

Leave of Absence

Friday, October 01, 2010

HOUSE OF REPRESENTATIVES

Friday, October 01, 2010

The House met at 1.30 p.m.

PRAYERS

[MR. SPEAKER *in the Chair*]

LEAVE OF ABSENCE

Mr. Speaker: Hon. Members, I have received communication from the following Members requesting leave of absence from sittings of the House: Hon. Winston Peters, Member for Mayaro, for the period September 24—October 03; Miss Marlene McDonald, Member for Port of Spain South, from today's sitting, and Dr. Fuad Khan.

PAPERS LAID

1. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Regulated Industries Commission for the year ended December 31, 2007. [*The Minister of Finance (Hon. Winston Dookeran)*]
2. Third report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Public Transport Service Corporation for the year ended December 31, 2000. [*Hon. W. Dookeran*]
3. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Tunapuna/Piarco Regional Corporation for the year ended September 30, 2000. [*Hon. W. Dookeran*]
4. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Tunapuna/Piarco Regional Corporation for the year ended September 30, 2001. [*Hon. W. Dookeran*]
5. Special report of the Auditor General of the Republic of Trinidad and Tobago on the Targeted Conditional Cash Transfer Programme (TCCTP) of the Ministry of the People and Social Development (formerly the Ministry of Social Development). [*Hon. W. Dookeran*]

Papers 1 to 5 to be referred to the Public Accounts Committee.

6. Audited financial statements of the Trinidad and Tobago Electricity Commission (T&TEC) for the year ended December 31, 2008. [*Hon. W. Dookeran*]
7. Audited financial statements of the Telecommunications Services of Trinidad and Tobago Limited for the financial year ended March 31, 2010. [*Hon. W. Dookeran*]
8. Audited financial statements of the Water and Sewerage Authority for the year ended September 30, 2003. [*Hon. W. Dookeran*]

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9. Audited financial statements of the Water and Sewerage Authority for the year ended September 30, 2004. [*Hon. W. Dookeran*]
10. Audited financial statements of the Water and Sewerage Authority for the year ended September 30, 2005. [*Hon. W. Dookeran*]
11. Annual audited financial statements for Caroni (1975) Limited for the year ended June 30, 2008. [*Hon. W. Dookeran*]
12. Annual audited financial statements for Caroni (1975) Limited for the year ended June 30, 2009. [*Hon. W. Dookeran*]
13. Annual financial statements of Point Lisas Industrial Port Development Company Limited (PLIPDECO) for the financial year ended December 31, 2009. [*Hon. W. Dookeran*]
14. Annual audited financial statements of the Seafood Industry Development Company (SIDC) for the financial year ended September 30, 2009. [*Hon. W. Dookeran*]
15. Annual audited financial statements of National Enterprises Limited for the financial year ended March 31, 2010. [*Hon. W. Dookeran*]

Papers 6 to 15 to be referred to the Public Accounts [Enterprises] Committee.

16. Administrative report of the Office of the Prime Minister for the period October 01, 2008 to September 30, 2009. [*The Prime Minister (Hon. Kamla Persad-Bissessar)*]
17. Administrative report of the Ministry of Tourism for fiscal year 2009. [*The Minister of Tourism (Hon. Dr. Rupert Griffith)*]
18. Administrative report of the Zoological Society of Trinidad and Tobago for fiscal year 2009. [*Hon. Dr. R. Griffith*]
19. Annual administrative report of the Diego Martin Regional Corporation for the period October 2007 to September 2008. [*The Minister of Local Government (Hon. Chandresh Sharma)*]
20. Annual report of the Ministry of Community Development, Culture and Gender Affairs for the fiscal year ending September 30, 2008. [*The Minister of Community Development (Hon. Nizam Baksh)*]
21. Annual report of the Ministry of Community Development for the fiscal year ending September 30, 2009. [*Hon. N. Baksh*]

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22. Administrative report of the Ministry of National Security for fiscal year 2009. [*The Minister of Housing and the Environment (Hon. Dr. Roodal Moonilal)*]
23. Administrative report of the Ministry of Housing and the Environment for the period 2005 to 2007. [*Hon. Dr. R. Moonilal*]
24. Annual report of the Housing Development Corporation (HDC) for the period 2005 to 2006. [*Hon. Dr. R. Moonilal*]
25. Annual report of the Agricultural Development Bank for the financial year ended September 30, 2008. [*The Minister of Food Production, Land and Marine Affairs (Sen. The Hon. Vasant Bharath)*]

ORAL ANSWERS TO QUESTIONS

Aluminium Smelter Project

(Government's Intention)

1. **Dr. Keith Rowley** (*Diego Martin West*) asked the hon. Minister of Energy and Energy Affairs:
 - (a) Could the Minister state whether the Government of Trinidad and Tobago has taken or intends to take a decision to stop the Aluminium Smelter Project?
 - (b) If the answer is in the affirmative, could the Minister state when was this decision taken and give the details of the decision?
 - (c) Could the Minister further state:
 - (i) What contracts and other agreements will be affected by the decision;
 - (ii) The total estimated financial costs to be incurred by the Government as a result of any cessation of the smelter project; and
 - (iii) How the Government proposes to treat with the loss of employment opportunities which will flow from the closure of the project?

The Minister of Energy and Energy Affairs (Hon. Carolyn Seepersad-Bachan): Mr. Speaker, in response to question 1(a), the Government has decided to cease the Alutrint Smelter Project as declared in the 2011 budget speech delivered in this honourable House on September 08, 2010.

In response to question 1(b), as declared in the budget speech of 2010/2011, the Government will put in place for the south-western peninsula an alternative strategy that will lend to a higher level of jobs created, maximum value for gas

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utilized, minimal environmental impact and greater opportunities for development of La Brea and environs.

We have and will continue to maintain that our decision to cancel the smelter project was supported by the majority of the people of La Brea and the environs.
[*Desk thumping*]

Mr. Jeffrey: No way! No way!

Hon. C. Seepersad-Bachan: Today, we see in the *Newsday* newspaper an article headlined:

“La Brea residents satisfied with scrapping of smelter”—a story by Richardson Dhalai.

The article states and I quote:

“The majority of residents of Square Deal Village, La Brea, and areas adjacent to the site for the now-scrapped aluminium smelter plant, have expressed satisfaction that the smelter has been halted, and an alternative use would be found for the industrial site.”

The Government will be seeking investors to use the construction ready industrial estate for alternate manufacturing activities. This action will be consistent with the statements made by the Minister of Finance in the 2011 budget speech in which he stated that the second development pole will be in the south-western peninsula. [*Interruption*]

Mr. Speaker: Member; Member.

Hon. C. Seepersad-Bachan: This task of attracting new industries will be delegated to the National Energy Corporation.

The Ministry of Energy and Energy Affairs is in the process of reviewing options for the anchor project for which the current candidates are:

- (a) A propylene to plastics plant with a capital investment of US \$2 billion;
- (b) An integrated complex for the world scale manufacture of glass and photovoltaic cells with a capital investment of US \$2.5 billion. [*Desk thumping*]

These projects have the potential to achieve the following:

- (1) A significantly increased level of local energy service provider activity;
- (2) Thousands of jobs in the project development phase and hundreds of permanent jobs;

- (3) A greater level of diversification in the downstream sector which is in keeping with the Government's determined efforts to extract maximum value for every cubic foot of gas utilized; and
- (4) Aggressive entry for Trinidad and Tobago into the global renewable energy industry currently topping US \$100 billion, that is a US \$0. 1 trillion global industry. [*Desk thumping*]

In addition, the National Energy Corporation of Trinidad and Tobago Limited is examining the possibility of utilizing the Alutrint dock yard and the location of the Alutrint storage and handling facilities for various projects. The NEC is currently pursuing discussions with a potential investor for the importation of iron ore from Venezuela onto barges for off load and storage and reloading of larger volumes onto deep draft vessels for export, primarily, to China.

There are some 16 contracts and agreements that would be affected by the decision on the future of the company. These contracts are as follows:

- (1) Contracts with foreign entities—The memoranda of understanding between the Government of Trinidad and Tobago and the People's Republic of China: No direct cost impact.
- (2) A shareholders agreement—The Government of Trinidad and Tobago and Sural: The cost impact, if any, unknown.
- (3) The buyer's credit loan agreement—The Government of Trinidad and Tobago and the China Exim Bank: No cost impact.
- (4) Government concessional loan agreement—Government of Trinidad and Tobago and China Exim Bank: No cost impact. Mr. Speaker, it should be noted that this agreement expired at the end of May 2010 and an application was made to extend the term of the concession for a further six months; a response is still awaited.
- (5) Project agreement—Government of Trinidad and Tobago and Votorantim Metals; this expires in September 2010: No direct financial exposure, other than costs incurred during the period of the project agreement.
- (6) Engineering procurement and construction agreement—Alutrint/CMEC: This contract was signed on December 2005. Firstly, I should state, the contract required that Alutrint pay a mobilization fee of US \$6 million after the approval of the board of directors and the Ministry of Finance, with the balance of the contract sum when certain conditions were satisfied. Let me

first state that the sum of US \$6 million has already been paid, but one of these conditions is that Alutrint obtain all approvals, which it is obligated to obtain in Trinidad and Tobago for the implementation of the works, including the Certificate of Environmental Clearance. In view of the decision of the court to squash the CEC, it is the considered view that the contract was not in full effect and full force.

- (7) The technical specification to EPC contract, Alutrint/CMEC: No cost impact.
- (8) Basic engineering and equipment procurement review agreement, Alutrint/China Metallurgy Industry Services Company: The cost impact, if any, at this time, has not been quantified.

1.45 p.m.

The certified verification agent: Alutrint/AVS Consulting: no cost impact.

The other agreements with local entities, there is only one such agreement; the Chaguanas office building lease: Alutrint Online Technology Contract. That terminates on February 2011.

Agreements with government or majority state-owned companies, import duty concession, Government of Trinidad and Tobago and Alutrint: no cost impact.

The gas sales agreement, Alutrint and the National Gas Company of Trinidad and Tobago: no cost impact;

Land lease agreement; Alutrint, National Energy Corporation and the Dock and Marine User Agreement, again with Alutrint and National Energy Corporation; these two agreements combined result in an annual cost of TT \$11 million payable by Alutrint, Government-owned to NEC, Government owned.

Water supply agreement: Alutrint and Water and Sewerage Authority: no cost impact.

Power Purchase Agreement, Alutrint, owned by the Government of Trinidad and Tobago, majority, and T&TEC and Trinidad Generation Unlimited, all Government owned, US \$33 million, which is currently under review and can be modified to accommodate an additional user to cover this cost.

In response to question No. 1(c)(ii), with the cessation of this project the financial cost to be incurred by Government is subject to negotiation with the various parties with which there were contracts and agreements. At this time, the largest financial liability of Alutrint would be on an annual basis, TT \$11 million

payable to the National Energy Corporation and US \$33 million payable to Trinidad Generation Unlimited, as I indicated earlier.

In the case of the NEC, wholly-owned state enterprise, steps are being taken to defray the annual cost of TT \$11 million through efforts to lease that part of the Union Industrial Estate to potential investors who would value the benefits of locating on an industrial estate site ready for construction with access roads, electrical power, potable water supply, natural gas supply and a 12.8 metre deep-water port with storage facilities.

To this end, the Government is pursuing various options to get a suitable investor. In the case of TGU (Trinidad Generation Unlimited) a majority-owned state enterprise, the Government is examining options for the use of 240 megawatts of electricity that was to be used by Alutrint, thereby absorbing the annual cost of US \$33 million.

Other financial costs relate to payments for work undertaken by CMEC and Votorantim prior to the decision of Government and following due diligence to ascertain the value of these works which had to be paid whether the Alutrint project was continued or terminated. Right now the various contracts with foreign entities are under review by the Ministry of the Attorney General to determine the extent of liabilities, if any, on these contracts.

Mr. Speaker, in response to question No.1(c)(iii), with the decision to terminate the Alutrint Smelter Project, the Government has indicated that it is exploring alternative industries for Union Estate. Among these industries are: the manufacture of inorganic chemicals; plastics; glass manufacture; alternative energy and agro business. The question focuses specifically on a loss of employment opportunities, but after all the rhetoric and all the disingenuous claims from the other side, how many jobs did Alutrint actually create for the people of La Brea and the environs. The answer, Mr. Speaker is none from the Alutrint Smelter. The projects that replace the smelter will not provide a promise of jobs. It will provide actual jobs; permanent jobs; well-paying jobs and actually contribute to the development, not the deterioration of the south-west peninsula. [*Desk thumping*]

In the context of propylene to plastics, we are looking at a capital investment of US \$2 billion. Real employment opportunities are anticipated to be 5,000 jobs during the construction phase; 500 jobs for operations and 1,500 to 2,000 jobs created as a result of downstream activities generated from this project. In the context of the integrated glass and photovoltaic cells, this project will require a capital investment of US \$2.5 billion. Real employment opportunities are anticipated in the following:

- for the Silicon, 500 permanent jobs and 800 jobs in the construction phase;

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- for the float glass: in excess of 1,000 permanent jobs and 500 jobs in the construction phase;
- for PV Wafers: 1,750 permanent jobs and 3,000 jobs in the construction phase;
- for the PV: 2,000 permanent jobs and 2,000 jobs in the construction phase.

As I indicated before, this is where we, as a People's Partnership Government, will do everything in our power to ensure that the south-west peninsula will develop under a People's Partnership Government. [*Desk thumping*] Mr. Speaker, I thank you.

Dr. Rowley: Thank you, Mr. Speaker. I wonder if the Minister would answer section (b) of the question.

Mr. Speaker: Hon. Minister, do you wish to respond?

Hon. C. Seepersad-Bachan: Mr. Speaker, you know, I think the question was answered; No. 1(b). But for the benefit of the Member, would you like me to repeat? I can always send it to him, Mr. Speaker, but it was answered.

Dr. Rowley: Mr. Speaker, the Minister may not answer the question but I just want to put on record, the question specifically was: when was the decision taken? And I would like an answer to that, if one is available. [*Desk thumping*]

Hon. C. Seepersad-Bachan: Mr. Speaker, as I indicated, that decision was announced in the budget 2010/2011 by the Minister of Finance, and I indicated that in my answer.

Mr. Jeffrey: In the light of your statement about no loss of jobs, how many construction workers were working on the project prior to the closure of the project? How many construction workers were on the project prior to the closure of the plant?

Hon. C. Seepersad-Bachan: Mr. Speaker, probably the Member was not listening, but I would just like to remind the Member that you had a quashed CEC for the construction of an aluminium smelter, so there could be no construction on the aluminium smelter and that is more than a year now. [*Desk thumping*]

Mr. Jeffrey: Mr. Speaker, I would like to ask the hon. Member, that photovoltaic plant that you are speaking about, could you tell us how many megawatts that plant will be generating? Because if you are saying—[*Interruption*]

**Secondary Assessment Examination Students
(Details of Laptops for)**

2. **Mr. Colm Imbert** (*Diego Martin North/East*) asked the hon. Minister of Education:

With respect to laptops that are being acquired for students who were successful in the 2010 Secondary Assessment Examination, could the Minister state:

- (a) How many laptops are being acquired and the total cost of these laptops;
- (b) Who is the foreign supplier or manufacturer of the laptops;
- (c) Whether there is a local agent; and
- (d) If the answer to (c) is in the affirmative, could the Minister state the name of the local agent and the commission fee for this transaction?

The Minister of Education (Hon. Dr. Tim Gopeesingh): Mr. Speaker, as I rise to answer this question here today from the hon. Member for Diego Martin North/East, I wish to point out—very important—that within two weeks of receiving this question, I am here in this Parliament, ready with all the answers. [*Desk thumping*] Let the *Hansard* record that there is no attempt to defer the answers for two weeks and then eventually never answer them—[*Desk thumping*—which was what happened when you on the opposite side were occupying this side, often done by the same Member who is now asking the question.

There are two reasons for that. We, in the People's Partnership Government have, nothing to hide; [*Desk thumping*] we are all about transparency and accountability and we respect the Parliament's right to ask questions on behalf of the people.

Mr. Imbert: Mr. Speaker, he is not answering the question.

Hon. Dr. T. Gopeesingh: Mr. Speaker, this is part of my answer. [*Crosstalk*] Gone are the days when the Minister of Government—[*Crosstalk*]

Mr. Speaker: Order! Order! Continue.

Hon. Dr. T. Gopeesingh: Gone are the days when the Ministers of Government, like they did, when the PNM was in power; would come to this Parliament and blatantly refuse to give the country answers about the policies that affect citizens. Gone are the days when the Government of Trinidad and Tobago has anything to hide.

The other reason in this question is plain and simple; that we on this side are more competent; we are more efficient; we are more capable as a government—[*Desk thumping*—in every way than you were. So obviously we will deliver on

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everything in a timely manner and keep our promises to the people. Simply put, the People's Partnership performance beats their old talk every day.

Mr. Imbert: Mr. Speaker, the Member is not answering the question. I did not ask him that!

Hon. Dr. T. Gopeesingh: Mr. Speaker, do you know what amazes me? For the past few weeks when they on the other side started to panic because they realized our laptop project which they are asking questions about—one of the most progressive projects to be undertaken in the world—[*Desk thumping*]
—when they realized that laptops would be delivered on time, they went into a frenzy. They were running around making all sorts of ridiculous allegations, hence the reason for their question about the price and how the children should not get it and how they were "duncy head" first formers; all sorts of nonsense and insults hurled at our children because they were worried that we would show them how we deliver.

With respect to part (a) of the question—

Mr. Imbert: Finally.

Hon. Dr. T. Gopeesingh: —the total number of laptops being acquired is 20,300. [*Desk thumping*] The total cost of these laptops is US \$13,046,641.

That is approximately TT \$82,194,000. And we answered these questions in two-page advertisements in the newspapers. These were the answers to all the questions. I find it surprising that the Member will pose a question in Parliament, where all the answers were in the newspapers. It seems as though this Member does not read at all, or his literacy skills—[*Desk thumping*]
—I think we have to put him back through the Early Childhood Education Centre—[*Desk thumping*]
—because his literacy skills are weak.

The agents provocateurs of the PNM continue to make mischief.

Mr. Imbert: Mr. Speaker, he is not answering the question.

Hon. Dr. T. Gopeesingh: I am answering the question. If he wants to know the answer to the question outside of what I have told him, here it is on the newspaper as well. [*Raises newspaper*] The laptops cost \$4,000. They do not cost \$15,000. [*Desk thumping*] This is the price of the laptop, Mr. Speaker. He asked the question. The agents provocateurs of the PNM want to make mischief and this is the reason for his question. So I want to direct the hon. Member for Diego Martin North/East—these are the answers to the question.

Mr. Imbert: What is it?

Hon. Dr. T. Gopeesingh: I gave you the answer.

Mr. Imbert: Answer the question.

Hon. Dr. T. Gopeesingh: I have given you already: \$82,194,000 approximately.
[Crosstalk]

Mr. Speaker: Order! Order!

Hon. T. Gopeesingh: It is US \$13,046,641.

2. 00 p. m.

The answer to part (b) of the question is that the foreign manufacturer—

Mr. Imbert: Only now!

Hon. Dr. T. Gopeesingh: You remember when you were on this side and you took half an hour to answer one question? You are lucky that I am giving you the answer in 10 minutes. We would not be like you, Member for Diego Martin North/East. No 34:1 anymore.

With respect to part (b), the foreign manufacturer of these laptops is Hewlett Packard Company. With reference to part (c) of the question, the first paragraph of the invitation to bid stated as follows:

“The purpose of this invitation to bid is to conclude agreement(s) with qualified manufacturer(s) for the manufacture, supply and delivery of computer hardware, laptops, and peripheral equipment to secondary schools in Trinidad and Tobago together with after sales service delivered through a service centre facility in Trinidad and Tobago and/or an appropriate service network.”

The goods and services agreement is between the National Information and Communication Technology Company Limited acting as the agent for the Government of Trinidad and Tobago and Hewlett Packard Company in accordance with the invitation to bid. Hewlett Packard Company required to provide after sales services delivered through a service centre facility in Trinidad and Tobago and/or an appropriate service network and, therefore, have subcontracted local services. The service centre providing after sales services for Hewlett Packard Company for this project is Digidata. There is no commission fee paid to anyone by the people of Trinidad and Tobago.

I will refer the Member to all the questions that we answered in this document on the page. I will send two kits for him, Frequently Asked Questions. We have 29 questions that are being answered in this kit.

- What is econnect and learn?
- What does econnect and learn hope to achieve?

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- Why is this project being undertaken now?
- What are the 21 secondary skills?
- What is elearning and how will it benefit education?
- What is expected of teachers, parents, students and principals, and stakeholders?
- How will laptops benefit students both at school and in the home?
- How will the use of the laptops impact handwriting, literacy and numeracy skills?
- Will students be allowed to take the computers home?
- How do you keep them from being attacked by persons wanting to steal the laptops?

All these we have answered.

- How will the students benefit when they take the laptops home?
- How do I take care of my computer?
- What are some of the guidelines for acceptable and safe usage of laptops?
- What is the procedure if something goes wrong with my laptop?
- How will the Ministry treat with willful damage to the computers?
- When laptops reach their end of life, how will they be disposed of?
- What are some of the security measures that have been put in place?
- What is in place to ensure our children are protected while online?
- What will be done for security and storage of computers at schools?
- What has been put in place to achieve connectivity in schools?
- Are there safeguards against bullying by other senior students?
- How are schools being prepared to cope with the use of so many laptops?
- What is the cultural relevance of the materials that will be uploaded on to the laptops?
- How are principals and teachers being prepared to deal with the use of laptops?
- Are any programmes similar to econnect and learn being used in other countries?
- Are there special considerations for learners of different levels and styles?

- Apart from their successful completion of the SEA examination, why were Form 1s identified as the most appropriate choice?
- What are some of the expected outcomes of econnect and learn?

Mr. Speaker, I want to lay the answers to these questions for all on the other side and for the people of Trinidad and Tobago. I also lay a kit with further information for the hon. Member in case he wants to answer a question.

I will answer questions on the milestone; on every aspect of what has happened; on the first inter-ministerial meeting for the project kick off; publicly tendered to bid; closing of the tender; evaluations of bid completed on August 04; arrival of the first student laptops in the country on Friday, September 24; launch of the eKAL Programme Band on Wednesday, September 29; commencement of the distribution of student laptops with secondary schools on Wednesday, September 29; conclusion of the distribution of student laptops to secondary schools by the end of November this year.

In case they want to ask about specifications, I want to answer some of these. The HP425 LEP Book, Notebook PC is described as a durable, stylish and affordable laptop computer. One of the first features of the HP425 that deserves special mention is its nine-cell battery providing up to eight hours of usage. This makes it especially ideal for use by school children and in situations when an electrical outlet is a distance away.

I want to lay this on the table of all the areas for the software: Microsoft Windows 7 Professional; Microsoft Digital Literacy; Microsoft Big Maps 3D and Worldwide Telescope.

I lay this information kit on the table as well for the hon. Member for Diego Martin North/East. [*Desk thumping*] In case he has any more questions, I will be prepared to answer them in future.

Mr. Imbert: Mr. Speaker, I hope when the other question on the Order Paper is answered, the Minister would not filibuster in this way.

Could the hon. Minister indicate, in answering part (b) of the question, with respect to the supplier/manufacturer—you answered that the supplier is HP. I would like to know who the supplier is. That is what I asked you. That is part (b) of the question.

Hon. Dr. T. Gopeesingh: The manufacturer and the supplier is HP. Hewlett Packard is the supplier.

Mr. Imbert: There are thousands of HPs all over the world.

Mr. Speaker: You have any further things—

Hon. Dr. T. Gopeesingh: I just answered him. He asked who the supplier is. I told him that Hewlett Packard is the supplier.

Mr. Speaker: Any further supplemental?

**Prime Minister's Visit to New York
(Total Cost of)**

- 4. Mr. C. Imbert** (*Diego Martin North/East*) asked the hon. Prime Minister:
- (a) Could the Prime Minister state what was the total cost of her recent visit with her entourage to new York, inclusive of all Government ministers, officials and staff;
 - (b) Could the Prime Minister provide a detailed breakdown of the cost of this trip; and
 - (c) Could the Prime Minister provide the names or positions of all Government ministers, officials and staff who were present and accompanied the Prime Minister to her various official engagements during this trip?

Hon. Dr. R. Moonilal: Mr. Speaker, in relation to question 4, the third question on the Order Paper today. On this day, the Government has already indicated that we will answer all the questions on the Order Paper.

In relation to question 4, we are assuming that the recent visit was one made by the Prime Minister during the period August 13—22, 2010; and not the more recent visit to the United Nations.

There has been much commentary from some segments of the national community regarding this trip that took place from August 13—22. Some of it has been misinformed and misdirected. This is ironic given that the national community was kept continuously abreast of almost every step of the have trip.

Mr. Speaker, I leave it to you to judge the rationale for the deliberate misstatement of publicly revealed facts. I assure you though that the Government will continue to keep the Parliament informed and the national community informed with the facts and continue to be transparent in it operations.

The People's Partnership Manifesto on the basis of the mandate given to this Government on May 23, recognizes trade and industry as the lifeblood of our economy. We specify therein our intention, among other things, to leverage the Caribbean diaspora—

Mr. Imbert: Mr. Speaker, he is not answering the question.

Hon. Dr. R. Moonilal:—to provide beachheads into developed country markets and leverage human capital assets and investments for wealth creation at home.

I remind the nation that foreign policy falls under the office of the Prime Minister and as such it must be clear that this trip was taken in the context of the Prime Minister continuing to put into action the promises contained in the manifesto of the People's Partnership, which is now government policy adopted by the Cabinet of Trinidad and Tobago.

This trip was the continuation of the rebranding of Trinidad and Tobago as a place to do business and to live. The Prime Minister has been conducting the affairs of this country in Trinidad and Tobago and abroad where the Prime Minister has been advertising Trinidad and Tobago as open for business.

This trip was underscored to some extent, but certainly not dominated by the celebrations of India's independence in the United States. These celebrations are increasingly attracting international importance as India continues to emerge as a major player in world economic and political affairs.

The invitation to participate in celebrations was particularly significant since it provided the most valuable opportunity for the Prime Minister to meet with many prominent citizens who were in New York for the celebrations and to whom we could directly and face-to-face send a message of the unique benefits of doing business in Trinidad and Tobago.

One of the highlights of the many activities in which the Prime Minister participated was the huge Madison Avenue parade which was covered by all sections of the media in New York and indeed the international press.

It is noteworthy that at this parade, Trinidad and Tobago mounted its own float which carried the national instrument, the steel pan of Trinidad and Tobago. [*Desk thumping*]

In the context of the Children' Fund, the Prime Minister maximized the opportunity of the visit to achieve several additional important and critical objectives, including meetings with a number of key individuals in the New York community where the Prime Minister, on behalf of the Government, received pledges and endorsements to the Children's Life Fund. We are pleased to inform this honourable House that the Prime Minister has received pledges to this fund totalling over \$1 million and we extend our gratitude to all.

Mr. Speaker, incidentally, on the recent visit to the United Nations, the Prime Minister and her delegation also met and entered into discussions with the Shriners,

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a group which has 22 hospitals in the United States to undertake free surgeries for the children of Trinidad and Tobago.

Mr. Speaker, the cost incurred on this trip where the Prime Minister also met with nationals of Trinidad and Tobago in the New York City area and attended the Independence Day celebrations of Trinidad and Tobago, nationals of all walks of life who pledged their assistance to Trinidad and Tobago; who were eager to return home and contribute their abundant skill and knowledge; those citizens who over the years were driven away from Trinidad and Tobago by the policies and practices of the former People's National Movement administration.

The cost incurred on the visit to New York by the Prime Minister and her delegation was a cost, already stated in the public domain, of TT \$400,000.

Mr. Speaker, I would like you and the Parliament to note that on the return to Trinidad and Tobago on what would have been a rare occasion for a Prime Minister's visit TT \$6,000 plus were returned to the Consolidated Fund as unused money.

2. 15 p. m.

Mr. Speaker, in terms of part (b), we also all note that while in New York, the hon. Prime Minister met with the Commissioner of Police of New York City, Mr. Raymond Kelly and his key—[*Interruption*]

Mr. Speaker: How many more minutes? It is 2.15 p. m.

Hon. Dr. R. Moonilal: Two minutes?

Mr. Speaker: Two minutes? Okay.

Hon. Dr. R. Moonilal: The Prime Minister met with security advisors in New York and discussed that. In terms of part (b), the breakdown of the cost for the Prime Minister: airfare and related cost to airfare was \$56,000. There were other costs incurred such as telephone, faxes, hotel accommodation and allowances.

In terms of part (c), to fast forward, the positions of Government officials, the Prime Minister was accompanied by the Press Secretary, two security officers of the Ministry of National Security, a personal aide, and a travel assistant.

It must be noted at this point, in closing, that Mr. Anil Roberts, the Minister of Sport and Youth Affairs; the Minister of Arts and Multiculturalism; and the Minister of Local Government who were all in New York at the time, paid all their expenses from their pockets. [*Interruption*]

Mr. Roberts: "We not hungry!"

Hon. Dr. R. Moonilal: They paid from their private resources and they did not incur \$1 of expenditure from the taxpayers of Trinidad and Tobago.

It is also noteworthy that the Minister of Science, Technology and Tertiary Education and the Minister of Local Government stay in New York was for the duration of three to four days and not 10 days. Other Ministers present were not part of the entourage of the Prime Minister, but did attend one or two functions at which the Prime Minister attended. If my friend opposite would like to get a breakdown of the cost for other Ministers, he is aware of the fact that he can direct questions to other Ministers.

Mr. Speaker, I thank you.

Mr. Speaker: It is now 2.15 p. m. I allowed him two minutes to wrap up. Let us proceed. [*Mr. Imbert stands*] Let us continue.

**MINISTER OF JUSTICE
(BREACH OF PRIVILEGE)**

Mr. Colm Imbert (*Diego Martin North/East*): Thank you.

Mr. Speaker: I thought you were going to ask a supplemental.

Mr. C. Imbert: Mr. Speaker, I respect your ruling. I was not asking any supplemental.

During the budget debate on September 16, 2010, in reading from a prepared speech, the Member for St. Joseph made certain disparaging remarks. While the hon. Member did not refer to the hon. Chief Justice by name, it was apparent that he was referring to the conduct of the hon. Chief Justice by inference. Everyone knows what was going on.

The Judiciary and the general public were under no illusions as to exactly who the Member for St. Joseph was referring to. Indeed, three days later, on September 19, 2010, the Chief Justice responded with a four-page public statement, in which he sought to refute the allegations made by the Member for St. Joseph during his budget contribution. There were also newspaper reports, editorials and commentaries on the hon. Member's statement about the hon. Chief Justice.

Further, in an article dated September 20, 2010, and published in the *Trinidad Express*, the Member for St. Joseph is reported as having effectively repeated and amplified his disparaging statements about the hon. Chief Justice. In that article, he is also reported to have said that he had no intention of apologizing to the Chief Justice and he would not be intimidated by the hon. Chief Justice's threats, as he called them.

Minister of Justice (Breach of Privilege)
[MR. IMBERT]

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Standing Order 36(10) makes it clear that the conduct of a judge shall not be raised expect upon a substantive Motion moved for the purpose.

Further, it is my submission that the Member for St. Joseph has committed contempt of this House on the following three substantive grounds:

- (i) He was reading from a prepared text and as such his speech was intentional and deliberate abuse of the privilege of freedom of speech in this House.
- (ii) The hon. Chief Justice has disputed the Member's statement and inferences and accused the Member of using parliamentary privilege to commit slander, which has had the effect of bringing the House into odium and disrepute.
- (iii) The hon. Member had deliberately misled this honourable House.

Erskine May states that it is inconsistent with the dignity of the House with the duty of a Member to its constituents and with the maintenance of the privilege of freedom of speech and it is the personal responsibility of every Member of Parliament to maintain those standards of conduct which the House and the electorate are entitled to expect to protect the good name of Parliament and to advance the public interest.

Further, Erskine May's *Parliamentary Practice* at page 132, the 23rd edition, states that a Member of Parliament who deliberately misleads the House of Commons commits a serious breach of privilege and contempt. It is for all these reasons and the ground set out above that I have sought your leave to raise the above matter and I request that you refer this matter to the Committee of Privileges for consideration and report.

Mr. Speaker: Hon. Members, I shall reserve my ruling on this Motion to sometime later on in the proceedings.

Hon. Members, it is my understanding that a statement is to be made very shortly by the hon. Prime Minister.

PERSONAL EXPLANATION
(Budget Contribution Clarification)

The Minister of Justice (Hon. Herbert Volney): Mr. Speaker, I wish to thank you for granting me leave to make the following personal explanation. Mr. Speaker and hon. Members, following my contribution on September 16, 2010, in the debate of a Bill to provide for the service of Trinidad and Tobago for the year 2011, several comments and statements have been made in daily newspapers in relation to my contribution in the 2011 budget debate.

I fully accept that if the separation of powers existing between the Legislature and the Judiciary is to be respected, preserved and upheld, there must be rigorous

observance of the rules, practice and procedures of this honourable House. I beseech you Mr. Speaker, that in the reflection that follows my spoken word, that I be judged only on the annals of *Hansard*, for in it alone lies bare the truth of what I said.

Clearly, I did not, could not have, and certainly would not have spoken adversely on the conduct of any judge or other persons engaged in the administration of justice from whence I proudly came. It was not my intention so to do, or for that matter, to violate the Standing Orders of this House or the sanctity of the principle of the separation of powers.

Since 1994, I have openly spoken from the bench of the Supreme Court, at all times mindful of this very important principle. I have lived in the pages of our Constitution and faithfully observed its strictures. Over these long years, I have raised my concerns that the laws governing the criminal justice system were Victorian in era and had clearly outlived their usefulness. It is in context that I had hoped that my parliamentary contribution would have been understood.

If speaking on the inefficiencies of the criminal justice system, as I did on September 16, 2010, I offended the spirit, the letter and/or the intent of the Standing Orders, I offer this House, this honourable House, my sincere and unreserved apology.

To the extent that I was unclear and my bespoken words left an offensive interpretation open, I offer my regret for the vagueness of my language. Should my spoken words have opened the eye perception to offence to anyone, I am sincerely regretful. For it was never intended that I be so understood.

Let me assure this honourable House and the national community that in fact I look forward with zeal and anticipation to working towards the strengthening and improvement of our criminal justice system. This is a cause to which I have already dedicated my entire adult life.

I reiterate my full and unswerving commitment as Minister, to a collaborative partnership with the hon. Chief Justice, the Judiciary and its Commission, as we work together—I emphasize, together—towards transforming our criminal justice system.

I thank you, much Mr. Speaker.

**STATEMENT BY MINISTER
Clico/CL Financial Fiasco**

The Prime Minister (Hon. Kamla Persad-Bissessar): Mr. Speaker, my colleague would indeed pilot the Motion that is on the Order Paper in a short while. I thank you for the opportunity to make this statement to the House.

Clico/CL Financial Fiasco
[HON. K. PERSAD-BISSESSAR]

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The CL Financial crisis is, perhaps, one of the largest failures in our country's history; financial failures. We believe that it is important to reiterate and reemphasize the magnitude and systemic exposures that may arise from this crisis, as well as some of the factors which contributed to this fiasco, based on our understanding to date. May I say, we continue to gain more and more information as time unfolds daily.

In January 2009, the Central Bank of Trinidad and Tobago intervened and placed the distressed financial institutions of the CL group under section 44D control. These institutions included Clico, CIB and British American. The decision to intervene was taken due to requests by the CL group for substantial government and Central Bank support for what was then described as a temporary liquidity problem.

In this current economic environment, given the extent of the significant debts owed by the CL group, the problem was obviously not a temporary one. There was a much deeper and wider problem of solvency in the group's financial institutions, where debts exceeded available assets and where inter-company borrowing left the financial institutions with significant receivable balances due from CL, but for which there was and is insufficient freely available assets available within the group to repay Clico, BAT and CIB.

2.30 p.m.

It is our view that the former administration grossly and completely mismanaged the Clico matter making it into the crisis it is today. [*Desk thumping*] By their misguided misinformed actions, they clearly had no solution to the matter. Mr. Speaker, why do I say this?

We now know that the then Government was blinded by personal interest in Clico—

Mr. Warner: Correct!

Hon. K. Persad-Bissessar:—and they lacked the capacity to properly diagnose the crux of the problem facing Clico. More than that, recent disclosures in a private matter before a domestic court in the High Court, reported in the newspapers locally, revealed evidence of concern raised six years ago about the stability of CIB. It is alleged that one of the directors of CIB at the time was a gentleman who subsequently became a Minister in the Ministry of Finance under the previous government. By their incompetency, they added to the tragedy of what Clico now means to this country.

More than that, they pumped billions of dollars in what appears to be in a blind manner, into a situation in which they had not the slightest clue of how to handle it. What the results show is that they were acting out of their league. They wasted \$7

billion in Clico which passed through Clico in the proverbial "dose of salts" manner. Their actions signified nothing and, clearly, did not accomplish anything for our citizens in spite of that seven billion of taxpayers' dollars being wasted there.

If we focus on insurance entities of Clico and BAT, it was clear that these companies shifted their marketing focus away from the traditional long term insurance business, and they began to sell Executive Flexible Premium Annuities (EFPAs) which you are reading about. So they moved away from their core business and went into their non-traditional insurance business—went into the EFPAs. In Clico's case, they also marketed and guaranteed the principal and interest on the mutual fund. The maturities on the EFPAs and mutual fund were typically three to five years, but some were short as one year.

The interest rates offered and paid on these products ranged from 8 per cent to 9 per cent on average and for very large sums which were invested, the rates went as high as 13 per cent. By comparison, information published by the Central Bank revealed that the weighted average interest rate on deposits invested with commercial banks range from 2.88 per cent to 3.14 per cent, between 2006—2008. So, here it is, a very high interest rate—one would say an unreasonable interest rate—was being offered to persons to induce them to come in to invest in these programmes that they had, whilst the going rates were 2.88 per cent to 3.14 per cent weighted average interest rate as compared to 8 per cent, 9 per cent and 13 per cent.

These companies raised enormous amounts of cash from the sale of these products because Clico's rates were obviously significantly higher than what was prevailing on the market rate for investment of similar duration. So much money was raised from the sale of these products that EFPA and mutual fund liability owed to 25,000 Clico and BAT customers equal \$12 billion as of June, 2010 which was twice the size of the \$6 billion owed to the 225 traditional long-term life insurance policyholders.

Another important element of the crisis that has not been sufficiently highlighted is that approximately \$10 billion of the \$12 billion EFPA and mutual fund liability is due over the next 18 months, that is to say in the short term. The \$12 billion liability includes approximately \$10 billion owed to individuals; \$600 million owed to credit unions and trade unions; and \$1.1 billion owed to corporations.

Additionally, when one considers the taxpayers' exposure to Clico and other distressed CL Financial entities, it is also important to know that Government owned corporations have also invested approximately \$300 million in Clico and in BAT, EFPAs.

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Separately, state-owned companies NIB and NGS also invested approximately \$1.7 billion in CIB. As such, the State and therefore the taxpayers are directly exposed to CL Financial Group institutions by way of impaired investments that amount to approximately \$2 billion.

This crisis is widespread and as a nation, we are all bearing some form, some part of the burden of the crisis. Mr. Speaker, how did this happen? How did we reach to where we are today that we have this hole of a debt that is a burden and a drain on the Treasury? It is a burden and a drain not just on the Treasury, but it is the money of the taxpayers, not the assets of Clico, because the liabilities far outweigh the assets. How did we reach there?

A significant amount of the cash raised from the sale of these products was "lent" or transferred to CL Financial, the parent company of Clico and BAT, and other CL Financial entities, to fund investments and acquisitions within Trinidad and Tobago, the Caribbean and across the globe. Many of these investments were extremely risky.

CL Financial took these risks because they had to generate higher than normal returns to pay these higher than average interest rates on the EFPAs and mutual funds.

The inability then of the parent company, CL Financial to repay Clico and BAT the billions that was "borrowed" was exacerbated by the global financial crisis and due to the fact that CL secured some of the assets of Clico and BAT for other CL Financial third party borrowings. So, it is really, you know, in the sense of a scheme. Other people would have called it a kind of scheme that was going on.

I know that when we were younger we heard something about the pyramid. Do you remember the pyramid? Now we are hearing about Ponzi schemes and so on. This here was the CL scheme, and what it was really is to take people's money in non-traditional investments, push it out there in very risky investments to try to get a very high rate of return and, of course, like a pack of cards, it collapsed. And so, what happened then?

These companies, insurance companies, gave assets to CL Financial for which no consideration was provided in return. That is to say, they took the cash from the sale of the products in Clico and BAT—they took that money out—and invest into the other non-traditional businesses, but they gave no consideration, that is to say, nothing in return for using and leveraging people's money in that regard.

Now, I am not an accountant. I would not imagine that I can do the accounting in that regard, but further investigation into this group is required. It appears to me that when one is not able to meet debt payments when they become due, whether

inter-company or not, that is a clear sign of insolvency. Common people language, "Yuh gone bankrupt." You are broke when your debts are so far and you cannot meet your payments.

The evidence suggests then that these signs were visible, years ago. Expanding on the topic of Clico's and BAT's assets, in addition to amounts owed by CL Financial, it is a known fact that Clico also owns shares in Republic Bank Limited and Methanol Holdings and some other smaller investments. These are obviously, in the view of many, very solid investments with value.

However, what we must understand is that these investments are included in the asset balance previously stated by the Minister of Finance, Hon. Dookeran, when he indicated that these assets equalled about \$16 billion while the liability balance equalled \$23 billion. Therefore, these assets with value are included in the calculations which indicates that the recorded values of these assets on the books of Clico still fall short of liabilities by \$7 billion.

In addition, information provided by the Central Bank and Clico management indicates that the majority of these assets—Republic Bank and Methanol Holdings—are already included in the statutory fund, which is a fund where assets are supposed to be held in trust as cover for insurance liabilities.

It is also important to note that Clico's assets in this statutory fund also fall short of the liabilities that this fund is supposed to cover by the sum of about \$6.4 billion, based on information provided by the Central Bank and Clico. This statutory fund deficit is a clear signal that the inadequacy of the financial regulations resulted in insufficient oversight and investigation, into this financial giant by the regulators.

The intervention by the authorities coming down under section 44D in January 2009 was too late and was therefore reactive and not preventative, hence the ability and the opportunity to rebuild now is limited. There was oversight and governance failure across the board, and questions must be asked of the regulators, auditors, executives and, of course, the previous administration under whom this all unravelled.

The liquidation scenario, I turn to that. Additionally, the \$16 billion in assets at Clico is based on what is recorded on Clico's and BAT's books as of June 2010. If a liquidation type valuation or sale of these assets is conducted in order to repay the short-term liabilities, it is extremely likely that these assets would not raise \$16 billion and, therefore, the shortfall in assets available to repay Clico creditors would be even higher than the estimated \$7 billion. That is to say on the books now there is a deficit of \$7 billion between assets and liabilities. A shortfall of \$7

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billion. But should it be that you have a liquidation type valuation and/or what is called a fire sale to try to repay the creditors, what is going to happen? What happens in a fire sale is like a garage sale. So, you are not even going to realize the \$16 billion that these things are estimated to be valued at and, therefore, you are going to get a position where it may be higher. I am saying that deficit, the shortfall in assets, would be higher than the \$7 billion that is at present estimated.

It must be borne in mind that the Clico creditors do not only include the EFPA and mutual fund holders. These are the ones we are seeing and, rightly so, they are concerned for their investments and savings, but there are so many others. The group also includes secured lenders, local and foreign banks; they include traditional long-term insurance policyholders; they include credit unions, trade unions, state owned corporations and the central government, that is to say, the citizens, the taxpayers of Trinidad and Tobago who are very much in the centre of this.

Everyone in this group of stakeholders would suffer substantial losses should we move for the "quick-sale" or "fire sale" of assets approach, if we adopt that, or if Clico was forced into such a quick sale because of a disorderly liquidation. So, in two ways this could happen: If we adopt that approach to satisfy the demands of every single person to the full value of what it is they claimed is owed to them and we go into a disorderly liquidation, we are going to realize far less than if we are given the time within which to turn it around and to raise the moneys.

If we are forced in a quick sale—so one is, we could voluntarily say, "Look we are going to sell everything out". It is not an option, because it is a fire sale, a quick sale, a garage sale and you are not going to get the estimated value, you will go even further under.

The other way is for someone to force us into liquidation—force Clico into liquidation, CL Financial, and so you would go into a disorderly liquidation sale again. The result would be the same.

So, what action was taken by the former government in the light of all of this? The previous administration injected \$5 billion into Clico and they spent \$2.3 billion to bail out the other distressed entities such as CIB in particular, so coming to a total of \$7.3 billion has gone into that hole and yet today the Government and, therefore, the taxpayers of this country have been called upon to come up with another \$16 billion to \$19 billion. So what happened to that \$7.3 billion? Where did it go? Who are the people that were paid? How was it utilized? What happened to that \$7.3 billion? That was the miracle bail out offered by the then government in 2009. We were there and we argued with them, but they came with

it as a done deal to the Parliament. It was a done deal. They had already signed the MOU when they came to the Parliament for us to amend the Central Bank Act and bring in these emergency powers and so on. It was a done deal. They never came; they never consulted. They signed that deal and, again, we have to ask why, because as we all know what happened immediately before the signing of that MOU.

Anyway, so I am saying \$7.3 billion dumped, if you want to call it, wasted. Where has that \$7.3 billion gone? These are serious questions to be answered.

Despite the statements made by some persons in the public regarding "guarantees" made by the previous administration, this guarantee does not exist, because there was no authorized guarantee via the parliamentary or budgetary approval process. There was none. There was absolutely none. So when you stood out there and you held out to people saying that they were guarantee there was none. The Government took no steps to do any such thing at that point in time. So you pumped in the \$7.3 billion; you gave no guarantee to anyone and worse of all, what was in it for the people of Trinidad and Tobago; the taxpayers' dollars that you were spending. The \$5 billion injection into Clico fell drastically short of what was really required to guarantee investors in order to make Clico and BAT 'whole' so to speak by \$7 billion. That was not the case. Already the liabilities were far above what were the assets then. So that money, what has become of it?

2.45 p.m.

The prior administration misdiagnosed the problem, and to make matters worse the \$5 billion injected into Clico only resulted in a 49 per cent minority share ownership interest in Clico. So we put in \$7.2 billion and what we got in return for the taxpayers of Trinidad and Tobago? A 49 per cent minority share interest in Clico. In other words, for the \$5 billion of taxpayers in this country we got a minority interest in what? In an insolvent bankrupt company.

Hon. Member: Shame!

Hon. K. Persad-Bissessar: That is the deal they brokered. That is what they worked on, Mr. Speaker.

The \$5 billion has been spent—we are advised—to repay matured EFPA policies in an ad hoc and unstructured manner where payment arrangements were entered into based on levels of funds invested. What criteria did you use to repay investors? Whom did you choose to pay? How were they chosen? These questions need to be answered. Because if it is today after the \$7.3 billion, all these EFPA people, the policy group and so on, they are out there, where is their money? Where is

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their money? Did you have a priority listing of who should be paid? Why did you go—and you are now crying crocodile tears about trade unions, credit unions, the poor man and the small man—why did you not pay them first? [*Desk thumping*] Why did you not pay them first? Where did that \$7 billion go? We need those answers, Mr. Speaker.

We deserve those answers. The taxpayers need to know. Because when a parent has to buy school books and bags to send his/her children to school but they have to pay tax out of the little money, they need to know where that money has gone.

Hon. Member: Where!

Hon. K. Persad-Bissessar: Where, how and why; we need to know.

Mr. Warner: "Where the money gone"?

Hon. K. Persad-Bissessar: So the prior administration—Mr. Speaker, this \$5 billion in taxpayers' funds—I said \$5 billion to the Clico people and remember \$2.3 billion to other entities of CL; they were used to continue paying really high interest rates of 8 per cent and as high as 13 per cent on policies that had not yet matured. So here you are, you took over this insolvent company and what did you do with the money? You went in there and you continued to pay what was totally out of the market. The 8 per cent, the 9 per cent, and the 13 per cent which was on the very large policies. That is where you put your priorities. You went in there and spent the money. They had not yet matured and this practice continued.

It was only when the Minister of Finance, Hon. Winston Dookeran, instructed Clico and BAT to stop this payment, it is only then it was stopped and, then people said "oh how can you do us that?" How can you do that? We could do that in the circumstances where we are now, because what happened before and how we arrived at this place is what I am speaking about. The prior administration adopted a narrow view by solely seeking to address local investors that were supposed to be covered by the statutory fund. That is what you did. So approximately 1,100 investors in EFPAs that reside outside of Trinidad and Tobago were excluded under the prior repayment plan. This group, I am advised, is worth \$1.2 billion, additionally, since the mutual fund investors were not covered under the statutory fund, they were also excluded.

There are 2,800 investors in this mutual fund group and they are owed, I am advised, \$1.2 billion as well. Both of these groups are included in this Government's offer of assistance. Both of these groups that were left out completely out of the—I almost used the word "bogus" but I do not think—I withdraw the word "bogus"—repayment plan that they had, they left out these 1,100 investors in the EFPA; they

left out another 2,800 in mutual funds; they are now covered by the plan and the proposal being made by the hon. Minister of Finance, Winston Dookeran. [*Desk thumping*] And that is an offer of assistance.

I saw a headline which said "Prime Minister said take it or leave it." What I indicated; it is an offer being made to people. It is an offer that is being made, it can be accepted or rejected. You can decline it. No citizen is forced to accept the offer. None! Because the Government is coming in as a third party seeking to give some relief to these persons who have been so affected. But given the size, the magnitude of the debt, the Government will bankrupt the Treasury and collapse this economy should we go now to pay every single one of these people every single cent that they claim that they have invested in these companies. That is the truth and that is the reality. We must face the reality in these economic times. We have to face the reality. We have to wake up and smell the coffee.

We are here where we are because action which could have been taken years ago was not taken and we inherited this. This has been a legacy, a very unfortunate legacy from the past and mismanagement from the last administration and, what we are saying is we could leave it there. Leave the CL people, leave the Central Bank there in the role under the—just leave everything as is—

Dr. Moonilal: Section 44D.

Hon. K. Persad-Bissessar: Section 44D—and then what happens? Just leave it there. We have stepped in as a third party; as a Government that is keen and interested to see where we can bring some relief in our strained economic circumstances. That is what we are doing. [*Desk thumping*]

So we have made an offer, an offer that will see thousands of people who are due up to \$75,000, able to get their \$75,000. These are the smaller people in the country. I am not saying that the smaller people deserve more than other people. But certainly thousands of people, what we call the ordinary man and woman in this land, who bought their small insurance policies and so on, we are offering a hand to help them. We are not depriving them. But when we come to those who took the very risky investments in the FPAs and so on, and these very high interest rates—we would love to pay every single person every single cent. We would like to do that but the economic circumstances will not permit it.

So as a responsible Government this is a plan that we have proposed. It is a plan. I come back to the point, persons so affected are free to accept the offer we made. Take your \$75,000; take the 20-year bonds which you get per year, or if you do not want it you are very free. Nobody is forcing you to take up the offer. That is the point I was

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making. It is some help that we are seeking to give. I do believe the Minister of Finance has also indicated that they will treat with persons who are ill and so on in a different way to see if we can assist. We are doing what we can to try to help, but I want to repeat the point, in very strained, very tight economic circumstances.

As I said we had an option which to me was no option at all. The option was to just leave it; not to give a lifeline, not to help; not to give anything. Just leave it. Do you know what would have happened? You would have seen an insolvent company, a bankrupt company. What are you going to get for it? You will be tied up in the courthouse for the next five to seven years all the way to the Privy Council. Where is that going to help? How is that going to help those who were getting \$75,000? But as I say it is a choice that each person would have to make.

There are approximately—I said these groups who were not included in the former administration's repayment plan remain secret in what criteria and condition they used to determine who would be paid out and we need answers to that. We are now offering some assistance to those groups as well.

In addition, under their plan there was no time line for payments to Clico and BAT investors under what they had proposed. There was no time line. There was absolutely none. What we are trying to do is to put some time frames. At this point in time that is the best that we can offer. The previous administration also entered into an MOU and a shareholders agreement with CL Financial which required CL Financial, amongst other things, to repay the government for funding provided by selling assets. Yet 20 months since the intervention by the previous administration there has been no sale of assets. So the government kept dumping the money in there; had an MOU which they could have started to look for sales—which we could even do, I am sure the Minister of Finance can still do. We can put it out on our stock exchange. You could have public ownership of some of these more valuable assets or look for sales in other ways for some of them. Twenty months they intervened; \$7.3 billion down the drain and not a single thing, not a finger was lifted to deal with this crisis. None whatsoever! Good money behind bad money.

The vast majority of CL assets are held as collateral by lenders and the agreements entered into do not appear to provide sufficient legal basis to force the execution of these proposed sales. So you could not get the agreement worded properly to safeguard the interest of the taxpayer and the people of Trinidad and Tobago—\$7.3 billion spent without proper authorisation and, all the taxpayers have to show for this as I said before, is a minority interest of 49 per cent in a bankrupt company.

Mr. Warner: "Yuh ain't shame?"

Hon. K. Persad-Bissessar: This is a scandal of monumental proportion. So what do we want to do? What do we intend to do? We have inherited this crisis. We have sought to provide some urgent relief to see Clico and BAT policyholders and investors, whilst at the same time ensuring fiscal responsibility is not compromised in any way.

We must understand that Clico and BAT are private institutions. And after spending the \$7.3 billion the Government is under no obligation to spend additional taxpayers' funds related to this crisis. How does that sound? What does that mean? We do not care? What we are saying is we have no legal obligation to take more taxpayers' dollars to try to help those who have found themselves in this position or who have been placed in this position because of mismanagement on the part of the former administration, of course mismanagement by the companies themselves, the private companies.

We are under no legal obligation. I think that is the point that is to be made. However, recognizing the need for some relief, the hon. Minister of Finance, Minister Dookeran, announced in his budget statement that:

1. All of the traditional long-term life insurance policyholders; group pensions and long-term annuities and so on, would be fully protected.

This fully covers 225,000 traditional policyholders. [*Desk thumping*] This, in a time of constrained economic realities; in a time when around the world, around the globe, everyone is experiencing serious problems.

I saw one of the editorials today, or yesterday, asking the question, "Are we going into double dip recession?" We just had the global recession and as we seem to be rising out of it, are we going to dip back down? We must be real in this country. We have to face the reality. And as a responsible Government that is what we intend to do and so, the Minister of Finance announced first of all the 225,000 traditional policyholders to be covered. All EFPA policy balances of \$75,000 and less would be fully paid, due to satisfy approximately another 10,000 investors. [*Desk thumping*]

Balances in excess of \$75,000 will be paid in instalments over the 20-year period with some concessions as announced by the Minister of Finance for the elderly and for those who may be ill and in dire need of their moneys. We have revised the policy in that regard.

So this is what we have offered. And as persons affected, persons may decline this offer or they may accept it. What is their alternative if they do not accept it,

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perhaps to go to court. As I said before you are going to sue a bankrupt company; the Government has no legal obligation to pay the liabilities, the debts. In fact, I am advised, and I stand to be corrected until further legal advice comes to me, but I am advised that under section 44D the Government took over the assets and so on of Clico which states:

“The powers of the Central Bank shall not be exercised unless the bank is also of the opinion that the financial system is in danger of disruptions of financial damage, injury or impairment as a result of circumstances giving rise to the exercise of such powers.”

Section 44D (1) talks about Government coming in and taking over. I am advised by some of the lawyers that whilst we have taken over the contractual arrangements we would have taken over the benefits but not necessarily the liabilities of that. So the view is that we are not responsible—and when I say responsible, legally—I say we do have as a Government a responsibility to our citizens to try to help, but there is no legal obligation, I am so advised, for us to pay the \$75,000 or any thousands to the investors and the policyholders.

Mr. Speaker, I am also advised, and given the three groups we are trying to assist which are all three groupings caught within this net, the traditional long-term life insurance policyholders, 225,000 of them fully covered, all EFPA policy banks \$75,000 and less, fully paid, another 10,000; balances in excess of \$75,000 will be paid in instalments over 20 years. I may be wrong, but if my memory serves me right, I do believe that this grouping is about 14,000 people.

So the vast majority of persons affected are between 12,000 to 14,000 persons. Yes, we care for them too. I am saying that economic circumstances may not permit us now to give them the full extent of their investment. We are offering them something. So the vast majority of people who were caught in this trap and in this chaos are going to have some relief coming from the Government.

3.00 p.m.

We are going to give some help. These instalment instruments I am saying can be cashed in early at financial institutions. Yes, they will be cashed in at a discount. But I have been informed by the hon. Minister of Finance, Mr. Winston Dookeran, that based on discussions with local financial institutions, that if the first five years of instalment notes were cashed in, the discount could be as high as or as low as—when we look at it the glass is half-full or half-empty, depending on how you look at it—5 to 10 per cent. What this means is for every dollar, you could get between 90 to 95 cents per dollar if you decide to discount. I am so advised.

This is an offer, Mr. Speaker, and I emphasize again, it is an offer, you do not have to take it should you decide that it is not in your best interest. Mr. Imbert, Member for Diego Martin North/East, I see you are grumbling. You do not have to do it. Fortunately, many on your side do not have to worry about this because they pulled their money out of Clico. [*Desk thumping*] Ministers of government, minister's families, on Old Year's Day—according to hon. Dr. Moonilal, Member for Oropouche East, when everybody was getting ready to spend Old Year's Night with their families making a pot of pelau or whatever the case may be—going to pull their money out as the most responsible person in the Government for the finances of this country, as a minister of finance withdrew your money, ensured that your family withdrew. You have no authority.

Mr. Imbert: I have not money in there. I am not like you.

Hon. K. Persad-Bissessar: You have no authority to speak on this matter. So it is an offer we are providing to Clico and the BAT investors. The offer can be accepted or the offer can be declined. If it is declined, then investors' alternative is to seek redress in different ways. I am sure they would have been advised accordingly.

The Government cannot afford an additional \$7 billion to pay off all investors in Clico and BAT over a shorter period. We cannot afford it and when the Government cannot afford it, the country cannot afford it, the taxpayer cannot afford it and the people cannot afford to pay this amount at this time. [*Desk thumping*] We cannot afford it! We have already spent taxpayers' \$7.3 billion, so we cannot come up with that \$7 billion now. This will be fiscally irresponsible. It will deprive 1.2 million citizens of this country who did not invest in Clico and BAT of much needed expenditure infrastructure for health, for education, for security, for whatever it may be. Should we take up the whole budget and just pay these 1,200 to 1,400 investors their full amount today? How can we do that as a responsible Government? We cannot do it because in a budget of \$49 billion, we will be taking a substantial portion of that budget to give to 1,200 people. I am saying we wish we could give you, but not at this time, immediately, and in this way. Those taxpayers cannot afford it, the country cannot afford it.

We understand, Mr. Speaker, there may be instances where Clico and BAT investors may face life and death hardships due to this crisis. We understand that people's livelihoods and saving plans may be adversely affected by the plan proposed by the hon. Minister of Finance. We are a Government that listens. During the budget debate I said we must first listen and then lead. So we want to give the stakeholders an opportunity to voice their concerns.

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At Cabinet yesterday, we agreed to establish an interministerial sub-committee of the Cabinet to meet and engage in discussions with various stakeholders to take their views on board. This interministerial sub-committee will be chaired by hon. Vasant Bharath and includes several Members of the Cabinet. They will be supported by technocrats from the Ministry of Finance, and in the service of the people this committee will be mandated to listen to the people.

Secondly, in terms of the way forward, in light of the circumstances, we decided we will not proceed with the Bill that had been sent to the Parliament—[*Interruption*]

Mr. Imbert: You had no choice.

Hon. K. Persad-Bissessar: We have decided we will not proceed with that Bill—I am hearing rumblings from the other side. I am hearing my friend saying we had no choice. There is always a choice of what we must do. At extensive discussions in the Cabinet yesterday, we made the choice that we will not proceed with that Bill because we were not of the view that we should use our special majority in the Parliament to deprive citizens of their right of access to the courts. [*Desk thumping*]

Mr. Speaker, we have the majority in the House. [*Desk thumping*] So when further discussions were undertaken, when we looked at it very carefully, we looked at the proposed Bill, we looked at further amendments to the Bill—[*Interruption*] Mr. Speaker, this is in the public domain. We have nothing to hide. The proposal had come that this may be one way to proceed. That was the proposal. So the Bill was drafted on the basis of that proposal, but it was laid in the Parliament on Tuesday, I believe—after the meeting on Monday—under the understanding that further amendments would be made and finalized at Thursday's Cabinet meeting. At the Cabinet yesterday, with more information that came to us, we decided we would explore other options. So we did not want to use our majority. For the first time we would have been using such a majority simply to deprive citizens of right of access to the courts. That is why we did not proceed—[*Interruption*]

Dr. Browne: Why did you bring the Bill in the first place?

Hon. K. Persad-Bissessar:—and Members felt very strongly about it. And contrary to the views by some that there was a fracture in the Cabinet and some want it and some do not want it, how there are tensions, soon COP and TOP—nothing is further from the truth. [*Desk thumping*]

Hon. Member: "Bacchanal".

Hon. K. Persad-Bissessar: There is no "bacchanal" in the Cabinet. It was a unanimous decision in the Cabinet yesterday. [*Desk thumping*] So there is no fracture. There is no UNC, COP, TOP, MSJ, we are all one family. [*Desk thumping*] And our PNM friends are still of the same family of the people of Trinidad and Tobago. So none! Do not live with bated breath and with great expectations because it is not going to happen. We will hold together, we will stay together in the interest of the people. [*Desk thumping*] The Attorney General is most present.

Mr. Speaker, as I continue, the past administration mismanaged this matter badly when they failed to act in spite of the very early warning signs, and when they finally responded, what did they do?—\$7.3 billion dollars dumped into Clico. It is now history as I said before, that the former Minister of Finance was able to withdraw her investments in the CL Financial group almost immediately before her government had jumped in to dump money in there. Her relatives were also equally able to retrieve their investments before the collapse. It is also now history that a PNM financier and former treasurer was a senior executive at the CL Financial group during the buildup to this collapse.

Additionally, given the systemic risk involved with this crisis, the thousands of our people, taxpayers and their families who have been adversely affected, the significant taxpayers' funds already spent and to be spent, Cabinet has decided to have a Commission of Enquiry appointed into this financial crisis, the CL Financial crisis [*Desk thumping*] as well as the Hindu Credit Union crisis. [*Desk thumping*]

The commission will investigate the files of Clico, BAT and CIB, as well as the overall CL Financial group and HCU. This commission will be conducted in addition to the investigations that have already been conducted by forensic investigators, and I am advised that the results of these forensic investigations have been sent to the Office of the DPP by the Office of the Attorney General.

Mr. Speaker, the root causes of this financial collapse must be fully ventilated. The persons deemed responsible must be held accountable. [*Desk thumping*] We are not guessing or groping in the dark, or acting blindly, nor are we throwing away money arbitrarily.

In recognition of the difficulties and the problems faced by investors and shareholders of CL Financial and HCU, this Government made an offer, guided by the state of our finances at this time; we have engaged the consultative process by establishing an interministerial committee, but we will also conduct an enquiry into this fiasco and ensure that those who are responsible for breaking the law of Trinidad and Tobago are exposed and brought to justice in the Republic of Trinidad and

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Tobago. *[Desk thumping]* We know what we are about. Unfortunately I cannot say the same for my colleagues on the other side.

Mrs. Gopee-Scoon: That is a statement?

Hon. K. Persad-Bissessar: So, I give you the assurance, Mr. Speaker, and through you, the national community, that we will do everything we can to protect the interest of the people of Trinidad and Tobago, whilst at the same time we will ensure that justice is done.

I thank you, Mr. Speaker. *[Desk thumping]*

**CENTRAL TENDERS BOARD ACT
(PROPOSAL TO REPEAL AND REPLACE)**

The Minister of Education (Hon. Dr. Tim Gopeesingh): Mr. Speaker, I beg to move:

Be it resolved that this House consider the legislative proposals to provide for public procurement and disposal of public property together with the legislative proposal to repeal and replace the Central Tenders Board Act which were laid in the House of Representatives on Friday June 25, 2010;

And be it further resolved that a joint select committee be established to:

- (a) examine the legislative proposals;
- (b) consult with stakeholders and interested persons;
- (c) send for papers, records and other documents;
- (d) recommend amendments to the proposals with a view to improving the drafts;
- (e) submit a report to Parliament within three months from the date of appointment.

Mr. Speaker, hon. Members of the House, I rise today to present these legislative proposals on what will go down in this country's history, eventually, as one of the most important pieces of legislation ever to be passed in this august Chamber.

This proposal today heralds the People's Partnership Government stated intention and solemn promise by our Prime Minister during our recently concluded election campaign, that we will bring a procurement legislation proposal within the first 30 days of Parliament. This was laid within the first 30 days, Friday, June 25, 2010, and the Prime Minister has delivered on her promise.

Mr. Speaker, when we examined our manifesto of good governance through effective representations of serving the people—serve the people, serve the people—and transparency and accountability, we move to the area of transparent and accountable governance, and on the question of procurement this is what our manifesto has:

- prioritize the passing of procurement legislation, and appropriate rules and regulations;
- establish equitable arrangements for an efficient procurement system;
- ensure transparency and accountability by all government departments and state enterprises.

Mr. Speaker, today, we are now moving this Motion on the question of the legislative proposals.

3.15 p.m.

Mr. Speaker, the Motion today on a legislative proposal to repeal and replace the Central Tenders Board Act as well, is as a result of the failure of the previous PNM regime to implement their long promised procurement regime. Our Prime Minister has honourably kept this promise of a legislative proposal and procurement within a short period of time. This is just one short step in our long People's Partnership journey, as Martin Luther King said, "The longest journey begins with a short single step."

The general public will acknowledge the worth of this piece of legislation in ensuring that their constitutional guarantee to the right of a safe productive life and the right to equality is preserved, but above all they will acknowledge the true worth of this procurement legislation that is before this House.

This piece of legislation will singlehandedly ensure that the crime which caused the PNM to be on the opposite side, to be unceremoniously kicked out of government by the people of this country, will also ensure that the crime of corruption is rid of once and for all. It is so endemic; in fact, I will term as a corruption pandemic within the past PNM administrations of 2002—2010.

We in this People's Partnership have brought this Bill to the House after the overwhelming mandate of the people on May 24 put us in charge of this country. The people placed in us the hope that the obscene corruption and waste of the previous administration never occurs again. We in Trinidad and Tobago have just emerged from that dark period of our history, the period of the Manning regime of 2002—2010, where the former government spent billions and wasted billions. We came to the point where the PNM administration and state and Special Purpose Companies were

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no longer the representatives of the people, but cabals overseeing and authorizing runaway spending and wanton corruption.

For nearly a decade, the PNM seized upon the government by bribery and corruption. They made speculation and public robbery a science. They have loaded the nation, the state, the country, with billions of dollars in debt. Permit me to give a true state of affairs by the lack of the procurement regime, and what they have brought this country to at this moment.

Let us look at our public debt situation. The public debt, at this moment, is \$29.54 billion. The records of the Treasury show that at September 30, 2009, the public debt was \$29.541 billion; local loans, \$14.877 billion; external loans, \$9.729 billion; loans serviced under Head 18, \$4.934 billion; \$29.54 billion in public debt.

Mr. Speaker, let us look at loans or guarantees in addition to that \$29 billion. All this was as a result of the PNM not adhering or not bringing on the procurement regime and the squandermania that they carried on for nearly nine years. The loans guaranteed by this PNM administration, Office of the Auditor General Report on the Public Accounts of the Republic of Trinidad and Tobago for Financial Year 2009: the loans or credit guarantees, \$18.63 billion; from the Economic Management Division, it is \$10.97 billion; from the Investment Division, it is \$7.09 billion.

Hear the areas for guaranteed loans by this former government, with their spending, waste and corruption: Airports Authority of Trinidad and Tobago, \$1.32 billion guarantees. What have they done with that? In whose pockets did it go? The Port Authority of Trinidad and Tobago, \$911 million; Port Authority, another PNM party group. The Public Transport Service Corporation, \$466 million, and this is what our Minister of Works and Transport has to deal with and is dealing with at the moment.

The corruption within the Water and Sewerage Authority (WASA); when our administration left in 2001, there were approximately 201 persons employed; now they have 4,500 persons employed with WASA and no water yet in this country for the people. Do you know what their guarantee to WASA was? Mr. Speaker, \$3.93 billion guarantee to WASA. Even the Prime Minister at that time said there was widespread corruption in WASA and the Minister of Public Utilities also agreed that there was corruption. What did they do during this time when the corruption was taking place? The then Prime Minister sat and did nothing about it. In fact, we want to believe and people have said that this PNM encouraged and were part of it.

Do you remember who Taurus Services Limited was? It was the company formed to write off the debt of a former senior member of the PNM, when he owed, let us say, "X" amount of money and was asked to pay 22 per cent of this

amount; that was Taurus Services. So for every dollar he owed, he was asked to repay 22 cents. That was what Taurus Services did. Do you know what the debt was that the then government guaranteed for Taurus Services? It was \$2.7 billion.

Trinidad and Tobago Mortgage Finance Company Limited—Who was this company? Was it not the same company the former treasurer of the PNM was involved with at one time and Calder Hart? Mr. Speaker, \$300 million. The National Insurance Property Development Company Limited (Nipdec), another \$682 million, from those areas. The total Investment Division, \$7.1 billion. Hear the others now—loans were guaranteed.

This is what they have put this country in, \$18 billion; from the Economic Management Division, \$10.97 billion, the Investment Division, \$7.09 billion. That is in addition to the public debt; let us look at letters of comfort that this former government had signed for some of these state enterprises. If they had instituted the procurement regime properly, we would not be in this serious situation economically that we are in at the moment.

In addition, letters of comfort were also signed; Housing Development Corporation, \$450 million; Airports Authority of Trinidad and Tobago—did I not read that they guaranteed some \$1.3 billion? They also signed a letter of comfort for \$625 million to the Airports Authority. So with guarantees and letters of comfort, the Government owes something close to \$2 billion for the Airports Authority of Trinidad and Tobago. The Minister of Works and Transport has agreed that is the picture he faces with the Airports Authority. This is the picture that the Minister of Finance has to face now, because of their unwillingness to come with a sound procurement regime, which they promised, and I will give you the history about that.

In addition to what I just mentioned about WASA with the guarantees of \$3.9 billion, a letter of comfort was another \$1.246 billion; so \$3.9 billion, plus \$1.2 billion, \$5.1 billion for WASA and they agreed that there was corruption. The Prime Minister at that time and the Minister of Public Utilities said there was corruption in WASA. What did they do about it? Did they lock up anybody? Then they brought their own boys to become directors of the board to hide the issue and protect some of their guys inside there. That is the PNM. That is why the people voted for us on this side to be on this side and the people voted against them so they would be on the other side. [*Desk thumping*]

Mr. Speaker, letters of comfort, again—UDeCott; \$4.3 billion letter of comfort. Evolving TecKnologies Enterprise Development—my Cabinet colleague, the Minister of Trade and Industry has to be fighting to find money to pay contractors for work done

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in Evolving TecKnologies. They owe \$220 million, and I will come become to that as a state enterprise. I am just quoting what they owe. British West Indian Airways, which is now defunct; there was a letter of comfort signed for \$237 million. Nidco is the company that bought the water taxi, bought the *Su*; a letter of comfort was signed for them, \$592 million. That was the company which was going to have \$25 billion for the National Road Highways Programme and a company that the then government signed a letter of comfort for almost \$600 million. What have they done with that?

They were getting their instructions straight from the Minister of Works and Transport without a board.

Mr. Imbert: Who is instructing them now?

Dr. T. Gopeesingh: They were purchasing equipment and boats without a board in place, direct from the Minister of Works and Transport at that time.

Mr. Imbert: Who is instructing them now?

Dr. T. Gopeesingh: This was going on with that government.

There was another letter of comfort to the National Insurance Property Development Company Limited (Nipdec), \$788 million. We have \$29.54 billion in public debt; we have \$18 billion in loans and guarantees, that is \$47 billion; we have \$10.6 billion in letters of comfort, that is \$57 billion and then we have something called "promissory notes" as at September 30, 2009, \$2.4 billion; nearly \$60 billion in guarantees, letters of comfort and public debt, all brought about by that PNM administration led by the then hon. Prime Minister, Mr. Patrick Manning for nearly nine years, while the people of this country were crying. Their hearts were bleeding, while all this money was being spent. [*Crosstalk*]

When you look at the balances on the Exchequer Account at the end of financial years 2005—2009, the Auditor General Report has a graphical representation of it. [*Dr. Gopeesingh displays document*] In 2005 there was a \$3.1 billion in the negative, from the Exchequer. In 2006 it went up to \$4.7 billion; in 2007, it went to \$5.7 billion; in 2008 it was \$5. 683, but in 2009, it was \$10.789 billion. Mr. Speaker, that is the state of the Consolidated Fund.

3.30 p.m.

Mr. Speaker, that was the state of the Consolidated Fund and as the Auditor General said:

“The Exchequer account is the bank account for the Consolidated Fund, According to the records of the Comptroller of Accounts as at 2009 September 30 the

Exchequer Account was overdrawn by (\$10,789,303, 391...) which was an increase of \$5.1(billion) or 89.84% when compared to the previous year's figure of \$5.683 (billion)."

All of this went on with the last administration of the PNM: squandermania; waste and widespread corruption. And if you compare that with the Auditor General's report of last year, you would see that all the debt has increased significantly from the previous years.

So Trinidad and Tobago finds itself in a debt situation of more than \$60 billion. Our GDP is about \$135 billion. So calculate; \$60 billion out of \$135, is close to nearly 50 per cent of the GDP at this moment and this is what the last administration put us in at that time.

Therefore, it is because this Government understands that consequences of corruption in government do not just affect statistics; they affect in fundamental ways the lives of people and they often mean the difference between life and death. Corruption in government means that moneys rightly due to the people, the taxpayers, the citizens of this country, are funnelled into the hands of a mere corrupt privileged few. It means that the citizens of the country who are guaranteed by the Constitution their just due of a right to equal opportunities, basic amenities, proper services and infrastructure; the people were robbed and cheated out of these rights by the then corrupt government of 2002—2010.

It means then that we became, because of corruption, the people we are today; a country that just emerged from an economic oil boom but which has to show for it a legacy of PNM ineptitude and corruption: big buildings; churches without owners; an empty treasure; citizens who do not have basic water, lights, drainage, roads, infrastructure. There was a significantly high crime rate simply because of the scourge of corruption; the illegal siphoning of billions of taxpayers' money by boards and chairmen of boards who are out of this country now. I will come back to the state enterprises pretty shortly.

That has been the direct cause of the sad state of our nation today, supervised by the previous PNM administration for nine years, led by the hon. Patrick Manning; billions of dollars in corruption. And we estimate between \$30 billion to \$50 billion of corruption without a procurement regime.

Over the last decade, over the last nine years while we were in opposition, at considerable cost to us, in our efforts we were confronted as an opposition with ridicule and intimidation from the then PNM administration. We, as Members of the People's Partnership who were not in government then, brought several actions, from writing to the Integrity Commission, the Director of Public

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Prosecutions, the Police Commissioner, to challenge the corruption of the government of Prime Minister Patrick Manning at that time. Today we relish the fact that we now have that opportunity without being silenced by Standing Order 34(1) to tell the truth about the corruption of the former PNM government of this country—the former PNM government. This therefore is the purpose of this legislation, to stop that widespread corruption.

In my presentation today of the Motion, I will explain how this Bill will be the first process in ensuring transparency and accountability to all citizens of this country, thereby ensuring that the tendering procedure and systems of procurement are effectively reformed. But let me assure Members of this House and the public that we in the People's Partnership know and understand that eradicating corruption is not enough to sustain a country. We understand that proper procurement legislation is not enough to eradicate corruption. With this Bill, when it becomes law, comes a duty by public officials and our Government as well, to ensure that proper monitoring systems are in place to ensure that the law is upheld, a duty which our People's Partnership Government will treat as sacred to our heart. Our Government is intent on promoting social justice, removing corruption and discrimination and standing against political, cultural and economic plots that are an affront to our democracy.

Let me give a little history of the attempt by the previous administration to say that they were bringing a procurement bill and going to deal with procurement in an established and sacrosanct manner. In October 2003, the PNM government established a committee to produce a Green Paper on the reform of the government procurement. This was laid in Parliament in September 2004. In early 2005 the committee began work on a White Paper on this procurement regime and this was laid in September 2005, five years ago, and no procurement bill has ever been brought to Parliament over the last five years.

I want to refer and remind the PNM administration, this was the White Paper that was produced, starting with a lot of work done before that:

“Reform of the Public Sector Procurement Regime—a White Paper, August 2005.”

This goes way back. But what has happened to it since 2005? Nothing. And I will attempt to show pretty shortly how the then Prime Minister dealt with this whole question of procurement. He must know that if there was a proper procurement regime in Trinidad and Tobago, particularly over the last five years, we would not have had the runaway corruption that we had with UDeCott and Calder Hart and many others which I will talk about.

There was a report of an inter-ministerial team of the F&GP in 1993. In 1993 an inter-ministerial team of the F&GP of the Cabinet—that is the PNM Cabinet at that time—submitted a report recommending amongst other things that:

- “all ministries and departments be removed from the purview of the CTB and made responsible for their own procurement; and
- the Ordinance be repealed and an agency be established to oversee the procurement practices of the ministries and department.”

From since 1993 when they held power, between 1991 and 1995, they were talking about procurement. But what did they do about it? Nothing. They only spoke about it. Lip service; did absolutely nothing. Then they spoke about an Act, a National procurement Advisory Council. They said:

“The Act will therefore:

- prescribe the principles governing the system...”

I am reading from their White Paper in 2005.

- “institutionalise Civil Society and stakeholder representation on a National Procurement Advisory Council to support the operations of the Regulatory Body, thereby providing an invaluable monitoring mechanism;
- mandate the Regulator to ensure a relevant, efficient and compliant system...”

These are things that were written in their White Paper in 2005. They must ask themselves and the people of Trinidad and Tobago must ask the PNM administration: Why did they refuse to bring a proper procurement Bill to Parliament? Why did they stop there, with just producing the White Paper? I want to read some of the issues that followed from that White Paper from 2005. This was a release from the Office of the Prime Minister at that time.

“September 20, 2005.

Government Makes Unprecedented Move To Accelerate National Development.

Whitehall: This morning Honourable Patrick Manning, Prime Minister of Trinidad and Tobago, held a meeting with all Government Ministers, Permanent Secretaries, and the Chairmen and Chief Executive Officers of Special Purpose State Enterprises at the Hilton Trinidad Hotel and Conference Centre...

...Prime Minister Manning has held a series of meetings with these enterprises to develop new ways of streamlining procedures for the execution of their mandates.”

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So in 2005 he now began the question of bringing on special state enterprises; "streamlining procedures for the execution of their mandates". At that time was there a streamlining of people to empty the Treasury? The execution of the mandate, was it to steal from the Treasury, to plunder the Treasury, to put money into their pockets? It would seem that this was the mandate at that time; streamlining procedures; execution of their mandate. Their mandate was to steal from the Treasury; plunder the Treasury; thief; steal. That was the ethics of the PNM administration when these state enterprises came on; 16 of them, special purpose companies. It continues:

“and through the streamlining and improvement of the financial systems to which state bodies are required to adhere, we will accelerate the process of national development to unprecedented levels.”

It was the most unprecedented levels of corruption this country ever witnessed. And as I always say, the PNM has invented corruption; it has masterminded corruption; it has perfected corruption; it patented corruption. It started in the 1960s with the Lock Joint; in the 1970s with the O'Halloran and the Francis Prevatt issue; in the 1980s with the Eric Williams Medical Sciences Complex; the Hall of Justice and the Eric Williams Towers, and in the 1990s, Mr. Speaker, you know much more, and then in the 2000s, this is what we have.

As I am on that at the moment, let me just refer to some of these state enterprises that were before us, these 16 special purpose companies. Let us hear about these 16 special purpose companies. Do you know what they are, that had no procurement regime and they were runaway horses and did exactly what they wanted?

- East Port of Spain Development Company Limited, billions spent there;
- the National Gas Company of Trinidad and Tobago, a plaything for the PNM government then;
- NGC; Educational Facilities Company Limited, they spent more than \$2 billion;

As the Minister of Education, I have to do an audit into the Educational Facilities Company Limited. Some secondary schools are costing \$170 million each and primary schools are costing \$40 million each and one group of companies belonging to a former Member of Parliament of the PNM has more than \$500 million in contracts from the EFCL.

- EMBD, Estate Management and Business Development Company Limited;

Where is the chairman of that company? He ran! He ran out of Trinidad. He is hiding abroad. We understand that he was sent off by a Bombardier jet; sent away

by somebody on a Bombardier jet to go and hide. He spent \$1.2 billion in the whole aspect of what they say was the development of the lands of Caroni. Up to today, there are no individuals who were given plots of land.

We understand that one plot, a \$5,000 square foot plot, cost this government almost \$100,000 under the EMBD, under that former chairman.

3.45 p.m.

- NIDCO, National Infrastructure Development Company Limited;

I spoke about that when I spoke about the water taxi. Who was the middleman? The Member for Diego Martin North/East should ask: Who was the middleman in the water taxi issue? Who was the middleman in the purchase of the PTSC buses?

Mr. Imbert: Who was it?

Hon. Dr. T. Gopeesingh: You answer it. It is not for me to tell. It will come out and people will make jail. Remember your Prime Minister used to say jail "ain't" nice. Well, you must tell your boys and your friends that jail "ain't" nice.

- Rural Development Company of Trinidad and Tobago (RuDeCott);

We know what is going on there and my colleague the Minister of Sports and Youth Affairs will tell you about the Sport Company of Trinidad and Tobago. There is massive corruption. We only see the tip of the iceberg with the \$2 million flag and he is now trying to unearth a \$50 billion corruption within the sport company.

- Tourism Development Company Limited;

This country has 37 wholly-owned state enterprises and 16 special purpose companies all open for plundering the Treasury, so that they can fill their pockets and do what they want with the people's money. This is why the people voted against them. They threw them out.

On October 08, 2005, they brought out the White Paper. On the *Trinidad Guardian* of Sunday, October 08, 2005:

“New state companies open to corruption—TI

The local branch of Transparency International has expressed concern that the Government's decision to set up 15 special purpose companies opens the way to serious corruption.

In a statement yesterday, TTTI advised the government to ensure that its new procurement regime was in place before establishing the new companies.”

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What did they do? They established the 15 special purpose companies; put no procurement in place and went on stealing from the Treasury; "tiefing" the people's money and they flying out and living abroad. Some of them are still here. They are over there. Many of them were on this side.

The newspaper article says:

“Until Government reforms its procurement regime, setting up 15 ‘Special Purpose State Enterprises’ to implement projects opens the way to serious corruption.”

The People's National Movement (PNM) was warned. Transparency International was talking about it since September 2005. What did Prime Minister Manning do then? Absolutely nothing! He went on to open more state enterprises.

An editorial of the *Trinidad Guardian* as well, on Thursday, November 09, 2006, four years ago:

“The latest Corruption Perception Index (CPI) by Transparency International (TI) should be enough to convince Government that it needs to implement the long-promised previsions of its procurement regime.”—Again it is being spoken about. —“T&T has slipped in the CPI ranking, which as the name implies, measures the perception of corruption, not the fact itself.

Neither the index nor the local branch of TI is saying that the Government is corrupt. What they are saying is that the lack of a clearly defined regime leave [sic] the door open for corruption, since transparency is lacking.”

The editorial goes on to say that:

“The establishment of these special-purpose companies, with billions of dollars contracts to be awarded, comes at a time when the Central Tenders Board has been effectively phased out and the new tender procedures have not been legislated.

Effectively, the long-established centralised procurement system, which served the country well, has been replaced by a system of individual company procurement which does not form part of an overall system.

Without those guidelines and a transparent system, the State cannot claim that the process is free of corruption.

The public sector procurement regime is still in the white paper stage and while it is essential that all stakeholders are allowed to comment, the Government needs to move quickly to ensure that this statement of policy becomes law.”

They did nothing. That was an editorial of November 09, 2006.

There are many areas. In November 2006, the same Trinidad and Tobago Transparency Institute had to report on measures taken by Trinidad and Tobago to create, maintain and strengthen government systems for procurement of goods and services. This was their introduction.

“1.1 The Trinidad and Tobago chapter of Transparency Institute...at the invitation of the TI Secretariat, submits this report to the Committee of Experts of the Mechanism for Follow-Up on the Implementation of the Inter-American Convention against Corruption...Second Round, as an independent civil society contribution.

1.2 The report addresses *Questions 2(c) in Section I*—it says:—

If no such laws and/or measures [establishing government systems for procurement of goods and services] exist, briefly indicate how your State has considered the applicability of measures within your own institutional systems to create, maintain and strengthen government systems for procurement of goods and services, in accordance with Article III (5) of the Convention.”

Transparency International had to say:

“Although such laws and measures do exist, the Government of Trinidad and Tobago is currently implementing a *radical reform of the public procurement regime.*”

They had hopes and aspirations for the people and for the government. This was in November 2006 and it never came to pass. They had to say:

“Unfortunately, the government’s tardiness in implementation, coupled with its haste in creating new and heavy-spending agencies”—they are talking about the special purpose companies—“that undertake major projects outside a proper legal and regulatory framework has engendered an atmosphere of doubt, disappointment and suspicion about its real intentions.”

That is what they had to report to this international group under which Trinidad and Tobago was a signatory to the convention.

One such announced project was the Rapid Rail Transit System, estimated to cost billions of dollars, for which few details have been made available to the public and which appears to have been decided on without a proper feasibility study. Mr. Speaker, we all know what followed from that. The sum of \$576 million was spent on a phase I, a study, of a rapid rail project.

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Transparency International continued to put pressure on this Government to bring on the procurement regime.

Mr. Speaker: Hon. Members, the speaking time of the hon. Member has expired.

Motion made, That the hon. Member's speaking time be extended by 30 minutes. [*Hon. Dr. R. Moonilal*]

Question put and agreed to.

Hon. Dr. T. Gopeesingh: Thank you, Members of both sides of the House. It went on to such a situation that the Government began to take a position, when they knew they were not implementing the procurement regime, and one of the submissions which the hon. Member for Diego Martin North/East made to the public enquiry on March 17, 2009, Minister Imbert stated:

“Having re-examined the White Paper, the Government does not support the appointment of an independent Regulator with the wide ranging powers recommended in the paper.”

The People's National Movement produced the paper—in 2005 they had the White Paper—and the Member for Diego Martin North/East said to the commission of enquiry on March 17, 2009, that the Government does not support the appointment of an independent regulator with the wide-ranging powers recommended in the paper.

They produced a paper and said they were not supporting it. This is the paradox of the whole governance aspect of the last administration.

Trinidad and Tobago Transparency International said their view:

“...frustration of the work of the Government is more likely to occur when the only way of resolving disputes is through recourse to courts that are not specialised in procurement matters. The proper use of the proposed complaints mechanisms will facilitate more expeditious resolution of disputes...”

So, Mr. Speaker, here is another submission by the then Minister of Works and Transport, the Member for Diego Martin North/East.

“The Government proposes to strengthen the public sector procurement regime”—When?—“by standardizing the tender rules, tender criteria and tender evaluation procedures of state enterprises and government departments and agencies; by making such rules and procedures mandatory, including, if necessary, by way of appropriate legislation.”

This is what he gave to the commission of enquiry. Here he had a White Paper on procurement in 2005, went against it; said they do not support it and now he is saying they want each one of the state enterprises to have its own evaluation system.

Do you know what that gave rise to, Mr. Speaker? Exactly what has happened in this country in the last eight or nine years, particularly after 2005. UDeCott had 78 projects under its hand at one time, which Calder Hart was controlling. One was the waterfront project. I believe I had mentioned before that that the waterfront project, which they say is the hallmark of their infrastructure programme and which they claim cost \$1.8 billion, has cost \$4.4 billion. That waterfront project with the International Financial Centre on which they said they wanted to bring an International Financial Institution Bill—they did not bring it; the International Financial Centre, which they said they were going to fill with people from abroad interested in investing in Trinidad was left vacant. It was left empty.

The facts are that the children of Trinidad and Tobago, my children in my schools, when they become older, the people of Trinidad and Tobago have to pay close to \$260 million every six months for 17 years to keep the Hyatt Regency Hotel and the International Financial Centre. The cost of the Hyatt Regency Hotel and the International Financial Centre was \$4.4 billion; \$260 million every six months for 17 years and they claim that is the hallmark for the infrastructure. The Brian Lara Stadium cost \$1.1 billion. When we confronted the Prime Minister in the previous Parliament about the cost of NAPA, he said US \$100 million for both north and south NAPA. The North Performing Arts Centre already cost \$1.2 billion and the south another \$1 billion and incomplete.

4.00 p.m.

You saw all the articles in the newspaper, of the weaknesses in the performing arts centre. When you see what it cost for management—*[Interruption]* I would give way to you.

Mr. Imbert: I thank the Member for giving way. This is second time—I am talking about the waterfront centre—I have heard you quote those figures, a cost of \$4.4 billion and payments of \$260 million every six months for 17 years. That \$4.4 billion, is that the capital cost? That is my first question.

My second question is: Are you certain your figures are right, and where are you getting the information from?

Hon. Dr. T. Gopeesingh: Mr. Speaker, I want to refer the hon. Member for Diego Martin North/East to when he was on this side, and the Finance Committee

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had their meetings just before the real Finance Bill came out and we were discussing that. I can refer him to the document of the Finance Committee about two years ago, which indicated that. One lease was "US \$15. something million" and another lease was "US \$6. something million". The sum of US \$21 million was the cost then, I believe for every three months. The leases were from UDeCott with the State. Go back and look at your Finance Committee document and you will see it. You will realize that the State now is ending up having to pay \$4.4 billion for the Hyatt Hotel and the International Financial Centre. If he goes and does his research, he will find it. I did mine and I found it.

Nidco, we spoke about that and the water taxi. Evolving TecKnologies (eTeck), for a long time we have been talking about eTecK. A group of about three or four people went to the Far East and said that they were going to different places to visit. They suddenly found themselves together at one place and they decided to come back and form Evolving TecKnologies Limited. The czar of the energy sector began to head that. Evolving TecKnologies has spent over \$1 billion in Tamana Park already. They have spent over \$100 million in the Maritime Center. With respect to Evolving TecKnologies, the Minister of Trade and Industry will tell you how much they owe at the moment and how many contractors they owe. These are special purpose companies without any procurement regime. Do you know what mass and widespread corruption went on there?

Then they also went to buy Vanguard Hotel in Tobago, from Vanguard Holdings, \$314 million. The last government was in the hotel business. They wanted thousands of rooms each for themselves. What happened?

In addition to that, they decided that they will spend money on Hilton for CHOGM. Do you know what Hilton is costing now? It is costing almost \$625 million in its renovation programme. You could build new hotels. Did you corroborate that? It cost \$650 million for Hilton Hotel, \$340 million for Vanguard Holdings in Tobago, buy it over and owing \$4.4 billion for Hyatt and the International Financial Centre. That is the government of Patrick Manning's administration. That was the administration that said they would bring a procurement regime and did not bring it, because it suited them not to have a procurement regime so that their boys can do whatever they want, so that they could continue to plunder the Treasury.

I spoke about EFCL, the Sport Company, NEC and EMBD. What about T&TEC? My colleague, the Minister or Sport and Youth Affairs, was speaking about the Chairman of T&TEC. We understand that families of senior officials were involved in the T&TEC scandal of the Street Lighting Programme of almost \$600 million. OWTU was asking for a report all this time and never got the report, because they

had something to hide and they never allowed that report to come through. The Chairman of T&TEC at that time, has gone abroad too. The Chairman of EMBD is abroad, the Chairman of T&TEC has gone abroad and the Chairman of UDeCott has gone aboard. All of them have gone aboard and they are hiding. It is a situation just like Francis Prevatt and Owai in the 1970s. I just mentioned three of the companies.

Do you know what is even worse with these special purpose companies? Do you know what this government went on to do? Under the Freedom of Information Act, they removed 15 of these state enterprises and special purpose companies from the Freedom of Information Act. They began to hide the things. They did not want people to know what they were doing. Under the Freedom of Information Act, do you know the companies that they have been removed? They have removed the Central Bank of Trinidad and Tobago; First Citizens Bank group; the Export/Import Bank; the Agricultural Development Bank; Trinidad and Tobago Mortgage Finance, which their former treasurer of the PNM, Calder Hart was; and Taurus Services. Do you remember one of his former senior Ministers of Government was given a gift of \$0.22 to the dollar? The Business Development Company, National Entrepreneurship Development Company (NEDCO), National Enterprises Limited (NEL) were removed. This comes from *The Parliamentarian* of 2006. As soon as they formed these special purpose companies, they removed 15 of them from the Freedom of Information Act, because they wanted to hide. What did they want to hide? They wanted to hide their corruption. They did not want their boys to be caught. We had to apply, under the Freedom of Information Act, to get some of the information that we had to give.

The two Bills before us are the legislative proposal to provide for public procurement and disposal of public property and the legislative proposal to repeal and replace the Central Tenders Board Act.

I want to go into the clauses of these Bills and give an overview of what is required. The legislative proposal to provide for public procurement and disposal of public property has five parts. The proposal contains a preliminary aspect, a procurement aspect and a framework. It speaks about a regulator and it speaks of a National Procurement Advisory Council. It has a miscellaneous of 34 clauses and a Schedule.

Part I consists of a short title. Clause 1 has the interpretation. Clause 2 has the interpretations of "agency", "chief executive", "appropriate authority on procurement", "property", "public procurement", "state controlled enterprise" and "statutory body" amongst others. That is clause 2.

Part II which consists of clauses 3 and 4 is the procurement framework, which provides the application of the Act to acquisition of property and services and disposal of property.

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Clauses 5 and 6 provide a mandatory compliance with operating principles, objectives and guidelines.

Clause 7 speaks about handbooks as guidance material to supplement guidelines.

Clause 8 enables the Chief Executive to issue agency instructions, which must conform to the Act and regulations and guidelines.

Clause 9 requires that all persons performing duties conform to the operating principles, objectives and guidelines. Where there is a divergence, the regulator needs to be accordingly advised in writing with reasons.

Clause 10 speaks about the identification of authorized purchasers and the offences that can be committed, and the authority having authority on the transactions.

Clause 11 prohibits suppliers from entering transactions and unauthorized purchases and further imposes a duty on suppliers to conform to the operating principles, objectives and guidelines.

Clause 12 provides for the regulator, either on his initiative or on the basis of a complaint investigate the compliant so as to ensure the integrity of the process. The regulator may, pending the outcome of the investigation, suspend the process, apply mediation techniques and advise all parties to the transaction of the outcome of the investigation.

Clause 13 treats with the process of investigation.

Clause 14 speaks about the necessary powers of entry of the regulator.

Clause 15 states that the regulator may, after investigating to complain, confirm a decision as a consequence of mediation, direct the continuation of the suspension, pending an appeal or void the transaction for breach of the Act and guidelines.

Clause 16 enables the regulator to surcharge a complainant for cost where the regulator finds the complaint is frivolous or vexatious.

Part III speaks about the regulator. Clauses 17, 18, 19, 20 and 21 deal with that issue.

Part IV speaks about the National Procurement Advisory Council.

Clause 22 speaks about establishing, which is an important aspect for consideration, the National Procurement Advisory Council, in a manner so as to void allegations of executive manipulation of the membership.

Clause 23 provides the function of the council.

Clause 24 speaks about the regulator to provide secretariat service to the council.

Clause 25 requires the regulator to attend meetings, but in so doing, the regulator has no vote.

Part v of this Bill, the legislative proposal, has miscellaneous clauses from clauses 26, 30, 31 32 and 33.

The Schedule of the Act specifies procedural matters pertaining to the operation of the National Procurement Advisory Council such, inter alia, as tenure or gazettement of appointments, resignation, office procedures at meetings, including voting and quorum and recommendation.

Our Government proposes for consideration of this Parliament for joint select committee consideration, this first aspect, the legislative proposal to provide for public procurement and disposal of public property. We decided to bring this in tandem and in conjunction with the legislative proposal to repeal and replace the Central Tenders Board Act. This one speaks about a National Advisory Council and a regulator. And this legislative proposal to repeal and replace the Central Tenders Board Act speaks about a National Tenders Board Bill and a National Tenders Board. On the one hand we have regulators and a National Advisory Council, and on the other hand, in this proposal, we have a National Tenders Board. We brought both of these together, because we believe if there are discussions that will ensue if the Government agrees that this goes before a Joint Select Committee of Parliament, both these can be looked at together, in the context of one with the other, so that we would eventually come out with a sound procurement paper which will be for the consideration of Parliament. We are asking for this to be considered and dealt with as we have discussed in the Motion, to have this done within a three-month period and brought back for consideration.

Mr. Speaker, it is my pleasure and privilege to introduce both pieces of legislative proposals, one to provide for public procurement and the disposal of public property and secondly, the legislative proposal to repeal and replace the Central Tenders Board Act.

4.15 p.m.

Mr. Speaker, we on this side, as the Government, ask the Opposition to consider these two pieces of legislative proposals for consideration by a Joint Select Committee, bearing in mind that we have been speaking about a procurement regime and we have not been able to fulfil that aspect. So many billions of dollars had been spent nationally, with so many questions arising on the widespread waste, mismanagement and corruption. This administration believes that we have to stop that immediately. We bring this to a halt, hence the reason we thought that these pieces of legislation were so critically important.

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In our manifesto we stated that we would bring this within the first 30 days, and the Prime Minister laid these papers in Parliament within the first 30 days. So now it is for us as parliamentarians, as Government and Opposition on behalf of the people, to seek some conformity and total understanding and movement forward, so that within a three-month period, we could come back to the Parliament after the report is laid, so we would have something to work on as quickly as possible to deal with these 57 statutory authorities, 37 state enterprises and 16 special purpose companies which spend close to \$40 billion every year. We cannot afford to continue that.

We ask consideration of the Opposition on this issue, because they themselves know. The Leader of the Opposition was an individual who said, at that corner, that he was not satisfied with the way UDeCott was conducted and, therefore, he was not satisfied with the whole procurement practice of a special purpose company. As a result of that statement his government fell. It fell because he made a statement about UDeCott, amongst other things. I am sure today he would want to see an end to that; therefore, we ask the Leader of the Opposition to consider with his colleagues the question which we are putting forward, the legislative proposals for these issues of procurement.

Mr. Speaker, I beg to move.

Question proposed. [Crosstalk]

Dr. Keith Rowley (*Diego Martin West*): Mr. Speaker, I rise to join the debate. I understand very clearly what we are about. I would say from the outset that we support the idea of having this package of legislation go before a joint select committee. [*Desk thumping*]

It being a debate, I reluctantly would have to respond to my colleague from Caroni East, if only for the record. I really would have preferred to have heard something more focused on the question of procurement, but in true PP style, my colleague for Caroni East took the opportunity to carry on, to campaign elections of whenever. He spoke about issues which were really not procurement issues. From that standpoint, I must respond to my colleague, just to make it very clear.

The premise of his argument was faulty; it was a campaign statement. I know my colleague from Caroni East is a very intelligent man. We spent a lot of our formative years together; I know him very well. I know what he just said was not the extent of his intellectual capacity. When we ended up in the Parliament of Trinidad and Tobago, I expected him to make some contribution commensurate with his intellectual capacity and not to just keep trying to score political points.

You have scored all the points you were going to score on May 24; if you have information to bring, bring it with some common sense.

When my colleague got up here today and talked about: PNM corruption and raised the matter of corruption in Trinidad and Tobago as a "PNM ting", he missed the point. That was purely politics. He spoke about the public debt in the context that it was as a result of corruption; that is not true. If public debt is as a result of corruption, then we have to say that Japan, the United States, Greece, Germany and Ireland, where they are all struggling with huge public debt, humongous public debt, then clearly they are supremely corrupt countries.

He spoke about loans; every government gets involved in loans, and this Government will. He spoke about promissory notes; this Government may get involved in promissory notes. He spoke about letters of comfort; this Government will be issuing letters of comfort. He spoke about expenditure in general on projects; this Government will do that, and he spoke about corruption. All these headings are something peculiar to the PNM and these Bills, according to him, would cure that ill. Nothing is further from the truth.

The Bill seeks to put in place a procurement regime, recognizing that governments will always be obtaining goods and services and that you need to have in place some system that gives you the best chance, to get the best goods, at the best value or the best services at the best value. Whether it was the government before, this Government, or the one to come, that is what we are dealing with.

If we look at the history of our country, contrary to what my colleague from Caroni East tried to tell us, that corrupt practices were peculiar to the PNM—that is campaign "ol' talk". As he was talking, I went back a little in my mind as to what the country's experience with corruption has been. Initially we had experiences with respect to a project being undertaken. At that time it might have been the largest project in the country, probably the only one, the building of the Hollis Dam; it seems to be, in my recollection. That dam was being built, services were being procured, contracting was taking place and there was some element of corruption in that. I seem to recall that predated the coming of the PNM in Trinidad and Tobago. That was done under the colonial government. That would have been pre-1956.

Then subsequently we had the sewerage of a section of the East-West Corridor under Lock Joint. Again, that was a project and there were allegations of corruption. That would have been in the 1960s. In the 1970s we purchased aircraft and then we heard in that purchase there were allegations of corruption, what we commonly refer to as the "DC9".

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Then in 1980 I seem to recall the first Tobago House of Assembly (THA) election. We bought a boat from Venezuela, the *MV Tobago*, and there were allegations that there were corrupt practices in the purchase of that board. So we had a pre-PNM, we had some of these items being PNM and then in Tobago we heard about ADDA. There were allegations of corruption under the THA. The PNM was not in charge then; that was an NAR administration. An election was fought in Tobago and the premier item of campaigning was ADDA and the famous "Ring Bang". Remember those stories, Mr. Speaker?

Then, most interestingly, we come to the 1990s and current and fresh in our minds is the Piarco Airport, where we procured—[*Interruption*] Piarco Airport is still very fresh. We had Piarco Airport; we had Inncogen allegations and the Desalcott allegations. In fact, I am not even mentioning the dog rice and things like that, but I am talking about areas where there is substantial information to indicate that the procurement did not go properly and there might have been wrongdoing on the part of agencies or individuals.

So to come here and say—[*Interruption*]

Mr. Warner: [*Inaudible*]

Dr. K. Rowley: You are anxious? I do not want to talk about the stadia; "ah" not going there today. I am talking about examples of public procurement where there appears to have been or it has been confirmed, that there has been some element of wrongdoing on the part of individuals and agencies in obtaining goods and services for the State. The one thing in common with all that is that it crosses political lines and periods. So it is quite incorrect for my friend from Caroni East to come in here in a serious debate and give the impression that there was something peculiar and special about the PNM and, therefore, these Bills would correct that.

Of course, in the PNM, the most recent government, we have had the most recent example of wrongdoing in the public sector and as I stand here today, I stand here to challenge my colleague from Caroni East to tell me the equivalent in the UNC Government; where anybody in the UNC government of the period 1991—2001, stood up and took issue with any enterprise in that government when, in fact, there was a lot of information around which indicated that procurement was not going well.

Mr. Warner: Ramesh.

Dr. K. Rowley: And what happen to him? [*Laughter*]

Mr. Speaker, I must tell you that as a Member of a PNM Cabinet, as a Member of a PNM government, I reject out of hand the allegation of my friend from Caroni

East that corruption is the PNM, is a "PNM ting", because I was a PNM minister who took issue with a corporation under a PNM government. [*Desk thumping*]

The issue I took had nothing to do with the PNM as an organization; it had to do with the opportunity for wrongdoing in a state enterprise. This country had better understand, and I do not think a lot of people understand, the extent to which over the years, if we go back from Hollis Reservoir to lock joint, to the current environment, the state enterprises manage a significant portion of the national economy, a significant portion of government development programmes.

As a matter of fact, the main problem with UDeCott was the fact that it was managing the development programme of the country, which is quite different in scale and scope to Lock Joint, which was one project, or Hollis Reservoir, which was one project, or ADDA, which was one excursion in Tobago. By the time we got to the 1990s and 2000, the state enterprises were, in fact, huge. State companies are executing agencies of billion dollar development projects of the State. [*Interruption*]

Mr. Speaker: Hon. Members, this is a good time for us to suspend. The sitting is now suspended until 5.00 p.m.

4.30 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

**MINISTER OF JUSTICE
(BREACH OF PRIVILEGE)**

Mr. Speaker: Hon. Members, earlier in the sitting, the hon. Member for Diego Martin North/East raised a Motion of Privilege in which he alleged that while contributing to the 2011 budget debate on September 16, 2010, the hon. Member for St. Joseph made disparaging inferences about the conduct of the hon. Chief Justice and committed a contempt of this House by:

- (1) intentionally abusing the privilege of freedom of speech in this House;
- (2) bringing the House into odium and disrepute; and
- (3) deliberately misleading this honourable House.

Hon. Members, I wish to make it abundantly clear that it is not my task to enquire into the validity of the evidence or to hold an enquiry into what is alleged. At this stage, the Chair is only required to consider, based on all that is before me, whether there is a reasonable possibility that a contempt has occurred that warrants further investigation by the responsible committee of this House.

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Hon. Members, ours like other legislative bodies, enjoy certain legal privileges, powers and immunities, the most fundamental of which is the privilege of freedom of speech. The rationale for this privilege is solely to support the rights of the people by enabling their representatives to execute the functions of their office without the fear of either civil or criminal prosecution.

In the law of Parliament, the Member making a statement during parliamentary proceedings need present no evidence as would be required in a court of law, in support of his assertions. Indeed, Speakers both here and in other jurisdictions have repeatedly stressed that there will be no freedom of speech in the House if everything had to be proven true before it were uttered. However, it is expected and required that while speaking in this House, a Member holds a genuine belief that what he is saying or alleging is the truth.

I take this opportunity, hon. Member, to reiterate the words of Speakers before me that the conferring of privileges, powers and immunities on this House and its Members inevitably involves the imposition of corresponding duties. Indeed, all hon. Members are expected to exercise this privilege responsibly. Freedom of speech is not an exemption to account to the House itself nor, might I add, is it a freedom from having to account for one's parliamentary actions, ultimately to the electorate through the regular process of election.

Hon. Members, in thriving democratic states, the relationship between the Parliament and the Judiciary is of the highest constitutional significance, and it is generally marked by mutual respect and restraint. Therefore, the rules related to debate and content of speeches place constraint on reference to the conduct of officers of the Judiciary. In Trinidad and Tobago, Standing Order 36(10) of the House of Representatives prohibits reference by Members to the conduct of judges or other persons engaged in the administration of justice, except raised on a substantive Motion moved for that purpose. The Chair is, therefore, concerned by the allegations made in the Motion of Privilege raised today.

And, indeed, if the hon. Member for St. Joseph, by the inappropriate use of words, violated Standing Order 36(10) of the House, he committed a breach of the Standing Orders of this House. However, hon. Members, a breach of the Standing Orders or a failure to follow an established practice should invoke a point of order rather than a question of privilege.

Hon. Members, to be a question of privilege, pointing to a breach, an individual or authority must have disregarded or attacked any of the privileges, rights and immunities of Parliament or perform an act in the nature of an offence against the authority or

dignity of the House. Included here are speeches or writings which reflect negatively on the House; reflections on the character and impartiality of the Speaker in the discharge of his duties; publication of a false or distorted report of the proceedings of the House; tampering with documents presented to the House or its committee and the deliberate misleading of the House. Breaching a Standing Order does not, therefore, automatically trigger a legitimate question of privilege.

On the issue of breaches of the Standing Order, may I stress hon. Members that this Speaker intends to be fair and impartial and to his utmost, within the rules, maintain order in this House. There are times however, such a possibility in this unfortunate case, when the Chair must be assisted by other Members of this House, Government or Opposition, who, cognisant of matters not within the knowledge of the Speaker, notice a breach and immediately rise on a point of order. It is the collective responsibility of all Members of the House to abide by the Standing Orders and to prevent their breach. This is not a partisan matter. It is the dignity and decorum of the House which is at stake as well as, in this matter, the important relationship of mutual respect between the critical but separate arms of the State, namely the Legislature and the Judiciary. All Members must do their part.

In considering all that is before me, the Chair has paid deserved regard to the fact that earlier in the sitting, the hon. Member for St. Joseph invited this honourable House to accept his "sincere and unreserved apology" for offending the spirit, letter, and/or intent of the Standing Orders. I have taken note of the fact that the hon. Member has regretted that his words may have been offensive to others elsewhere. Hon. Members, to disregard the hon. Member for St. Joseph's apology will be beneath the dignity of this Chair and this honourable House.

On the ground of deliberately misleading the House, it is well established that even if a Member was rash or negligent in the use of words in a debate, this, though reprehensible in itself, falls short of the standard required to hold a Member responsible for deliberately misleading the House. The Chair, therefore, in deciding whether a prima facie case of breach of privilege by wilfully misleading the House has been made out, must consider whether the facts alleged indicate, not a remote possibility, but a clear probability of deliberate intent to deceive. This has not been satisfied.

Hon. Members, a well-known Australian Speaker once told the Members of the Australian House of Representatives that there is a fundamental sense of justice in a House, and if a Member is acting badly, the House will recognise it and treat him accordingly. The public will also recognise it and rob him of his credibility. In the final analysis, however, it is for the Member to resolve whether or not it is in the public

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interest to raise a matter in the House and his or her own actions will be judged accordingly. I endorse the words of that wise Speaker, and further caution Members that in exercising the privilege to speak freely in this House, they must never underestimate the court of public opinion in this regard. It does have an effect.

It is against this background that I rule that the matter referred to me does not constitute a prima facie case of breach of privilege or contempt warranting any further action by this House or its responsible committee.

I so rule.

5.15 p.m.

**CENTRAL TENDERS BOARD ACT
(PROPOSAL TO REPEAL AND REPLACE)**

Dr. K. Rowley: Thank you Mr. Speaker. I do not want to prolong our debate—I should not say debate. My colleague, the Member for Oropouche said "agony". Yes, agony and I hope that it will end up ecstatically for you this afternoon. However, if I may back-up a bit to where we were before we took the tea break, I was trying to respond to my colleague, the Member for Caroni East, who had made a clear statement that corruption was in fact the purview of a particular political persuasion, and more interestingly, if I may quote him, he said that these Bills will rid the country of corruption once and for all.

Now, Mr. Speaker, if ever there was a statement that should not be taken seriously it is that these Bills will rid the country of corruption. These Bills are not going to do that because if legislation does that, then those countries with detailed and long-standing legislation with significant enforcement would not have corruption in the country. So to come here and say that these Bills will rid the country of corruption once and for all, is to present a hope that is not realizable. When one looks at the—let us take one particular Bill and I will not go into the details of the Bill because I am sure that where the work of the House is going to take place is when we get to the committee stage. When we try to bring something back here that can be enacted into law—the Schedule of the Bill that says—*[Interruption]*

Dr. Gopeesingh: Member, would you give way?

Dr. K. Rowley: Sure.

Dr. Gopeesingh: Thank you very much, Leader of the Opposition, Member for Diego Martin West. In your response, you said that these Bills would rid the country of corruption. My statement was proper procurement legislation is not enough to eradicate corruption. When this Bill becomes law, it becomes a duty by public officials and our

Government, to ensure that proper monitoring systems are in place and that the law is upheld. A duty which our Government will uphold and treat as sacred. So I am saying it is not enough to rid ourselves of corruption.

Dr. K. Rowley: Well, I am not sure which section of your presentation you are quoting from, but I did in fact write down—I did not take very many notes, but I did actually write down what you said with respect to that and what I wrote was, "Bill will rid the country of corruption once and for all" and I put in brackets "nonsense". But I am glad that you agreed with me that the Bills if enacted into law as it is, or any Bill for that matter, will not have the effect of ridding the country of corruption. Because logically, if that were the case, all we would have to do is to enact these laws and then say, okay, corruption is a thing of the past. I do not know if there is anybody in here who is that brave to say that.

We do know of societies where there are very, very good packages of legislation to deal with procurement and corrupt practices, and they too from time to time, experience instances of corruption on the part of individuals or agencies. And when we look at the Bill here, the one that is meant to repeal and replace the Central Tenders Board Act, it makes reference in Schedule 1 to the Central Water Distribution Authority. I cannot remember the last time I heard that phrase, Central Water Distribution Authority—that is in the Schedule. If my memory serves me right, that was the precursor to WASA, the marketing board. I seem to recall that we have not had a marketing board in this country for probably a couple of decades.

I do not know if there is still a cocoa board and a sugar industry board. I seem to recall that we have either shut down or intended to shut down the Sugar Industry Labour Welfare Committee. That forms part of the Schedule of this legislation and that tells me that somebody is either cutting and pasting to create this piece of legislation, and from that, I conclude that the depth of thinking that is required to bring us into the creation of modern legislation for procurement practices is not yet with us by way of these Bills. The other Bill did have a couple of interesting locations and I wanted to simply say that clause 22 in the other Bill says that:

“The Bill will create a National Procurement Advisory Council.”

Okay! But the function of that council will operate in a manner so as to avoid allegations of Executive manipulation of membership.

Now Mr. Speaker, what kind of legislation can you create to avoid allegations in Trinidad and Tobago? Allegations are a way of life. You will always have allegations. So no piece of legislation should be so haughty as to say its purpose is to avoid allegations. Then we go on to say, and this is another interesting part that will attract our attention in

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committee, that section 29 will provide whistle-blowing protection, notwithstanding the operation of the Oaths Act, 1911 in the United Kingdom in its application to Trinidad and Tobago by making it an offence to discharge, demote, threaten, suspend or discriminate for any reason because a person reports a breach of the Act.

That is a very important development because experience has shown that unless we have whistle-blower legislation, we will not get the full benefit of any procurement legislation. It is not the Prime Minister or the Chief Justice or the DPP who will be the first to notice wrongdoing. Usually, it is a citizen at the workplace or some other place who will see something which is not widely known and, for the system to be fully effective such a person would be required to report what he or she had become aware of, and such person needs to be protected from victimization. That is what is called whistle-blowing protection. Therefore, in this exercise that we are engaging in, the outcome must throw out whistle-blowing protection, especially in the public service and state enterprises.

Mr. Speaker, I was saying earlier on and I want to go back there, that it is—I want to repeat something that I said to my colleagues in the PNM at one time, and it was when we got into government in 2001. We got into government on Christmas Eve Day 2001, after the 18/18 election result. Soon after, I was talking to a senior colleague of mine in the PNM government and I said to that colleague, "It would be a mistake on the part of the PNM to believe that because the UNC is out of government, that corruption is finished in Trinidad and Tobago."

Hon. Member: And you were right.

Dr. K. Rowley: Because my understanding then and I maintain the point now, it does not matter which government or which political party is in office, there will always be people who will want to get their hands on what does not belong to them or more than they should get.

Mr. Warner: NAR get?

Dr. K. Rowley: NAR was too busy destroying itself. So when my colleague comes and talks about corruption and the need for procurement to prevent corruption and because if you do that, you will kill a PNM thing, I want to remind my colleague, the Member for Caroni East, notwithstanding the embarrassment and serious consequences suffered by the PNM with respect to the exposés of UDeCott's carryings-on and persons at UDeCott and, more importantly, the unwise defense of UDeCott by some of my colleagues, [*Desk thumping*] one has to understand the PNM holds that as its shame, but you too must acknowledge your shame.

Mr. Warner: A smaller one.

Dr. K. Rowley: "Shame doh have size". [*Laughter*] It was a UNC Prime Minister who went to Golden Grove for a holiday and to get out—[*Interruption*]

Mr. Warner: Yours will go too.

Dr. K. Rowley: You are talking about what might happen. I am talking about fact—my colleague did not shave for a week, came to court in his pajamas and told the country if he is left in Golden Grove he will die. I am happy to report that since then he has undergone a miraculous recovery. I also to remind you that as we speak today, as we talk about UDeCott and Calder Hart and seek to place the misfeasance of corruption on the PNM, that there are a number of Ministers of a UNC Cabinet which still have matters before the court. [*Interruption*]

Mr. Warner: What goes around comes around.

Dr. K. Rowley: The Minister of Energy has a matter in the court. A Minister of Works and Transport has the court. UNC ministers! So I am saying to you, as we are about to embark upon creating legislation to protect the public interest, let us not descend into the folly, talking about PNM corruption and UNC corruption. This House must now talk about what we have been dealing with at Caricom. My colleague, the Member for Chaguanas East will know what I am talking about because as we set about to sign that EPA—which was a matter of great national debate—and as we work in Caricom, we work against the background of what is happening at WTO.

At the WTO there is the Government Procurement Agreement (GPA), where every country—probably except Somalia where there is no real government—recognizes that there need to be proper rules and regulations to govern this business of government's activities in getting goods and services. Procurement is something which has come to the fore in recent times requiring legislation to ensure that what was taken for granted as normal acts of governance in the 50s and the 60s and even in the 70s, today, the world has deemed these behaviours to be unacceptable and where there is no law, there is no illegality.

So, therefore, people have been arguing that there need to be laws to prevent unethical and immoral conduct with respect to government procurement and private sector interaction with government, and there we went as a major component of the WTO documents and the interactions between countries in trade, that you had to prescribe to proper procurement procedures—I think there are 20—following the country having signed on to the WTO/GPA agreement. So there is one standard package of legislation, and one WTO standard governing them all. Hong Kong, China, Island, Israel, Japan—[*Interruption*] Yes, China—Korea, Liechtenstein, Netherlands, Norway, Sweden, Singapore and the United States are signatories to the WTO/GPA.

Now, interestingly enough, there are 20 WTO members who have observer status under the GPA and these are: Albania, Argentina, Australia, Cameroon, Chile, China, Colombia, Croatia, Georgia, Jordan, the Kyrgyz Republic, Moldova, Mongolia, Oman, Panama, Saudi Arabia, Sri Lanka, Chinese Taipei and Turkey.

5.30 p.m.

In all of that you would not have heard a single Caricom country mentioned there. Because Caricom countries like many of the up and coming developing countries have taken the position that they do not want to willy-nilly come into any procurement arrangement. Because the whole question of procurement arrangement is a simple matter; there is procurement and there is procurement. Even in some of the procurement practices advocated by the developed countries there is, in fact, evidence of wrongdoing and by that I mean, some of these developing countries, some of these Caricom countries; they get aid from developed blocs, like say the EU, but there is this aid that is tied to certain conditions and one of the conditions and, it becomes your procurement process, is that you must hire contractors or consultants from those countries.

That is a procurement process. But developing countries are saying that is not fair, that is not right, we do not subscribe to that. Why should you use the fact that you are providing assistance in some form to dictate a procurement process that gives you a benefit? Because if one takes that out of a logical extension you are doing nothing different as a country to what the guy as a contractor in a small country—the contractor is trying to get a benefit by virtue of something he is doing for you, yet you have the same procurement process being held up by a country—say the Netherlands, Norway or somebody saying, okay they are going to give you a project. They are going to fund the project through the IDB, but it must be—you must use contractors from our country.

So, in a way the whole question of procurement is before us as a country now and these Bills are before us and we will have now to be guided as to what we want to do in the context of what the WTO has put out and what Caricom has put forward, because there is a Caricom Cariforum arrangement to get a procurement regime acceptable to us and, that was something that was integral to the coming into being of the GPA which was signed not too long ago and that is very important towards the working of the CSME—if that is still alive, I have not heard about it for quite a while—but to the extent that there is going to be any single market and economy in the Caribbean, an integral part of that is having proper, legally structured procurement procedures.

Therefore, this might be a little late from the point of view of what the PNM tried to do, because we did in fact come to the House at one stage with a Green Paper, a White

Paper and we probably suffered in the way that some other people have suffered. We are not alone in this, you know, sometimes we could take comfort in that we are not alone and I know my colleagues on the other side like to point very quickly to UDeCott. But UDeCott, from where I stand, is in fact a state enterprise, that at this time in our history at the end of the 21st Century where we moved away from a project, you had a state company that was managing the development programme of the country under an era where people were talking about czars. There was no czar in the days of the college reservoir; there was no czar in the days of Lock Joint with one, two or three cut-up fellows, there was no czar, but you hear the Americans talking about the drug czar and you hear about the energy czar.

In Trinidad and Tobago you heard about a czar. A czar in a state enterprise, an enterprise that was managing the development programme as project manager and you had all the makings of something unpleasant and unfortunately the unpleasantness caught up with us. That is what UDeCott is. To the extent that came to the country in the way you have seen it, it resulted in the best way to deal with it, which was a commission of enquiry, which caused us a small fortune. That commission of enquiry has a number of recommendations and those recommendations are as pertinent to UDeCott as they are pertinent to WASA, to Petrotrin or to any state enterprise. So we have to learn from what went on at UDeCott to ensure that does not happen again and the way you do that is by putting in place structures and ensuring that they operate in such a way that there will be never again a UDeCott in this country, but rest assured there will be something else.

If you believe what I said earlier on that there are always people seeking to do that kind of thing; there is going to be something else, I do not know what it is, I do not know the name and I do not know who, but there will be attempts. So what we are going to do at committee is to try to put structures in place by way of legislation to, as far as possible, eliminate and ameliorate, minimize and most certainly, allow us the ability to monitor, identify and respond to attempts at creating situations like that.

If I go back to the UNC era, you can have whatever you want in place, at the end of the day it then falls to the people who operate it. When the UNC set about to build the Piarco Airport, I do not think that the Cabinet took that decision to build the Piarco terminal on the basis that they want to go and "tief" money. I do not think so. But what happened is this, a contract was being awarded and the procurement process of that contract was questionable. It came here to this Parliament, questions were raised and a committee under Justice Deyalsingh—not a commission of enquiry—an investigative committee was put in place without the power of the commission of enquiry Act. We criticized that, we said that is just eyewash, but in any case the committee did in fact report that all was not well.

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In seeking to respond to that committee—the Deyalsingh report—the Government passed the responsibility for the award of that contract to Nipdec, and they said fine, a state enterprise that has its tender rules will award the contract and what was going on before has changed. Do you know what happened? The people with authority at Nipdec went ahead and awarded the contract on a sole selective basis, which was just as bad or worse than what was happening before. And when the question was asked in the House as to whether, in fact, Nipdec's existing and known tenders rules were used—because we all knew what Nipdec's tenders rules were; the tenders rules said that you are not to have a sole selective tender if you are awarding a contract for more than \$1 million. In fact, the wording was that any contract over \$1 million you should invite tenders. That is a requirement of Nipdec's tender rules.

But having awarded the contract under sole selective tender—to be able to answer a question that you did comply with the tenders rules—the board of Nipdec under a UNC government amended the tender rules retroactively to have retroactive effect to say that all singular equals plural and all male equals female. They amended existing tenders rules to make that ridiculous statement in the document. So when they awarded a tender for how many hundred million dollars as a sole selective tender where the rules required tenders, they could then say we did comply with the rules because we in fact had a tender. That was the human aspect of creating the climate for corruption and that, my good friend from Caroni East, is the UNC record.

Mr. Warner: No, the PNM.

Dr. K. Rowley: Individuals acting under the PNM government are well-known to you. I said you all, my colleague, the Member for D'Abadie/O'Meara makes a liturgy of calling Calder Hart's name.

But the bottom line is that individuals, even when you have structures in place, even when you have rules in place, there is no guarantee that there will not be attempts and sometimes successful attempts at acts of wrongdoing. So when you say that the documents here will bring an end to it, "um hmm". What they will do is to give those who are carrying out public business clear pathways and guidance as to how public business should be carried out and at the end of the day it boils right down to enforcement.

Mr. Roberts: Where Calder Hart for truth?

Dr. K. Rowley: You are a school child who has come into the Parliament with the mentality of a child. I am talking serious business. *[Interruption]* Mr. Speaker, I will talk to him after. I do not want him wasting my valuable time. Right. *[Laughter]*

So what we are going to be doing now is to familiarize ourselves with where we are at the international level. We might not be called upon—and I do not think we are required to invent any wheels here, there is a whole lot of documentation available which the committee will have to draw on to see what is acceptable—I know that we have paid a great deal of attention with respect to the Canadian, New Zealand and Australian models and so on.

Now that we are doing this we have the opportunity to see where this whole jurisprudence of procurement legislation is and out of that, hopefully, would come into the Parliament of Trinidad and Tobago not what I see in front of us here, because these drafts are not really—they are not really dealing with the issues that we can deal with, but the intention as represented in the drafts to have procurement legislation should be enough to allow the committee of this House to get proper technical support, because that is another thing too.

It should not be left to Members of this House to muddle along in their own ignorance and in their own prejudice to try to draft this legislation. This committee that this House is going to put in place, which we will support must have sound technical support and that technical support, would guide Members to a place that could bring us in short order to come back to this House with draft legislation that is modern, that is comprehensive and if enforced would be effective in treating with government procurement.

We are replacing the tenders board with some new name, there is a name here which is some—the changing of a name is not going to make any difference, it is not the changing of a name because basically, what I see here does not really cut it with the effect. And, the other one that has to do with—we need to have this issue of procurement so well presented to the functioning in the country, and that is both with the public and the private sector, because there is a view that it is only in the public sector that this issue of procurement is of concern to the public. No! Especially if you bring the issue of corruption in the picture, it is an interaction between the public and the private interest, the public and the private sector that leads to the corruption because you have the givers, you have the takers, you have the offerers and the acceptors. So whatever we are going to be doing in creating a platform to prevent that from being the national password, that it is here.

In Trinidad and Tobago now because of our experience, especially our recent experience and by recent I mean the last 10, 15 years—everybody who hears anything that they do not understand calls it corruption now. Not that they will focus on the specifics of the matter, but there is such a loss of trust, especially in the public domain that anything that anybody does not understand there is a 90

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per cent chance that they will view it as improper and corrupt. That is why it is easy for any Member in this House to get up and talk about cost overrun and that automatically means that there is corruption involved.

Mr. Speaker, that is not so. I mean, I built two houses and I can tell you I did not feel for myself, where I started out or what I wanted to spend or what I wanted to do in the life of the construction on both situations with me trying to save every penny and getting less value for money, the circumstances that exist through the life of the construction, especially when I thought I wanted a bit more or I was not as responsible as I should to the contractor and so on, there are developments within the life of the contract that give you changes. So cost overruns—I am impressed when somebody tells me that there are cost overruns and the overruns are as a result of A, B, C, D, which are improper. Let me not talk about corruption. But if the overruns cannot be identified and in fact if they are identified as requests of the client, then you may have mismanagement. There is no law against mismanagement.

5.45 p.m.

Mr. Roberts: Public money.

Dr. K. Rowley: It could be the Angel Gabriel. There is a difference between mismanagement and criminal conduct. Because if I have a construction going on inside the road by me in my constituency and they are building a curb; I pass there like three/four weeks and they are doing 10 feet; the staff is there; no material. A curb that should really cost \$2,000 and by my estimation by the time the length of the curb is fixed, because the management system in local government is so poor that they cannot marry material, and when they have cement, they have no water, when they have water, they have no hoe, when they have hoe, they do not have shovel, at the end of the day, that is not corruption; that is just poor management; that is waste. You cannot go there and arrest anybody for not sending the cement or for saying that the water came the day after.

So there is waste and there is mismanagement, but that is not to say that in the public sector there is not a lot of corruption. I know that. I do not know why my friend there is disturbing me. Every 12 months this Government spends, what, \$6 billion, \$8 billion, \$10 billion of new injection of capital into our financial system, offerings and opportunities; interacting with tens or hundreds of contractors, buying this, selling that. There are always opportunities for corruption and under this Government there will be opportunities for corruption and you will be fooling yourselves if you believe that on your own lofty principles there will be no corruption under your Government.

As a matter of fact, sometimes you get the impression—people have described our country as the country of smart men, for good reason, because many people

here think it is a way of life to get what you are not entitled to. They think that way. So we have to make sure as we legislate that we acknowledge that there are opportunities, and the one thing you do not want to do—and we have been guilty in this country of doing that, both the PNM and the UNC—what we have been guilty of is allowing our institutions to assist in the execution of corrupt practices. It happens. It is not a Latin American thing or an African thing, a Caribbean thing. If you are not careful, sometimes your institutions which you think should protect you, sometimes glaring weaknesses in the institutions become facilitatory.

So let us not get too holier than thou and let us focus on the issue that we have the opportunity to bring legislation that would allow functionaries, especially those functionaries who are required to make decisions about dispensing the public assets or procuring items for the State, that they know what is expected of them; how to do it; when to do it; rights and responsibilities and certainly, consequences for failure. We are not there at this point in time.

The people who procure government material in this country, there is no culture of consequences for wrongdoing in Trinidad and Tobago. Because it is such a conundrum that by the time you work it out, you hear all these accusations about corruption and corruption and corruption from the other side, and you heard it from decades before, you do not get the impression that if that is really true as expressed in that gargantuan way, then half of the people in Golden Grove should be there for corruption. But that is not so.

So now we are going to—I think the PNM has to take some responsibility for the tardiness of this, because we did have a White Paper here—

Mr. Speaker: Hon. Members, the speaking time of the hon. Member has expired.

Motion made, That the hon. Member's speaking time be extended by 30 minutes. [*Hon. A. Roberts*]

Question put and agreed to. [*Desk thumping*]

Dr. K. Rowley: Mr. Speaker, I give you the assurance I will not take more than five minutes. I was just winding up, actually. I do not want to belabour—

Hon. Member: Thank the Member for giving you extra time.

Dr. K. Rowley: Let me thank my—I must admit, I am getting very forgetful. I thank my junior—I thank my neighbour from down the road for giving me 30 minutes, but I will take only a few minutes to wind up.

The work on these Bills will take place in committee and I do not know that there is much more that I want to say in the open Parliament, but I really would want

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to reiterate that the committee must have adequate and extensive technical support and if, in fact, it is the Government's intention, as it should be, to get this Bill back to Parliament within a short space of time, then resources must be made available within that time frame so that the work can be done in a timely manner and I look forward, those of us on this side, to making our contribution, to crafting and having passed in this House, landmark legislation for procurement.

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

Mr. Colm Imbert (*Diego Martin North/East*): Mr. Speaker, the Motion before the House asks this House to "consider the Legislative Proposal to provide for public procurement and disposal of public property, together with the Legislative Proposal to repeal and replace the Central Tenders Board Act..."

The mover of the Motion did not say one word about the legislative proposal to provide for public procurement and disposal of public property as laid in this House on Friday, June 25, 2010, nor did he utter a word about the legislative proposal to repeal and replace the Central Tenders Board Act which was laid in this House on Friday, June 25, 2010 and, therefore, the mover of the Motion has not addressed the Motion, which is not unusual.

During his discourse of the Member for Caroni East, he made a number of statements. The Leader of the Opposition, the Member for Diego Martin West—

Mr. Roberts: You have to read that?

Mr. C. Imbert: Sometimes we get mixed up, you know. West, East, Central, is all one, "yuh" know; is all one. But the Member for Diego Martin West, the Leader of the Opposition, made the point that the Member for Caroni East wasted his entire time fulminating and carrying on about alleged acts of corruption, but did not address the Motion before the House. How on earth can this House agree that a joint select committee be established to examine these proposals when we have not considered them? That is the first line in the Motion. And since the Member for Caroni East has decided not to explain what these proposals entail, I will do so. Since he did not do his homework, I will do so.

But before we get into the meat of what is being proposed, I simply want to point out that in the discourse from the Member for Caroni East, he complained bitterly about Ministers giving instructions to state enterprises in the absence of a board and the inference, Mr. Speaker—you know, that is a popular word these days; the inferences that arise from statements that Members make inside of here. The inference was that Ministers giving instructions to state enterprises in the absence of boards is some evil thing.

Now, Mr. Speaker, last time I checked, there were at least 52 state enterprises in Trinidad and Tobago—there may be more—and I am certain that over half of these 52 currently do not have a board of management, because after the election on May 24, 2010, there were a number of boards, directors of state enterprises, who resigned "on" masse.

Mr. Warner: En masse.

Mr. C. Imbert: "En"; "on", however you want to pronounce it: en bloc; in a "grap"; "in grap", if you want to use the local parlance. But the fact of the matter is that a large number of directors of state enterprises resigned shortly after the May 24 election, which led to the current situation where a significant number of state enterprises have been operating for the last four months without boards of directors or boards of management and they have been receiving instructions from Ministers, such as the Member for Caroni East and the Member for Chaguanas West.

So if Ministers giving instructions to state enterprises in the absence of a board is an evil thing, then we have had four months of evil from the People's Partnership, because for four months they have been giving instructions to state enterprises in the absence of boards.

I make this point to demonstrate how ridiculous some of the utterances some of us make in this House can be. Ridiculous! Ridiculous! All of you have been giving instructions to state enterprises in the absence of boards and the Constitution contemplates that. There is nothing unusual about that; nothing unusual about that. And, Mr. Speaker, I dare say that even with a board in place there have been several and serious allegations of impropriety.

You know, the Member for Caroni East is always very touchy. But there was a particular board of a state enterprise in the 1996—2000 period and that was the board of the North West RHA and there were serious allegations made against the chairman and managers of that board and these allegations led to charges of misbehaviour in public office. So even if there is a board in place—I am simply using that as an example, Member for Caroni East, "doh jump! Doh jump!" I am simply saying whether there is a board in place or there is no board in place—and that is the point that the Member for Diego Martin West was making; that is the point he was making. Whether there is a board in place or no board in place, strange things are going to happen, as occurred at the North West RHA when \$1. 5 million went missing under the chairmanship of a particular individual who will remain nameless at this point in time.

Dr. Gopeesingh: You are imputing improper motives.

Mr. C. Imbert: I am not. I said "who shall remain nameless". I did not call anybody's name.

But let us deal now with the matters before the House. What we have before the House is a proposal to deal with public procurement and disposal of public property and in this proposal at page 3 of the Bill—

Dr. Rambachan: On a point of order—

Mr. C. Imbert: What is the point of order?

Dr. Rambachan: Mr. Speaker, 36(5): "No Member shall impute improper motives to any other Member of either Chamber." The matter referred to by the Member for Diego Martin North/East—[*Interruption*]

Mr. Speaker: Yes, I understand the point that the hon. Member is making. Member, you know that we do not go—you are getting very close. Do not go there.

Mr. C. Imbert: Of course, Mr. Speaker. We all know that. It was a matter that was ventilated in this Parliament. It is a parliamentary paper; the report. But I am not imputing any improper motives. I am not referring to anybody by name.

6.00 p.m.

Mrs. Seepersad-Bachan: You are misleading the House. Mr. Speaker, he is misleading the House because it was tried.

Dr. Rambachan: Mr. Speaker, he is misleading the House.

Mr. Speaker: Continue.

Mr. C. Imbert: Thank you. I know that you are an experienced politician, Mr. Speaker. You will not worry with them.

Let us go to page 3 of the Bill, the definition section. You all have not read this and the Member for Caroni East did not explain it. The definition of a "state controlled enterprise" means a company registered under the Companies Act where the Government or anybody controlled by the Government exercises or is entitled to exercise control directly or indirectly over the affairs of the enterprise. That would cover every single state enterprise: the HDC, the Port Authority, the Airports Authority, Education Facilities, which may or may not have a board at this point, the EMBD that the Member spoke about and so on.

On page 4 of the Bill, under the heading "Procurement Framework", the Bill proposes that a Procurement Regulator shall be appointed and he shall develop guidelines for application to a transaction involving procurement. It would state

whether there should be a preference given to local suppliers; it would require public consultation on major contracts; it would call for an independent review process involving civil society at critical points of the public procurement evaluation.

I know the Members opposite are suffering from newness, but they have to listen to this very carefully. The Bill before the House is proposing that any time the Government or any state enterprise initiates a tender process for a project like the tunnel to Maracas, for example, there would be an independent review process involving civil society at critical points of the public procurement evaluation.

This means that if you want to do a project—you want to do a tunnel; that is a good example—what would happen is that before you could start that project, civil society would have to get involved in a review of the project and civil society would tell you whether or not you would have a project. This is what this Bill contemplates.

This Procurement Regulator would not be selected by the Government. He would be selected by the President in his independent discretion, after consultation with the Prime Minister. You have this creature created by this legislation, an independent regulator. You have a process where before you embark on a public project you have to subject it to review by civil society.

The guidelines would be brought to Parliament; they would be subject to negative resolution, which means that only a Member on this side could object to the regulations; not you. The Government would not be able to object to the guidelines; only Members of the Opposition could bring a motion to negative a matter tabled subject to negative resolution; and this independent regulator, who along the way is being advised by civil society, which is an acronym for protest groups and non-governmental organizations—I know the Members opposite have some experience with that. The Member for Chaguanas East was the leader of a civil society group. *[Interruption]*

I am not disputing that. I am simply saying that you are in government now; you are in the hot seat now and if you pass this legislation, then another group, not you, because you, hon. Member, will no longer be part of civil society because by definition you are now a person in public life. So that any group which feels aggrieved; which feels that a project should not proceed would be allowed to get involved in the procurement process. The Member for Caroni East did not properly explain and the implications of the legislation before the House are so far-reaching that it is necessary to drill down into them to understand what is going on here.

If you look at clause 12 of the Bill, complaint mechanism:

“(1) A person who has a complaint that a transaction to which this Act applies”—
and that would mean any tender invited by the Government through a ministry

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or any tender invited by the 52 state enterprises—“breaches the Operating Principles and Objectives, or the Guidelines may refer the complaint to the Procurement Regulator for investigation.”

This regulator—as I said, appointed by the President in his own discretion—may on his own initiative or shall as a result of the complaint that anybody can lodge, investigate a matter relating to a transaction so as to ensure the integrity of the process and the application of the principles, objectives and guidelines—which I just explained will be laid in this House subject to negative resolution. So the Government will not be able to amend or adjust those regulations; only we on this side could bring a Motion to adjust them. You will have no say.

This regulator—you will have no say in his selection—will bring guidelines here for tendering—again you will have no say in that—and if a person has a complaint that a transaction breaches the guidelines, then the regulator can investigate and, if you look at clause 12(3), "may direct a suspension of the process pertaining to the transaction pending the outcome of the investigation." In this investigation, the regulator shall have all the powers of a commission of enquiry, established under the Commission of Enquiry Act.

So what you are setting up here is a parallel government. You are giving the President the authority to appoint a regulator in his own discretion. You are giving the regulator, who is independent of you, the power to bring guidelines here subject to negative resolution and you are giving the regulator the power to suspend transactions, tenders and procurement and so have the powers of a commission of enquiry.

If you want to do that, fine. I will be happy. Like the laptop, for example, you put out an invitation to tender; I will make a complaint; it will go to the regulator and, if a prima facie case is established, then he will probably suspend it and have a commission of enquiry into it.

I want you to understand what you are proposing. This is not a joke. This is a very serious matter and this legislation establishes a parallel government because it brings into it, as well as giving the regulator the power to investigate with the powers of a commission of enquiry to overturn a transaction, you also have the interest of civil society involved. You will be in government, but you will not be in government because you will not be able to do procurement in an efficient, effective and timely manner. Civil society has a say here, too.

As you go along and complaints are made, civil society could intervene and review the project and decide halfway, that decision that the Government made, for example, to stop the aluminium smelter, civil society could make that decision for you in another

project. This would not be your decision, Member for San Fernando West. This would be the decision of some group. They would cause a review and ask the regulator to suspend the process. The project would be stopped. If that is what you want, fine, but I ask all of you to think about what you are doing very carefully.

If you had any doubts about the powers of the regulator, that is in Part III and clause 17 reads as follows:

“(17) The Procurement Regulator shall be an officer of Parliament...shall be appointed by the President in the exercise of his discretion after consultation with the Prime Minister and Leader of the Opposition...”

And that really does not mean much because all the President has to do is to speak to the Prime Minister and the Leader of the Opposition; but the President does not have to follow the advice of any of these individuals.

So the regulator is appointed by the President in the exercise of his discretion for five years. Clause 17(2) says:

“The...Regulator shall be appointed on a contract for a term of five years...”

and the regulator goes on and develops and implements reviews, guidelines, adapts specifications for mandatory compliance and so on.

As I said, this regulator will have wide-ranging powers; he will be empowered to inspect records, investigate complaints, report to Parliament, institute audits, require an agency or an official to furnish information; do anything necessary for performing the functions of regulator under the Act and so on.

That is what this does and it is a good thing it is going to a committee. You need to understand what is going on. At the present time, under our present laws, the current law is that the commercial decisions of state enterprises are not amenable to judicial review unless fraud can be found.

I refer Members opposite, those with an interest in these things like the Member for St. Augustine, to a famous case, which is part of the inspiration for these proposals you see before you, Civil Appeal No. 95 of 2005, a judicial review matter, an application by a company, well known to many of us, an application by NH International for leave to apply for judicial review of the decision of the Urban Development Corporation to award the contract for the construction of the administrative headquarters for the health sector to Hafeez Karamath Limited—CVA No. 95 of 2005.

It was a very important decision. It was not appealed. The claimant recognized that there was no point in appealing it because this decision looked at current decisions in

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the Commonwealth, in England and so on. This decision established that when UDeCott exercised its capacity to contract—this was a dispute over a tender—and engaged in the tendering process, it was engaged in commercial activity. Its decision was therefore not amenable to judicial review. That is our current law in a nutshell; that the commercial decisions of state enterprises are not susceptible to review by the court.

However, from the time you establish the office of the regulator; you establish tender rules and you put them into legislation; you immediately bring the tendering process within the ambit of the court; you invite the court to adjudicate on the fairness of the rationality of a tender award and so on.

6. 15 p. m.

I hope Members opposite understand the effect of all of this. Yes, it is nice on paper, lovely that you would have a regulator who would be able to deal with wrongdoing. I hope you would understand what you would do henceforth is every single procurement exercise of every single state enterprise would be subject to judicial review, or could be subject to judicial review.

In addition to that, these state enterprises award contracts every day. I heard somebody say Petrotrin, somewhere down there. Petrotrin purchases crude oil every single day. It engages in tendering and procurement every day. It makes hundreds/thousands of procurement decisions in a year. That is just one state enterprise we are talking about. If you look at the whole range of state enterprises, I dare say there might be 50,000 or maybe 100,000 procurement decisions every year in Trinidad and Tobago, arising from invitation to tender or contract by state enterprises. Every single one of those 100,000 invitations to tender would be subject to judicial review if these legislative proposals are enacted into law. If that is what you want, as I have said, fine, no problem.

Recognize also that you are giving the procurement regulator far-reaching powers; that this regulator would be able to stop a contract, reverse it and suspend it, simply based on a credible case; if somebody make an arguable case that there is malfeasance or some sort of misconduct or even that it is not value for money.

I come back to the laptop thing. There have been many arguments that the laptop is not value for money. I am not, they are, saying they are not, at least not now. I am not saying that as I talk now. The fact of the matter is, based on legislative proposals, if someone can mount a credible case that a government transaction is not value for money, the regulator could stop it, reverse it or overturn it.

I recognize that the Member for Fyzabad is tired, although it is only quarter past six and we still have a way to go today. I think I have properly explained to

hon. Members opposite, those who were listening or wish to listen. I notice that some of you understand what I am saying. I expect that when we get into this joint select committee, you will heed the advice of the hon. Member for Diego Martin West and this committee will be supported by the necessary expertise, because this is a very highly technical matter. It involves matters of public law and matters of procurement law. It is a very complex matter. Once you enact this legislation with your majority, I cannot see any government coming after you to change it. It could happen, but I cannot see it. That is all right. A word to the wise is sufficient.

I am cautioning the Government, tread carefully with these legislative proposals. I want to say on the outset that we on this side support strengthening of the procurement regime. This legislative proposal has some elements in it that are worthy of consideration. There are many things in it that make no sense. Mr. Speaker, with those few words, I am in support of the thrust of the Motion which asks for the proposals to a joint select committee for further consideration.

I thank you.

ADJOURNMENT

The Minister of Housing and the Environment (Hon. Dr. Roodal Moonilal): Mr. Speaker, I beg to move that this House do now adjourn to Friday, October 08, 2010, at 1.30 p.m. On that day, we will conclude the debate on this Motion. We will then debate Bill No. 1, an Act to restructure the pension arrangements for the Petroleum Company of Trinidad and Tobago and, time permitting, Bill No. 2, an Act to make provisions for the suppression of associations established for unlawful purposes.

Mr. Speaker: Hon. Members, before putting the question, leave has been granted to the hon. Member for Diego Martin North/East to raise two matters on the Motion for the Adjournment.

Mr. Colm Imbert (*Diego Martin North/East*): Thank you, Mr. Speaker. Which one shall I do first?

Mr. Speaker: The first one I have is the Adverse Consequences of the Government's Bail out Plan for Clico Policyholders and Depositors.

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Mr. C. Imbert: Thank you, Mr. Speaker. I am hearing grumblings behind me.

Dr. Gopeesingh: But there is nobody behind you.

Mr. C. Imbert: Members opposite could carry on all they want, but there are certain facts that have to be put into the public domain.

I listened to the hon. Prime Minister today say that no guarantee was given to Clico policyholders, depositors and investors. I beg to differ with the hon. Prime Minister and I wish to read into the record now a media release from the Central Bank of Trinidad and Tobago. For those opposite who are interested, you can go to the Central Bank website www.centralbank.org.tt and you will find all of the press releases issued by the Central Bank over the last several years. This particular press release, which I downloaded from the Central Bank's website today on my desktop computer, not a laptop, is a media release issued by the Central Bank of Trinidad and Tobago on January 30, 2009.

“Media Release

The Government of Trinidad & Tobago and the Central Bank of Trinidad & Tobago move to Protect Investors

In a move to protect the interests of depositors and policyholders the Minister of Finance...and the Governor of the Central Bank of Trinidad and Tobago today announced that the Government has reached an agreement with the CL Financial Limited Group for the provision of a package of financial support for the group's financial services companies.

The objectives of the agreement between the Government and CL Financial are as follows:

1. To stem the increasingly serious liquidity pressures being faced by the financial services companies within the Group—i.e. CLICO Insurance Company Limited (CLICO), CLICO Investment Bank (CIB), British American Insurance Company Limited (BAICO) and Caribbean Money Market Brokers Limited (CMMB);
2. To maintain public confidence in these institutions which constitute a significant part of the country's financial services industry, and
3. To ensure the continuing stability and integrity of the financial system.

The key elements of the agreement”—this is a press release issued by the Governor of the Central Bank—“between the Government and CL Financial are as follows:

1. The Central Bank will assume control of CIB under the provisions of Section 44D of the Central Bank Act.
2. The third party liabilities and assets (to meet these liabilities) of CIB will be transferred to First Citizens Bank Limited.

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3. CL Financial will sell—listen to this carefully—“liquidate or collateralize its assets and allocate the proceeds to meeting in full all the requirements of the Statutory Fund for both CLICO and BAICO, thereby protecting in full all its insurance and pension fund clients.
4. The Government will provide funding support to fully back CLICO and BAICO to meet any Statutory Fund deficits that might emerge after the company has made all possible arrangements to place satisfactory levels of cash and other assets into the Statutory Fund in order to ensure the short as well as medium and long term liquidity and stability of CLICO.
5. Specifically, CL Financial will divest itself of all of its 55% holding of Republic Bank Limited and shares in Methanol Holdings Trinidad Limited (MHTL). The Government of Trinidad and Tobago through institutions such as the National Insurance Board and First Citizens Bank Limited will gain control of the Republic Bank shares, while the Government will gain control of the MHTL shares.

The Agreement calls for Government's shareholding in Clico, its participation in the Board of Directors and in the Management of the company and a change in the current business model. Ultimately, once CLICO has returned to stability, it will be listed as a public company on the Trinidad and Tobago Stock Exchange.

The Government has taken these steps to assure the investing public in Trinidad and Tobago, including depositors and policyholders of the affected companies of the safety of their investments and the requirements for stability and order in the market place.”

That is an official press release of the Central Bank of Trinidad and Tobago, dated January 30, 2009. I do not need to educate the distinguished legal luminaries on the other side that a promise need not be in writing. I do not need to tell you that. This has all the elements of a promise.

Let us deal with the adverse consequences of the Government's bailout plan for Clico policyholders. I have heard differing numbers and different statements from Members of the Government. The hon. Minister of Finance made a statement to the effect that they were just about 1,270, I think that is the number, policyholders with EFPAs, who were over the age of 60; some statement to that effect, 1,272 or something like that. Now I am going to challenge the information given to the Minister of Finance, but I have differing information and I would like the Minister of Finance to check this out.

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I am told that among the EFPA policyholders there are 3,000 over the age of 69 and another 3,000 between the ages of 60 to 69 and 20,000 under the age of 60. That is what I am told. I heard what the hon. Minister said, that it is just about 1,200. I am told there are 6,000 persons—[*Interruption*]

Hon. Members: By whom?

Mr. C. Imbert: I am told by persons who have access to the records at Clico that there are approximately 6,000 persons who are over the age of 60 and have policies at Clico.

Mr. Roberts: Tell Karen she wrong. [*Interruption*]

Mr. C. Imbert: Secondly, there are 140 credit unions that have investments in the Clico group of companies. That is what I am told, 140 credit unions. I am told that the membership of these credit unions numbers in the hundreds of thousands. That is what I am told. I am told that, at least 100,000 credit union members who have deposits, which are being placed in Clico, are over the age of 60. When the hon. Prime Minister said that this decision to pay \$75,000 and the balance over 20 years at zero interest would only affect 14,000 people, I beg to differ. I am told that when you add all the credit union members who would be adversely affected, you are going to cross 100,000 persons.

The other piece of misinformation that has been put in the public domain is the value of the 20-year bonds. It is very easy to establish the present value of an annuity over a 20-year period. Before I came to this Parliament, I used an annuity calculator that is readily available on the Internet. You can Google it and you would get thousands of them. I am going to use an example of a typical policyholder who would have had \$575,000 on an EFPA in Clico. That person would get back \$75,000 and the balance would be \$500,000.

6.30 p.m.

Under the Government's plan that person would get 20 bonds with a face value of \$25,000 each bearing zero interest, and each having different maturity dates over the next 20 years. One assumes—although the Government has not come out and said it—that these bonds will mature every year. So the first \$25,000 bond will mature in 2011 or 2010; the second one in 2012; the third one in 2013 and so on, going all the way up to the year 2030. That is the assumption that one must draw from the statements made by the hon. Minister of Finance.

Now, in order to establish what the value of an annual income stream of \$25,000 over 20 years at zero interest would be to a person, you have to assume

an interest rate, and I have assumed, looking at all factors, an average interest rate for deposits over the next 20 years of 6 per cent. I have been reliably informed by chartered accountants and other persons that is a good rate to use. If you plug in 6 per cent over 20 years to that \$25,000 annual income stream, you will get a present value of \$286,748.

So your pensioner, your 65-year-old, who currently would have \$500,000 in Clico earning 8 per cent or 9 per cent, or was earning 8 per cent or 9 per cent annual interest until September 08, 2010 that \$500,000 would be immediately reduced to a value of \$286,748, and the problem—that is why my Motion is worded "the adverse consequences"—is the person who had \$575,000 in Clico on an EFPA—you take out the \$75,000 leaving \$500,000 earning 9 per cent—would have been earning interest of \$45,000 per year or \$3,750 per month. All of those persons, with few exceptions—there were people in there and there are people in there with large sums of money, including people associated with Members opposite, and I say that without any fear of contradiction. There are persons associated with hon. Members opposite who have large sums of money in EFPAs in Clico and could not be considered to be indigent, poor, depressed or oppressed, but the average person—public servant, a person who got retrenched from BWIA or Caroni (1975) Limited worker or whatever who retired and put all of their gratuity payments and life savings into Clico, because of the attractive interest rates, this decision of the Government has just chopped the value of their money from \$500,000 to \$286,000. And to make it worse, the \$286,000 is the net value.

Mr. Speaker, no financial institution is going to purchase an investment of this nature for its net value. Obviously, financial institutions will have to make a profit, so they will have to further discount the money. That is why you hear the statement outside there that the Government's plan is going to reduce the value of these deposits of these elderly people by 50 per cent or more. I am asking the Government to have a heart.

Hon. Members: Calder Hart! [*Interruption*]

Mr. C. Imbert: The people who were earning that \$4,000 a month—they use it to buy groceries; they use it to buy medicine; they use it to pay for people who are in hospital; and they use it to pay for extended families—

Dr. Moonilal: What is your proposal?

Mr. C. Imbert: I am going to make a proposal.

Mr. Sharma: You have two minutes.

Mr. C. Imbert: In the two minutes, I will make the proposal. Mr. Speaker, this decision is going to bring pain and hardship on over 100,000 persons. I know you all know that, because the reason you pulled that Bill—the reason Members opposite retracted that draconian legislation on the amendment to the Central Bank Act was because of the pressure they got. I know that the vast majority of depositors in Clico are people who are associated with Members opposite.

I propose that firstly you speak to the policyholders. Do not treat them with contempt; do not tell them take it or leave it; and do not treat them like animals. Having spoken to them, I propose the Government do what was recommended; borrow the money and pay the people their money.

I thank you, Mr. Speaker.

The Minister of Finance (Hon. Winston Dookeran): Mr. Speaker, thank you. This debate continues and it is based on misinformation. What is necessary for the country now is to have the right information, and that is why the Prime Minister announced earlier that we have set up a team to meet with the stakeholders in this matter so that we can provide them with the right information and seek from them what their concerns are. [*Desk thumping*]

This Parliament must not be a place to trivialize what is essentially a serious and major issue. We had established in my presentation during the budget debate, the seriousness of this issue which the Prime Minister herself reinforced in her statement today.

Let me deal with the three issues that were raised by the Member for Diego Martin North/East. He said that the question of guarantee was wrongly identified by the Prime Minister in her statement, and to support that case he read from some statements that were published in the newspapers—press releases—and he is right. But a guarantee in our parliamentary system has to be backed up by a parliamentary approval of a budgetary allocation, and there was no such budgetary allocation and, therefore, a guarantee by word without support from the budgetary allocation in Parliament is no guarantee at all. [*Desk thumping*]

He went on to say that a promise need not be in writing. My friends, what this Government has proposed to deal with this serious issue is not only a proposal based on fiscal responsibility, but we are providing bonds which are sovereign bonds, and which would have the first claim on the debt of Trinidad and Tobago for the future; a written document.

For one to suggest that you can give a guarantee outside of writing, I do not know how the Member for Diego Martin North/East could ever make such a

statement. What I can tell you is that the People's Partnership Government, when it says it is going to do something, it provides the back-up to make sure it happens. In this case, we are providing guaranteed bonds which people will get.

He said also that there were many assurances that we will sell the CL Financial assets; that we will divest the shares of Republic Bank Limited and Methanol Holdings Limited; and those are the press releases which the Central Bank, the Minister of Finance and Clico itself have made. Eighteen months after, none of that was done. So, Mr. Speaker, they could not even find the political will to do the things they promised these people. They lied to the people of Trinidad and Tobago. [*Desk thumping*] They had 18 months to deal with this before the People's Partnership Government came into office. When we came into office on May 24, 2010, by July 07, 2010 we had established a high-level team—sorry by June 07, 2010—and by July 20, 2010 we had a report for Cabinet; by the middle of August we had a Cabinet decision; and before the middle of September we were in Parliament getting approval. [*Desk thumping*] For 18 months they did not do anything, and they are saying that people must believe a guarantee which is not in writing.

Dr. Moonilal: They are talking about who has to pay bills now.

Hon. W. Dookeran: I do not understand how he can trivialize an issue of such great significance. He argued that some of my figures with respect to the age of 60 are suspect. The figures I have, I believe I got them from the same source that he got them from. Perhaps they gave me different figures to what they gave him, depending on how they see the situation. But we will ratify that. These figures do not change the arithmetic of the game. I have no doubt that he has some inside sources that have also advised me on this matter.

Now, he talked about the yield curve, and I think this is a very important one. The Prime Minister indicated in her statement that we have provided 20 one-year bonds which people are free to discount each year, and if they wait for the end of each year, they will get the par value, in other words, 100 per cent. So, if I get a bond of \$100,000 at the end of the first year—that is the first year component of it—you can wait and get the \$100,000. He went on to argue, no you cannot get it because that is what the bond is. If you get a bond that is worth \$100,000 maturing after one year, and you wait for the year and you take it to the Central Bank, you will get \$100,000, okay.

Then he questioned the whole issue of the yield that was put forward. Well, it is true that the yields would be determined by market conditions at any time. So what the Government in a sense of responsibility did—and the Prime Minister made reference to it—we met with the Bankers Association of Trinidad and Tobago,

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and among them were a number of brokers. We proposed to them what we perceived the yield curve to be based on the same technical calculations. After the meeting, we sought to get their support to improve the yield curve. That was the objective. We know it will depend on market conditions but, at the same time, we believe that we can get them to share in the burden that we are asking the entire country to share in to take us out of the bankruptcy which the former government has put us in.

I would just read a copy of the notes of that meeting: The ministry—meaning the Ministry of Finance—tabled a schedule of suggested discount rates for each of the zero coupon securities. This came from the Bankers Association. There was general consensus that the securities up to 10 years should receive good market demand from the banking sector. What the securities suggest is that within the first five years of the yield curve you could get 90 per cent to 95 per cent in the first five years. So, once again, the Member is trying to mislead the population.

Now, let me clearly say, we know that the rates would be determined by market conditions, but we are giving indicative market conditions, and he is trying to create the impression in people's mind that they will get 50 per cent of the bond value. We are saying that is not correct. According to market conditions, we expect these bonds to be discounted at a rate of 90 per cent to 95 per cent within the first five years. The 20-year period, we will deal with that later on.

6.45 p.m.

Thirdly, Mr. Speaker, the Motion before us said who were in fact going to be adversely affected. If this plan is not put into effect and obviously it will create problems if it is not put into effect, the first set of adversaries would be the 225,000 policyholders of insurance policies, annuities and so forth. So what we are in fact doing is protecting the 225,000 policyholders of the traditional policies of Clico. What you are proposing, asking us to borrow the \$12 billion and to pay them, off will put their livelihood at risk and their protection which this Government is now protecting.

Mr. Roberts: Arrant nonsense!

Mr. Imbert: The people will decide.

Hon. W. Dookeran: So this is another case of misinformation that the Member is bringing now.

Secondly, the 10,000 small investors who will be receiving the full amount, who may have an investment of less than \$75,000 will get it. It was pointed out earlier that this Government is committed to honouring this commitment to the small investors as a first priority in this particular instance. So they would lose. So those who would be adversely

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affected would in fact be the policyholders and the 10,000 of short-term investors who have investments less than \$75,000. Those with more than that will have a sovereign bond which we are now negotiating as to its discount rate which we are telling you is going to be attractive, according to the information we have. Such information can be used for other purposes and in addition to that we are saying that such bonds can be used as collateral for various reasons and people can take the bonds and convert them into cash and invest the cash and make back what they may seem to have lost.

Let me end by saying that if we had not gone through this course—*[Interruption]*—our total commitment has been so far \$7.3 billion. And let me further say, I received a request from First Citizens Bank today to underwrite a commitment of the last government to honour what they undertook on behalf of the government which today amounts to \$1.8 billion.

Hon. Member: "God, geez!"

Hon. W. Dookeran: Because of your commitment we had to agree. That is a new thing and that came up today and every day we go into this, we are seeing bigger and bigger problems. *[Interruption]*

But let me go back to the point, the total spent was \$7.3 billion—and I want to repeat, \$1 billion is \$1,000 million.

Hon. Member: "Eh", you could say that again?

Hon. W. Dookeran: The proposed additional 20-year pay-out would be \$12.6 billion; the total pay-out commitment is \$19.9 billion, *[Interruption]* in a budget in this country that has a revenue of \$42 billion. That is the extent to which they have put us.

Mr. Roberts: Reckless!

Hon. W. Dookeran: If I were to take this reckless move of borrowing all of these funds I would have sunk this country into a perpetual debt crisis. *[Interruption]*

Mr. Speaker, we went into exercise because we wanted to remove the systematic risk to the financial system. We wanted to protect the policyholders who have life annuities and pension obligations, 225,000 of them. We wanted to provide a solution to the 225,000 short-term investors and I mentioned what they were. We wanted to ensure that we were able to start a new path to restructure the insurance company with the view that we can one day provide the portfolio for sale.

The suggestion by many that we could sell all the assets of CL Financial and pay them off today—

Mr. Roberts: Ludicrous!

Hon. W. Dookeran: It is more than ludicrous, because even if you could sell them off you cannot sell that out overnight; people want their money now. *[Laughter]* It will take three to five years, even if you have a fire sale, and what would you get for it? So it does not make any sense. *[Interruption]*

Those who are arguing here and outside must recognize that; that government had 18 months, almost two years, to do just that and they did not sell anything because when they went to do it they realized they could not sell anything because most of it was encumbered.

Mr. Speaker, I think those were the few points to be raised. I just want to end by reminding this country and this Parliament of this unique policy option that has been accepted by the People's Partnership Government in the name of fiscal responsibility and also in the name of protecting the people's interest. Unlike Iceland that took the decision to bankrupt the banks rather than bankrupt the country, and unlike Jamaica that bailed out the financial service sector and is yet to recover, this Government has pursued a prudent policy of balancing the needs of policyholders with the needs of taxpayers and the fiscal responsibility for running the State for future generations. *[Desk thumping]*

SEA Laptops (Poor Decision Making)

Mr. Colm Imbert (*Diego Martin North/East*): Thank you, Mr. Speaker. *[Interruption]* I understand the anxiety, I understand. *[Interruption]* During the budget debate the hon. Member for Caroni East, the Minister of Education, uttered the following words: "We are purchasing 17,300 laptops for the students;"—

Dr. Gopeesingh: I did not say that.

Mr. C. Imbert: "Ha", that is the official *Hansard*, Sir.

“—3,000 teacher laptops.”—*[Interruption]*

You are like Oudit.

“The peripherals are a carry case for the laptops, mouse pad, optical mouse, McAfee, antivirus software and web filter; Computrace Bios configuration...”

Specifications for the student laptop: the memory is 2 gig RAM; display size, 14 inch; hard drive size is HDD 320f;”—320 gigs, that is what this should be—
“operating system type is Microsoft Windows 7; the battery life is 9-cell...up to eight hours. Once a computer is charged overnight, the child is able to use the laptop for the entire day without going to a porter...”

So in the budget debate the hon. Member for Caroni East, the Minister of Education sought to justify the decision to purchase 20,000 laptops and to distribute them to successful students who had sat the SEA examination.

Now, Mr. Speaker, the Minister of Education—very nice picture here of the Member for Caroni East, the Minister of Education, hon. Dr. Tim Gopeesingh—

Hon. Member: Dashing.

Mr. C. Imbert: Dashing, sartorial elegance—"Official laptop information". I have gone on to the Ministry's website and I have downloaded the bulletin on laptops, [*Interruption*] so you do not need to tell me to go there I went [*Interruption*] and I have seen what the Minister is saying and therefore I do not need to be told.

My difficulty—and this is why I have cast this Motion as poor decision making—is twofold: Anybody who has any understanding of the secondary school curriculum, and I know certainly that the Member for Moruga/Tableland has some understanding of the secondary school curriculum, will be aware that Forms 1 to 3 are the formative years in the secondary school system and then from Forms 4, 5, thereafter one goes into stream and one specializes in Science or Art, Mathematics or other subjects of that nature. So in Forms 1 to 3 you do things like Integrated Science and subjects like that. [*Interruption*] Anybody who has even a smidgeon of knowledge and association with the secondary school system would be aware that the requirement for computers within the secondary school system is far more acute in Forms 3, 4—Form 5 in particular—and 5 when the students start to do the CSEC examination, when they start to get projects, when they start to get internal assessments, when they start to do things that require research. [*Interruption*] Anybody with the slightest association with the secondary school system will know that. So anybody, especially a highly educated—[*Interruption*]

Mr. Speaker: Order! Order!

Mr. C. Imbert:—self-professed intellectual like the Member for Caroni East, a decorated son of the soil, will know that if you are providing laptop computers in the secondary school system that the students who need these computers the most will be the students in Form 4, Form 5 and Form 6. [*Interruption*] So only a Government that has sacrificed itself to populism would make a decision to give laptops to students who are starting their secondary school career.

The other aspect of the Member's statement—because the Member for Caroni East sought to justify the decision by saying that "the students from Forms 2 to 5 will get access, and I am reading, have computer labs".

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Now anybody who has even the slightest association with a secondary school will know that in your typical secondary school the computer lab may have 25, 30, 40, 50 computers at most. So if you take your typical secondary school which would have between 300, 400, 500, some have 800 students—

Hon. Member: [*Inaudible*]

Mr. C. Imbert: Some have 1,000—I am being corrected here—some secondary schools have 1,000 students, and you take out the Form 1 segment, you are left with 600 students.

Anybody who has done, even SEA Mathematics will know that 600 does not divide into 25 and therefore, when 25 students are using the computers in the lab there are 575 other students who cannot use them, including the Form 4, Form 5 and Form 6 students. So what this decision of the Government has done is ensured that hundreds of students at a typical secondary school have no access to laptop computers while the students who need them the least have full access and that is the first poor decision of the Government.

The second poor decision, Mr. Speaker, has to do with the suitability of the computers, the cost of the computers, the size of the computers, the weight of the computers and the specifications. [*Interruption*]

The Member for Caroni East read out an election advertisement where the previous administration had indicated that it intended to make computers available to all secondary school students. What the Member for Caroni East did not do was the necessary research—and I am not today casting any aspersions on the Member for Caroni East. I think in this case he is suffering from newness.

Hon. Member: "Oooh."

Mr. C. Imbert: What the hon. Minister did not realize was that when the previous administration—and this project was being handled by the Minister of Public Administration—was researching the acquisition of laptops for secondary school students and initiating a process to acquire laptops for secondary school students. [*Interruption*] There were a number of distinguishing features that, of necessity, would be associated with laptops used by secondary school students. [*Interruption*]

7.00 p.m.

1. the laptop must be small enough to fit into the student's book bag;
2. the laptop must be lightweight;
3. the laptop must be durable.

Dr. Browne: Basics!

Mr. C. Imbert: Basics! And, Mr. Speaker, all the Minister had to do was to use his laptop, go on the Internet, and he would have seen hundreds of articles that would have advised him on the characteristics and specifications of laptops for students. Here is one: "Best PC laptops for schools." If the Minister had done that, he would have recognized that the previous government was researching something called, a mini notebook with a 10 inch screen, weighing—

Mr. Speaker: Please! Listen! Members, it is now 7.01 p.m. We have a few more minutes, could we cool the temperature and allow the hon. Member to speak in silence. Thank you very much. Continue. [*Desk thumping*]

Mr. C. Imbert: Mr. Speaker, how many more minutes do I have?

Mr. Speaker: You have six more minutes.

Mr. C. Imbert: Six? Does that include the one they took up? Mr. Speaker, if the Minister had taken five minutes and gone on the Internet, he would have seen a number of laptops that are recommended for students. He would have seen for example:

- a laptop manufactured by a company Acer, costing US \$390;
- another laptop recommended by a company called Asus, costing US \$349;
- a laptop manufactured by Toshiba. A Toshiba Mini NB 205, 10.1 inch net book, costing US \$380.

Even the same HP—if you go on the HP website, you will see the laptop that is recommended for students. Go and check it yourself. These are the categories: laptops for business use; laptops for home use; laptops for students—is the HP mini 2-10 HD.

Hon. Member: What price?

Mr. C. Imbert: Price? US \$400, TT \$2,500. If you go on the UNC Facebook—go on your own website and you will see where one of your members referred to an article called "CherryPal offers laptop for under US \$100", TT \$600. Go and check it yourself. Let me read into the record the specifications of an HP Mini 2-10. You all love HP so much.

Windows 7,32 bit; Intel processor 1.66 gigahertz; 1gigabyte; DDR 2 SD Ram hard drive 160 gigabits; capacity 10.1 inch diagonal screen; Intel 3150 integrated graphics; Broadcom 802; Bluetooth EDR; four in one media card slot; weight 2.69 pounds; dimensions 10½ inches by 1 inch thick.

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So if you check all computer manufacturers, Mr. Speaker, you will see that the Internet is replete with information, that the laptops this Government should have bought for these little children—because they are only 12 years old—should have weighed two and half pounds and should have a 10 inch screen. I will tell you, I myself had seen two laptops that had been provided to the Ministry of Public Administration in the previous procurement process. Both of them had a 10 inch screen. One weighed two pounds and the other weighed three pounds. All of them had more than enough capacity to run all the software programmes that you are putting on these HP 425 computers. All of the programmes! These laptops are retailing for approximately US \$200, Member for Caroni East—\$1,500 TT.

So what has the Government done? If you had checked, you would have seen that you could have gotten a suitable laptop for these first formers for TT \$2,000. [*Desk thumping*] The laptop would have weighed two and a half pounds. These children would be able to put it in their book bag and carry it. They would not have had to carry two bags. Now we have the spectacle of a child with this heavy book bag and this heavy laptop bag going down the road balancing.

Mr. Speaker, it is poor—sorry. "Ba-lanc-ing"—if we use the terminology—the book bag and the computer bag. Poor decision-making, Minister of Education! You have just wasted \$40 million. You have bought laptops that are useless because—

Mr. Speaker: You have one more minute.

Mr. C. Imbert: Thank you very much. I will end by giving an overview of the HP 425, and I am doing this for the Minister's benefit. I am not accusing the Minister of any corruption, but when these strange decisions are made, when you buy a laptop for \$4,000 that you could have bought for \$2,000—[*Interruption*]

Mrs. Mc Intosh: Or less.

Mr. C. Imbert:—people have to ask questions—or less. [*Crosstalk*] I am reading a review, Mr. Speaker, from a computer magazine, "Overview of the HP 425", which is the one they bought. The HP 425 laptop computer is ideal for small business users. You have purchased a laptop that is simply unsuitable. It not designed to be used in schools, it is not durable, it is not rubberized. [*Desk thumping*] It is simply a waste of money, Member for Caroni East.

I thank you, Mr. Speaker. [*Desk thumping*]

The Minister of Education (Hon. Dr. Tim Gopeesingh): Mr. Speaker, what happened on that side, they first called the Form 1 students "duncy", then they say that to give the Form 1 students laptops is a waste of time and a waste of money.

That is shameful, when you yourselves said on an advertisement "PNM we love you, we care for you". You said that in your advertisement—you copied from us that you are going to provide laptops for children in schools and we decided to do it. You could not do it. We did it and you are envious of the Government's implementation of that. [*Desk thumping*] What is even better, you felt that we could not have done it in 120 days, but we have proven to this country that we can have an idea and implement it within the time frame that we said we will—120 days. [*Desk thumping*]

Mr. Speaker, that is what burns them. They know they are guilty of their inability to implement anything without widespread corruption. But because the UNC has gone through with this faithfully, diligently, with tremendous accountability, transparency and probability, they are jealous of the UNC being able to do this.

Mr. C. Imbert: Not at all. You are missing the point.

Hon. Dr. T. Gopeesingh: Mr. Speaker, if they had not squandered \$30 billion in corruption and waste, we would have had another \$400 million to buy laptops for Form 1s to Form 5s. [*Desk thumping and crosstalk*] The next issue. He says we should not—

Mr. Speaker: Members, I would not want to suspend this House. I would like you all to cooperate. We have a few more minutes, let us hear the contributor. The contributor now is hon. Dr. Tim Gopeesingh. Could we at least give him some cooperation? Continue.

Hon. Dr. T. Gopeesingh: Thank you, Mr. Speaker. They are arguing about giving computers to Form 3 to Form 5. Those students already have computers in schools and they also have laboratories in schools. [*Interruption*]

Hon. Members: Nooooo!

Hon. Dr. T. Gopeesingh: When we have the money, we will be able to do it. Mr. Speaker, there are 152 secondary schools in this country, 134 government and government assisted and 18 private. Seventy-three of those schools have one computer lab and the rest have two computer labs. So some of these schools—he does not even know that—have at least 40 to 50 computers and some have more than 80 or 90 computers. So, we have taken care of the students in Form 3 to Form 5 already.

It seems as though they have a difficulty in giving these young children computers. It is as though they want to throw them into the dustbin. They were throwing them into the dustbin for 30 years. The PNM administration successfully threw 7,000 to 10,000 primary school children out of school. They did not have a place in the school. So for 30 years, they threw almost 200,000 primary school students out of school because they did not have a place in the secondary schools. It

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was our Prime Minister who was Minister of Education in 2000, who had ensured that not a child must be left behind and that every child must find a place in a secondary school. [*Desk thumping*]

This People's Partnership Government came and was voted into power. Four hundred and fifty thousand people voted for us based on our pledge that we would provide laptops for Form 1 students who had just passed the SEA. The People's Partnership Government was elected based on one of those promises which to be delivered in 120 days, and we delivered. [*Desk thumping*]

Mr. Speaker, the hon. Member for Diego Martin North/East is trying to mislead the House and the country. It seems as though I have to send him back on his computer for him to learn the difference between a net book and a laptop. [*Desk thumping and laughter*] He is quoting figures of a net book, the size and weight as opposed to a laptop. Our laptops weight 5 pounds and the size is 14 inches. What is the difference? He alluded to the fact that the specifications we have on our laptops are far greater, better and superior to any we have, whether in Trinidad or around the world. With the software that we have infused in HP 425, are some of the best things we will have.

Mr. Speaker, this is what we have:

- Microsoft Windows 7 Professional.

In fact, let me tell you what are the benefits of that Microsoft:

- Windows 7 provides the user interface and desktop experience for the student;
- Windows 7 is Microsoft most secure, reliable and efficient operating system to date. It allows the student to interact and benefit from the major advancements in the latest Microsoft operating system;
- Microsoft Office 2010 Professional—this is on the laptop as well—offers the latest releases in productivity software for the student to complete assignments in a professional manner;
- The use of Office 2010 also prepares the student for the real world, as Microsoft Office has been adopted as the productivity suit standards across most public and private sector operations.

We have Microsoft Windows 7 Professional, Microsoft Office 2010 Professional—the latest—Microsoft Digital Literacy, Microsoft Big Mac 3D, Worldwide Telescope, and many more.

Anybody could buy a computer for \$1,500 over the counter coming to Trinidad, but they do not have these things infused into the computer. Microsoft Office 2010 normally sells for at least US \$500. That is almost TT \$3,000. We got that infused into our laptops—where a laptop cost \$4,000, we got a value of \$3,000 alone with one application of Microsoft into it.

Mr. Speaker, we have the antivirus software by McAfee. We have complete trace. Once a laptop is stolen and it is reported, it is shut down automatically and, therefore, one cannot use the laptop with any Internet connectivity. We will be able to identify where the laptop is immediately. Every laptop is tagged with the student's name and with an ID number. Anytime you try to remove that piece of apparatus from the laptop, under it comes the name stolen. So anybody who tries to interfere with it and has that laptop, you will know it is a stolen laptop immediately. [*Desk thumping*]

7.15 p.m.

These laptops have a nine-cell battery that could be used up to eight hours. It has one of the best hardware you could ever get in a laptop. He tried to quote the comparison between HP, Acer and some other companies. Acer was one of the manufacturers that quoted and their price was higher than HP; as a result they were not given the contract, because their price was higher than the HP 425.

Mr. Speaker, I refer the Member for Diego Martin North/East to all the information we spoke about. I want to ask him a simple question: When Parliament gave these free laptops to ministers of Government and everyone, if you felt that you did not need a laptop, why did you not give it back? [*Desk thumping*]

Mr. Imbert: It is not a debate, I cannot answer you.

Hon. Dr. T. Gopeesingh: Why did you not give it back? You want a laptop, but you want to deny the poor children of laptops; that is shameful and disgraceful. If you do not want a laptop, well just give it to the children. We will give it to the Form II and Form III children. But you called the Form I children "duncy", you do not want to give them laptops and you are criticizing the People's Partnership Government for providing and delivering on time and delivering what is right.

Mr. Imbert: Squandermania! [*Crosstalk*]

Hon. Members: Oooh!

Hon. Dr. Tim Gopeesingh: Sqandermania? Earlier on we spoke about the \$30 billion they corruptly spent. If we had \$300 million or \$400 million of that \$30 billion they corruptly spent, we would have been able to provide laptops for all the students, but we provided students in Form I now. When they go to Form II next

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year, they will have their laptops; when they go to Form III, they will have their laptops, Form IV and Form V. Over a five-year period, all the students would be able to be provided with laptops in secondary schools at possibly a cost of less than \$400 million.

Any questions he may want to find out about, I will not have to waste more of the Parliament's time trying to answer some of these; all these questions have been answered. I referred him to these documents that we have from the Ministry of Education on the 25 questions people are asking. We want to refer him to all the specifications we have identified for our laptops and we have infused curricula. [*Crosstalk*]

Mr. Speaker, we have already infused three subjects of the curriculum on the laptops: Mathematics, science and Spanish and we are working with the Commonwealth of Learning and IDA in Singapore to infuse more curricula for students, with the eight subjects they are doing. [*Desk thumping*]

We believe this is a dream come true, that the People's Partnership Government love our children and we were able to provide for them. [*Desk thumping*] The People's Partnership Government is proud to be associated with the distribution of 17,000 laptops to children and 3,300 to the teachers.

Mr. Speaker, thank you.

Proceedings of the House (Rules regarding)

Mr. Speaker: Hon. Members, before I formally put the question, I want to bring a matter to your attention. I have noticed with a degree of concern the developing practice whereby Members have released to the media contents of matters filed with the Speaker, even before the Speaker has had an opportunity to give consideration to the matters.

Whether questions to Ministers, motions of privilege or personal explanations, I wish to advise that such practice is disrespectful to the Chair and may amount to an indignity offered to this honourable House.

Moreover, this House, its Members and its committees, possess the power to prepare and publish documents which fall within the wide definition, and I quote, "Proceedings of the House". An absolute privilege is attached to the publication and contents of such documents. However, hon. Members would be wise to note that release of such documents to the media without the authority of the Chair or prior to its approval by the Chair, may very well be considered an act outside of the formal definition of "Proceedings of the House" and rob documents so released of the privilege ordinarily enjoyed. A word to the wise is enough on this matter.

Finally, in Erskine May's, page 440, it says:

“Good temper and moderation are the characteristics of Parliamentary language.”

I advise hon. Members that it is unparliamentary to utter charges of a deliberate falsehood to any Member on either side. We have to be very mindful of employing unparliamentary language in order to communicate with each other. I advise hon. Members that we have to be very cautious in terms of our use of language in the context of not really avoiding or not violating or insulting any Member of this honourable House.

Question put and agreed to.

House adjourned accordingly.

Adjourned at 7.22 p.m.