port-of-Spain, and because of the need to revise the size of housing lots to accommodate the loan from the Inter-American Bank).

/Over the same period 1964/68
.....2

Over the same period 1964/68, local funds (that is, principally the surplus of recurrent revenue over recurrent expenditure and local borrowing) will have financed 70% of expenditure on the Government's Development Programme - a substantial improvement over the projections of the Plan which thought that only 50% of total expenditure could have been internally financed. We have been forced to make a remarkable fiscal effort as evidenced, for example, in the 1968 Budget where sharp increases in indirect taxation were effected in order to check the growth of consumption, especially foreign consumption with its threat to the balance of payments, and to provide resources for financing Government's programmes. The ordinary people have been able to understand the reasons for these tax increases and on the whole have tended to accept them as the price to be paid for the development of the country.

We have also continued to strengthen and develop our institutions for mobilising domestic resources and planning and implementing our development. The list of achievements here is quite impressive:

(1) Establishment of a Central Bank in 1964.

(2) Passing of Commercial Banking Act, 1964.

(3) Introduction of Insurance Act in 1966.

(4) Introduction of Finance Act in 1966 (subsequently modified by Government on advice of Tripartite Fiscal Review Committee of Government, Business and the Labour Congress).

(5) Reorganisation of Agricultural Development Bank in 1968.

(6) Reorganisation of Industrial Development Corporation in 1968.

(7) Establishment of Public Utilities Commission in 1966.

(8) Establishment of Prices Commission in 1968.

(9) Establishment of Ministry of Planning and Development.

(10) Introduction of Social Insurance Scheme, scheduled for early 1969.

(11) Tripartite discussions between Government, Business and Labour on Fiscal Policy and on the Unemployment problem (1964, 1966, 1967 and 1968).

In the field of regional cooperation, in 1967, we joined the Organisation of American States and the Inter-American Development Bank from which we have already received substantial assistance for agriculture, housing and water feasibility studies. We have also

/been able to negotiate.....3

been able to negotiate the CARIFTA agreement which we hope will develop into a closer form of integration in the Caribbean.

You will, therefore, agree that the public sector has on the whole performed creditably, both in terms of expansion of development projects and in terms of instituting policy measures and building institutions for economic development. There are, however, two areas which continue to give concern and which have so far proved intractable to the policy measures and projects undertaken in the Plan. I refer to local private investment and unemployment.

The response from the local private sector was certainly not what had been anticipated in the Plan. The lack of activity in this sector was in the early part of the Plan attributed to labour unrest and subsequently to excessive fiscal burdens. With the implementation of many of the proposals of the Fiscal Review Committee such barriers as had been alleged to exist in the way of greater local private investment have been removed, and there are already signs that local investors are about to undertake activities in a broad range of areas, including manufacturing, tourism and housing construction. In fact, if all the projects now under consideration by the local private investor got off the ground, we could clearly anticipate a great upsurge in economic activity towards the end of this year and over the next few years.

Unemployment appears to have increased slightly from 14% of the labour force at the beginning of the Plan to about 15% at the end of last year. In last year's address I have already analysed the causes of unemployment in Trinidad and Tobago. The main causes, as you know, are:

(a) A rapid rate of population growth and a rapid rate of growth of the labour force;

(b) The fact that modern economic activities, whether in Industry, Agriculture or Tourism, use a large amount of capital in relation to labour;

(c) The traditional pattern of West Indian consumer taste which is heavily biased in favour of imported goods as against local goods; and

(d) Wage pressures emanating from the fact that certain key sectors of the economy such as petroleum can offer to pay relatively high wages.

I may add that the problem of unemployment is one which faces all developing countries and constitutes the greatest threat to their hopes of achieving rapid economic and social transformation.

This brings me to some of the perspectives underlying our new

/Development Plan.....4

Development Plan which comes into effect next year.

The Plan has not been completed and it would be premature to discuss the detailed programmes and projects. But it is possible to outline some of the important elements in the policy framework which will guide our development over the next few years.

First and foremost, we must continue our attempts at economic diversification, that is to say, to strengthen and develop sectors of the economy other than petroleum. This means even greater efforts to increase the production of local food, livestock products and fish, both for the home market and for export. Second, we must be able to maintain the earnings from our traditional agricultural exports, sugar, citrus, cocoa and coffee. Third, we must increasingly develop our manufacturing industries on the basis of export markets not only in CARIFTA but also in the wider world. Fourth, we have to take advantage of the tremendous growth in the world and Caribbean tourist industry by rapidly expanding our hotel plant and attracting more tourists while avoiding many of the undesirable social features of tourism that have arisen in other West Indian countries, such as casino gambling and alienation of beach rights.

Prospects for rapid expansion of employment and foreign exchange earnings in the tourist industry are extremely good. Government has already taken several steps to facilitate the advent of the tourist boom which we are expecting. Over the years we have spent money on infrastructure for tourism, such as the North Coast Road in Trinidad and the North Coast Road in Tobago. The Town and Country Planning Division has also drawn up physical development plans for tourism, identifying sites and areas for development in the two islands. The Chaguaramas Development Authority has identified several tourist prospects in the North-western Peninsula. We have commissioned feasibility studies to facilitate greater tourist traffic of both Crown Point Airport in Tobago and Piarco Airport in Trinidad. With respect to Piarco Airport we are also considering the possibility of a large industrial zone located next to the Airport.

Plans for the redevelopment of lower Port-of-Spain have encouraged Holiday Inns Hotel to submit plans for the erection of a 400-room convention hotel on the Ajax Street site.

All in all, between now and 1973 we estimate that just under 2,000 additional hotel rooms will be constructed. Of this, 818 are in an advanced state of planning and by 1970 there ought to be 850 additional starts over and above the ones already in an advanced state of planning.

Finally, we must develop our human resources through educational and training programmes geared to the environment of the country and to the demands for manpower in different areas. In this last connection,

/we have already discussed...5

we have already discussed the new long-range Education Plan covering the period 1968/1983. We shall continue to do all of these things.

But in seeking to diversify our economy we have to bear in mind two central points of fundamental importance - the need to alleviate the unemployment problem and the need for us as a country to be more self-reliant in our development efforts.

It is clear that a long-run solution for the unemployment problem can be found only through continued economic diversification and strengthening of the economic basis. Indeed, on the basis of certain fairly plausible assumptions, the prospects for achieving full employment in the early 1980's would appear to be quite favourable.

First of all, I would like to remind you that over the last few years the birth rate has been dropping dramatically. Without the assistance of the Government's Family Planning Programme, the birth rate has fallen from 39 per thousand in 1960 to 30 per thousand in 1966. This reflects the growing sophistication and urbanisation of the people as well as some improvement in the standard of living. There should be further reduction in the birth-rate when the new Family Planning Programme gets into full gear. But as a result of the baby boom of the 1950's, the labour force will continue growing at the very high rate of 3% per annum over most of the decade of the 1970's. However, in consequence of the fall in the birth-rate which has been taking place since 1960, the numbers reaching the age of 15 years and therefore qualifying to enter the labour force will show sharp declines in the second half of the 1970's, and thus there should be a considerably reduced rate of growth of the labour force. And as the economy becomes strengthened and more diversified, it should be possible to absorb into productive employment all of those who need work in the 1980's. This outcome will be all the more likely if the promising prospects for oil off the East Coast and the North Coast materialise, so permitting a substantial rate of growth of our foreign exchange earnings.

But as a famous economist once said: "In the long run we are all dead".

We have to take heroic steps to alleviate the problem in the decade of the 1970's, when we will still be faced with a rapidly growing labour force.

First of all, we shall seek outlets for the emigration of unskilled and semi-skilled workers while at the same time taking measures to ease the brain drain to North America of professionals and other trained people such as nurses, teachers, and technicians.

Second, we are about to launch a massive housing programme, particularly for the lower income groups, with the aid of a loan negotiated with the Inter-American Development Bank.

Third, we shall attempt through the Youth Camps to equip young

/people with skills.....6

people with skills, particularly of an agricultural nature, so that they can find productive employment at home.

Fourth, we shall continue to the extent that our financial resources permit and under improved supervision with employment programmes such as the Special Works Programme and the Better Village Programme which provide jobs while making it possible to carry out useful works of community improvement

Fifth, we shall take steps to continue the Buy Local drive so that the expenditure of our citizens results in the creation of jobs at home and not abroad. This drive to produce and buy local goods will be further extended next year, when I intend to launch a new agricultural drive to stimulate this important sector of our economy and to interest people, particularly the younger generation, in adopting modern progressive farming as a career. Accordingly, the year 1969 will be called The Year of Agriculture. I have already arranged with the Minister of Agriculture to meet the farmers in our society.

With these steps we can expect within the next five years substantially to alleviate the unemployment problem, pending its full solution in the 1980's.

I turn now to the second central issue in our development perspectives for the 1970's. The Independence movement in Trinidad and Tobago has inherited the centuries-old pattern of highly dependent economies typical of Caribbean economic history, where the major centres of economic decision-making have been external to the society. Our dependence is exhibited in reliance on external market support for our products in the form of preferences in metropolitan markets; on reliance for external loans and aid to finance our public sector development programmes; on reliance on foreign firms for our insurance, banking and other financial services; on foreign ownership of the media of communications; and on foreign direct investment in many of our productive agricultural, industrial and tourist activities.

Independence and self-reliance mean that we must seek to modify this pattern not by any dramatic and irrational acts but by a gradual strengthening of local initiative so that we can participate with some dignity and on more equal terms in the network of international economic relations. The more we develop our own local centres of economic decision-making the more meaningfully can we participate in the economic interdependence which is the central feature of the contemporary world order. We must learn to do more things for ourselves, with outside help playing the vital role of contributing to this learning process. But we cannot change the pattern overnight. We shall still need external market support in the form of preferences; we shall still need external loans and aid for the public sector; we shall still need the presence of outside management; we shall still need inflows of capital from outside. The public sector has done much to mobilise internal financial resources for development, but will still need external loans and aid over the years.

/Foreign private capital...7

Foreign private capital plays a very important role in developing countries such as Trinidad and Tobago and we shall continue to take steps to encourage this. Foreign private capital, apart from contributing capital and foreign exchange by the initial act of investment, provides valuable access into technology, know-how and management. It is often the only way of securing these essential elements in economic development. But, at the same time, while encouraging the maximum inflow of private capital, we have to take steps to ensure that the development of the country's resources is to a greater extent than hitherto undertaken by nationals for the benefit of nationals.

We do not wish to become an appendage to anyone, be it a foreign country or a foreign firm. We wish to develop an economy which, allowing for the inevitable dependence of a small country on foreign trade, is sustained by an internal dynamism of its own, by its own capacity for mobilising savings and applying them productively, by its own entrepreneurship, by its own technological product and marketing innovations, and by the creative use of its local raw materials and agricultural resources.

In other words, the time has come for us to make a positive attempt to break away from the centuries-old dependence of Caribbean economy where all economic decision-making was taken outside of the country in the metropolis. To this end, we shall take steps to encourage local entrepreneurs of all colours and of all backgrounds; to encourage and develop institutions such as Development Banks for the mobilisation of savings and for investment of both risk capital and loan capital to assist local businesses; to expand industrial research so as to develop new intermediate technology and to find economic uses for our local raw materials; to establish national companies in order to protect the interest of nationals wherever circumstances warrant; to develop locally controlled centres of information and communication in the interest of nationals; and to promote greater development of national culture.

First of all, it is necessary to amend the Aliens Landholding Ordinance so that the anomalous position which now exists under which certain non-nationals do not come within the Law can be removed. In future all persons, other than Trinidad and Tobago citizens, will be brought under the ambit of the law and licences will be given in such a manner as to prevent an undesirable rate of alienation to non-nationals of the country's land resources.

In order to encourage investment, particularly in tourism, licences will be granted on the basis of long-term leases rather than an outright sale of freehold interest. Thus, while encouraging tourist and other economic development projects, we shall be in a position to protect the country from some of the more unfortunate experiences of other Caribbean territories.

/Second, both the.....8

Second, both the local private sector and the Government will be expected to play a much greater role than before in the financing of industrial and hotel development. We shall try to encourage more completely locally owned enterprise as well as more joint ventures in which the Government, the local private sector and foreign enterprise jointly participate in the equity capital of industries, hotels and agricultural projects.

As one example of Government initiative in industrial development, I turn to stockfeeds. One of the most important factors in the success of the poultry and the livestock industries is the availability of cheap, feedingstuffs to the producer. It is also desirable that, as far as possible, the feedingstuffs used should be based on local raw materials. The Ministry of Agriculture is satisfied that cheap feedingstuffs could be produced from locally grown ingredients. Accordingly, the Government is now launching a feasibility study to determine whether a Government-owned feed mill using locally-grown ingredients should be set up as a means of making our livestock industry more competitive and assisting the balance of payments of the country.

I have already mentioned the setting up of a National Development Bank which will develop and facilitate such types of undertaking. This should further encourage the inflow of foreign equity capital, since money generates money. Moreover, such arrangements to secure the maximum local participation are common in the majority of developing countries and are accepted by many foreign firms as being a healthy and desirable development.

The establishment of local commercial banks will be encouraged. Government intends as a start to enter into a joint venture with a reputable bank from outside the country to convert the Post Office Savings Bank into a commercial bank, and negotiations to this end are under way. At the same time, too, the Government will initiate discussions with existing foreign-owned banks with a view to seeing whether they are prepared to incorporate locally and to make available some of their shares to nationals. Both of these steps have already been taken in Jamaica.

The Government has already established a nationally owned sugar company to run the Orange Grove Estate which it acquired earlier this year from Trinidad Sugar Estates Ltd. The sugar union is represented on the board. Sugar will continue to be grown on the 4,000 acres of land purchased, but in the longer run it is hoped to introduce gradually a programme of diversification.

A National Petroleum Company will be established to be the Government's instrument for participating in all aspects of petroleum ventures, including the leasing of marine concessions and the financing of enterprises engaged in oil production. The first task of this National Petroleum Company will be to run British Petroleum whose assets will be acquired by Government after negotiations. We are heping to got

/ one of our ..9

one of our most distinguished economists , to head the National Petroleum Company, and will invite the President of the Oilfield Workers Trade Union, Mr. George Weekes, to become a director. In connection with oil, I would also like to announce that the critical unemployment situation in the country, where business and labour were not able to agree on a compromise at the Tripartite Conference, has led Cabinet to make a decision that there will be no further retrenchment in the oil industry without the specific approval of Government conveyed in writing. Cabinet cannot possibly accept the proposed retrenchment of a further 1,650 oil workers in the next five years. We also hope to finalise the new oil taxation measures before the end of the year.

Government has also decided to accept an offer made by Lord Thomson a few years ago for the purchase by the Government of the entire capital of Radio Guardian and of Lord Thomson's interest in the Television Service. Government will continue to run Radio Guardian as a business company and as a commercial venture receiving revenue from advertising, which will be geared towards a more forceful projection of the image of local goods and services. However, it is hoped gradually in the case of both Radio Guardian and the Television Service to improve the standard of the programmes and to have a larger share of local programmes so that our entertainers, our artistes, our actors and our dramatists could find scope for their talents.

A Telecommunications Act will be introduced to regulate all broadcasting, both Government and private, and care will be taken to preserve the Government-owned mass media from party political influence. It is indeed anomalous to have had two of our vital mass media owned by foreign firms. This is a situation which very few independent countries, including nearly all the great Western democracies, are prepared to tolerate.

The Government is giving consideration to the acquisition of an interest in Cable and Wireless. Again it is highly anomalous that in an independent country external communications should be controlled by outsiders. Three offers from interested parties are now being considered.

I have already mentioned the need to encourage our local private sector. We are by no means doctrinaire and indeed must be highly pragmatic about the respective roles of the public sector and the private sector in the economy. We consider that there is more than ample room for both. I here once more call upon those nationals in the private sector to take advantage of the many opportunities for profitable investment locally in Agriculture, Fishing, Industry, Tourism and Housing. We are fully committed to the preservation of a favourable investment climate for national businessmen so that their entrepreneurial skills can be fully harnessed in the interest of national development. The Government stands ready to discuss with the private sector any difficulties or problems

/to which they draw 10

to which they draw its attention. In this connection, I should like to mention that we are about to implement the remaining recommendations of the Fiscal Review Committee. In particular, we shall remove death duties from small estates and exempt larger estates from all such duties, provided that the funds are invested in Government bonds and in public and private financial institutions designed to mobilise savings for productive investment in the country.

At the same time, we shall do the maximum to encourage the fullest possible participation of our local engineers and architects in the country's development. Local firms of engineers and architects and of contractors will be given priority in Government consulting and contracting work, taking due account of some of the obstacles to this imposed by foreign aid-giving agencies. In this connection, I am happy to report that the Association of Professional Engineers has offered its services free of charge to assist Government in its programme for Community Development and to develop intermediate technologies.

In developing our economy we shall for some time continue to need some degree of wage restraint. We are trying to work out a consensus among Government, Labour and Business under which there will be very broad guide-posts for wage increases which might be used in the actual processing of collective bargaining. Such a consensus should greatly contribute to our easing of the burden on the Industrial Court.

If there is to be voluntary wage restraint, there must be some guarantee that profits are reinvested productively in the country. We need not go as far as many Governments in developing countries such as Zambia and Chile which by various means enforce the re-investment of a certain proportion of foreign profits in the country, but I shall seek to urge large foreign companies operating here to undertake the maximum re-investment in the country of their after-tax profits, not necessarily in their own enterprises.

As part of the John F. Kennedy College of Arts and Science now being completed at St. Augustine an Industrial Research Centre is being constructed. We have sought the assistance of the United Nations Development Programme in the operation of this programme for the first few years of its existence and we hope to utilise the skills of our young professionals in the field of engineering and science to develop new intermediate technologies and to find uses for local raw materials.

With the reorganisation of the Industrial Development Corporation which has already began, that institution will have a much strengthened research and feasibility study arm and will endeavour to seek to promote and assist local entrepreneurs.

Management training both at the University and at the Productivity Centre will be emphasised. This, of course, will include training in marketing techniques - a type of skill which is central to our export drive in manufactures, agriculture and handicrafts.

/The Cultural Arts Centre..11

The Cultural Arts Centre will be established on the Princes Building site with a view to providing training and a focal point for our artistes in all the areas of creative art, and a new National Archives building will be provided. These two steps will do much to develop a sense of national identity and will probably serve to attract back home gifted nationals in the fields of Art and Scholarship.

There are two other areas calling for urgent attention. The first is the Government's Information Services and the second is Youth Services.

The Government hopes further to involve the people in the country's development efforts and to stimulate an informed and healthy local opinion by strengthening and energising its Information Services. This effort has already begun.

Sixty-one per cent. of the population is now under 25 years of age. This is decidedly a Young Nation. There is always an inevitable and indeed desirable conflict of viewpoint between the older and the younger generation in every society. This conflict is in fact the source of all change. We shall attempt to meet the problems of Youth while allowing them maximum initiative by setting up special Youth and Sports Sections in the Department of Community Development. Candidates are now being interviewed for selection for the new Youth Camps; the first intake at Chaguaramas should begin by mid-October and build up to the total of 1,000 by the end of the year, while sites for the new camps are being selected over the country. I have begun a tour of the steelbands; an adviser on steelbands has recently been appointed in the Community Development Department. I have selected Muriel Donawa as Parliamentary Secretary for Community Organisations and Youth Affairs, and Frank Stephen as Parliamentary Secretary for Sport. In the field of sport, a new and comprehensive plan for its decentralisation is now being prepared in the Ministry of Planning and Development. A comprehensive Commission of Enquiry embracing the various religious and community development interests has been appointed to go into the whole question of drug addiction.

The Community Development Programme will, in addition to its present scope and coverage, be extended to include the education of the ordinary citizens in the prudent management of his own affairs, particularly in so far as the use of money and financial transactions are concerned. This is necessary in view of what is obvious to all of you: many of the population do not seem to appreciate the importance of wise and prudent management of their own affairs. We have, for example, people who sell their land in order to be able to buy a television set, and you all know several less extreme cases of financial imprudence, such as imprudent use of consumer credit and personal loans. Programmes will therefore, be launched to educate the ordinary citizen, both in the urban and rural areas, about subjects such as desirable uses of his

/income, sources of....12

income, sources of borrowing for different purposes, situations which justify or do not, as the case may be, borrowing, etc.

Let me say a few words now on industrial development. I have inaugurated on April 2nd a series of visits to factories. Since that date I have visited 26 factories - including 4 textile and garment factories, 8 food factories, 2 rum distilleries, 2 appliance factories, and 2 building materials factories. The tour had many aims in view -

(a) to stimulate local production and, therefore, jobs;

(b) to emphasise the importance of exports particularly in terms of CARIFTA countries;

(c) to emphasise the importance of the Buy Local Campaign;

(d) to emphasise the importance of good industrial relations.

One aspect of the tour has given rise to much misunderstanding, which is largely due to citizens not following the affairs of their country. This is the granting of loans to industries by the I.D.C. This has been the traditional practice since 1962; in these years the I.D.C. has loaned $1,687,825 to 25 factories and $1,062,967 to 10 hotels. In 1962 we loaned $249,208 to factories; in 1963 $65,702; in 1964 $206,000; in 1965 $50,000; in 1966 $520,915; in 1967 $155,000; and in 1968 to date $441,000.

The loans have been made to supplement rather than to replace private capital and particularly to take care of the situation where commercial banks lend only short term. They have been made only to projects which are clearly of high priority and great national benefit for the establishment of new or the expansion of existing production facilities. Particular attention is paid to provide maximum employment opportunities. We emphasise industries using raw materials and products, and industries involving the export trade. Applicants are required to provide at least 50% of the new investment and must show that the funds needed are not available from other sources. Loans are secured by mortgages on lands, buildings and fixed plant and machinery; interest is charged at Government borrowing rate, at present 6½% per annum. The repayment period is generally between 5 and 10 years, and the mortgage deed contains covenants to provide for the payment of rates and taxes, inspection by the I.D.C. of the property and books of account, the submission of certified accounts annually, maintenance of insurance of property and assets, compliance with the labour relations and industrial relations practices accepted by the Government, use of the Government employment exchange for recruitment of workers except technical and managerial personnel. Special attention has been paid to small industries. Of the 25 loans made by the I.D.C., only 5 have been over

/$100,000, and one.....13

$100,000, and one of these in Trinidad Brickworks. Loans made to 6 undertakings totalling $73,182 have so far not proved to be particularly satisfactory.

So obvious is the need of medium and long-term finance in industry, particularly in the case of smaller industries, that the Government had been for some time contemplating the establishment of a Development Bank or smaller institution with adequate resources and wide banking facilities working in collaboration with I.D.C., and we are now pursuing with the Inter-American Development Bank the question of loan capital for the industrialists and the reorganisation of the I.D.C. for this purpose.

Now for a few words on employment opportunities, with particular reference to housing.

A Tripartite Conference comprising the Government and the business and labour community, was convened on July 8th to consider the whole question of unemployment and retrenchment with particular reference to oil, sugar and Government employment of daily-paid workers at Central Government and County Council level as well as the Statutory Boards. The Conference has gone in depth into many of the problems involved, and its deliberations have been most valuable to us in respect of the policies to be adopted in the third 5-year plan 1969-1973. Several committees of the Conference were set up, and those on oil, sugar, the construction industry and industrialisation have already reported. Shortly to be concluded will be the discussions on industrial relations practices of the Government as an employer of daily-paid labour. Other committees are to report shortly on the future of the textile and garment industries, tourism, and the possibility of setting up an incomes policy which is supported by the labour movement.

In this field of employment, particular attention is now being paid to the reorganisation of the Better Village Programme and the Special Works Programme, with particular reference to the recruitment of labour. The Special Works Programme is to be extended to Point Fortin and I hope also to Palo Seco, to deal with the problem of oil retrenchment. Special attention in this regard is being given to the community needs of Sea Lots, Shanty Town and John John, all of which have sent delegations to me within the past few days.

It is to the field of low-cost housing, for which we have just received a substantial loan from the Inter-American Development Bank, that we look for assistance of urgent job opportunities. Housing will receive the highest priority in the third 5-year Development Programme. A tentative plan already formulated calls for the expenditure of $30.6 M. in the next 5 years; it will be appreciated that the Inter-American Bank loan is available only for the construction of low-cost houses for sale and is not available for land acquisition or the construction of urban flats. A summary of the programme is as follows:

/(i) Acquisition and 14

(i) Acquisition and development of sites in St. Joseph Road, North, Besson Street South, Belmont, Woodbrook, Mango Rose, Thomas Place, Couva, Laventille Road, Upper Charlotte St., Maraval, Transport Train in St. James, Broadway in San Fernando, and Charlotteville and Black Rock in Tobago. We expect to spend a little under $2½ M. on this part of the programme

(ii) The construction of low-cost houses is designed to provide a minimum of 6,429 in Barataria, Mount Hope, Curepe, Malick, Tumpuna in Arima, Malabar, Pleasantville, New Village in Pt. Fortin, Carenage, River Estate and other areas in Diego Martin, Couva, Williamsville, Cedros, Maracas Valley, La Brea, Maraval, Bourg Mulatresse, and in Tobago - Charlotteville, Government Farm in Scarborough, Bon Accord and Black Rock. In addition other lots will be developed in Fullerton in Cedros, Brasso Seco in Blanchisseuse, Toco/Manzanilla, Fyzabad, Laventille, Harding Place, Gonzales, while the normal provisions of houses under the Sugar Industry Labour Welfare Fund Committee will continue.

$11.9 M.is to be spent on low-cost housing.

(iii) The construction of urban flats will cost just under $9 M. and will provide 796 units in St. Joseph Road and Besson Street, Transport Train, Terre Brulee, 3 units in Belmont, Trou Macaque, Laventille Road, Harpe Place, Mango Rose, Broadway and Pleasantville in San Fernando, John John, Upper Charlotte Street and Thomas Place.

(iv) In addition, $6 M. will be made available by way of loans to the public for construction of dwelling houses for owner occupation and repairs to dwelling houses, and $1 M. will be advanced to the Mortgage Finance Company.

The low-cost housing programme requires the approval of both the competent authorities of the Trinidad and Tobago Government and the Inter-American Development Bank. The first four projects to be started are at New Village in Pt. Fortin, Mount Hope, Curepe and Tumpuna Road, and the approval of the Inter-American Development Bank is now being sought for these designs. Depending on the decision of the Tenders Board, the minimum period of time for the award of tenders for site development, will be 28 days; site development works will require about 3 months and should provide jobs at the rate of 35 for every 20 acres. Only approval of the Drainage Department or the Highways

/Department is 15

Department is required for plans which have already been prepared for Barataria, Malick, Pleasantville and Caroni Savannah Road. More jobs should be provided at the stage of construction of the houses. We are contemplating the addition to the tenders of an undertaking to recruit a prescribed percentage of the labour force from the area where the project is being carried out.

In respect of the provision of employment opportunities, we look also to the project for the re-development of Central Port-of-Spain which is now before Cabinet for final approval, to the Pt. Lisas Development Scheme which Cabinet has approved in principle, and to the establishment of a free port at Piarco for export industries. In this connection particular attention is being given to electronics and textile and garment industries which are large employers of labour and which can help to meet the crying need for women over 40.

I turn now to education. The draft Education Plan 1968-1983 was not taken to Parliament before the recess because the Cabinet thought we should take another look at the shift system in the light of comments made by teachers and parents in particular. It is necessary for the community to understand the stark alternatives which we face. The plan calls for the expenditure of $171 M. on education in the next 15 years and is based on the construction of a large number of Junior Secondary Schools for ages 12-14 which would take in 90% of the eligible population <u>without</u> the Common Entrance Examination. We were able to arrive at this proportion of eligible students on the basis of the shift system. The alternatives are therefore as follows:

<u>EITHER</u> the shift system to allow for the abolition of the Common Entrance Examination and the absorption of 90% of the eligible population age 12-14;

<u>OR</u> the rejection of the shift system, the taking in of a smaller proportion of eligible students and long postponement of the abolition of the Common Entrance Examination.

To put it more plainly, either the shift system is introduced or the Common Entrance Examination is continued. It would cost a further $45 M. to build a sufficient number of Junior Secondary Schools to take in the school population that would be catered for by the second shift. We already have complaints that the plan is too large, and the Ministry of Finance cannot guarantee the provision of additional funds over $171 M. It is possible to reduce on the large amount of money contemplated for educational television and divert this sum to Junior Secondary Schools, and we are looking into this. But we also have to look into the question of additional facilities for the children over 14 as requested by the Special Convention of P.N.M. this year which

/expressed apprehension...16

expressed apprehension that 62% of the eligible population would be excluded from educational opportunities over the age of 14. The proposal has been advanced that we should dedicate over some years the proceeds of the National Lottery, the Board of Control of which has now been set up, to assist with the provision of additional funds for education. I would like everybody to know that the proceeds of the National Lottery have already been taken into account in the draft $171 M. Plan, so that no further sums can be anticipated from this source. I should also add that favourable discussions have already been initiated with the International Bank for substantial financial aid in the Draft Education Plan, based on the shift system.

In the meantime the Teachers Service Commission recommended by the Special Convention of the P.N.M. on education earlier this year has been set up and the Government has taken the first steps towards the standardization of school books and uniforms.

At other levels of political activity, the Cabinet has agreed to set up an Ombudsman, and a Draft Bill is ready for Cabinet's scrutiny. Another Draft Bill to set up a Law Reform Commission is ready for discussion.

The question of the delegation of certain powers to certain Statutory Boards by the Statutory Authorities Service Commission is now under consideration. At the level of the Central Executive of the Party we are studying the criteria for the appointment of members to Statutory Boards.

A comprehensive review of the Industrial Stabilisation Act is now being finalised for submission to, and discussion with, the Trinidad and Tobago Labour Congress and the Federation of Chambers of Industry and Commerce.

The White Paper on Social Security will shortly be published for general discussion. We plan to give speedy attention to the report of the Commission of Enquiry on the Docks whose report will be handed in formally next week; advance copies have already been received. The problem of squatting is receiving urgent attention from the Cabinet. The delicate B.W.I.A. negotiations are continuing, but it would be impolitc to make any statement at this stage of the negotiations.

The long overdue pension scheme for members of Parliament is being attended to, and we can no longer postpone the adjustment of salaries of Ministers which have been overtaken by the compensation and classification of the Public Service including the foreign establishment, so that a Minister today gets less than his Permanent Secretary or than an Ambassador.

So much for governmental issues. I turn now to our Party, where the local Government elections, which we successfully fought, revealed evidence of a deep-seated malaise.

/On August 8, therefore,.....17

On August 8, therefore, I initiated a programme of Constituency Rallies to meet the Party's members in frank and open discussions from the floor, listening to their grievances both at Government level and at Party level. I am accompanied by the Lady Vice-Chairman, the Assistant General Secretary, the Field Officer and the two Youth Officers, together with members of the Operations Committee. I have so far visited fourteen Constituencies as follows: San Fernando East, San Fernando West, Port-of-Spain East, Tobago West, Tobago East, Fyzabad, St. Joseph, Tunapuna, Laventille, Toco-Manzanilla, North Naparima, Pointe-a-Pierre, St. Augustine and St. Ann's. I shall visit San Juan West on Tuesday of next week and meet twelve additional Constituencies in the month of October. I hope to complete the thirty-six Constituencies plus the Women's League and the Youth League by the end of November.

The discussions so far have been fruitful and the Party membership has turned out in some force. Attendance at the 14 Rallies has totalled 1,812 ,and the number of speakers from the floor 351 . A heterogeneous mass of discontent has emerged from the discussions so far, revolving principally around the questions of jobs, houses and personal grievances. The fourteen Constituencies visited so far have produced 578 requests for amenities and solutions of grievances, and I am devising machinery to deal with the problems. With particular reference to the problem of private housing estates I have circulated the relevant section of the draft Highways Bill to constituencies requesting them to send in their views to me by October 22 prior to consideration of the legislation by the General Council.

At Party level I am deeply disturbed by the inactivity of many Party Groups and the unfinancial status of many Party members. For example, in one constituency 9 out of 23 groups were inactive; in another, 6 out of 15; a third has 11 active and 7 inactive groups. In every constituency I have visited over 40% of the members are unfinancial; in one constituency the proportion is almost 75%. It is clear that many groups come to life only to select candidates for election or to elect representatives to the Constituency Group for subsequent election to the General Council; in both of these exercises substantial lobbying takes place. Pending the presentation of a comprehensive report which will deal with Party problems and will not exclude a drastic revision of the Party's constitution, I have already decided on the following action as Political Leader on the problems encountered in the Constituencies:

1. In the future selection of candidates for any election, I shall nominate my own team of public analysts to go into the Constituencies, meet and discuss with people at all levels including taxis, the market, rumshops and playing fields, in order to

/sound out public....18

sound out public opinion in the Constituency. The mistakes we made in selection of candidates in many areas in the Local Government elections are not going to be repeated.

2. I am instituting a course of training for promising youngsters from the Youth League who show political promise, and I am contemplating the introduction of a similar course of training for members of the Women's League.

3. I have directed the Welfare Officer to visit the Constituencies of Tunapuna, Toco-Manzanilla, North Naparima, St. Ann's and St. Augustine to listen to the grievances of Party members and prepare lists of key Party personnel who are looking for employment. I have also directed the Youth Officers to proceed to the Constituencies of Tunapuna and Pointe-a-Pierre and establish Youth Leagues there.

4. I have selected two Party Members for appointment as temporary Field Assistants to be responsible to me through the Field Officer for the reactivation of dormant Party Groups. I am working on the appointment of a Political Secretary to myself to keep the whole question of party units under constant review; as the local Government elections showed, the party political leadership is handicapped by the breakdown of the party machinery.

5. I have recommended to the General Council for discussion at the first meeting during its new term the inclusion each month on its Agenda of two items on the state of the Party Groups in the Constituencies and the state of Party finances. I have also asked the General Council to summon within two weeks of its first meeting a special meeting to discuss a Party budget for 1968 to 1969 prepared by the Treasurer. All our slipshod and hit-and-miss methods are to be stopped. The Party now conducts its financial operations in a chaotic way which cannot be reconciled with the Party's strict control of the national finances.

6. I have directed Members of Parliament to report to their Constituencies each month, to meet all their party groups in the course of the year, to make a constituency tour once a quarter accompanied by P.N.M.'s local Government representatives, to visit all schools, health centres and hospitals, and Community and Youth Centres in their constituency, and to organise a Constituency Rally once a year.

Whilst this activity is going on at the level of our own Party, and looking always towards the next General Elections, we are faced with the customary proliferation and threat of new parties. There need be no

/cause for concern.....19

cause for concern in this. After twelve years Party Members should be fully reconciled to the aspirations of every PhD to become a political leader - and in some of the cases some of the aspirants don't even have a PhD. Since the P.N.M. started off with a programme of education before launching a Political Party, every political aspirant seeks to give political lectures or to write letters on various subjects to the newspapers. The current movement of this sort will fizzle out as others before it have fizzled out. The hope of the country is with the P.N.M. So we must make every effort to deal with legitimate grievances and to undertake a long overdue reorganisation of our Party.

For obviously no hope can be placed in the Opposition, a motley crew of juveniles who lack the experience of their predecessors before 1966 - except in terms of mauvais langue and abuse of Parliamentary privileges to make statements that would expose them to libel action if made outside. The recent "No Confidence Motion" was a good example of this. They made great play of the whisky racket, ignoring the very successful prosecutions by the Ministry of Finance in this field. They claimed that a Minister was involved in ownership of a ship engaged in the racket. The Minister categorically denied participation in the ownership of any vessel in Trinidad and Tobago. Therefore the Opposition withdrew its statement. They claimed that a particular ship, which they identified by name, was engaged in the racket. As Minister of Finance I called for an investigation and have discovered that the ship in question has conformed to all the laws of Trinidad and Tobago governing imports and exp orts, and the Attorney General has frequently reminded me that we h ave no jurisdiction over vessels on the high seas outside of our territo:rial waters. So there is no force in the Opposition's allegation.

They made great play of the sum of money stolen from the Public Transport Service Corporation. They claimed it was $56,000 and were forced on the Minister's intervention to reduce the figure to $46,000. They implied that the Head of the Public Transport Service Corporation was involved. The police have since arrested two employees of the Corporation. Not a single whimper has been heard. They claimed that the office of the Chairman of the Corporation was provided with a bed and bar. The Minister involved indicated that he had made a special unscheduled visit to the office and had seen neither bed nor bar. So the Opposition withdrew its allegation.

They made great play of the 1961 Auditor General's Report and accused Government Ministers of pilfering from the Treasury to provide money for crash programmes in 1961 to win the 1961 elections. We forced them to put into the record the following conclusion reached by a Commission of Enquiry in 1961 on the Auditor General's Report:

/"Neither in the Auditor-General's

> "Neither in the Auditor-General's Report nor in in evidence before us did Mr. M. V. Lee Sing state or imply that there was any public money missing or that there was waste and extravagance..... There was no evidence to justify statements and allegations publicly made that $23 million or any other substantial sum of money was missing or had disappeared from the Treasury".

We therefore forced the Opposition to withdraw its allegation of pilfering from the Treasury.

They claimed that the Tom Phillip contract for the construction of the Kennedy College of Arts and Science involved corruption. We put into the record a complete statement of the origin of the contract, awarded to the lowest tenderer, and the subsequent termination of the contract because of the contractor's failure to adhere to the terms. The Opposition replied that it was the first time they were hearing the full story and so presumably withdrew their allegation.

They pointed to the recent Auditor General's report on the loss of pigs and cattle imported from Canada under the Canadian Technical Assistance Programme. The Ministry of Agriculture had not replied in time to the Auditor General's queries, but the reply eventually showed that the pigs and cattle had died and that the mortality rate was not high in the light of the incidence of tropical diseases among imported cattle before acclimatisation. So there was no substance in this allegation.

They went to town on the Gas Station Enquiry. We emphasised in reply that it was the Government which had appointed the Heller Commission of Enquiry which had itself recommended the one-man Commission of Enquiry on gas stations, whose report had been published by the Government, with disciplinary action recommended or contemplated. So there was no substance in this allegation.

They claimed that the Ministers had persecuted a civil servant for her part in the gas station enquiry. We put into the record a statement of the civil servant's absenteeism and unsatisfactory performance in the different Ministries to which she had been assigned by the Public Service Commission, emphasising that Ministers had no jurisdiction over civil servants which was vested exclusively in the Executive Public Service Commission. There is no substance in this allegation.

I hope that now that the air has been cleared of these various allegations, Party Members, some of them in top positions, will stop the mischief they have been perpetrating in their irresponsible gossip on these matters. I am quite satisfied that Party Members are the most guilty in respect of the dissemination of these allegations. I am also

/quite satisfied.....21

quite satisfied that the principal enemies of the Party are within the Party. The principal aim of a small clique that has emerged is to get close to the Political Leader so that they can influence him in his decisions and get favours for themselves. I am sick and tired of it and I am going to get very rough from now on.

So let us continue on our charted path, seeking to exploit the new avenues being opened up before us. If Czechoslovakia shows the pitfalls facing a small country seeking to establish its own identity in the world of super powers, Latin America beckons. We are taking steps to establish a new embassy in Brazil while we seek to improve our relations with Venezuela. We are examining our CARIFTA obligations in the context of the Latin American Free Trade Association, paying special attention to the prospects of the Andean sub-regional grouping. We have decided to appoint labour attaches to our missions in London, Ottawa and Washington to look after our nationals abroad. Let us above all maintain our stability and avoid the excesses of students and minorities in Britain, the United States, France, Brazil, and now Mexico.

We have nothing to fear but party intrigues. We remain respected at home and abroad. The prospects before us are encouraging and even invite optimism. Let us rededicate ourselves to the aims and objects of the P.N.M., attending our party group meetings and paying our financial obligations to our Party. For it is abundantly clear that Great is the P.N.M. and it must and shall continue to prevail.