

*Leave of Absence**Friday, March 31, 1995***HOUSE OF REPRESENTATIVES***Friday, March 31, 1995*

The House met at 1.35 p.m.

PRAYERS[MADAM SPEAKER *in the Chair*]**LEAVE OF ABSENCE**

Madam Speaker: Hon. Members, I have granted leave of absence from today's sitting to the Member for Oropouche (*Mr. Trevor Sudama*) and the Member for Port of Spain North/St. Ann's West (*Mr. Desmond Allum*).

**JOINT SELECT COMMITTEE
(Appointment of)**

Madam Speaker: I wish to inform hon. Members of a communication I received from the President of the Senate which reads as follows:

"Dear Madam Speaker,

I wish to inform you that at the Sitting of the Senate held on Wednesday March 29, 1995 the Senate agreed to the following Resolution which was moved by the Leader of Government Business in the Senate.

Resolved:

That this House consider it expedient that a committee of both Houses of Parliament be established to consider and report on:

- (i) The Companies Bill, 1995
- (ii) The Securities Industry Bill, 1995

The foregoing resolution is accordingly forwarded for your information.

Yours faithfully

Emman Carter

(President of the Senate)"

BUSINESS OF THE HOUSE

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, at the appropriate stage that is right before Government Business, I shall ask leave to move the appropriate motion.

STRATEGIC SERVICES AGENCY BILL

Bill to make provision for the establishment of the Strategic Services Agency and for matters connected therewith; brought from the Senate [*The Minister of National Security*]; read the first time.

JOINT SELECT COMMITTEE REPORT**Presentation**

The Minister of Education (Hon. Augustus Ramrekeringh): Madam Speaker, I beg to present the report of the joint select committee appointed by the Senate and the House of Representatives to consider the entire question of public holidays and to report by March 31, 1995.

ORAL ANSWERS TO QUESTIONS

The Minister of Local Government and Minister in the Ministry of Finance (Hon Kenneth Valley): Madam Speaker, today there is only one question that the Government will not be answering. That is no.109. Government will be answering all the other questions.

**Palmiste Recreation Ground
(Development of)**

99. Mr. Raymond Palackdharrysingh (Caroni Central) asked the Minister of Sport and Youth Affairs:

Could the Minister state:

- (a) What progress has been made in the development of the Palmiste Recreation Ground in the constituency of Caroni Central?
- (b) When would the ground be available to the residents for sporting activities?
- (c) Who or what agency would be responsible for the maintenance of the facility on an ongoing basis?

The Minister of Sport and Youth Affairs (Hon. Jean Pierre): Madam Speaker, the matter of the development of the Palmiste Recreation Ground was referred to the appropriate agency, Couva/Tabaquite/Talparo Regional Corporation by memorandum Reference No. CTTRC 1442 dated October 13, 1994. The Ministry of Sport and Youth Affairs was advised that the matter was engaging the attention of the Couva/Tabaquite/Talparo Regional Corporation.

The hon. Member is advised to liaise with the Couva/Tabaquite/Talparo Regional Corporation to be kept abreast of the developments related to that recreation ground.

The regional corporation and local government authority will be responsible for the maintenance of the facility. Provision is made for this through the Recreation Grounds and Pastures Act Chap. 41:01, the Municipal Corporation Act 1990, No.21 of 1990 and the Municipal (Amdt.) Act 1992—No 8 of 1992.

**Caparo River Basin
(Feasibility Study)**

100. Mr. Raymond Palackdharrysingh (*Caroni Central*) asked the Minister of Works and Transport:

Could the Minister state:

- (a) Whether the feasibility study for rectifying the flooding problem of the Caparo River Basin is completed?
- (b) If it is completed, what is the final cost?
- (c) Whether the findings and recommendations of the study would be acted upon?

The Minister of Agriculture, Land and Marine Resources (Hon. Dr. Keith Rowley) *on behalf of the Minister of Works and Transport (Hon. Colm Imbert)*: Madam Speaker, the feasibility study for rectifying the flooding problem of the Caparo River Basin will be completed by the end of March 1995. This feasibility study was scheduled for completion in 1994, but the consultants experienced difficulties in obtaining important data for the study. The final cost of the feasibility study and the preparation of detail designs and drawings for the short-term works is estimated at \$1.3 million.

The recommendations which are determined to be feasible would be acted upon immediately. A number of items arising out of the study have already been included in the National Drainage Development Programme to be funded by the World Bank. Construction work on improving drainage in the Caparo River Basin area is scheduled to commence by the end of 1995.

Thank you.

**Caparo River Basin
(Rectification of Flooding)**

101. Mr. Raymond Palackdharrysingh (*Caroni Central*) asked the Minister of Works and Transport:

Could the Minister state:

- (a) What sum of money is provided for the rectification of the flooding problem of the Caparo River Basin?
- (b) The commencement date of such work?
- (c) The projected completion date of such work?
- (d) Whether compensation would be paid to the victims of flooding over the past four years?
- (e) If not, why not?

The Minister of Agriculture, Land and Marine Resources (Hon. Dr. Keith Rowley) [*on behalf of the Minister of Works and Transport (Hon. Colm Imbert)*]: Madam Speaker, as part of the proposed National Drainage Improvement and Development Programme earmarked to commence towards the end of 1995, a sum of \$50 million is allocated to drainage improvement work in the Caparo River Basin. This will cater for both short-term and long-term drainage works.

The short-term drainage improvement works are programmed to commence in the last quarter of 1995. The projected completion date of such works is expected to be the end of 1996. The detailed designs for the long-term works for the improvement of drainage systems in the Caparo River Basin area and its environs are programmed to commence in December 1995.

The flooding in the Caparo Basin is not as a result of any action taken by the Government or its agents, but rather as a result of increased population, and land development in the catchment areas which have now become inadequate to handle the increased levels. The Government is therefore not liable for any losses which may have been incurred due to flooding.

Thank you.

1.45 p.m.

**Telecommunications Authority Act
(Non Implementation)**

108. Mr. Ramesh Maharaj (*Couva South*) asked the hon. Prime Minister:

- (a) Would the Prime Minister state whether he is aware that the Legislative arm of Trinidad and Tobago passed the Telecommunications Authority Act, 1991?
- (b) If he is so aware, would the Prime Minister indicate to the honourable House why the Executive arm of the state has not implemented or enforced the said legislation.

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, yes, the Telecommunications Authority Act was passed in 1991.

The Government wishes to review the provisions of that Act, No. 40 of 91. Accordingly, the Act was the subject of review by a firm of consultants and a task force appointed by the Government. Recommendations for amendment to the Act were made by both the consultants and the task force and these recommendations are now being considered by Government. It is expected that Parliament would soon be approached to consider amendments to the Act.

The following question stood on the Order Paper in the name of Mr. Trevor Sudama (Oropouche):

**Rienzi/Kirton Highway
(Traffic Hazard)**

109. Could the Minister of Works and Transport state whether:

- (a) He is aware that the detour at the end of the Rienzi/Kirton Highway in San Fernando has, for a number of years, constituted a traffic hazard and has caused a number of serious accidents?
- (b) He is aware that the building an Independence Avenue, San Fernando, which was constructed directly in the path of the highway had been demolished three years ago?
- (c) His ministry intends to complete this roadway according to the original design and, if not, why not?

Hon. K. Valley: Madam Speaker I seek a deferral of this question for two weeks.

Question, by leave, deferred.

**Caroni (1975) Limited
(Control of Effluent to Ciperio River)**

125. Mr. Ramesh Maharaj (*Couva South*) on behalf of Mr. T. Sudama (*Oropouche*) asked the Minister of Agriculture, Land and Marine Resources:

Could the Minister indicate:

- (a) Why Caroni (1975) Limited has not been able to control effluent from the Ste. Madeleine Sugar Factory into the Ciperio River which has caused the pollution of that river as well as created a health hazard and nuisance to the residents living in the vicinity of the river?
- (b) What action the company intends to take to deal with these problems?

The Minister of Agriculture, Land and Marine Resources (Dr. The Hon. Keith Rowley): Madam Speaker, the Usine Ste. Madeleine sugar factory controls its daily waste water effluent by the operation of an efficient and reliable effluent treatment plant which has a hydraulic capacity of 500,000 imperial gallons and an organic load capacity of 6 tonnes per day.

These design parameters adequately handle the factory's daily waste water effluent, and the effluent discharged into the river is of a high quality. The factory is the only entity along the Ciperio River with an effluent treatment plant.

The Ciperio River passes through populated areas which use the river as a dump for sewage and other garbage. The pollution of the river is worsened by the washed-off grease, oil and other hydrocarbon-based liquids with chemical additives from other operations.

Caroni (1975) Limited has recently established an environmental management committee charged with the responsibility of ensuring, *inter alia*, that any pollution created by the operation of the company will be monitored, evaluated and an action plan formulated to address the problem so identified.

**Ministry of Health
(Employment Policy for Non-nationals)**

126. Mr. Ramesh Maharaj (*Couva South*) on behalf of Mr. T. Sudama (*Oropouche*) asked the Minister of Health:

Could the Minister state:

- (a) Whether it is the policy of the Ministry of Health or the Government to give preference to nationals from any country or group of countries for employment in the medical services of Trinidad and Tobago and, if so, could he state from what date such a policy came into effect?
- (b) Whether it is the procedure and/or practice that an offer of employment in the medical services is first made by the Ministry of Health to a foreign national before such a person is considered for the grant of provisional registration by the Medical Board?

The Minister of Health (Hon. John Eckstein): Madam Speaker, it has always been the policy of the Ministry of Health to give preference to employment of nationals of Trinidad and Tobago, followed by nationals of Caribbean countries and then other foreign countries.

An offer of employment in the medical services is made only after the Ministry of Health ascertains from the Medical Board that the applicant is registrable under the Medical Board Act No. 29 of 50.

Miss Nicholson: Madam Speaker, I would like to find out whether the Medical Board investigates the credentials of these medical practitioners, and whether they are registered in England before they come to Trinidad and Tobago. We are having many problems right now.

Hon. J. Eckstein: Can the Member ask the question again?

Miss Nicholson: I would like to find out whether the Medical Board or the Government has a system of investigating the credentials of the medical practitioners, not only in Trinidad and in Tobago, but if the medical practitioners are registered in England first before applying?

Hon. J. Eckstein: I have to assume that the Medical Board in discharge of its obligations under the law, would conduct investigations into the credentials of the people who apply for registration. The law says that if someone is registrable in Great Britain, that person is automatically registrable in Trinidad and in Tobago. That is the law.

Miss Nicholson: Based on the problem that this country is experiencing of untrained people functioning as doctors in our hospitals, both in Trinidad and Tobago, what is the Ministry of Health doing to correct the problem?

Hon. J. Eckstein: Madam Speaker, I am not aware that there are untrained people practising medicine in our hospitals. Every person who has been employed as a medical practitioner in our hospitals has been registered by the appropriate body, which is the Medical Board.

Dr. Singh: The Member for Arouca says that he assumes that the Medical Board does some type of assessment. Is it that the application is made to the ministry and forwarded to the Medical Board for vetting?

Hon. J. Eckstein: The particular order in which the process takes place is irrelevant. The important thing is that the Ministry of Health does not employ anyone to operate as a medical practitioner in the medical services unless that person is registered by the Medical Board of Trinidad and Tobago. That responsibility is given to the Medical Board by the Parliament of Trinidad and Tobago.

JOINT SELECT COMMITTEE

(Appointment of)

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, in accordance with Standing Order No. 26, I seek your leave and the leave of the House to dispense with notice in respect of a motion for the nomination and appointment of Members of the House to join with Senators to form a joint select committee to consider and report on the Companies Bill, 1995 and the Securities Industry Bill, 1995.

Leave granted.

Question put and agreed to.

Hon. K. Valley: The Motion is as follows:

Whereas the Senate has agreed that a committee of both Houses be appointed to consider and report on the Companies Bill, 1995 and the Securities Industry Bill, 1995

Be It Resolved:

That this House appoint and nominate a select committee of six members to join with a select committee of equal number appointed and nominated by the Senate to consider and report on the Companies Bill, 1995 and the Securities Industry Bill, 1995.

I beg further to move that the following Members of this honourable House be nominated to serve on the joint select committee:

Mr. Wendell Mottley

Mr. Keith Sobion

Mr. Andrew Casimire

Mr. Subhas Panday

Miss Indera Sagewan

Mr. Kenneth Valley

Question put and agreed to.

1.55 p.m.

BUSINESS OF THE HOUSE

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, I beg to move that this House now consider Private Motion No. 11 on the Second Supplemental Order Paper.

Leave granted.

PUBLIC HOLIDAYS (Continuation of Joint Select Committee)

The Minister of Education (Hon. Augustus Ramrekersingh): Madam Speaker, I beg to move,

That the joint select committee which was appointed by this House and the other place in December, 1994, be permitted to continue its work beyond the stipulated date of March 31, 1995, and to present its final report to Parliament not later than April 21, 1995.

Question, put and agreed to.

BUSINESS OF THE HOUSE

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, I beg to move that this House now consider Bill No. 1 on page 5 of the Order Paper.

Question put and agreed to.

**PUBLIC SECTOR
(ARREARS OF EMOLUMENTS) BILL**

Order for second reading read.

The Minister of Finance and Minister of Tourism (Hon. Wendell Mottley): Madam Speaker, I beg to move,

That a Bill to provide for the liquidation of arrears of emoluments owed to public sector employees, be read a second time.

In my budget presentation to this honourable House in January, 1992, I indicated that it was Government's intention to honour the commitment it gave in the PNM manifesto for the general elections in 1991: to pay to public servants on a current basis the award granted by the Special Tribunal of the Industrial Court. This award encompassed the consolidation of a cost of living allowance (COLA), at two per cent across-the-board increase and a new COLA formula with effect from January, 1989.

In March 1992, the Government implemented the award of the special tribunal. This award was in fact, given way back in 1989—and I stress that. The award had been given back in 1989, so that arrears had been accruing since 1989. It is clear that, from a review of the financial circumstances of the Government in 1989, my predecessor did not believe that the Government was in a position to make those payments then; that the country's economy could not have met those payments, so that arrears had been accruing since then.

In 1992, we began the process of calculating the actual quantum of the debt to be paid in respect of the following, and I want the House to understand that this is what the debt had been accruing on—this is where we have started to calculate that quantum.

Firstly, arrears arising from the suspension of the cost of living allowance from February 1987 to February, 1992. While we had reinstated the cost of living allowance in 1992 when the Special Tribunal award was implemented, we found ourselves unable to meet the increases due to indexation and further arrears accruing. In other words, we were paying some of the COLA, but as it indexed-up we found ourselves not able to meet the full amount of indexation, so that arrears accrued which were at a much reduced rate.

Secondly, the matter of debt arose from arrears arising from the non-implementation of the Special Tribunal award over the period January 1, 1989 to February, 1992.

Thirdly, further arrears came about from the non-implementation of the extension of the terms of the award to the employees in certain statutory authorities and other publicly funded bodies.

Fourthly, there were arrears arising from the non-implementation, and subsequently, partial implementation of the negotiated wage and salary agreements governing, hourly, daily and weekly rated public sector employees.

This necessitated the establishment of a register to record the sums owed to each employee and the submission of a statement of indebtedness to each employee. This was a long and arduous exercise for some ministries and departments as several of them were not fully computerized, or suffered from staff shortages, so that the business of this computation was quite prolonged. It also entailed ongoing consultations with the trade unions representing the public sector workers, with a view to gaining their acceptance of the proposals for settling the debt to public employees. So that was the first thing to be done, the calculation of the outstanding amounts, and then began the discussions with the unions about how we would settle these matters.

After our initial attempts to determine the quantum of the debt, it became clear that the fiscal requirement of the debt-settlement was staggering—in excess of \$2 billion. The suggestion made in some quarters that the debt be settled entirely by means of lumpsum cash payments could not be entertained. Remember, too, we were talking back in 1992, and by then we, as a Government, had formulated our medium-term policy strategy and that medium-term strategy had set the Government's fiscal targets on a three-year rolling basis.

It then became crystal clear to us that the requirements of fiscal discipline were an underlying basis for economic recovery and the creation of a stable macro-economic environment in which we could win investment and see growth resume in the country. Those prior requirements of that fiscal rectitude prevented any cash payments in anything like the amount of \$2 billion owed to public servants.

2.05 p.m.

Moreover, had we attempted to make anything near that amount or even relatively small amounts of cash payments back in those difficult days it would have placed immense hardship on all the citizens of Trinidad and Tobago. It would have resulted in the deterioration of the country's balance of payments and reserves position and given rise to inflationary pressures in the domestic economy leading to quite severe price and interest rate increases. Consequently, we

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proposed to the credit unions a series of alternatives to cash settlement for these arrears outstanding to public servants. We proposed:

- paid leave or special compensatory time;
- to offset current payments as well as arrears due to the National Housing Authority;
- to offset arrears of income tax;
- to offset rental of government quarters;
- to offset the cost of purchase of government quarters;
- the repayment of established overpayments;
- the repayment of devaluation loans for education.

More recently, we gained trade union's acceptance to have payments owed under the Students' Revolving Loan Fund offset against the debt owed to public servants. A great deal of negotiation took place around these items over quite some time and it necessitated putting in place quite a lot of fairly complex administrative arrangements to keep tabs on how individual public servants were drawing down against these particular mechanisms that were negotiated and agreed with the trade unions.

We are happy to advise that, to date, the majority of these measures have, in fact, been implemented and are being utilized by a wide cross-section of public servants. In fact, the up-to-date figures are that \$41.8 million has been accessed under the heading "Special Compensatory Time Off"; \$7.5 million has been accessed by public servants by writing off arrears of income tax that they had owed; \$.4 million against established overpayments; and \$4 million by either current payments or arrears due to the National Housing Authority; totalling \$53.7 million.

However, the Government recognized that these mechanisms had one major disadvantage in that they partially favoured those public servants who were in some way indebted to the Government. It was therefore necessary to introduce some mechanism to accommodate those public servants who either chose not to utilize any of the mechanisms outlined previously, or who had no particular debt outstanding to the Central Government and who, therefore, had no way to offset against any of the mechanisms outlined.

The issue of tax free bonds as a further method of liquidating the debt owed to public servants represents an innovative method which appears to have been

widely accepted by the majority of public sector workers and, to date, the union representing teachers has indicated its acceptance of this mechanism. Moreover, these bonds will provide the Government with a means of reducing the fiscal imbalances which would result from attempting to settle the outstanding debt by means of lumpsum cash payments in one fiscal year.

Madam Speaker, permit me to highlight some of the features of the bonds which, I must emphasize, are to be issued only in cases where the employees agree to accept these instruments in settlement of their arrears either through their recognized association or recognized majority union or, where they are not represented by an authorized bargaining agent, on their own behalf.

While the Government is seeking an initial authorization for the issue of bonds totalling \$2 billion, the amount of bonds to be actually issued depends, of course, on the extent to which employees utilize the other non-cash mechanisms available to them, which I have just outlined. The legislation provides for an employee to whom a bond is issued to receive in the year in which the bond is issued, a tax credit of an amount equal to a percentage of the face value of the bond.

Under the agreement which was reached in October 1994 with the Trinidad and Tobago Unified Teachers' Association, the bonds will be non-interest bearing and will be issued in five tranches commencing in 1995 and ending in 1999. The bonds will mature within two years of the date of issue. The tax credit in respect of each tranche will vary depending upon the date of issue. Those issued in 1995 will carry a 10 per cent tax credit; those in 1996 will carry 15 per cent tax credit; those in 1997 will carry 20 per cent tax credit; and those in 1998 to 1999 will carry 25 per cent tax credit. An Order to this effect will be published once the legislation has been enacted.

If this tax credit cannot be fully set off against the employee's tax liability in the year of income in which the bond is issued, then that employee would be entitled to a tax refund in cash. The person to whom the bond is first issued may choose to keep the bond to maturity or to transfer it. If he chooses to transfer the bond, he may detach the tax credit and keep it or he may sell the bond with the tax credit. Where a subsequent purchaser of a bond purchases it with the tax credit, he must sell the bond with the tax credit.

Regulations will be prescribed in respect of the denominations in which bonds may be issued and the methods of encashment. They will also prescribe other details such as the form, issue and recording of the bonds and the method of

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holding bonds. These regulations will reflect largely the outcome of discussions with the representative trade unions and associations.

Bonds issued on these terms will also be immediately available to employees for whom there is no recognized association or union where the individual employee agrees to accept the offer. The legislation will enable other public sector employees to be issued with bonds if their recognized association and unions agree to the terms of the package we have proposed. Employees who are now eligible to receive bonds will each be asked to submit an application for the bonds.

In the case of those employees whose merit increases were suspended between February 1987 and December 1994, an application for bonds will be taken to constitute acceptance of the offer of the sum of \$2,125 in full and final settlement of the outstanding increment. This amount will also be payable in bonds.

It is this issue of the buyout of increments or merit increases which has proved to be the sticking point in negotiations between the public sector associations and unions and the Chief Personnel Officer. We have indicated that we are able to pay only \$150 million as a buy out of these merit increases for all employees. And that offer still stands. Because of the fact that public sector associations and unions had been unable to reach agreement only with the Chief Personnel Officer on the package, serving employees whom they represent will not be eligible to receive bonds until agreement has been arrived at.

We have only reached final agreement only with TUTTA, therefore at this stage only teachers are eligible to receive these bonds. It has now been agreed that following the hopeful passage of this legislation, by April 06, 1995, each teacher will have in his or her possession, a consolidated statement of liability owed to him or her—they had an original statement but it is now modified by the increments agreement—so that each teacher would know exactly how much is outstanding to him or her.

2.15 p.m.

We have also agreed that an Indicator Form will be completed—and I have a copy here of an Indicator Form which will be in the name of each individual, clear identification and statement, "I should like to receive my outstanding arrears in bonds, yes or no", and so forth. Also a form of application for the bonds; a return of emoluments paid and tax remitted form and a Ministry of Education circular to

teachers on these matters. All of this will be in place by April 6, as a necessary precursor to the actual settlement in bonds.

In respect of the other public servants who are not now eligible, the Chief Personnel Officer is awaiting further communication from these unions and associations on this particular matter; but the offer that we have placed on the table is still open to them.

There have been delays in achieving our stated objective and in discharging our manifesto commitment, but we are all aware, frankly, of the complex nature of the task we undertook in 1992. Most importantly, the Government has not been swayed away from its purpose. We have clearly demonstrated to all public servants and, indeed, to the entire nation that no matter how difficult the task appeared back in those bleak economic days in early 1992, that we were prepared to meet this particular obligation, onerous as it is.

I must tell you, Madam Speaker, that we were under a lot of advice not to do so. Persons both in the local and international community advised that under the principle of *rebus sic stantibus* we were under no obligation to meet these arrears. It was even put more strongly that the arrears were of such a nature that the state was under no obligation to bankrupt itself, but despite these difficulties we have strongly persevered and through this process of consultation and negotiation we have achieved our common objectives and we look forward to the other public service unions coming to agreement on these matters.

I beg to move.

Question proposed.

Mr. Subhas Panday (Naparima): Madam Speaker, other Members on this side will deal with the circular which has been sent out in accordance with this Bill in more detail.

Some public sector workers are enquiring about why they are forced to accept bonds for debts owed to them, since the beginning of 1987, while Government Ministers, whose arrears are of very recent origin, namely, 1993, take theirs in cash. They are just asking. People outside there are merely asking, Madam Speaker.

Hon. Member: Take yours in bonds.

Mr. S. Panday: Madam Speaker, reports reveal--I know that is painful, Madam Speaker, but it is the truth.

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Reports reveal that the arrears for each Minister were a substantial and significant amount; therefore, money surely could not have been the problem; or is it that the Ministers require their arrears more than the poor, suffering public sector workers?

Mr. Mottley: Madam Speaker, I know the hon. Member for Naparima is a lawyer, so I am seeking legal advice from him. Perhaps he should have advised this side to do as they did and not allow the arrears to accumulate at all by taking it immediately in cash.

Mr. B. Panday: That is why they did it; so as not to allow the arrears to accumulate.

Mr. S. Panday: Madam Speaker, it would seem that it is "different strokes for different folks"—consideration for Ministers while public servants are suffering. If the Government was, indeed, strapped for cash and it wanted to send a signal to that effect, why did the Government not set the example and Government Ministers take theirs in bonds?

But assuming that the Ministers themselves are strapped for cash, then why did they not send a signal and lead by example and take, at least, a part in bonds?

Mr. Narine: What part are you taking?

Mr. S. Panday: The party took it away; but you must take into consideration that they led by experience.

Mr. Manning: Madam Speaker, I thank the hon. Member for Naparima for giving way. I wonder if he would be kind enough to tell us what part of his emoluments he took in bonds?

Mr. B. Panday: Not arrears. They were never in arrears.

Mr. S. Panday: It seems to me that the hon. Prime Minister did not read the Bill before the House.

Mr. B. Panday: That is right.

Mr. S. Panday: The Bill is "Public Sector (Arrears of Emoluments) Bill, 1995" He did not read it. I do not mind getting a salary in cash at the present time; but what we are saying is even the arrears of emoluments. One would have thought that if they wanted to lead by example—they said the former regime did it—did they not lead by example and Ministers lost their 10 per cent also? When we are comparing we must compare like with like.

We should have thought that the Ministers would have taken their bonds on the same terms and conditions as the bonds as those proposed to public servants. [*Desk thumping*] public sector employees are pining about the inequitable manner in which they have been treated. They are also asking, Madam Speaker, why it is that the Government could not have paid at least some of the arrears which are due and owing to public sector workers in cash. I will show later on, that if some corruption and mismanagement are dealt with, at least some money would have been found to pay public servants some of their moneys in cash.

When one looks at the Bill against the backdrop of Government's actions and statements one would see that this Government is attempting to hand public sector workers a cotton candy, while at the same time they have been treating and injecting and continue to inject public sector workers with lethal doses of arsenic cyanide—giving you a cotton candy to fool you—

Mr. Bereaux: Could the Member give way?

Mr. S. Panday: Sure, Madam Speaker.

Mr. Bereaux: Do you not also agree that if some persons who owe the Government money that they borrowed to go and study would repay, we would also have money to pay the public servants? You owe!

2.25 p.m.

Mr. S. Panday: Let me inform the hon. Minister that that is a type of mismanagement and corruption. If it is dealt with moneys could have been found to pay the public sector workers. And Since he asked about me—I would not let a little dog bark at me and get away—I have taken a students' revolving loan and I am not in arrears and I will complete my payments on time. This is the type of contribution you get from people like the Member for La Brea who has no significant contribution to make in this House.

Many public sector workers, before they receive all their tranches, would certainly be joining the swelling queues of unemployed very soon. Before the Member for St. Ann's East spoke, I had viewed the aspect of the Constitution's position on this Bill, and when one looks at the judgment of His Lordship, No. 315 of 1987, one would see that the Government very skilfully tried to get around the constitutional provision, when they say in the Bill:

"Where, on the commencement of this Act, the quantum and terms of liquidation of arrears of any emoluments payable to employees are not settled by the parties in the cases referred to in section 3(2) and such quantum and

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terms are subsequently agreed upon, the Minister may issue bonds, only where the appropriate recognized association, recognized majority union, or the individual employee as the case may be, agrees...."

So what the Government has done, having read the judgment of His Lordship Justice Mustapha Abraham, was to skilfully get around the constitutional problem and drafted this piece of legislation in this manner. Although this legislation will not be infringing rights as enshrined in the Constitution, what it will be doing will be forcing other unions to find themselves in problems.

The Minister indicated in his presentation that negotiations were taking place; he heaped great loud praises on the Trinidad Unified Teachers' Association for reaching agreement and went on to say that they are awaiting word—as he says the CPO is awaiting word from the other public sector organizations on this issue. In those circumstances one would feel that the introduction of this Bill at this time is a clandestine move by the Government to destabilize the trade union movement—I will show you why and how—and consequently leave the vulnerable workers exposed to the harshness of employers, in this case the employer being the Government.

When one looks at the history of the attempt to settle the arrears, one sees that the National Trade Union Centre, (NATUC), the umbrella organization of the public sector unions, was conducting the negotiations on behalf of the organizations. They were conducting very serious negotiations and it was the first time that the public sector union and other unions had formed a united organization to negotiate with the Government.

That is, indeed, so. When one looks at the history of the trade union movement in Trinidad and Tobago, one would see that before the formation of NATUC, there was the CPTU in one corner, negotiating one way, and the Trinidad and Tobago Labour Congress—well you know who they were sympathetic towards—negotiating in another corner. The unity of the labour movement turned out to be a force with which the Government had to reckon.

I am certain you will remember, Madam Speaker, when NATUC started their march on Black Friday—it was supposed to have been the last Friday in March 1993—it was said that day that the labour movement intended to strike its most potent blow in order to force the Government to settle these arrears. I remember how there were terrified faces on the other side, when thousands of people were marching and holding meetings—

Hon. Member: Fifteen thousand.

Mr. S. Panday: He checked it. He took cognizance of the fact that the labour movement was united.

The Government, was reeling under the full force of labour unity. At that time a plan was hatched by the Government to destroy and destabilize the trade union movement. While NATUC was negotiating on behalf of all these public sector workers, the Government looked for a weak spot in the trade union movement. In the middle of the negotiations, while NATUC, as we say, had the Government at that time going down on their knees and they were about to extract a very favourable settlement on behalf of the public sector workers, lo and behold, it was announced that the Government had struck a deal with one of the units of NATUC.

So while they were negotiating with NATUC, and while negotiations were supposed to have been carried out in good faith, the Government had put up a front that they were acting in good faith when in truth and in fact they were putting a dagger at the back of NATUC and turning it.

That announcement that the Government had reached a settlement with a constituent unit of NATUC was greeted by other units of NATUC with great dismay and chagrin. There was such great convulsion in the labour movement, and in particular the trade union movement, that one got the feeling that the PNM had succeeded in destroying labour unity. NATUC was in the throes of death, suffering from shock inflicted by the PNM. That threw the whole labour movement in to chaos, confusion and despair. Many workers who had belonged to trade unions at that time felt dismayed and despondent and they began losing hope. They felt weak. They felt their knees buckling under the pressure.

What do you think the PNM did to them at that time? While the PNM destroyed and undermined trade the trade union movement, the Government was retrenching workers right, left and centre in the public service. The actions and the verve of March 1993 could not have been revived.

2.35 p.m.

Madam Speaker, do you remember the employees of the Public Utilities Commission and the Export Development Company? When those workers of those organizations were retrenched, PSA did not have the power or the strength at that time to mobilize all public servants to protect the workers. There were 20 to 30 employees marching. They were from a small department which was directly affected. This is what the PNM has done to the public sector workers. That is why today they are saying, "Here is the cotton candy", while they have been injecting the labour movement and public sector workers with arsenic cyanide.

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Public sector employees of the PUC, the IDC, the TDA and EDC have lost their jobs during the same period when the PNM was dealing with TTUTA.

Apart from the untimely introduction of this Bill in this House, at this stage when the Government has reached agreement with only one unit of the National Trade Union Centre, what is the message this Government is sending to the public servants? *[Interruption]* The Member does not know the message?

As a matter of fact, somebody had asked the question before we came into Parliament: If the Government has agreed with the Trinidad and Tobago Unified Teachers Association to pay them by bonds, why is it that the Government now has to come, at this stage, to seek the power to issue the bonds for the settlement of arrears? The Minister may wish to answer that as we go along. *[Interruption]* If the Government has agreed with TTUTA to pay in bonds, if there is a collective agreement, why not implement that collective agreement?

Be that as it may, what the Government has done by introducing this Bill at this time, is to undermine the collective bargaining process. That is what it has done. The hon. Minister of Finance said there were serious problems which had to be negotiated; that is why there were no settlements with the other unions. I would quote from the newsletter of the Public Service Association of Trinidad and Tobago, Special Issue No. 1, September 1994, which is headlined "Time for Decision: Debt Settlement now!" It states:

"Talks on settling Government's debt to public sector employees are now at a crucial stage.

Your union believes that now is the time to settle this matter speedily, but justly.

Public Officers must consider the issues and the positions that are now involved.

What is the debt?"

The hon. Minister has indicated that they have conducted investigations and they feel that the debt is \$2.2 billion PSA have done their calculations and hear what they say:

"There is...a lot of confusion as to exactly what this debt is. The statements you have (some call it the white paper)

that is what I call the circular—

"represent only a part of the debt (\$2.2b)"

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correct point in the scale. Government, is demanding that public officers give up the following. “

Then they give the ranges. In reality, what it says is by accepting \$1,000 they intend to buy out all the increment arrears.

This assumes, according to the newsletter, his assumes that the worker would be at the start of the scale in 1987. For those at other points in 1987, it say, the amounts would be less. So complex, confusing and technical this is it is very difficult to understand. The Newsletter went on to say:

"What about the promises?"

In 1991, the PNM said that it would:

"pay public servants their correct salaries..."

-negotiate "an amicable arrangement for the payment of the arrears"

That same PNM that is boasting about fulfilling manifesto promises.

Hear what the PNM is saying in 1994, according to the PSA:

"public officers will not be paid their correct salaries"

that is, their correct point on the scale.

"-the arrangement will be for payment of only 2/3 of the debt."

I wonder whether the union which has agreed with the Government to accept these bonds which have caused this legislation to be introduced in Parliament , understands what it has done?

2.45 p.m.

Madam Speaker, this is the position. We want the nation and all public sector unions in Trinidad and Tobago to know that the Government is endeavouring to introduce legislation in the House to deal with issues which could have been dealt with very effectively around the bargaining table. That is why we are saying that the Government is attempting to undermine the trade union movement, the labour movement and the principle and process of genuine collective bargaining.

We wonder what the Minister, the hon. Member for St. Ann's East means by "our offer stands"? Do you know what the Government are telling the workers who have not signed? Take it or leave it. And, it has introduced legislation in Parliament to show them something.

The Government is trying to introduce legislation in this Parliament designed to stuff down for stuffing the throats of unwilling organizations and their

membership—a side deal which they have struck with a particular union or two. I humbly submit that this is an abuse of the Parliament. This is the trend of a type of dictatorship we call this "baby-face" dictatorship. We may have to send a certain Member to the cosmetologist again.

The Government has arrived at an agreement with TTUTA and when I looked at the *Newsday* yesterday, I saw that NUGE has also agreed to accept bonds on behalf of the daily paid workers. It would appear that after the Government entered into the first agreement it sent a message to other unions to fall in line before they are dealt with. That is why the Member for St. Ann's East said, that as you enter into an agreement and you have agreed with it, so in turn will the bonds be issued. The Government is setting up strife in the trade union movement.

I ask the Government today: What is the position with the largest union representing workers in the public service, that is the PSA? What is the position with the Seamen and Waterfront Workers Trade Union? What is the position with the Police Service Association, the Fire Service Association? What is the position with the Communication and General Workers Union led by a President General who is known to be a staunch PNM? Has the PNM decided to debunk their own boy in its pursuit destroying and undermining the labour movement? It is for him to decide where his bread is buttered.

Our information is that the PSA has not arrived at any settlement or any agreement with the Government, and what the hon. Member for St. Ann's East told the House today has corroborated this.

When we go back to the Bill it may be said, as the Member for San Fernando East is saying, "No we are not pushing anything down anybody's throat." I wish, now, to refer to clause 4 of the Bill. I have read it before and it says:

"Where, on the commencement of this Act, the quantum and terms of liquidation of arrears of any emoluments payable to employees are not settled..."

The Minister may issue bonds only where there has been an agreement with either the union or the employees.

That is the catch in this piece of legislation. That is the tip of the dagger with which it is piercing into the heart of NATUC. I ask the question: What will be the position with the organizations, the other units of TTUTA which have not yet come to an agreement with the CPO? Will they be in a position to negotiate to get better terms and conditions than those who have already signed?

Mr. Ramrekersingh: Madam Speaker, may I get it clear from the hon. Member for Naparima. He asked, what about the other parts of the Trinidad and Tobago Unified Teachers Association?

Mr. S. Panday: I apologize. The other constituents of NATUC, I really mean. Thank you very much, hon. Member for St. Joseph. We are trying to show the true position. Would the other units of NATUC which have not signed the agreement be able to extract a better deal for their members than has been agreed upon by TTUTA? If so, then something is wrong with TTUTA.

The other question is: Would they be punished for not coming on time and falling in line with those who have decided to sell out? That is indeed so, because having regard to what the Minister said, it is only when you have entered into agreement would Government consider the issuing of the bonds. If it had said at that time, whenever you agree, since it is a common debt which originated at the same time—whenever a settlement has taken place all the bonds would carry the same date, then one would see a certain amount of good will. But from what the Minister said it seems to me that the Government intends to put pressure on the unions that have not signed.

Now will the negotiation as far as the Government is concerned, in respect of the other units of NATUC, be the same? Has the Government decide that, having brought legislation to the Parliament and having indicated its firm unbending, unyielding position, it is not moving—take it or leave it? If that is the case, what did the Minister of Finance mean when he said that the CPO is still awaiting word from them so that the agreement can be settled. What type of agreement? Would it be collective bargaining, or was that merely a farce? This is why we say that the Government is undermining true collective bargaining.

That is the situation but if you think the PNM is sly I want to show you how the PM is “super fly” and how it seems to me the Member for San Fernando East does not sleep. All night he is awake, merely thinking how to plot and “skiff”, when he is not exercising.

Look at the practical situation. In certain institutions, for example, in schools, there are different unions representing different public sector workers. Teachers, maybe TTUTA; some other staff might be PSA, and daily-paid workers. In the same environment there is the same employer: two unions have settled and the other union has not settled.

2.55 p.m.

Could you imagine the chaos and confusion that would take place among workers in the same institution? It is possible that the unions which have not signed, if they do not follow suit and sign these agreements under duress as the hon. Member for Couva South has indicated—members would resign in order to fall under the rubric of the Act, which says that where there is no recognized majority union the individual employee, could come to a settlement.

It is clear what the Government intends to do. Where the union is standing and trying to fight, it is setting up the scenario in this piece of legislation to have what is called private agreements. Although one may be in a union, one would be setting up members of that union to resign from it, and then set up individual private contracts with employers. This is a dangerous thing. This is the knife which the Government is putting in the back of the labour movement—not only the PSA.

As a result of this, the organizations and unions which have not signed or agreed with the CPO and the Government, would be in a position of weakness and would be unable to fight to obtain all the benefits due to their members. At this point, I wish to tell the PSA to say good-bye to all the increments; that they would be bought out at \$1,000 and they would have to say good-bye to arrears from non-payment of increments. We are seeing that the position from which the union had stood to fight for their workers has now been prejudiced. We are calling upon all Government employees to identify their enemy.

As a Member of this side stated a while ago, the enemy of the people of Trinidad and Tobago, particularly the working people, is the PNM. The public servants whom the PNM think as a catchment area or constituency, that it is playing up to, we are letting them know that the PNM is mamaguying them and it is time that they rose, took a position and dealt with the PNM. That is the caring government that wants to take \$1.2 billion from public servants.

This Bill is only one in a series of activities and utterances which have been conducted by the Government. It has been attacking the workers and although it is giving them this and saying it is something good, we are letting them know that this is merely a catch. If one looks at the history of the utterances of the PNM one would see that the PNM is anti-worker and anti-people.

Mr. Manning: That is not true.

Mr. S. Panday: He could say that is not true from now till Doomsday. We are giving them the facts. The people will hear and they will understand.

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As I said, this Public Sector (Arrears of Emolument) Bill is merely one of a series of acts by this Government to undermine the workers. The Government rushed to bring this bill but since it assumed office, if the parliamentary agenda is reviewed, one would see there has not been a single piece of legislation to enhance the quality of life of workers in this country. As a matter of fact, it has been the opposite. What about the occupational health and safety legislation. The Minister goes in other places and boasts about how it has been working all the time. It is three years since the Government has been in place and it has not reached the—table of Parliament yet.

The IRA needs amending and there is no legislation for it. There has been nothing before Parliament for The Workmen's Compensation Act—which is outdated legislation—and the retrenchment and severance pay benefits. As a matter of fact, to show how this Government is so anti worker, and this is only scam, it has not even enacted a number of ILO Conventions which it has ratified.

Workers believe that this Government is giving them an apple by this piece of legislation, but this is what the report stated. According to the *ILO Report of the Committee of Experts* on the application of conventions and recommendations, the ILO 81 Session 1994, Report 11 Part IV (a) at para 152 sub-heading “Special Problems,” stated that the committee was bound to note with regret that no information had been supplied by the government showing that the conventions and recommendations adopted by the conference during the last seven sessions from 1971 to 1978 have been in fact submitted to the competent authorities.

In this case, the competent authorities is the Parliament. It also stated that included Trinidad and Tobago. Neither the legislative authorities nor the public opinion in those countries were regularly informed of the existence of new instruments as the conference adopted them, which defeated the real purpose of the obligation to submit.

Madam Speaker: The speaking time of the hon. Member has expired.

Motion made, That the hon. Member's speaking time be extended by 30 minutes. [*Mr. P. Manning*]

Question put and agreed to.

Mr. S. Panday: Madam Speaker, I thank the hon. Member and Members of this House for giving me this opportunity.

Further, we must not only judge the Government by what it has not done, but also by what it has done. I make special reference to the Minimum Wages Order

which was introduced in this House recently. I shall show how this is merely mamagism.

The Minimum Wages Standard Board made certain recommendations. The Government laid the recommendations in this House, but before the ink could dry, lo and behold the document was withdrawn. The Government said it made a mistake, and produced a document which was much inferior and took away the rights of the workers. What it has done is really insulted the Minimum Wages Board. When one sees this legislation and thinks it is the end of everything, one must take this legislation with a pinch of salt and view it against the history of the PNM.

3.05. p.m.

By this, as I have indicated, the Government is trying to undermine the trade union movement and the labour movement. When one looks at what it has said, one would see that this piece of legislation is falling in place. When one looks at the statements made by the Minister on page 21 of the Budget Speech for 1995. One sees:

“Personnel expenditure is expected to increase substantially in 1995, mainly on account of the cost of settlement of arrears of remuneration owed to public sector employees. Madam Speaker, in keeping with our acknowledgement of the debt owed to public servants, and our commitment to honour our obligations, we have reached agreement with the Trinidad and Tobago Unified Teachers Association on the payment of outstanding obligations. We expect that the other public sector unions and associations will accept the proposals put forward by Government ... This has been a costly settlement.”

Listen to the way this Government is thinking:

“In the absence of this settlement, consider how much further tax relief we would have been able to grant or how much more we might have been able to spend on the PSIP.”

The Government viewed this as a problem from the start, and it is its intention in this case merely to pretend that it is solving the problem, when in truth and in fact it is dealing with public servants.

I am of the view that this Bill is merely a deflection from the true agenda which the Government has for public servants. While public servants are checking how much money they would get under these bonds, what does the Government

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intend to do? Government intends to do away with the service commissions, and the Opposition, so that there would be nobody to argue or to stand on behalf of the working people under the Constitution.

While public servants are calculating their amounts in bonds, the Government is effecting something called public service reform. I challenge the Government today to tell this House whether it will not abolish the CPO Department by June 30. Do not say that the answer is: "No, it is not June 30, it is October," you know. Also, the Government intends to abolish the DPA and these workers will suffer the same fate as the workers in PUC, the TDA, the EDC and the IDC. While they are deflecting workers' interests, it is really dealing with workers in a very quiet and significant manner. Many of these people may not be in the public service by the time they receive some of their tranches.

We, as a UNC Government, would have taken a certain position in this matter. We would have dealt with the matter in a much more humane manner. We would have endeavoured first to negotiate with the unions and ensure that agreements with all unions would have been reached before legislation, if necessary, is introduced in Parliament.

Another view is, if for some reason we could not pay the public servants all their moneys and we decided to pay them in tranches because we as a caring government would have at least made some effort to give some portion of the arrears in cash. The Government just cannot say simply that they do not have the money. We would have done this without creating any inflationary effects in the society. If the Government believe that they would argue that this amount of money injected in the society would create inflation, we would show them that by cutting out graft and corruption, we would certainly be in a position to accumulate a certain amount of money in order to, at least, make a partial payment to the public servants.

When one looks at page 20 of the Auditor General's Report on the purchase of a building at 8 Queen's Park East, Port of Spain, called the Algico Building, one sees what the findings. It says:

"Findings

3.33 Findings were as follows:

The property was first offered for sale at a price of \$8.0 million. The open market value of the unencumbered freehold interest in the property was stated to be \$6.14 million by an independent professional valuator acting on behalf of both parties."

It went on to say that:

“Cabinet in January, 1993 agreed that the repairs identified by the Ministry of Works and Transport be undertaken by the vendor at the estimated cost of \$700,000.00...”

It says further:

“3.34 Subsequent to the Sale Agreement of May, 1993, Financing Agreements were entered into at ‘bi-monthly rests’ in respect of the purchase (\$6.3 million) and repair of the Building (\$0.7 million) as well as the supply of furniture and fittings (\$1.5 million). The Agreements provided, inter alia for the issue to the lender of permanent debt instruments in the nature of ‘Fixed Rate Bonds’ by the Government of Trinidad and Tobago.”

However,

“3.35 The Supplemental Financing Agreement dated March 25, 1994 shows the debt due to the lender as at March 07, 1994 as \$8,511,680.68. This amount is in respect of amounts advanced under the principal agreement and capitalised interest of \$659,514.00.”

Further:

“3.36 As at May 31, 1994 Bonds were not as yet issued to the lender. Interest will continue to accrue and be capitalized bi-monthly until such time as the Bonds are issued.”

And what is the recommendation of the Auditor General?

“3.37 In view of the accrual and capitalization of interest as provided for in the Supplemental financing Agreement, it is recommended that the transaction be concluded as soon as possible.”

3.15 p.m.

When one looks at the exorbitant rents which are being paid for buildings, and at the response to Question No. 61, which I asked, on the Order Paper, of the 1992 session, the answer to me was, item 4, rent for a certain building \$40,000; item 5, \$77,000, item 6, \$38,000; item 7, \$38,000—plus. It goes on, Item 42, \$135,000 per month rent. Better management and cutting out graft and corruption would have certainly created a situation where some money could have been saved, as the Member indicated there.

Another question that was asked by the Member for Couva North, was in respect of the amount of legal fees paid and to whom these fees were paid, one

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would see that those fees ran into the sum of \$10.73 million. When one considers a one-day trip to Haiti—

Mr. Manning: How much did it cost?

Mr. S. Panday: Tell me! Tell me!

As the hon. Prime Minister asked that question, what about the gym and the kitchen? What about the Ad "down the road together," \$.3 million. What about the cellular phones? What about the beautification project referred to on page 3 of the *Sunday Express* dated March 19, 1995: "\$10 million splurge for ACS meeting"

If we could just be more careful. "Going down the road" with Manning cost the Government \$.3 million dollars so far.

We feel that the Government could have done better. We have seen its motives. It is merely trying to introduce legislation, as though, once it is passed, there would be only administrative hurdles to be dealt with, one sees that if this Government was really a caring Government as they claim to be, they would have taken steps to cut out the graft and corruption.

The moneys which are being spent on the docks with those equipment which are being held back because of the Golden Grove Prison, the thousands of dollars are being wasted there. If the Government becomes more efficient, less mismanagement, we are certain that enough money could be realized, if not to pay the whole tranche, at least a substantial part of it in cash to the public servants. We want to state that we condemn the Government for bringing this type of legislation, in the House at this time.

The Prime Minister (Hon. Patrick Manning): Madam Speaker, I rise to make a brief contribution on this Bill before the House. Because of the significance of the legislation before us today—and let me straight away, compliment the hon. Minister of Finance, not just for the lucidity of his presentation this afternoon, but also on the level of expertise that was demonstrated in the package that is the subject of the deliberations of this honourable House today.

I should tell you, Madam Speaker, that the events that have culminated in today's legislation, are events in respect of which there was an involvement by a significant number of Ministers in the Government. I should like to identify just two more: the hon. Minister of Education, who heads a Cabinet subcommittee on

public sector negotiation and the hon. Minister in the Prime Minister's Office, Mr. Gordon Draper, who has a responsibility for the public sector.

Permit me to draw your attention and the attention of honourable Members, to page 53 of the 1991 PNM manifesto. The heading is "Public Sector Pay Issue ". Towards the bottom of that page, the manifesto makes the following statement:

"The PNM does not agree with the proposed solution advanced by the Government."

The Government at the time, was a government headed by the hon. Member for Tobago East and of which the hon. Member for Tobago West was a very integral part. In fact, it is the government of which the Member for Couva North was an integral part when it was established in 1986. The quote continues:

"We see no direct link between the Public Sector pay and the divestment of State Enterprises."

It was the PNM expressing a view on the approach that the Government of the day was taking to the satisfaction of the outstanding liability of the state to its employees.

The PNM have made the point, time and time again and as forcefully as we can that the NIC approach, as it was described at that time—the divestment of state enterprises in the manner in which it was suggested by the Government of the day to satisfy its liability to its employees—quite apart from the fact that we did not see that connection between public sector liabilities and the divestment of state enterprises; we were also of the view that the arrangement as advanced by the government was unworkable.

And I am sure that before this debate is ended, one of the Members on this side will demonstrate that, and demonstrate it quite convincingly. We have had cause to do so in the past and we can quite easily do so today. I continue to quote from the Manifesto:

"The PNM will settle this issue by:

- paying public servants their correct salaries and thus stop the accumulation of arrears.

The first priority would have been to intervene in such a way that the clock stops running in terms of the accumulation of arrears. We were fearful that the approach which was being taken by the government at that time was causing on a daily basis, a continued accumulation of the liability.

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The figures were then becoming so staggering that any government faced with that position would have had to view it quite seriously. In fact, it would have had to see itself as having as its first responsibility in respect of that matter, to take action to stop the accumulation of arrears. We made that commitment in our manifesto as we sought the support of the public at large, including public servants and persons who were directly affected by the issue before us.

The manifesto goes on to say:

“The PNM will settle this issue by:

- entering into negotiations with the representative unions with a view to arriving at an amicable arrangement for the payment of arrears, bearing in mind the general acceptance that the arrears cannot all be paid in cash at this time.”

Even, we were not in Government yet, but it was quite clear to the PNM—as indeed it was quite clear to anyone who was in a position to see—that having regard to the state of the economy at that time and the fiscal position in the country, and taking into account the size of the arrears that had been continuing to accumulate on a daily basis, no government would have been in a position to satisfy its liabilities to the public servants by way of a direct cash payment.

Our approach was, firstly, that we would take steps to stop the accumulation of the arrears. Secondly, we would enter into negotiations. That is the way a government which supports the trade union movement operates; it enters into negotiations.

3.25 p.m.

It is necessary to make that point because in 1987, when another government in similar circumstances took another course of action, the very vocal hon. Member for Naparima was curiously silent. Not only that, when the action was being taken, there was silence from the Member for Naparima and there was active support from my Friend and parliamentary colleague the Member for Couva North.

The problem is that when those actions were taken they were an integral part of them but we are accused of being subversive of the collective bargaining process and the trade union movement. We are not! We are the ones who said—and it was put in our manifesto—that our preferred course of action was to stop the arrears and to enter into negotiations with the representatives of the workers, the trade unions. Also, we said that we could not pay all in cash.

What this tells you, is the openness of the Government and the fact that it laid all its cards on the table. Nothing that has happened subsequently was in violation of the principles which I have just outlined to you that were put into our manifesto and made public. It had the widest possible dissemination. Everybody who had an interest in this matter—

Mr. Robinson: Madam Speaker, is the hon. Prime Minister saying that he committed himself, or that the party committed itself in government to enter into negotiations and it has entered into negotiations? Is he saying that?

Hon. P. Manning: The answer is yes. Having said that, I want to welcome my hon. Friend the Member for Tobago East, to the debate. I expect that at an appropriate stage in these deliberations he, too, will exercise his option to make a contribution. It will be important that he does that, because the genesis of the mischief can be dated back to the year 1987 and to a government that he led and of which he and the Member for Tobago West—

Mr. Robinson: Madam Speaker, would the cleaver hon. Prime Minister please answer my question?

Hon. P. Manning: Madam Speaker, I started off by saying yes to the question. But that does not absolve the Member for Tobago East. His ways are not unknown to me. I have watched him for a long time.

Mr. B. Panday: Madam Speaker, both of them were in the same party for a long time.

Hon. P. Manning: He left before I came.

Mr. Valley: Both of them could not be in the same party at the same time. It is just not possible.

Mr. Robinson: Madam Speaker, would the elusive hon. Prime Minister, at least, make a long story short and answer my question?

Hon. P. Manning: Madam Speaker, for the third time, the answer to the Member's question is yes. Having said that, I look forward to welcoming him to the debate at an appropriate time.

Mr. Robinson: Madam Speaker, would the honourable and—

Hon. Member: Dictatorial!

Mr. Robinson:—subversive Prime Minister please answer the question specifically? Why has he now omitted the words—what is in that document—"with a view to an amicable settlement"?

Hon. P. Manning: Madam Speaker, the hon. Member for Tobago East is far more mercurial than the Prime Minister could ever be. That is a separate question. At any rate, let me assure him—as indeed I want to assure hon. Members, the public servants involved and the national community—that an amicable arrangement is precisely what we believe was arrived at out of the negotiation process into which we entered, and to which we committed ourselves when we went to the public in 1991.

Mr. Maharaj: Madam Speaker, if the hon. Prime Minister and his Government are committed to an amicable settlement, why are they passing law to be used as a form of duress to compel people to agree?

Hon. P. Manning: Madam Speaker, the time is appropriate for me to treat with the particular issue that is being raised by the Member for Couva South. What the Member is suggesting is that there are provisions in the legislation before the Parliament this afternoon that act as a coercive mechanism to subvert the arrangement whereby trade unions have the authority to negotiate on behalf of their workers.

The point was made less eloquently, of course, by the hon. Member for Naparima; and it is a point which was not lost on us. I was about to say that if it had been made by the Member for Tobago East I would have understood that; but then he, too, is a lawyer. Also, I was about to say that I did not expect it from the Member for Couva South because he is a lawyer; but it was made by him, too. It also was made by the Member for Naparima—three lawyers. Here it is that a non-lawyer—

Hon. Member: Bush lawyers!

Hon. P. Manning: No, Madam Speaker. If these three Gentlemen—who demonstrate the fact that they are sadly in need of legal advice—wish to have legal advice, I am always prepared to make it available. The fact of the matter is that there is nothing in the legislation to subvert that process. It is not possible under the legislation, or indeed under any other legislation in the country, that an individual who is a member of a particular bargaining unit can, by stepping out of the trade union of which he may be a part, go and negotiate with the employer some arrangement that is subversive of the interest of the wider membership of that bargaining unit. If the Members for Couva South, Naparima or Tobago East should wish to take issue with this, I am quite prepared to accommodate them at this stage.

Mr. B. Panday: There is nothing to prevent a man—

Hon. P. Manning: No, he cannot negotiate by himself. I shall come back to my Friend the Member for Tobago East. He believes that he has escaped, but he has not.

Let me deal with the point made by the hon. Member for Naparima in terms of the approach that was being used by the public sector unions to the extent that the umbrella organization, NATUC, was a part and parcel of the negotiation. It is an arrangement of convenience. In the law which establishes the arrangements by which negotiations take place between employer and employee, it recognizes that the employee has a right to have a representative organizing body, a trade union. It does not recognize an umbrella organization.

In other words, even if NATUC was involved in the negotiations and NATUC was negotiating on behalf of all the public sector unions, two things would emerge. Firstly, NATUC would have had no authority to sign any agreement on behalf of any of the workers because NATUC has no complexion in the legislative arrangements which establish the collective bargaining process in the country. Secondly, it in no way prejudices the right of the trade union which represents any one of the bargaining units to come to an appropriate understanding with the employer. That is what happened. All of a sudden they are curiously silent, Madam Speaker.

Mr. B. Panday: No, no, we would respond.

Hon. P. Manning: It is regrettable that the hon. Member for Tobago West chooses to leave at this point.

Mr. Robinson: She is coming back.

Hon. P. Manning: If the representatives of the teachers who are authorized to negotiate on their behalf, in conducting those negotiations, came to the conclusion that the package, that was placed on the table after appropriate negotiations, was the correct package for the persons whom they had the honour to represent, then they had the responsibility to come to an agreement with the employer. That is what the teachers' union did. Whether NATUC was involved in the negotiations or not, it in no way prejudiced the right of the Trinidad and Tobago Unified Teachers' Association to come to an agreement with the employer. That is what it is. It is judgmental.

Mr. B. Panday: Has NUGE agreed?

3.35 p.m.

Mr. P. Manning: It is judgmental, Madam Speaker. In due course NUGE, I am sure, will come to some agreement with the employer.

Mr. Maharaj: Why pass the legislation if they have not agreed? Why not wait if they have not agreed?

Mr. P. Manning: Madam Speaker, TTUTA have come to an agreement with the Government—the employer—in respect of the arrangements. They have come to an agreement and the Government has brought legislation to the Parliament that will enable us to satisfy our side of the agreement.

Hon Members opposite are asking the question why it is that we have legislation at all.

Mr. Palackdharrysingh: True.

Hon. P. Manning: I am saying that the legislation is enabling. There are some aspects of the agreement, in particular, the tax free nature of the bonds that are involved, which require legislation; and that is the main reason why legislation is here.

It was the Government's view that rather than come to the Parliament every time that a different bargaining unit comes to an agreement, what you do is put the legislation in place; and to the extent that it becomes necessary to invoke the legislation in satisfaction of any arrangement arrived at between the Government and any section of its employees out of the collective bargaining process, it would shorten the time required to do that as the legislation that is before us today would already have been passed.

Mr. Robinson: Does the hon. Prime Minister anticipate different agreements with different units of the bargaining process?

Hon. P. Manning: Madam Speaker, whether the agreements are the same or different, it makes no difference. What the legislation is doing is dealing essentially with the tax-free nature of the bonds.

Hon. Members: No.

Hon. P. Manning: Essentially that is what it does. It does other things, but even so, Madam Speaker—

Mr. Robinson: Will he answer the question?

Hon. P. Manning: Nothing that is before this Parliament prejudices the position of any of the unions. If it is that different unions and the employers, out of the collective bargaining process, come to different arrangements, that is entirely their right. It is possible, it probably is likely, but the matter need not detain us.

So I am saying, we have brought the legislation to Parliament today—

Mr. Maharaj: Will the hon. Prime Minister give way?

Hon. P. Manning: Madam Speaker, you know what the strategy is—the strategy is to throw me off course.

Mr. Maharaj: It is not possible to be thrown off so easily

Mr. B. Panday: Old horses like us cannot be thrown off course.

Mr. Maharaj: Will the hon. Prime Minister state whether his Government—having regard to what he has said—would agree to limit these measures to TTUTA agreements—

Hon. P. Manning: No.

Mr. Maharaj:—and for mechanisms to be placed in the Bill for any further agreements to come by ordinary motion to the Parliament?

Hon. P. Manning: No! No! The answer, is no; and the reason for that is this. In the way the negotiations have been proceeding the principle of bonds has already been accepted by all the unions that are involved in the process. Therefore, as we tend to fine-tune the details, the basic principle of a tax-free bond which is the basis of the legislation before us today, has already been accepted by all the unions that are negotiating; and therefore the legislation before the House is properly here in anticipation of the settlement.

Mr. Bereaux: It is simple!

Mr. Maharaj: Read it again.

Hon. P. Manning: Madam Speaker, what is the genesis of this legislation? I want to remind hon. Members that in 1986 the PNM lost an election and at the time actions were taken that have led to the introduction of this Bill in Parliament today. Some of my colleagues and I here occupied the benches of the Opposition. We had no part in it; and, in fact, when the action was taken, we objected strenuously to it.

The Government had been in office for less than two months and a budget presentation for 1987 was made by the hon. Minister of Finance who at the time was the hon. Prime Minister, my good friend the Member for Tobago East. I do not know why he is so silent this afternoon; I should like him to participate in the debate. [*Interruption*]

Mr. Maharaj: He knows you want to control freedom of expression; he may not be able to talk—

Hon. P. Manning: No, no, he can talk in Parliament. He has my permission to do that. [*Laughter*]

In the budget for 1987, the Government unilaterally, illegally and unconstitutionally took away from its employees their cost of living arrangement that had been arrived at on the basis of negotiations between employer and employee. If anything is subversive of the collective bargaining process and the trade union movement in the country, it was that action. But you know, not a word from the Member for Couva North.

Mr. B. Panday: In 1988 I was gone!

Hon. P. Manning: In 1987—you did not go yet, you were there.

Mr. Maharaj: You made too much noise around the Red House, you could not say anything.

Hon. P. Manning: Madam Speaker, if he wants to talk now I would give him time to speak, because you see—and we will record it in the *Hansard* as speaking "in arrears." Because he had a chance to speak in 1987 and we were struck by silence. The hon. Member for Naparima also had a chance to speak in 1987 but is choosing now to speak. It was silence on all sides. [*Interruption*] Princes Town too?

Madam Speaker, my hon. Friend the Member for Caroni Central, who seems very unhappy these days since certain events of a week ago—I do not know why.

Mr. B. Panday: The size of the convention shocked him.

Hon. P. Manning: I understand. It was too big by one. I do not wish to cause him any further discomfort, but I think I have the responsibility to say to the Parliament and the country that in 1987 when the Government, headed by the hon. Member for Tobago East, took that unilateral, illegal and unconstitutional action, the Member for Caroni Central was curiously silent. Indeed, they were colleagues with the Member for Tobago East—he, the hon. Member for Couva North and, indeed, the hon. Member for St. Augustine who, again, has remained silent today—were part and parcel of the decision; and that is the fact.

Mr. Robinson: The hon. Prime Minister is saying that the government took unconstitutional action. Will he cite the decision of the court on that issue?

Hon. P. Manning: That is besides the point. There was no court decision. At least the trade unions at that time did not realize the type of Government. Later, when they tried that, something happened, but we are coming to that—

Mr. Robinson: I object to the statement made by the Prime Minister. He should know better than that—

Mr. Humphrey: Why does he want to abolish—

Hon. P. Manning: Madam Speaker, it is the right of the hon. Member for Tobago East to object. It is the responsibility and the right of the Member for San Fernando East to express his opinion, and I have done just that.

Madam Speaker, you thought it was COLA alone. Not COLA alone. The hon. Member for Naparima in making his contribution just now talked about a divergence of view in the quantum of the outstanding liabilities; and whereas we were talking about \$2 billion, he raised the possibility of the liability being \$4.4 billion! The difference is a divergence of view on the absolute quantum of the merit increases. How did merit increases come into this? Because when the Government of the Member for Tobago East acted unilaterally, illegally and unconstitutionally in 1987, it was not just COLA, it was merit increases also.

Mr. Robinson: If the Prime Minister continues in this vein, he would have it in similar vein in the future!

Mr. Maharaj: He might abolish constitutional motions.

Hon. P. Manning: Madam Speaker, when the Member for Tobago East was taking that kind of action, I did not see that he was getting hot under the collar; why is it necessary to get hot under the collar now when we are seeking to correct the mischief of which he was the instigator?

Miss Nicholson: It was not his fault; you left no money to pay them. The mischief was done by you, having workers sent home.

Mr. Palackdharrysingh: The mischief was with the PNM. How many workers did you send home?

3.45 p.m.

Hon. P. Manning: It was cost of living allowances and it was merit increases. How exactly do you determine the quantum of merit increases? Because, you see, for somebody to qualify for that increase, the merit had to be determined. In other words, it was not an automatic figure, but one that would

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have been arrived at after an assessment of the performance of the individual public servant on an annual basis. Following that assessment, if it is that the public servant involved—and the reports are confidential, incidentally—met the basic requirement, then a decision also had to be taken on the quantum of the merit increases that would have been arrived at.

Because of the nature of the system involved and the particular benefit under reference, it just was not possible to determine the exact quantum of that figure. It is in those circumstances and in circumstances where the financial position of the country just did not allow it, that the negotiators on the side of the Government proposed to the representatives of the workers that we buy out that particular benefit for a particular figure. We started off at \$100 million and ended at \$150 million. That is what we had put on the table. It was not possible to quantify it.

In treating with the matter in this way, I am sure it is patently clear to you, Madam Speaker, and it will be patently clear to hon. Members on both sides of the Parliament and the national community, that there was no subterfuge; there was no underhand treatment. It was all put on the table and the basis for it was explained. Negotiations proceeded as between employer and representative of the employee in arriving at an amicable settlement consistent with the commitment that was given by the PNM in our manifesto of 1991 when we sought the franchise of the people of Trinidad and Tobago.

I take it that it is now clear that if the allegation of a desire to subvert the collective bargaining process has to be laid at any doorstep, then it cannot be the doorstep of the political party or the Government that is seeking to rectify the mischief. But it seems to me that it would be more appropriate to lay that allegation at the doorstep of the government and party that was responsible for it in the first place. It was not we.

I should have thought that that would have been the end of the matter. Two years later, in 1989, the very government—by that time the Gentlemen had gone their separate ways—

Hon. Member: Unceremoniously.

Hon. P. Manning: There was some ceremony about it. The hon. Member for Naparima, the hon. Member for Couva North and my good friend the Member for St. Augustine—forgive if I omitted to include my good friend the Member for Caroni Central; I want to assure him that I meant no discourtesy. He was a part of the Parliament. By 1989 when further actions were taken they had gone their separate ways, and then it was a horse of a different colour.

Because in 1989, the Government, headed by the then Member for Tobago East, who at the time was also the Minister of Finance, in presenting the budget for 1989—I think it was presented in 1988, towards the end of the year—continued the practice that they had started in 1987 by dipping their hands deep into the pockets of their employees unilaterally, illegally and unconstitutionally—that is what they did—and taking away 10 per cent of the salaries of those workers—unilateral, unconstitutional and illegal; they took it away.

Then by that time the trade union movement had a better feel for the Government with which it was dealing and decided that it would not take it lying down this time; they were going to court. Did it come before you, Madam Speaker? Perhaps, not. When the matter was already before the court, the Government, headed by my good Friend the Member for Tobago East, who will have us believe that he is firmly on the side of the worker, introduced into Parliament, at a time when they had a special majority, legislation that would give retroactive legitimacy to actions that were illegal, improper and unconstitutional.

That is what they did. I sat in the Parliament in amazement and I refer my good Friend the Member for Couva South to the contributions of Members of this side in that debate. He would find it very instructive indeed. In fact, I want to refer him to the contribution of his own leader at that time. It was a gem; very different from his contribution two years before, which is a contribution that is not recorded in *Hansard*—

Mr. Robinson: Madam Speaker, it is the practice in a parliament that when one is making this kind of allegation, one quotes from *Hansard*. One substantiates the statements that one is making from *Hansard*, otherwise there are going to be allegations all over the place. Bring the *Hansard* and quote from it.

Madam Speaker: The Member for San Fernando East said that the Member for Couva North had indeed made a contribution which he described as a gem. What is the problem?

Mr. Robinson: The Member is talking about retroactive legislation as being unconstitutional and illegal. Let him substantiate and support what he is saying. This is the point I am making. He can make numerous allegations, but substantiate what he is saying.

Hon. P. Manning: Madam Speaker, if it is that the hon. Member for Tobago East is taking issue with my assertion that it was illegal and unconstitutional, perhaps he would like to tell this honourable House why, in the face of the matter being taken before the court, the government that he headed and of which he was

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an integral part, took the opportunity to introduce legislation in Parliament that it passed in the context of the special majority that it had.

Mr. Robinson: Madam Speaker, clearly the Member for San Fernando East does not understand what he is talking about. That is why I tell him bring the reference and I would explain to him what happened. He does not understand.

Hon. P. Manning: Madam Speaker, there is yet time for my good Friend the Member for Tobago East to explain, and I hope he would, because he is in a unique position to do so. I could not understand—nor my colleagues on this side at that time—why the government with a special majority in Parliament would have wanted to repeat the offence of 1987 by unilaterally acting against the workers. There was no discussion, no negotiation.

Do you know what they are going to tell you, Madam Speaker? The supposed consultation that took place—they called a meeting which was clearly, hastily brought together after the budget had been written and after they had decided what they would do. It was less than half an hour. *[Interruption]*

Madam Speaker, I want to invite my Friend the Member for Tobago East to be a little more circumspect in the Parliament. For somebody who was a prime minister, I am sure he could do better than that.

Mr. Robinson: He is not behaving like anybody.

Hon. P. Manning: Whether the hon. Member for Tobago East likes it or not, the question has to be answered: Why was it that his government saw it fit to introduce legislation in the Parliament in face of the matter being before a court of law? It was most unusual to do so.

3.55 p.m.

I would ask another question, because I suspect that what we would hear from Members on the other side—that is, either the Member for Tobago East or the Member for Tobago West, for the purpose of this debate—

Miss Nicholson: Why are you interfering with us?

Hon. P. Manning: Because I want both of you in the debate. I suspect that what we would hear from either of them or both of them, is that they intended to give it back.

Miss Nicholson: Certainly! Certainly!

Mr. Narine: The Member for Tobago West said no.

Hon. P. Manning: He said no.

Mr. Robinson: What you stole you never gave back!

Hon P. Manning: There he goes again, Madam Speaker.

Mr. Robinson: Wide spread corruption, waste, mismanagement, thievery. That is what.

Madam Speaker: During the course of the debate, I am sure the Member for Tobago East would have his opportunity to respond. Members are expressing their views and the Member for Tobago East would have all the opportunity in the world to respond.

Mr. Robinson: They behave worse when I am speaking.

Madam Speaker: The Member for Tobago East has a very wide vocabulary. I am sure he would answer in fine style.

Continue, please, Member for San Fernando East.

Mr. Robinson: I would not waste it on him, Madam Speaker.

Hon. P. Manning: Madam Speaker, if it is that my good Friend the Member for Tobago East is experiencing any discomfort, there are remedies which I have available to me and can recommend to him any time he is ready.

Before I do that, the Member must tell us whether it was the intention of his government to restore to the public servants the 10 per cent that they took away by way of legislation, after they saw that the attempt to do it otherwise got embroiled in the courts of law in circumstances where their judgment, surely, would have told them that they were in no proper position to win in that particular litigation.

If it is that they intended to give it back, I would like to ask the hon. Member for Tobago East: Why is it that that particular fact was not included in the legislation at the time? The way the legislation was advanced to the Parliament made it absolutely clear that the government's determination was to take away 10 per cent of the salaries of members of the public service for all time. It was very clear.

When this Government introduced the Public Sector (Arrears of Emoluments) Bill 1995 in the Parliament today, we did so against the background of the actions that had been taken at a time when the responsibility was not ours. It is true that times were difficult, and I am prepared to concede that. True, the times were difficult.

Miss Nicholson: Are times difficult now?

Hon. P. Manning: The times were difficult! They still are! True, the government of the day made an attempt to come to terms with the fiscal situation, but at least I should have expected that since that government was headed by a legal practitioner as eminent as the Member for Tobago East, that they would have operated in a manner that was in accordance with the law: that, they would have done so in a way that did not subvert the collective bargaining process; that they would have done so in such a way that would not have undermined the trade union movement in Trinidad and Tobago.

That is why, as I rose to make a brief contribution on this legislation, I congratulated the Minister of Finance and all the other Ministers who were participants in this, and, indeed, the Cabinet—because it was a Cabinet decision that this legislation should come here—for seeking, not only to correct a problem, but also to ensure that the workers in the public sector were given their just due.

Thank you, Madam Speaker.

Mr. Basdeo Panday (Couva North): Madam Speaker, I rise to respond to the hon. Prime Minister. He has spent much time on the genesis of this problem. I do not propose to do so at all, because when one comes to speak of genesis, the problem was that there was a public service and there was declining revenue. There was a public service which was a bloated, inflated one and the emoluments due to the public service could not be met because of its size.

The genesis of that problem could go back—

Mr. Manning: Madam Speaker, does that give one licence to break the law?

Mr. B. Panday: No, what I am saying is that if one wants to talk about the genesis one cannot talk about it from 1988, 1987 or 1986. One must go back to the genesis, for example, when there was \$60 billion in a period of 10 years, between 1973 and 1983, from oil windfall which was squandered, pilfered, wasted by management and profligacy. That is the genesis.

When there was an enormous windfall from oil it was thrown away by the government of the day employing people on the basis of patronage. Where there was no work for them to do, they were just hired, which padded and bloated the public service and the emoluments could not be met. One government decided that it was going to cut the wages and keep on the workers and the other decided to restore the wages and send home the workers.

Thousands of workers have been sent home and that is how this Government is correcting the problem.

Mr. Robinson: They are selling out the state enterprises and taxing the people!

Mr. B. Panday: And you want me to get into the issue about the genesis of this matter?

Mr. Maharaj: That is not important.

Mr. B. Panday: I do not want to get into the issue of the of genesis of this matter. The fact is that we are faced with it! As we are faced with it, we must deal with it.

Now, in dealing with the problem, the Government brings a bill, and that is what I would really like to speak about. I congratulate the hon. Prime Minister. I think he was at his scintillating best this afternoon. I do not know why.

Mr. Manning: Madam Speaker, I just want to remind the hon. Member for Couva North of a phrase that is well known, *timeo Danaos et donna ferrentes*, I fear the Greeks even when they bring gifts.

Mr. Maharaj: I fear the Greeks all the time.

Mr. B. Panday: Madam Speaker, I fear the PNM all the time, whether they bring gifts or not.

The thing about this piece of legislation that frightens me—and I would like my colleagues to really answer, without getting into who is to blame and so forth, is the infringement of the rights of workers in their relationship with their employers. For example, this Bill seems to say that having issued the bonds, where the recognized union agrees, the worker would be paid in bonds. So, the worker has no choice in the matter where the recognized union agrees. *[Interruption]* Yes, I am right.

If I am wrong, please do not let me go on a wrong assumption. *[Interruption]* I am just talking about the law, we would talk about whom the union represents later on.

4.05 p.m.

The Bill states that if the recognized union within a bargaining unit agrees with the Government to the payment of arrears in bonds, then the individual worker has no say in the matter. That is it. We agree on that. That arose because

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of a clause in the Industrial Stabilization Act and which was repeated in the Industrial Relations Act. If you look at the genesis, if I may use that word again, of that clause, you will see that the object of that clause was to create rationality in the collective bargaining process.

That is to say, there were two or three unions jostling for the same workers in a given enterprise and each wanted to negotiate on behalf of its little clique of workers so that the Industrial Relations Act created something called a bargaining unit.

By a process of voting and whatever, the workers would choose one union with 51 per cent to represent them, but would represent them for the purpose of conducting negotiations for terms and conditions of work. That is the subtle difference to which I am referring. To work out terms and conditions of work; whether you get holidays with pay; whether you would get so much wages, whether you would get sick leave. And that is reasonable in the circumstances if there is chaos.

Once the worker has worked and the worker is owed accumulated wages the relationship between employer and employee is one of debtor and creditor. That is the difference. You now, as employer, owe me money and under the law, the worker, who is the creditor, can sue the debtor, the employer, for his wages. It has nothing to do with the collective bargaining process. The collective bargaining process was intended to go a distance and having gone the distance and I have worked for my money, that is my money; and having worked for my money, you owe me that money and I can go to court for it.

What the Government has done by a sleight of hand—I withdraw that. It has extended a principle to a law for which it was never intended. What it is doing here is telling the worker who has reached the position where he is owed wages, that he has no personal right to his wages. His wages, whether he gets or not will be determined by his union, the union that is the bargaining unit. That clause was never intended for a situation like this. That is what bothers me. It frightens me and that is why I got up to speak.

Let me tell you what happens to the union. A recognized union is a union—let me put it this way, not even 51 per cent, because when the Act came into being the unions which were recognized became the bargaining units under the Act. If there were no recognized unions, as you know, subsequently, there was the procedure by which the union with 51 per cent could be determined and that union became the recognized union. It means that 49 per cent of the workers may

not belong to the union at all, but by law, the union is their agent for negotiating up to a certain point. You are extending my point—

Mr. Valley: Madam Speaker, I find this is a very interesting point. For my own edification, if the Member is saying that, then the converse must also be true. He is then saying that an employee would have his individual choice to accept or to reject so that even a member, for example, a public servant who may wish to access the bonds may be able to access even if his union were to say no. That is the logic of the argument which obviously to my mind seems untenable.

Mr. B. Panday: That is the point I am making. Once you owe me the wages, you negotiate for me—that is industrial relations—and there is an agreement which is signed. I now have wages to collect, and once I have wages to collect, those are my wages. I may accept the value of them in kind. I may tell my worker, "Look, I cannot pay you this month or I owe you in wages \$3,000. The only thing I have is an extra computer. Would you agree to take this computer in lieu of the \$3,000 wage?" And my worker says yes. It is yes, because a point has been reached where the personal relationship between the employer and employee is now resumed. It used to exist before. We suspended it for a period; that is, for collective bargaining until an agreement is settled.

Mr. Manning: I thank the hon. Member for Couva North for giving way. Is that an argument to which the hon. Member subscribes?

Mr. B. Panday: You must tell me which argument. Is it the personal argument? I subscribe to that. The negotiating argument, I also subscribe to that, that the union would negotiate until an agreement is arrived at. The agreement been having arrived at, a new relationship now ensues or the old relationship is resumed in that there is a personal relationship of my employer to pay me and I am entitled to go to my employer and say, "I will take something else for the wages, I will take a motor car, I will take a bicycle."

That is where they are now extending the law, where they are taking away that right of the worker to a point where it is unconstitutional. A union that is recognized for the purposes of the Industrial Relations Act may represent 51 per cent of the workers. That is, 49 per cent of the workers do not have a right to say how they will accept their wages. As it happens over time, there are recognized unions that represent less than 20 to 30 per cent of the workers, so that they are now extending a principle which is intended for something else into a new situation—and that is why I rise to speak. I am worried about that position. Is it possible for Government to make provisions that, in the event a worker does not

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want bonds, he would be paid in cash? Or that he may not be even paid in cash—he may be paid in a manner in which he agrees?

Mr. Manning: In short, is the Member saying that he will be free to negotiate his own arrangement?

Mr. B. Panday: For payment of his wage, not for determination of his wage, and we must distinguish between the determination of his wage and the payment of his wage. It is his personal debt.

Mr. Manning. He could agree to take 10 cents in the dollar?

Mr. B. Panday: Yes, he could agree to take 10 cents in the dollar if he wishes. That is the point I am making. He is a free agent when it comes to receiving his wages. As a matter of fact, do you know he can tell them, "I take my groceries at 'X' grocery store on credit, when I get my pay would you pay them for me?" He is actually making a personal arrangement with respect to the disbursement of his income. I am saying you cannot take away that right. If you do that, you are extending the principle a little too far, so that the union that is negotiating to accept the bonds, maybe, does not represent 80 per cent of the workers. That is quite a possibility.

4.15 p.m.

The other point is where a union makes such an agreement a worker is forced to accept the bonds. That is going to be the situation no matter what we do. This law is going to compel a worker against his personal will. [*Interruption*] It must! I should love this to be a debate because if I am wrong I want to be corrected. I do not wish to continue in a wrong vein.

Mr. Valley: Madam Speaker, the purpose of the legislation is simply to enable the Government to issue bonds on a tax free basis to persons with the union.

Mr. B. Panday: Pursuant to an agreement with the recognized bargaining agent which is the union, the worker will be forced against his will to accept the bonds in lieu of his wages.

Mr. Ramrekersingh: I just want two clarifications from the Member for Couva North. That is a very interesting point he is pursuing. I do not necessarily accept his argument about the relationship changing to a creditor and so on. Two questions arise. The first is, if we do not do it through the unions, how would we deal with approximately 100,000 persons? What mechanisms will he suggest?

Secondly, bonds are only one part of an overall package. There is a form and employees may indicate if they wish to have bonds or not. There are other areas through which they could seek to satisfy the debt. There is no force.

Mr. B. Panday: There is force because if he says that he does not want the bonds and those off sets that the Government talks about, and he does not owe NHA any money, the Government's answer is that he gets nothing. The answer is that he would be denied his arrears. What does the Minister mean by "there is no force?"

Mr. Ramrekersingh: At that rate we can go on and on with a larger and larger basket of things. I really think that if the Member for Couva North wishes to pursue that point about individual relationship, he needs to tell us what mechanisms he would use.

Mr. B. Panday: That is a frightening approach of the PNM. The approach is that if they do not have a mechanism to deal with something abolish it. The courts are clogged? Take away the rights to go to the courts by way of motion. People are abusing bail. Take away all bail. That is a frightening concept. Because of their incapacity to manage they change the law. They could not control music in the maxi taxis, so ban all music. It is a good thing and God bless this country that this Opposition is here. We stood up and fought for radio. Is it working well? It is working beautifully.

What was the Government's concept? If the Government goes on like this it would ban everything. I am not denying the hon. Member for St. Joseph that it would be difficult, but with imagination and good advice from persons with managerial skills, I am sure that he could find a way to deal with individuals who want their pay. Deal with individuals who want their pay.

The second point I wish to raise in this matter is that once you force people to accept bonds which will mature in the future, the pressure upon them to live is so intense that what one would find is that they would discount those bonds sometimes for half or less than half their value. Somebody with money would make a killing. That bothers me because people cannot feed their children; they have not had wage increases and prices are rising because the Government cannot control them.

All kinds of things are happening; people are finding it more and more difficult to live and the Government gives them something in their hands which is called a bond. This bond is not money. It does not mature until two years. If a person has bonds worth \$10,000, and someone offers him \$5,000 for that, he

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would give it away because that person would have more money than he to exploit him. Is that a concern of ours, or not? I would feel, myself, that if I were part of the Government, I would have a responsibility to protect the workers.

As I say, the Bill is very oppressive. I am not getting into the problems with unions. I am not touching that. What I can say is that this Bill would force unions that did not agree to agree now. Mark my words! They would be forced to agree because of the pressure of workers and their rapidly falling standard of living. Their wages would not be increasing; prices would be rising; their standard of living would be falling and because of that increasing pressure, I believe the workers are going to think again and agree to take the \$10,000 bond. The next day they would sell it for \$5,000, because other than that, they would get nothing. I fear that too. I believe that a government should have a responsibility to protect the workers.

These are some of the points I thought I would raise. I plead ignorance and if I have made any mistakes or said things that were incorrect, I would stand to be corrected.

Thank you.

The Minister of Education (Hon. Augustus Ramrekeringh): Madam Speaker, I want to deal largely with the points raised by the Members for Naparima and Couva North. Some of them have been addressed by the Member for San Fernando East.

Let me start by correcting an impression that may be given about persons being forced to accept bonds. As one of the persons who were involved in the discussion from the beginning, I can say that it is generally agreed among all the unions and the Government that there could not be a full cash settlement. The idea of bonds has been accepted, if not in full payment by some, at least in partial payment.

In fact, the dispute is that the remaining unions are relatively minor, in that they recognize the principle that a lot of the debt would have to be liquidated through bonds. With PSA for example, it is the question of the increments and those who may have retired from the service. Those are some ticklish points. Nobody is being forced to take bonds. It is an idea that has been accepted on the basis of discussion.

4.25 p.m.

I want to go to the beginning. Having listened to the Member for Naparima, I was really amazed when he seemed to assign rather ulterior motives to this piece

of legislation. The legislation is not merely to accommodate the fact that there is agreement with a single union.

If anyone has been following the debate, he would see, as I said, the general acceptance of the principle of bonds to satisfy at least some. Agreement is not all that far away, so we are simply putting in place a mechanism where a particular kind of bond can be issued. Hopefully, as we have agreement with other unions—and nobody is forcing anybody—that part of the debt which can be liquidated through bonds, will be expeditiously handled.

In fact, I should like to make this point. I was extremely concerned with certain insinuations which the Member for Naparima made about a particular trade union, giving the impression that it had bolted and made a deal. In fact, even the word “sell-out” was used. If we wish to doubt that that word was used, I suggest that we consult the *Hansard* of around 2.50 or 2.51 p.m. I am not inventing it.

I think that is an attack on the leadership and membership of the union. In the first place, when that agreement was reached, the representatives of the various public service unions were in the room, proposals were put and the particular union said that it was prepared to accept that position. To introduce the concept of NATUC, is to confuse it. As the hon. Prime Minister said, NATUC does not have bargaining status. NATUC is an umbrella organization. As the attorneys would say in a negotiating situation, NATUC does not have *locus standi*.

We felt that the issue was much bigger than mere bargaining, and mere industrial relations. We had overall discussions with the trade union movement and NATUC, being the umbrella body, was there. It is out of the early discussions, that positions and possibilities began to emerge, and, indeed, it is not the Government Ministers who negotiated. The negotiators for the Government, by law, are those people in the Chief Personnel Officer’s Department, so the negotiations were carried out there. It was an attempt to wrestle with a problem in an open forum and then, on the basis of the meeting of minds, to attempt to negotiate a solution. So the NATUC thing is a red herring.

I come back to the point where I must express my concern that simply because a particular union agreed, we have to malign them and accuse them of “selling out” and so forth.

I want to say something here. On March 31, today, we at the Ministry of Education were supposed to deliver certain forms to that union related to this settlement. Circumstances beyond our control prevented us from keeping today’s

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deadline. We have an extension to April 6. My information is that the general council of that Union met last night and took a decision which is not favourable to us. I respect the union for it. They have a right to be annoyed because a commitment was given and it was not kept, albeit for reasons beyond the control of the individual ministry.

I do have a difficulty and I hope that the hon. Member does not really mean that the union sold out, and attempt to impugn the integrity of people.

Mr. S. Panday: I do not really mean that. What I really mean is that the Minister outsmarted them.

Hon. A. Ramrekersingh: It makes it even worse. The Member is attributing a certain level of intelligence to the association and I can assure him that they have much more intelligence than that.

4.30 p.m.: *Sitting suspended.*

5.05 p.m.: *Sitting resumed.*

Hon. A. Ramrekersingh: Madam Speaker, when we took the adjournment for tea, I was making the point that there are really no ulterior motives for the introduction of this piece of legislation. It is merely in pursuit of implementing an agreement that has been arrived at with one union. In the case of the other unions, there is the agreement that at least part of the arrears can be settled in bonds. We are merely putting the mechanisms in place, so that when final agreement is reached, we can expedite the disbursement of the arrears.

I want to refer to the case of Bernadette Hood-Caesar. She was a public servant who challenged the withdrawal of the cost of living allowance and the merit increases. I am referring to High Court Judgment 3015 of 1987. I go to the end of that judgment, but perhaps I should preface it by saying (and I read from page 40 of the judgment):

"I hold, therefore, that the Applicant is entitled to the first and second declarations sought."

The first and second declarations sought are outlined on page 2 of the judgment. I take the opportunity to read it into the record.

"(a) A Declaration that the right of the Applicant to the enjoyment of property and not to be deprived thereof except by due process of law which is guaranteed by Section 4 (a) of the Constitution of the Republic of Trinidad and Tobago has been contravened and is likely to be further contravened by the Respondent in relation to the Applicant.

- (b) A Declaration that Legal Notice No. 14 of 1987 is in contravention of the Applicant's right to the enjoyment of property and not to be deprived thereof except by due process of law which is guaranteed by Section 4 (a) of the said constitution, and is unconstitutional, null and void and of no effect."

Madam Speaker, (a) and (b) are the grounds to which I was referring when I read part of the judgment in which His Honour, Justice Mustapha Ibrahim ruled.

"I hold, therefore, that the applicant is entitled to the first and second declarations sought."

I want to refer to another part of the judgment on page 40, which raises the question of bonds. Justice Ibrahim continued:

"I wish to add just one final thought. It seems to me that the questions raised in this motion can be settled by consultation and negotiation between the Chief Personnel Officer and the Association.

I will take unto myself the privilege of making a suggestion as to how this may be resolved. One of the most convenient ways so to do is, perhaps, an issue of transferable bonds by the Government to cover the past period at a rate of possibly one or two percentage points above the usual National Savings Bonds rate of interest to enable it to be an attractive negotiable security. There are other ways, of course, but I will not burden this judgment unduly with matters of that nature."

It referred to the first two declarations which were upheld by Justice Ibrahim. I went on to quote where the judge said, "It seems to me", I am not saying he is an expert on these matters; he was simply venturing a suggestion as to how the matter could be resolved: that appropriate negotiations take place between the Chief Personnel Officer and the Association.

Justice Ibrahim referred to the Association because the person before him, who had sought the order, was a member of the Public Services Association. But I venture to suggest that we could take it wider and say, "the associations involved", because there were many other associations and unions.

The judge, himself, raised the possibility of issuing bonds that were attractive to settle the matter. So that when we come here and seek to make provision for the arrears to be settled, among other ways, through the use of bonds, there is nothing ulterior.

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It is also important to note that the judge made the point that the matter could be settled by discussion between the notional employer in the public service, the Chief Personnel Officer and the Association: That the unions and the Chief Personnel Officer could sit and try to resolve the matter. This is why I have a difficulty with the approach suggested by the hon. Leader of the Opposition, the Member for Couva North.

I do not want to go into the merits of the argument at this point, about whether it ceased to be a relationship between the employer and the employed, and it became a relationship of creditor and debtor. We were dealing with about 100,000 persons. How does one conduct negotiations with 100,000 persons? The traditional way is to conduct the negotiations with the authorised bargaining agents, and this is what we did.

I want to suggest that it was not merely a question of negotiating with the specific unions. Because of the nature of the matter the National Trade Union Centre was brought into it so that we could have a real discussion, and on the basis of that, arrive at a position that all of us could live with.

5.15 p.m.

I wish to re-emphasize that while a complete agreement has been reached with the Trinidad and Tobago Unified Teachers' Association, a certain measure of agreement has been reached with the other unions and associations. Among the measures suggested and agreed on for the disbursement of the arrears are measures such as special compensatory time. Indeed, members of the public service and the teaching service have been given compensatory time off. It has not always been possible to agree to the requests.

For example, in the teaching service it is not easy but we have been able to accommodate some persons where the principal certifies in writing that it is possible for a short period to make internal arrangements to prevent any shortage of teaching. In some schools, in May and June, because external examinations are taking place, the nature of the timetable facilitates certain people getting compensatory time off without any disruption.

The second measure is offsetting back taxes. The third measure is setting off the liability against the repayment of overpayments where those overpayments have been established and agreed on. Repayment of devaluation loans. Offsetting payments to the National Housing Authority. Offsetting of arrears and current payments to the Students' Revolving Loan Fund. These measures are already

being accessed by all the various union members. So that there is a certain measure of agreement.

Where are we? In the case of the Public Services Association, for example, they are putting forward the idea of some cash payment for officers affected who have since either departed this world or have retired. The Public Services Association also has a problem with the quantum of the increments. Those are two of the areas, but that does not prevent members from accessing the other measures. It does not negate the idea of the use of bonds. As I said, that principle has been accepted.

The hon. Member for Naparima talked about the quantum of the debt, that the Government was using the figure of \$2.2 billion whereas the Public Services Association was using the figure of \$4.4 billion. In our calculation, the debt consists of the arrears for cost of living allowance for the period January 1987 to February 1992. That involved a monthly sum of \$280.80.

As the Member for St. Ann's East pointed out, when this Government, in pursuance of its manifesto commitment, implemented the award of the Special Tribunal with effect from March 1, 1992, COLA was reintroduced at \$109, using the formula handed down by the Special Tribunal.

With the passage of time and the change in the index of retail prices, the cost of living allowance was supposed to go up in line with the formula agreed on. We were unable for some time, because of the financial situation, to action that. In October 1994, we took into account the arrears for March 1, 1994 to the end of 1994—the difference between what we were paying—\$109—and what was supposed to be paid over the period. So that the arrears in the first place consisted of arrears of cost of living allowance.

The other basic ingredient was the merit increases suspended as of January 1987 and which, as part of the agreement signed by the Trinidad and Tobago Unified Teachers' Association, will be reinstated from January 1, 1996. That comprised arrears.

As the Member for San Fernando East pointed out, it is extremely difficult to quantify that because increments are based on satisfactory confidential reports. What happened in the period subsequent to January 1987 is that in many instances people stopped filling in the confidential forms. So that there is no basis really on which to compute the increments. How can we determine in that situation the number of persons who would be entitled to increments? We arrived at a kind of

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ball park figure. The arrears did not include payments related to the 10 per cent cut which was announced in the 1989 budget. We must be fair.

Sometime in 1991 we reverted to the salaries as they were before the 10 per cent cut. We were advised that legally arrears were not involved because by an Act of Parliament salaries were deemed to be a certain amount. So that our calculations took that into account. It is not entirely accurate because of the difficulty of putting a real figure on the increments. In the negotiations we put forward a figure and we said we are prepared to make a lumpsum payment to the value of \$150 million which we feel is the best we can do to satisfy the arrears owed on the issue of merit increases. That accounts for the divergence of figures.

There are tremendous costs involved. When, for example, on March 1, 1992 COLA was restored and the Special Tribunal Award implemented, for 10 months of that year the cost was over \$420 million; then, every subsequent year one was dealing with \$500 million. That is much money. We felt that we had made a commitment and we should seek to carry out that commitment. People have argued that if we had not paid it, many other things could have been done with the money.

Obviously, that argument had to be considered but we felt that we had made a commitment and we needed to carry it out. When it comes to the final liquidation of the arrears, we really do not have the cash. Let us face it! There are many demands on the public purse, and a government has to make judgments; it has to establish priorities. As we sought to establish those priorities, we found that we had to develop some other mechanism besides cash to liquidate those arrears, and happily, the principle of bonds and some of the other, what we call, non-direct cash settlement mechanisms were agreed upon.

5.25 p.m.

When we look at the settlement accepted by one association and the general set of measures put forward, we find that they constitute a basket—many different mechanisms—and that affected persons could select those that were most appropriate to them. Someone might owe arrears of income tax and may be quite pleased to have that settled against the moneys owed, or similarly NHA. But the thing about those settlement measures, Madam Speaker, is that they assisted those who had not met, or were unable to meet, certain financial commitments, so you had to look for other measures; and this is why there is a wider range.

It is a fact, that during the period when public officers did not have their COLA and increments for a period and 10 per cent of their salary, many of them were in

tremendous difficulty. I know for a fact that some persons had to surrender their insurance policies which they had been paying for a long time. Some people actually lost their houses because they could not meet their mortgage payments. So it was important to really redress what had been done. In some cases we just could not. If a house was sold before our time we could not help in that situation.

I want to suggest that the very nature of the bonds makes them almost close to cash, without having the effect on the exchequer that straight cash would have—

Mr. B. Panday: If you lose the Lottery by one, you have still lost.

Mr. A. Ramrekersingh:—because besides carrying the tax credit, the bonds are tax free. If, for example, moneys had been disbursed in cash, taxes would have had to be paid—in some cases up to 38 per cent. These bonds are transferable and negotiable and an individual can use the bonds to suit his or her own circumstances. If, for example, you wanted to use the bonds as a savings, because you did not have immediate need for cash, you can do so and there is a short maturity period of two years, unlike the normal bonds.

If you are strapped for cash, you could negotiate the sale of the bonds. Obviously you are not going to get 100 per cent, but we assume that in disposing of the bonds, you would have some negotiating skills to try to get the best. The bonds can also be used as security so that, as we see, there is nothing ulterior. It is simply an attempt to put into place a set of mechanisms; and in the case of this legislation, a particular kind of bond, so that we can handle the arrears.

By and large, those are the comments I wish to make on this Bill. The fact that we have not completed agreements on every measure with the unions is a cause for concern, because we would like it settled, but all negotiations, take some time; and sometimes one may reach a point where one cannot go any further—there is no possible agreement. In that case, in normal collective bargaining the matter may be referred to the Ministry of Labour and subsequently, to the Industrial Court. In the case of the public service there is the Special Tribunal arrangement, but this does not really fall into that category.

I think, that while emotions might be a little high at this time among certain parties, there is no reason not to believe that with further discussion we cannot narrow those differences and in a reasonably short time arrive at a position where all the public sector unions and the State are agreed on all the mechanisms for settling that debt.

I think we must recognize—those of us who have experience in negotiations—that in the first place we do not always get all that we want. That is

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what negotiations are all about. What is important is that everyone feels that he or she is in a "win/win" situation which creates a degree of mutual satisfaction. I commend this Bill to the House and I want to repeat, because I think it bears repetition, that there is no ulterior motive.

The measures we have outlined here today have been arrived at after civilized discussions between the State and the various associations and that we have—and during the negotiations had—no intention of subverting the unions or the process of negotiations. In fact, in our handling of this matter we were following, to the letter, the position which we stated in the 1991 manifesto on page 53, which I will read into the record, as I end:

"The PNM will settle this issue by:

- paying public servants their correct salaries and thus stop the accumulation of arrears;
- entering into negotiations with the representative unions with a view to arriving at an amicable arrangement for the payment of the arrears, bearing in mind the general acceptance that the arrears cannot all be paid in cash at this time".

Madam Speaker, I commend this Bill to the House.

Miss Pamela Nicholson (*Tobago West*): Madam Speaker, after listening to the sanity of the Member for St. Joseph, it has compelled me to get up here this evening to say a few words on this Bill. [*Interruption*] Sanity, I said.

Mr. Humphrey: As compared to the insanity of the Prime Minister.

Miss P. Nicholson: Yes, as against the insanity of the Member for San Fernando East, who was here before.

5.35 p.m.

Madam Speaker, why I say this, is that the Member has taken his time to try to articulate the approach that was used by his Government to reach what they consider to be the solutions today. What I want to stress to the Members on the other side—which they are forgetting to articulate—is that the issues that confronted the National Alliance for Reconstruction were far more complex, far more difficult and sharper than the issues that confronted the People's National Movement. I say this against the background of the preparatory work that we did, the cleaning up that we did, while we were there. This was one of the difficulties that the then government faced.

Let me stress too that it was not a matter of lack of negotiations. You tend to get the impression coming out of the other side that there were no negotiations; that one did not talk to the associations; that one did not talk to the bargaining units; that one did not have meeting after meeting, explaining what the government met when it came into power. That is a wrong impression to give. It is not true.

When the government came into power, the Treasury, was empty. The recurrent expenditure of government at the time was between \$5 billion and \$6 billion. There was a situation, particularly in 1988 and 1989, where the personal emoluments, pensions and gratuities to the public service were over 60 per cent of the total expenditure. That is extremely high.

For example, in 1989, recurrent expenditure of government was estimated at \$5.1 billion; personal emoluments, pensions and gratuities, \$3.2 billion. That was some 62 per cent of the total expenditure. Goods and services, \$691.6 million. That was something like 13.6 per cent. Minor equipment, \$27.6 million, less than one per cent of the recurrent expenditure. Debt service, \$618 million, 12.1 per cent of recurrent expenditure. Transfers and subsidies, \$625.4 million or 12.2 per cent of the recurrent expenditure, and so on.

So there was a situation where basically almost all the recurrent expenditure was spent on paying the public service. Even though the workers were paid, there was no money to provide the goods, the services, the equipment for them to work with. A country cannot develop in that way. That was the problem.

In 1987, after explaining the situation to the institutions, and so on—it was a new difficult situation. It was the first time that the trade unions and the representatives of the workers were confronted with this kind of situation. There was about three options. What were they? Firstly, massive retrenchment, secondly, mass devaluation and thirdly, ten per cent cut in salary where you remain employed and as a country we struggle to bring the country out of the financial dilemma in which it was.

We set the tone, as representatives of the people, as Members of the Cabinet. I remember in 1987 we took five per cent less in our salaries. In 1988, the same. In 1989 when you had the reduction in respect of all public servants, it was the same thing as far as the Ministers were concerned. So it was a very difficult situation. There were very cordial meetings too, with the associations. As I said, it was very difficult, very complex; it was a sharp issue. It was the first time we were meeting that kind of situation, and therefore the associations had difficulty in coming to terms with taking the decision.

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The best option that one had was to keep the workers employed. So when the Member for St. Joseph spoke about negotiations and coming into a situation, we have set the platform for the PNM to be successful with that. That has to be recognized. When you listened to the Member for San Fernando East you got the impression that he was arguing that the situation was created in 1987. It was created before 1987. Because if there was money in the Treasury and proper management in the country, there would not have been a public service which was taking over 60 per cent in recurrent expenditure out of the expenditure estimates. That was the problem. But one could not throw thousands of people onto the streets, as is happening today and is accepted. The better situation was that the worker was kept on his job.

When that option was taken, although the NAR government had cut the public servants' pay by 10 per cent, the income taxes were also reduced to as low as 35 per cent at the highest rate, lower than what the PNM Government has instituted to date. So even though there was a 10 per cent cut, there were thousands of public servants whose take-home salary was maintained because of the cut in taxes. That was a fact.

Mr. Valley: Madam Speaker, just one small question if the Member would permit. Is the Member saying that the government at that time asked the public servants, by cutting their salary, to bear a burden, while giving the general population a cut in taxes? In other words, because one had captive employees, that they were somehow penalizing them while, at the same time giving a benefit to the rest of the population?

Miss Nicholson: Madam Speaker, we were not penalizing them. If we were penalizing them we would have sent home thousands of them immediately. We were assisting the public servants. So to give the impression that we did not negotiate, or discuss the matter in a serious way, or explain from day to day, is unfair. But that impression has been given here very strenuously this evening. It is very unfair and dishonest to do so.

5.45 p.m.

I agree that it is a difficult situation to resolve, but when they talk about it as only when there are "civilized" negotiations—I do not know if I understood my hon. Friend the Member for St. Joseph when he talked about "civilized" negotiations. Was he saying that the negotiations under the NAR were uncivilized?

Mr. Ramrekersingh: Madam Speaker, I was simply referring to a method of proceeding and I used the word "civilized." I do not know the details of what went on in the transactions between the public sector unions and the previous administration, but my understanding, based on what the unions said, is that the unions were not consulted on these matters.

Miss P. Nicholson: Madam Speaker, that is not true. I said it already and I do not have to repeat it again.

Again, there was case that the Member dealt with, where the Special Tribunal ordered the 2 per cent. That shifted the expenditure from 62 per cent to around 78 per cent of the recurrent expenditure; a totally untenable situation. One could not function. I am sure that the Ministers now facing the music recognize that they cannot function and run a country in that situation. After the 2 per cent was given it shifted from the 62 per cent to something like 75 to 78 per cent of the recurrent expenditure.

Certain actions had to be taken in order to resolve the situation. It is against that backdrop that the government functioned. I repeat, any government that went into that situation would have had to move in some direction, and there were options.

As the hon. Member for St. Joseph said, when you negotiate there comes a time when you must take a decision for the welfare of the country. If they were there, those would have been their options. We thought at the time that the best option was to keep the people employed and we all take a cut in our salaries, but we would still have something to take home to our families and to spend in the supermarkets.

Today, the same institution, the People's National Movement, that criminalized us and butchered our characters with terms such as vindictive, callous and wicked. Should it be considered callous, vindictive, wicked and hateful with what it is doing today, sending workers home in droves; by the thousands? With what money they have cannot face the music in the supermarkets. Food prices are going up and up. That is the situation that they have to face.

I noted in the contributions of the Member for St. Joseph and the Minister of Finance, they mentioned the financial difficulty when they are going to take decisions. I am sure that they have a much easier for them to make financial decisions than it was for the National Alliance for Reconstruction.

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The Member spoke about the right to property being taken away. [Interruption] The right to property is being taken away now—2,000 employees were sent home last year from PTSC and it was almost closed down. The country does not have public transport; only in the urbanized highly developed areas. Both in Tobago and in Trinidad.

In the farflung districts and rural areas, there is no public transport. In Tobago, it is only the south-western districts which have public transport and the people who do not have funds have to cope with that. Why is the Government not talking about that right being taken away? No passes for public transport for senior citizens. The public has to see senior citizens fainting in offices; people are protesting; even the workers of the Social Division are protesting.

I am sure it is a matter with which the Government is trying to experiment with a new system because it felt it would be easier and would cost the Government less and help it with the structural arrangements being made. That is why it took that decision. That is what the matter is all about.

When the Government talks about property rights being taken away, I am asking if property rights are not being taken away now when the IDC, TIDCO, PTSC, packed home and the dock, sent home employees.

Mr. Valley: Madam Speaker, I wonder whether the hon. Member would explain what property right is infringed if people are retrenched as we had to do in the case of the IDC?

Miss Nicholson: I did not hear the Member clearly?

Miss P. Nicholson: I am asking what property right is infringed on when workers from employment.

Miss P. Nicholson: Well, the Member talked about the entitlement to work and it is the same thing I am talking about—the entitlement to work. When it packed home all those people it was their entitlement to work that was interfered with.

Mr. Valley: Madam Speaker, we are talking about the entitlement to wages or income. Having worked no one can cut or take any part of that income. That is one's property. That is what we are talking about.

Miss P. Nicholson: Madam Speaker, I am talking about the same thing too.

This is a Government that cannot speak about rights or freedom of expression. People are being shut up by this Government. The right to freedom of the press

but Natalie Williams being told, " You cannot come to this meeting; only special people may come to this meeting."

5.55 p.m.

Madam Speaker: The Member is deviating from the Bill.

Miss P. Nicholson: No, Madam Speaker, I am linking, I am not straying. I am talking about rights, Madam Speaker.

Members opposite raised the issue therefore I am dealing with rights, the right to freedom. The Prime Minister gives news to special people; He ignores others, abolishing constitutional motions. I must congratulate the Member for Couva South. He was very impressive on Thursday night. He flogged everybody Thursday night.

This Government should not open its mouth about rights. We are seeing all the dictatorial authoritarian elements coming through. The divide-and-rule strategy was used to penetrate the unions so that when the Government got the teachers to agree then it could come with this document to the House.

Even though it is argued, it would be naive to say that the Government is not forcing the others to agree because of the impact it would have on the other workers. Do you know why I am commenting on it?

I can remember that the Member for San Fernando East, as I see how he is mashing up the union, silencing them. He said that the NAR came to silenced the unions. I do not want to hear anything about rights from the Government because it is taking away all the rights of the people in this country. A young dictatorial group, and if we do not watch it we would not be able to open our mouths—CIA in Government's own way, to tap our lines.

Madam Speaker are you with me or not?

Madam Speaker: I think the Member is aware that the Chair is not really too well but I am trying to cope, and follow all the arguments. If you find me slipping, it is because of my illness, not that I am not listening to you.

Miss P. Nicholson: I hope so, Madam Speaker. On page 3, of the Bill, in the last paragraph of the document it says:

"the Minister, subject to subsections (2) and (3) and section 4, is authorized to issue non-interest bearing transferable bonds not exceeding in the aggregate, two thousand million dollars..."

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My question refers to "non interest bearing transferable bonds." It is just a piece of white paper with nothing on it.

The Member for St. Joseph confessed the Government would be giving the bonds in \$5,000 tranches, whatever is available or whatever you accept. All the unions, as the Minister said, agreed on a basket of measures, and there is contention in a certain area. There is that contention because of how the Government used the divide-and-rule strategy. I think it is having a problem with the increments where, if you have \$10,000 for one person in increments and \$5,000 for another person, everybody would receive \$2,125. Some people consider it very unfair that they would not be getting what they deserve.

Also, on a number of issues—Government has confessed to for example, the NHA situation, the tax situation, those who would want to take time off and get paid, thousands of teachers and other public servants who have not accepted that. There are thousands of workers who do not have anything to do with NHA and who do not owe NHA anything. That is not beneficial to them.

The workers are saying that if the Government is now going to return their money, they want all. Government could decide to give it in bonds or cash; or decide this year it would give a certain amount, and the next year another amount. I think that is really the problem that the public service is having. There is also another problem with the people who have retired. It is advanced that those persons should be given their arrears in cash.

My problem is with "non interest-bearing transferable bonds." I have a problem with that. If I am given my bonds today, and I negotiate or somebody wants to purchase my bonds it has to be at a steep discount so I am not really benefiting from that. That is one of the problems which confront the worker. If he decides that he would keep his bonds until maturity he is still not getting anything because they are non interest-bearing.

Mr. Valley: Madam Speaker, let me just point out to the hon. Member that the bonds are not taxed. In other words, if the workers were to be paid cash then that would have been taxed. There is no tax on the income on the bonds. Therefore, that is a definite benefit that the employee is getting in addition to the tax credit that he is getting in the year of issue.

Miss P. Nicholson: Because it is non-interest bearing, even though you keep it for five years, you are not getting anything on that. The dollar will even be less than it was previously. It is as if you lend a brother or sister \$2,000 and you set a period of five years for it to be repaid, you are not getting any interest. This is

what this means and the worker will understand only when he comes to terms with that situation.

If the Government talk about tax benefits, we were giving tax benefits, the Government is not giving any. It promised, if I understand what the Minister read a while ago, that it would pay off all the salaries through negotiations and all will be done on an amicable basis.

Government campaigned with that promise; it has the right to do so. I am not against that, but it promised the workers something. The workers believed that what the Government was really saying is that would give them their moneys in cash, and that an institution like NATUC would be able to lead their negotiations. That is what came out of their campaign because it said the unions and it were friends and what have you.

Today those unions are silent. Not a drum is heard from them and not a funeral note—penetration of NATUC. This is important. Not a funeral note with what is taking place—buy out of increments. They are not getting at least one-third of their moneys and nobody is speaking in this country.

6.05 p.m.

That is the strategy the Government is using.; it is a buy-out and break-up the unions. The Government silenced them. Everybody's mouth is shut tight. There are no convoys of vehicles on the streets and no prancing and dancing. We are alarmed.

The university intellectuals are silent. When we see all the dictatorial threads emerging in this country, and we are not hearing any voices, it is cause for concern. The same unions that are accepting this substandard agreement were offered something far more superior. They were getting back all their arrears through NIC.

The Government offered the workers NIC. What was NIC? *[Interruption]* Madam Speaker, I am comparing. I am doing the correct thing; whether people in here like it or not, that is their business. I know it was superior. The public servants are saying that they are sorry they did not accept NIC. I do my surveys in my little areas and that is being said.

As they go along they will become more experienced. Our society is one with very little experience. We are a young one, so as we go along we would experience certain things and we would learn. The National Investment Company was supposed to be a corporate body to hold shares or units for the State

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enterprises until those enterprises were ready to be divested. At divestment stage, the workers would have been given the option to exchange their units for shares in state enterprises.

The NIC plan was structured to increase or encourage the widest participation of nationals in the State enterprises. What was to be the effect of that? To deepen the capital market in the country because there were about 20 companies. There would have been about 10 or 12 more companies that would have joined the stock exchange and there would have been far more shares to trade. We are not talking about companies where the Government might have sold out its shares such as Neal and Massy and Maritime Limited. We are talking about the larger companies that the Government owned such as Methanol, Urea, Fertrin, Trinmar and BWIA.

We were saying that all of these would have been put on the capital market, so that when the workers were getting their units, they could have negotiated or participated, and be proud owners and shareholders of their patrimony. Today, one is not hearing a word about patrimony. There was a time that they were saying that NAR sold out the patrimony of the country and left the people in a beleaguered state. Who has sold them out? By our method, the public servants would have been shareholders. After they sold Methanol, prices shot up to \$600 million. To whom did it go?

The Government was also offering tax incentives to encourage the public servants to switch from the units into direct ownership in the State enterprises. As I said, this would have strengthened the culture of the community; locals in the middle class such as public servants and teachers would have been shareholders in our national patrimony. The Government has sold it out. It did not even give us a chance to have a share. This was the essence of NIC.

I do not want to go deeper because I have a—Madam Speaker, I have to explain that to you one day. It is the trauma I feel in Trinidad. I always try to ensure that I make my contribution. I feel very uncomfortable. I cannot say certain things. In order to come here to do the people's job, I must function in a certain way. It is not that I am running away from anything.

Madam Speaker: The Member has explained herself. Feel free to make your contribution and leave.

Miss P. Nicholson: There is a situation like Trinmar, Texaco which they ran out of the country, is in charge of the management of Trinmar. Soon Texaco will be purchasing two thirds. I am forecasting that against the backdrop of statements which the Prime Minister, has made. I believe that there was a far better option

through the National Investment Company, and all the arrears would have been given to the worker through units.

For the Government to come this evening and behave as if the problem was created by the National Alliance for Reconstruction—I take umbrage at such a statement. It was something that was created by an empty Treasury which was left there. The Government was confronted and people must be fair. After so many years and all the money was moved out of the country, we had to clean up and rebuild a platform. We had the options. What should we have done? Should we have sent home 20,000 workers and put them on the streets? We came up with all kinds of ideas, that even when we had the 10 per cent cut, we were the people who organized the separation plan.

We were chastised and brutalized in language for doing that. The present Government is moving aggressively with it, the same people chastised us and said we were wicked to bring that into the country. The Government is sending home thousands of people through that. Many of them would go home and would be unable to make use of those funds. Before you look around they would be on the streets. It would be a minority grouping.

I am sure the Government is not training these released workers or doing anything for them. Some people are not getting their funds. It is unfair to come to the House to try to give the country the impression that the NAR Government was a wicked government and that it created the problem. The problem was created before. I want to stress it over and over. To say that negotiations did not take place; that we did not talk with the workers, explain or try to resolve the matter, again, is unfair. That was done, but the problem, as I argued, was a new one.

Mr. Valley: Do not beat the problem.

Miss P. Nicholson: Yes. I am beating it for you because you are a little slow.

Madam Speaker: The Member should go on. Too much repetition contravenes the Standing Orders. Proceed, please.

Miss P. Nicholson: Did the Standing Orders say that I cannot repeat? A teacher must repeat and tie up the arguments so that the people would be clear on what the teacher is saying.

6.15 p.m.

That was the case with which we were confronted. I am just concluding and I must repeat what I said in my introduction and in-between.

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I am against the non-interest bonds. I feel that we should have seen more than that. I am also strongly supportive of the Public Service Association's arguments on the increment. The people should be given their money. If they cannot give them this year *[Interruption]* We were giving them. We gave back the 10 per cent and the next round was NIC. *[Laughter]*

This is not something to laugh about; this is a serious matter with which the country was confronted and still is confronted. I am sure the Government has many financial difficulties. This is not laughable; it is something to discuss and something for the people to understand and appreciate so that they can try to do so many other things.

For example they can go into agriculture. There is a programme that the NAR instituted. I read something in the newspapers, I think it was yesterday, where the Member for St. Ann's East was saying that we cannot just give to the poor without the poor giving back. I do not know if I am quoting him correctly. There are programmes for unemployed and needy people, but because the NAR instituted them, Members opposite threw them away. These are the things on which we have to educate each other to come straight out of our dilemma.

Madam Speaker, I thank you.

Mr. Mohammed Haniff (*Princes Town*): Madam Speaker, I do not know whether I should credit the PNM Government with being conscious of what they are about. I recall it saying, when it was on the campaign trail, that it had the answers to the problems. Do you know what I have come up with? It has allowed three years to go by since they came into power, and has found a strategy for the next two years to go by, that is 1995 and 1996; it has not paid and it will not pay, I am leaving the new UNC government to pay what the PNM has have refused to pay.

Imagine we have a Government which says that it cares but it has found a way to allow three years to go by without paying. The Minister of Finance in presenting the Bill this afternoon said that calculations and quantum of arrears have caused some concern and delay. That is the excuse given. So three years has gone by with two more years to go, because it is proposing bonds which will not mature before two years.

Not only has the Government not paid the workers, but it has also retrenched thousands and thousands under all different conditions. This Government comes here, pats itself on the shoulders, behaves as though things are all right—but workers are going home every day. While the Government stands here today and on other occasions and accuses the previous government of taking away COLA and

10 per cent, they have done a similar thing—it has not paid anyone and of salaries, it has sent home workers. They have sent home approximately 20,000 workers over the last three years.

Twenty thousand workers have been recorded as being sent home. Workers who have lost their jobs—and it is unrecorded—amount to another 20,000 approximately. After three years, no fewer than 40,000 jobs have been lost as a result of Government's policies and actions and it comes here to say give it a chance, it wants to pay by bonds.

Let me say from the outset that as a daily-paid worker I have a personal interest in this issue. I am declaring it because I am not now speaking as a worker, but as a representative.

Mr. Valley: Madam Speaker, I just want to point out, because I shall not be speaking in this debate, that what the Member is saying with respect to loss of jobs is not correct. If he should look at the figures, he would see that since this Government came into office until the end of 1994, there were 12,000 new jobs in this economy, moving from 400,000 to 412,000. In spite of the retrenchment and so forth, there have been sufficient new jobs so that the number of persons employed has increased.

Mr. M. Haniff: Madam Speaker, if that is the case then it is intended that persons go down the road and sell chicken and chips. No permanent well-paid jobs have been established? None at all! It has been drawn to my attention that one has to have four or five CXC's to sell chicken and chips down the road for \$20 and \$25 per day.

I do not know if that is the kind of job about which the Member is speaking, but I do know that no permanent well-paid jobs have been established. Going through the schedule when we were discussing varying of payments, I saw a number of vacancies. The Government did not fill those vacancies and it came here and told us that there were savings.

The picture is that those who have remained on their jobs are not receiving what is due to them; and those who have gone home are not earning anything. Madam Speaker, do you know what bothers me most in all of this? The Explanatory Note to the Bill says:

“The object of the Bill is to empower the Government to issue bonds for the settlement of arrears of emoluments owed to employees and former employees.”

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“Emoluments owed to employees”, meaning people who are still on the job, “and former employees.” No person on earth with a heart will offer persons who have gone home through retrenchment, VSEP, lay-off, early retirement, redundancy or otherwise, payment in bonds while they are at home. That is a criminal act, as far as I am concerned. It fits no other description. A Government, recognizing that persons have gone home puts proudly in a Bill, “employees and former employees” will be paid in bonds.

6.25 p.m.

In my usual way, based on what transpired here today, in that spirit of understanding, I want to plead with those in authority to find a formula to pay those who have gone home, under whatever condition, in cash. Find a meaningful way, rather than bonds. They cannot wait for their bonds, especially those who are old and aging; those who have crossed the age and have retired. I am pleading with Members opposite: there must be a way to consider that. It is unfair, it is without reason. If even those who are still employed—and I am saying “if”—must go along with the idea of bonds, then of course, pay those who have gone home.

On the last day I referred to a document that was circulated. The Government is referring to it as the White Paper. I read the heading:

"Government of the Republic of Trinidad and Tobago Public Sector Employees Liabilities Statement: Arrears of Emoluments."

That is exactly what we are speaking about. The cost of living allowance has been negotiated, and is intended to supplement one's salary so that they may be able to cope with the increasing cost of goods. That is what cost of living allowances refers to, and that allowance was not given to workers for seven years, from since 1987. Naturally, since the workers did not receive those moneys they could not have met the increasing cost, and both sides recognized that.

In the negotiations that took place, the trade union movement and the Chief Personnel Officer, representing Government, recognized that there was need for a cost of living allowance, because there would be instances when the cost of living would continue to rise. Since the Government does not control what happens in the market, especially with its policies of today, it agreed on a cost of living allowance, the amount of which would be based on the increased cost of living. The worker then, was being called upon to survive on less than he was entitled to.

In addition to the devaluation, and inflation which continued to hit the worker and everybody at large; the floating rate was introduced. Do you know what

happened, Madam Speaker? At the present time, compared to five or six years ago, in terms of purchasing power, people are working for 50 per cent of what their salary used to be or thereabouts. I am not using any proper methods of calculation. I should like to remind the Government that it is being said that because of the inflation, people are now suffering even more.

The Government came then and said that it cared, and now it is saying that it wants to pay the public servants in bonds. The hon. Prime Minister spoke earlier today about the Government's intention to pay when he referred to page 53 of the PNM manifesto. As a result of his pointing to this document, I in turning to page 53, I stopped at page 51:

"UNEMPLOYMENT

The major indictment against the present Government is its abject failure to generate jobs. Indeed under their hands about 30,000 jobs have been lost in the economy since 1986. Our economy which provided work for 390,000 citizens in 1986, is today only able to employ 360,000.

The PNM is of the view that there can be no political stability, no quiet enjoyment of life and property, indeed no social progress, when rates of unemployment reach their present levels."

The truth is, Madam Speaker, unemployment has gone above that now, and Members opposite are the ones who said it.

Mr. Ramrekersingh: Madam Speaker, on a point of order.

Before the Member wanders into the area of unemployment, I think I need to set the record straight. It was in 1987 that the cost of living allowance, as well as merit increases, were suspended. In 1989 the special Tribunal made an award.

In our first budget we announced that we were restoring the cost of living allowances and that we were implementing the Special Tribunal award. I did admit, when I spoke, that we implemented the cost of living allowance of \$109, which was the formula, and for two years we were unable to pay the indexed rates, but we have now sorted that out. It is really unfair to ascribe to this Government certain kinds of actions.

Further, the Member spoke about bonds, I made it clear that even though all the unions have not agreed on everything, the principle of bonds has been accepted. In a sense, it came from the unions first.

Mr. M. Haniff: Madam Speaker, my intention here is to demonstrate the hardships of the working class in the society. This same document that I quoted

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from a short while ago has arrears from 1987-1992 of cost of living allowances. Notwithstanding what the hon. Minister has said, I am saying that workers have not been paid moneys owed to them and the Government is now deferring payment.

Mr. Ramrekersingh: The document which the hon. Member has in his hand is one which all parties agreed to: that we would put out an individual statement giving the arrears due to each person. That was the first thing to do when we started negotiating. We had to find out how much we owed people, and that is all that document does. Of course, since it started in 1987, it would reflect 1987-1992. We were not around as Government until 1991.

Mr. M. Haniff: Madam Speaker, I am saying this is owed to the worker and that an effort is being made to pay this via bonds which will not qualify until next two years. I am going to refer this document to the Minister so that he can tell me which figures are correct, because I am saying, no Permanent Secretary in his right mind would send out such a document and refer to it as official. I repeat that this issue of bonds is yet another aspect of the many attacks on the working class and the poor people of the country, who are seeing real trouble to survive.

I have looked at the proposal, and I question it. I have heard it mentioned that the Government are seeking to pay bonds to the extent of \$2 billion. One of the very worrisome situations presently is: why \$2 billion? Is this an indication that that is the amount owed to public sector workers? While it was mentioned here earlier today, I want to point out that I have been in discussions with people in the unions and there is a major disparity as regards the quantum, especially that of merit increases. That is a major concern. Workers need to have incentives. Those were the conditions negotiated and agreed upon and in the spirit of good working relationships that ought to continue.

6.35 p.m.

Madam Speaker, do you know what is happening today as regards the NUGFW that represent daily-paid workers? While they sat down—and I would imagine in good faith—and negotiated concerning COLA up to the end of 1992—a position which we are at now—do you know that there are proposals to implement cola from January 1993 to the present date and the daily-paid workers are not receiving any COLA? Are the Ministers aware of that? If they are, could they tell us why daily-paid workers are not receiving the cost of living allowance?

My information is that the negotiations have broken down and the issue of COLA is now in the courts. Is anyone aware of that? It seems no. Sad indeed. Two

Benches of Ministers and Parliamentary Secretaries, and it seems as though none of them is aware that the issue of cost of living allowance with the union and the Chief Personnel Officer has broken down and is in the court.

While it has been agreed upon with monthly paid staff, daily-paid workers are not receiving any COLA and none of them on the other side can tell us why. The Member for La Brea is in agreement. It is in the courts, so it means that the Government is negotiating in bad faith with the union. The principle of COLA is already set and if that could not have been agreed upon since 1993 and we are now in 1995, then what?

Mr. Ramrekersingh: The quantum is distinct from the principle.

Mr. M. Haniff: Madam Speaker, as far as I am concerned, it demonstrates the intent of those in authority regarding the daily-paid workers of this country.

There is another issue. The NUGFW sat down and discussed with the employer and it went out there and told workers that it wanted them to take early retirement. Workers took early retirement and went home based on what they were told, that other workers who are up to this time working five or six days would have been upgraded. Some 10,000 workers are affected. Up to this time, those workers have not been upgraded. There is a major issue of funding in respect of daily-paid workers.

When I raised it here on the last occasion, two Ministers got up—the Minister of Finance and Tourism, and the Minister of Works and Transport and Minister of Local Government—and asked why I wished to have those vacancies filled. The issue answers itself. Clearly, it is their policy to say something at one time, not implement it further down the road.

From discussions with officials of the union, I understand that no negotiations are taking place at this moment. The Government has made an offer; take it or leave it. What is happening with this issue of bonds is that whether they like it or not, once this Bill is passed here today, whoever want bonds can take them and whoever does not want them could leave them.

That is the situation before us. At the same time, this Government which speaks about workers and its caring attitude, is taking funds and paying URP workers to do—do you know that URP workers have no conditions at all; they work like contractors? They get a reduced pay compared to the daily-paid workers, but they have no conditions whatever in terms of benefits. This Government says that this is its policy.

Mr. Valley: They are more productive than local government workers.

Mr. M. Haniff: There are the Ministries of Works and Transport; Local Government; and Agriculture, Land and Marine Resources with established work forces and established policies and production but it is clearly the Government's intention not to utilize people who have been working for many years in those local government bodies and others—pick people for the URP, give them a reduced rate and owe them nothing as far as benefits are concerned. The unions and the Government negotiated task work and so forth. Today is not a nice day as far as workers of this country are concerned, because it is a lot of trouble for workers to see when it comes to the issue of these bonds.

As I said, Madam Speaker, it appears as though this Government does not wish that daily-paid workers—although there is no policy to prevent that—would venture into politics, because workers continue to be discriminated against. When I listened to my political leader earlier, he made a point that I would like clarified and thought given to it. He asked: “Who says that because one belongs to a union he must accept bonds because the union says yes, accept bonds?” It is my intention to put it to the test.

The Minister of Finance and Minister of Tourism said that the Government has made certain proposals where workers can utilize certain arrangements. Paid leave was mentioned. The worker can take leave in lieu of the money owed. That is fine if the worker wishes to take that leave. Do you know what is not fine and what is not right?

There are public servants and others who tell people that they must take that leave because there is no other way. In that kind of situation, apart from the worker going on leave, this Government has implemented a policy of not employing leave reliefs and not replacing workers. What becomes of the service that he, together with his working colleagues, is supposed to deliver to the rest of the community? What happens then?

The Government spoke about current payment and arrears owed to the National Housing Authority. Just a small number of persons owe NHA, and it is good for them to use that as a credit. What about the vast majority who have no involvement whatever? Since there is the issue of income tax and suggestions are made about it, why not ask workers and the government authorities—the Ministry Works and Transport, and Local Government—to stop deducting income tax from those who are working and taxes are being deducted at this time? It would take years to pay but they would find that they would have received a small sum at the end of the year—\$2,000 or \$3,500; it depends on their earnings.

When I quote figures of the kind I am referring to the daily-paid workers who fall in the lower ranges. Sometimes they pay taxes to the extent of \$2,000 or \$3,500. There are thousands of daily-paid workers in the country. Why not implement something like that if the Government is really serious about assisting the worker and finding a solution to this?

6.45 p.m.

Why not introduce a system where workers can deduct what is owed to them via WASA bills and T&TEC bills—state companies? Why not introduce systems like that, so that the worker, who has to find money to pay on a fortnightly or monthly basis would get relief based on the bills? That will have taken care of two matters, because it is always said that there are people in this country who do not pay their WASA bills. It might not be the same with T&TEC.

If this concession is agreed upon, workers would pay WASA because Government must find a way to compensate WASA for what these workers owe, but one will find that each worker who is involved and has moneys for WASA will, in fact, have his bills clarified—and why not? Where is the seriousness? These are suggestions, offered in the spirit of give and take and the objective to get things done.

Do you know why workers are saying, "Yes, give me bonds"? They have got nothing for three years as regards what is owed to them, as a matter of fact, since 1987—so it is much more than three years, seven years and more now—that they have got nothing as regards what is owed to them. They are now saying, "If we got nothing for this length of time then we might as well accept bonds." But I say, workers do not want bonds but if they are not getting anything, then they have no choice.

And what is the truth about those bonds? More than 90 per cent of the workers will have to sell them at whatever rate they can get on the outside; and that will be no more than 50 or 60 per cent. That is what is being encouraged by this Government. The poorman cannot wait for money; he has no money; he cannot survive—cannot buy milk, sugar and flour and so forth for his children. There is no transportation—he has to find transportation for them. He cannot afford books; every day it has become the norm for the schools to ask the children to bring contributions. In some cases: walk with your own chair; walk with your own chalk. I am aware of it and I do not wish to exaggerate it; or to discredit the Government or the Minister in any way. I am saying that it is the truth, in many cases. It adds to the hardship being encountered by the population out there; and we are saying that there is need for that understanding—that coming together.

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In this country people are experiencing extreme hardship. I am also tempted to ask: Why not give shares to some of those workers in the viable state companies? But I wonder whether we still have viable state companies, or whether all have already gone? Perhaps there is no longer room for that argument—perhaps it has all gone. That is the kind of argument I wish to put forward this evening, because there is need for us to stabilize those who are employed with a view to making room for those who are unemployed. If the employed cannot be stabilized at the present time, then there can be no room for those who are unemployed and there is need for that kind of initiative.

I have spoken about the sale of bonds and the fact that the workers will have no choice but to sell. I have mentioned the issue of the increments of bonds, but I want to point out that my information, based on discussions with officers from the union—and I am speaking about responsible officers, without calling names—is that in their calculation the increment increases are in the vicinity of \$1.5 billion. Government, therefore, wishes to buy out that for \$150 million—based on what was said here earlier today. That cannot be acceptable and since there seems to be negotiation taking place, I wish to point out that that is a major concern of the public sector unions at this time.

The CPO is awaiting a response from the other unions. This morning when this was said, with regard to the fact that one union had agreed. Yes, the CPO is awaiting a response in a situation where there is no other choice—take it or leave it. That message has gone across loud and clear. If they take it, it is okay and if they do not, then they can do what they want; matters will continue as they have been going over the years.

The Minister of Finance says Government got advice not to agree to pay those arrears, yet the Government is being very kind, it seems, because efforts are being made to sell bonds. But, I am of the view that the Government has a commitment to pay and it has to make efforts to pay and that business about no commitment to pay is just a farce.

If I have said anything this evening, I want to let this House and others know that, since the Ministry of Local Government and Ministry of Works have been distributing this document about the arrears owed to workers, especially those who have gone home, workers have been running helter-skelter to find out the meaning of the document, and when they will be paid.

Therefore, there is need to make a plea on behalf of those workers and to ask Government to make a statement so that those workers would understand what is

the situation. They are running all about. Some will get information, others will not. They are of the view that they can take that document and use it as collateral and that kind of thing. Nothing of the kind can happen with that document and so there is need for information outside there given by Government.

I smiled earlier today when I heard someone—I think it was the hon. Minister of Education—saying that the workers, would having received their bonds, in negotiating to sell them must put forward a certain degree of skill. If I am quoting him wrongly, please tell me. You see a lot of skill must go into it. I wonder how many and what kind of options a simple worker have with bonds in his hand, for whatever amount, going to those banks and to the big financial companies—what negotiating powers would that worker have when he is down and out and looking to get some little thing in exchange for the bonds?

If that is the kind of thinking, then I want to suggest that there should be some machinery, with Government's intervention, as to the minimum rate that should be paid in such a case, preventing private people from handling it, and organizing with banks and so forth to pay a minimum rate so that the worker would not be robbed in a situation where he has no choice.

Madam Speaker, I must point out that it was my intention to go on in much more detail, but having listened to the debate and made those few points, I want to make an appeal to those in authority to look at the situation. I have no doubt that some workers can take bonds and do well with them—I have no problem with that. The majority of workers cannot do well with bonds, and so the fact that what is being proposed is an interest-free bond is another major problem.

Mr. Ramrekersingh: It is tax free and has tax credits.

Mr. M. Haniff: Yes, it is tax free and has tax credits, but that worker is not taking bonds voluntarily, as someone who has money in his pocket and wishes to go and purchase bonds. If I understood well, I think it was the Minister of Education who was quoting from the court award of the judge who recommended bonds. I thought I heard that the judge recommended a higher rate than what is being paid.

Mr. Ramrekersingh: Yes, that was simply a suggestion. The judge is not a financial expert, but the bond is attractive because it is tax free; there are tax credits of varying rates and so forth—there is that kind of trade-off.

6.55 p.m.

I think the hon. Member should understand, no one is forced to take the bonds. A form will come out and people will signify whether they wish to take

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bonds, and if they do, how many bonds they would wish to take. Finally, for the individual worker, my information is that some of the unions are already making arrangements for the disposal of bonds—that it can be done on a bulk basis, with assistance, so you can get a good rate.

Mr. M. Haniff: I am happy to know that the Minister continues to repeat that the worker is under no obligation to take the bonds and he will have a choice. If that worker does not intend to take that bond, what choice does he have? Cash?

Mr. Ramrekersingh: The other part of the basket of measures. I think we have to understand that when a union enters into an agreement, it does so on behalf of all the members in that bargaining unit. When there are wage negotiations or salary negotiations and people get nice things, no problem. Now we are hearing it from another angle. Either we have proper industrial relations or we do not.

Mr. M. Haniff: In any event, although it is being said that the worker has no obligation to take the bonds, the Minister, says that the union negotiates on behalf of its members and therefore he falls under the agreement signed by the union, and there is no choice.

In the circumstances, I wish to point out that this will continue to bring hardship on those who are employed and bring further hardship on those who have been removed from their employment, “former employees” as referred to in this document. It is in those circumstances I make the plea that the Government consider finding a formula, especially for those who are no longer on their jobs, to be paid so that they can get their cash.

I indicated my intention of an amendment. I wish to give notice that we shall raise it at the committee stage. I want to thank Members for giving me this opportunity, hoping that consideration will be given to those workers who have gone home, notwithstanding the fact that the bonds are being offered at this stage.

Thank you very much.

Mr. Gideon Hanoomansingh (*Pointe-a-Pierre*): Madam Speaker, I believe that there is tremendous public interest in this debate because it concerns the lives of thousands of public servants and their dependants. From what I have been listening to since the early hours of this afternoon, it has turned out to be a very interesting debate considering the fact that we have heard from both sides: who was wrong, what was wrong, who was right and what was right.

I think that in the circumstances when we put together all the facts and weigh the pros and cons, then we must come to some agreement that at least it is gratifying to know that any attempt to settle the grievances of people is a welcome attempt on the part of Government, as we see it on this side of the House.

But when the arguments were going to and fro earlier this afternoon, we heard of the legal hiccups to the issue that dealt with the genesis of the problem and we understood that quite a number of people were being denied their cost of living allowance and their merit increases. There were others whose jobs were saved, who were breathing a sigh of relief at the same time. I think that is why this debate holds the interest of so many thousands of people in Trinidad and Tobago today.

When we consider the economic situation in this country and how many people are displaced by way of retrenchment, and things of that nature, then obviously we have to look at the issues very closely and unemotionally, and examine what is happening in the interest of the wider public.

I have heard arguments which state, quite categorically, that unions have no difficulty in accepting the principle of bonds. That may be so because I have, in fact, been speaking with some members of trade unions representing public service workers, and they have, in fact, said, that they have no difficulty with the principle of the bonds.

I am quite sure, with the information that we have from the PSA, that some difficulty is going to arise not so long from now. That difficulty would not be created by Members on this side, but certainly Members on the other side.

Because when they have to deal with the PSA and the issue that they are raising with respect to the amount of moneys owed to the public servants, then I think that would be a problem for the Government and it would have to deal with that, despite the fact that there is the boast today that, at least, one unit of the trade union organization has willingly accepted the bond issue. Of course, there is so much commendation for the union which has accepted the issue without much difficulty, but we are seeing evidence of why that is so.

When the Member for Naparima was speaking earlier on, he said that it seems that in the opinion of someone, if not himself, that this was a sell-out because of the disparity in the amount that is due to some other people in the public service. I seem to remember that quite recently there were members of the teaching fraternity who were saying, in fact, that if their organization accepted the

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Government's proposal, then they would feel that they were cheated by those who represented them.

So it was not a comment that was being made in isolation. It was one that is being expressed by people who feel that somehow or the other because of the acceptance by TUTTA, they are now displaced financially. But I am not here to argue that, because I feel that that would not be in the interest of anyone. It would not be in the interest of this debate to look back at these situations, and so on, because, as I say, the Government will have to take up the slack and deal with the problem.

But I am hearing, apart from the fact that the bonds are not compulsory, there are other issues in the basket, as the Member for St. Joseph is saying. He spoke about compensatory time off for teachers. That is one in the list of packages. I have been talking with some of my friends who are members of the teaching fraternity and they said this is excellent. That they have not had the kind of leave that they wanted so they would willingly accept the fact that if compensatory time is given in the teaching timetable for themselves, they would have a tendency to accept that.

But the problem with that is that in order to access compensatory time off there must be the employment of temporary teachers. I do not know to what extent the Ministry of Education has, in fact, put in place these temporary teachers, so that these teachers who are owed moneys or arrears can really take advantage of that compensatory time off. My understanding is that that is not so. So if we have to look at that as one issue, then we realize that something is definitely wrong.

We are talking about the other packages which include offsetting the current arrears to the NHA by public servants who are owed arrears, the setting off of income tax payments to the Inland Revenue Department, rental of Government units, and things of that sort.

7.05 p.m.

I have a tendency to believe that when we continue to encourage this kind of attitude, we once again put the people who really owe these moneys to the NHA, Inland Revenue Department and the Government for rental of units, into positions, sinking them a little further, instead of liberating them in some way to look at life from a different perspective.

I have a difficulty in accepting this because it seems as though it is the culture of the PNM administration to bring "relief" to the dispossessed in the society by

further putting them into a situation from where they cannot retrieve themselves. That is unfortunate because what happens is that time after time these people find themselves in a position where they know nothing but depending on that handout and relief that come through a non-sustainable system.

I am not an apologist for any administration of the past, but I believe that any system presented to these workers for the settlement of the debt owed to them should provide some measure of savings. I feel that is the right way to go. If we examine this package that is now being offered to the public servants, we would see that it is not helping anyone. If it does not immediately help these people, then how could it help the development of their minds? How could it eventually help the development of the society? Obviously, all this would be dependent on societal development. What are we going to tell the future generation of Trinidad and Tobago?

We are putting these people in a bind that they, obviously, would not be able to come out of. That is unfortunate. When we examine the same issue of the bonds, and the time of redemption, there are over 20,000 persons who are on the retiree list and they have heirs as well. These people who have worked and dedicated their lives to the public service, in the service of Trinidad and Tobago are being asked to hold on for another two years before they can access or redeem the bonds.

The point was made earlier on by many Members on this side of the House, that there could be manipulation in the circumstances. There are people who have retired from the public service and are in dire need of money to pay for their children's education at university level or to meet daily expenses and things of that nature. When would they now access this money? Either two years later so that when the redemption time comes they can get the full benefit of the bonds, or they can go to people with excessive financial resources who would manipulate their minds.

I am tempted to ask whether the Government—in all its wisdom, and in terms of wanting to protect those people who have access to the bonds—can at least use its influence somewhere in the system, where there is the financial capability, to ensure that there is some measure of sanity so that the recipients of the bonds, if they decide to encash them before the redemption time, would not be too displaced.

It is obvious, as the Member for St. Joseph said, that when one wants to negotiate a price for the bonds, one may not get the full value. That is a fact

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because people would obviously look for some kind of benefit from the system while taking unfair advantage of the person who does not have the financial wherewithal. So, if the Government could do that, then certainly that is something that, I am quite sure, would be welcomed by everyone who is affected by this system.

I think when the point was made earlier on with respect to finding the finances to pay at least some of these public servants by way of cash, my colleague, the Member for Naparima made the point very eloquently, by reading from the response to a question he asked in this House about a system whereby moneys could have been found, if not to pay public servants all their arrears in cash, at least to some extent. He quoted from the response he received to question No. 61 on the Order Paper of the 1992 session, I think it was.

Would the Prime Minister state:

- (a) How many buildings are presently being rented by Government and state agencies?
- (b) Where are these buildings situated and which Ministries, Departments or Agencies are occupying these buildings?
- (c) What is the individual cost of rental to the Government of these buildings?
- (d) Who are the owners of these buildings?"

I might consider these rates to be alarming because I am seeing figures to which I am not accustomed. Maybe, some people in the society would think that the rental rates are not too exorbitant, but when we read figures of \$77,022 and \$38,000 per month—names of the owners of the buildings in these cases are irrelevant, because we do not want to deal with that lest we be accused of calling names of people who cannot defend themselves here—and \$38,652, \$38,000, \$30,000, \$135,000, in terms of rental on a monthly basis, it is truly alarming.

If we considered that, perhaps some kind of innovation or creativity could have been introduced into the system, not now, but even before, because we have to look at the problem and we cannot look at it in isolation. We really have to look—as the Member for San Fernando East was saying—at the genesis of the problem.

We should not have expected that the Government would have been able to construct buildings within three years to house its agencies and ministries, but at

least we thought that some measure of sanity would have gone into this matter to prevent the exorbitant rentals so as to be in a position to have finances to deal with a situation like this and pay the public servants some measure of cash emoluments on their arrears.

Then, the Member for St. Joseph spoke about how difficult it is for the national purse, and that priorities should be put in place. Indeed, we understand that, because when we go back to the days of the last administration which felt it was disadvantaged in accessing the Treasury; that it had no money to work with because of what had happened with the previous administration.

Indeed, we have to look at priorities. What are the priorities? The priority is a \$10 million splurge for an ACS meeting, according to the headline in the *Sunday Express* of March 19. This is so that beautification programmes can be done in time—apart from other aspects of cleaning up—in order to cater for the ACS meeting here in August.

In the same vein, the Member for St. Joseph said that we have to look at priorities—and other such things to determine if we can get a little into the basket, at least we would have been in a position—to use a popular phrase—to fool the public servants that, at least they are getting something in cash for the hard labour they have put in over the years looking after development of Trinidad and Tobago.

I think we really have to put our house in order. I think we have to examine this situation over and over. As previous Members said, we have reached the stage where people are so disadvantaged—and we know what the end result of that would be, with people who are losing their jobs on, perhaps, a sustained basis. They are finding themselves in difficulties, the crime rate is going up and all kinds of social ills are being experienced in this society.

I do not think that we can really look at this situation very lightly. I think we have to understand what we are doing and we have to ensure that our determination should be to come up with a plan that really looks after the plight of—not only the public servants in this case—but that of the wider society that is crying out for some kind of relief.

Thank you, Madam Speaker.

7.15 p.m.

The Minister of Finance and Minister of Tourism (Hon. Wendell Mottley): Madam Speaker, my colleagues on this side have rebutted most of the

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arguments raised by those on the other side with the exception of a few made by the Member for Pointe-a- Pierre. Therefore, I shall be quite brief and deal with the points raised by him.

The major point made by the Member for Pointe-a-Pierre that had some validity was the question of the availability of time off (SCT) for teachers. It is true that whereas there is the capacity for more flexibility in the wider public service—and a number of public servants have been able to use that flexibility to take compensatory time-off—it is more difficult within the teaching service. We acknowledge this. The Minister of Education has attempted wherever possible to have some extra teachers to allow some capacity for time off, but it is clearly limited in the teaching service. It is therefore all the more important that this matter of bonds be available to members of the teaching service, since a large number of teachers could not use this SCT which was used very heavily by members of the public service.

The other matter raised is this question of cash. The Members on the other side, particularly the Member for Pointe-a-Pierre, suggested that bonds are all right, but why not a little cash? Could the Government not have seen its way to grant some cash to hardship cases? The fact is that when we implemented the Tribunal award, the first thing we did on that 2 per cent from back in 1992 cost us \$500 million per year and for every year thereafter.

There has been a cash element of what we have done. By coming current, we added \$500 million in expenditure in the budgets from 1992 to 1995. It is an ongoing recurrent expenditure that we undertook. Furthermore, this year, we are bringing the COLA current, not just for teachers, but right across the public service. In the 1995 Budget, it is costing \$140 million cold cash for the indexation of COLA. It is not true to say that there has been no cash element in the Government's settlement of the tribunal award.

Mr. M. Haniff: Can the hon. Minister indicate whether daily paid workers are also included in the "across the board" statement?

Hon. W. Mottley: No. The daily-paid workers have been discussing it with CPO and have not come to an agreement as yet. We hope to come to an agreement and that it would not find a solution in the courts. I have had discussions with Minister Draper and the President General of the NUGFW and we are optimistic that it may not come to that. It is a negotiation which has not yet been concluded.

Those were the substantive points that were still an issue in this debate. We on this side are happy that this vexatious matter has come to this point. It is not

entirely a 100 per cent satisfactory conclusion; it has been a difficult negotiation, but with the sums involved and the overhang that those sums represented on the Treasury, we believe that it has been a just settlement in all circumstances.

I also wish to draw to the attention of the House certain amendments which we have moved and these can be taken at a later stage of the proceedings.

With these few words, I beg to move.

Question put and agreed to.

Bill accordingly read a second time.

Bill committed to a committee of the whole House.

House in committee.

Clause 1 ordered to stand part of the Bill.

Clause 2.

Question proposed, That clause 2 stand part of the Bill.

Mr. Sobion: Madam Chairman, I beg to move an amendment to clause 2. Insert after paragraph (i) the following paragraph:

"(j) non-implementation, during the period January 1, 1989 to February 29, 1992, of revised rates of pay of officers and other ranks of the Trinidad and Tobago Defence Force."

It does two things. It adds a definition of the word "bond".

Insert after the definition of "appropriate recognised association", the following definition:

"a tax-free, non interest-bearing, transferable bond authorised to be issued under this Act;"

In the definition of "emoluments" we have added a sub-paragraph to bring into the scope of this legislation payments due to officers and other ranks of the Trinidad and Tobago Defence Force.

Delete the word "and" and the semicolon in paragraphs (h) and (i) respectively.

Question put and agreed to.

Clause 2, as amended, ordered to stand part of the Bill.

Clause 3.

Question proposed, That clause 3 stand part of the bill.

Mr. Sobion: Madam Chairman, I beg to move an amendment to clause 3 merely to tidy it up. In subclause (1) delete the words "non-interest bearing transferable".

Having put a definition on "bonds" there is no need to have the words "non-interest bearing transferable" as an adjective to that.

Question put and agreed to.

Clause 3, as amended, ordered to stand part of the Bill.

Clause 4 ordered to stand part of the bill.

Clause 5.

Question proposed, That clause 5 stand part of the Bill.

Mr. Sobion: Madam Chairman, I beg to move an amendment to clause 5. It was circulated. Again, it relates to the definition of "bonds".

In the marginal note, delete the words "and interest", and delete the words "and any interest on".

Question put and agreed to.

Clause 5, as amended, ordered to stand part of the Bill.

Clause 6 ordered to stand part of the Bill.

Clause 7.

Question proposed, That clause 7 stand part of the Bill.

Mr. Sobion: Madam Chairman, I beg to move an amendment to clause 7 which involves a deletion of subclause (1).

In the marginal note, delete the words "Minister may appoint".

Delete subclause (1) and substitute the following subclause:

"The Central Bank shall be the Registrar of bonds issued under this Act."

Question put and agreed to.

Clause 7, as amended, ordered to stand part of the Bill.

Clause 8 ordered to stand part of the Bill.

Clause 9.

Question proposed, That clause 9 stand part of the Bill.

Mr. Haniff: Madam Chairman, I beg to move an amendment which reads as follows:

"Notwithstanding any agreement with the Chief Personnel Officer with the appropriate recognized association or with the recognized majority union upon the terms of liquidation of arrears of emoluments and the issue of bonds for the individual employee, the individual employee is entitled to reject that agreement and deal with his arrears of emoluments as the individual thinks fit".

7.25 p.m.

Mr. Maharaj: Madam Chairman, it seems to me that this amendment is to give effect to the rights of the individual employee. On a reading of the Industrial Relations Act, it seems to me that the powers of the recognised union are limited in agreeing to the terms of the collective agreement.

When the collective agreement is registered, the union has power under the Act to enforce it by approaching the Industrial Court and through the other machinery. Apart from that, the union is not an agent of the worker and it seems that that view is supported by the provisions of the Act.

In the definition section of the Industrial Relations Act, Chap. 88:01, one would see that:

“collective agreement” means an agreement in writing between an employer and the recognised majority union on behalf of workers employed by the employer in a bargaining unit for which the union is certified, containing provisions respecting terms and conditions of employment of the workers and the rights, privileges or duties of the employer or of the recognised majority union or of the worker, and for the regulation of the mutual relationship between an employer and the recognised majority union.”

If one goes to Section 43 of the Act which deals with collective agreements, one would see that it says what the collective agreement shall contain. Subsection (2) says:

“(2) In addition to the requirements of subsection (1), every collective agreement shall contain a provision for the settlement of all differences...”

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The function of the recognised union is limited to negotiations to arrive at a collective agreement. When the collective agreement is arrived at, and the terms and conditions are to be enforced, the union acts on behalf of the worker to enforce them. The union, however, does not have the power to act as an agent for the property rights, which have accrued to the worker under the collective agreement. The collective agreement can only be amended in certain ways. For example, section 50 states:

“An application may be made to the Court by either of the parties to a registered agreement to amend such an agreement for the following purposes only—

- (a) the correction of any patent error or ambiguity occurring in the registered agreement;
- (b) the inclusion of any matter, agreed upon at the time of the negotiation of the agreement, but inadvertently omitted there from;
- (c) the deletion of any matter contained in the agreement, not agreed to at the time of the negotiation of the registered agreement, but inadvertently included therein.”

Take case “A”: there is a collective agreement which the union has negotiated and from which workers have benefited with certain money entitlements. The person has retired. How can a union act on behalf of the worker to agree that he would take his entitlement in bonds instead of cash?

Mr. Valley: Madam Chairman, given what I am hearing, it seems to me that the Member has a good case to tell a judge. He is saying that as it stands the individual has that right. It does not appear that there is need for an amendment. It seems that one simply has to go to court, tell the story to a judge and let him rule.

Mr. Maharaj: I did not know that the Government wanted to restrict the rights of Members of Parliament. Members of Parliament are lawmakers and whether there is a case for a judge or not, it is the duty of the Government to consider what is being said before considering whether they want to reject it. I do not think it is right for Government to behave arbitrarily to say that because it is so, go to the courts. I do not think it is the right procedure. I may be right or wrong.

Madam Chairman: In the committee stage, we all agree what the procedure is. The person proposing his amendment must substantiate it by an argument. The learned Member for Couva South is now putting forward his argument in support

of that amendment. *[Interruption]* Well, whether it be an hour or two hours, unfortunately, this is Parliament. I cannot muzzle a Member. The Attorney General or a representative of the Government will then reply. I am prepared to listen. I urge Members of Government to also listen to the argument being proposed by the hon. Member for Couva South and then reply to it. Proceed please!

Mr. Maharaj: Thank you, Madam Chairman. At the end of the day, if the Government reject it, we would be able to say that we gave at all possible assistance. We did not obstruct it; we tried to assist it.

It would seem that if the Industrial Relations Act prohibits a trade union from action on behalf of a worker in respect of accumulated benefits under the industrial agreement, passing legislation which does not contain a clause to give effect to the property rights entrenched in the Constitution may turn out to be unconstitutional. The insertion of this clause is, in our view, to ensure that the legislation is constitutional. Property under the Constitution of Trinidad and Tobago includes entitlement to benefits, salaries and wages.

If the trade union does not have that authority and this Bill purports to give the trade union that authority, then that trade union and Parliament would be purporting to give the trade union that authority to deal with people's property rights when it does not have that power.

I therefore would like to make it clear that we are saying that unless this amendment is accepted by the Government, there would be a serious question as to whether this Bill is really constitutional or not as far as individual employees are concerned who did not authorise the union to act on their behalf to agree that in substitution for money they would take something else as a substitute for money.

A worker is entitled to his money. Money is property. The Constitution of Trinidad and Tobago talks about the use and enjoyment of property, so it affects the use and enjoyment of his money.

Madam Chairman: That argument you say holds good for retirees as well as those in actual employment?

Mr. Sobion: Madam Chairman, the hon. Member referred only to the provisions related to collective bargaining. This amendment would have the effect of destroying the whole scheme of collective bargaining which now exists in the country. Moreover, if the Member had looked at the provisions relating to dispute

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procedures and referred to sections 51 and 54, he would have seen that it is quite clear that during the currency of any period, where the person is a member of a bargaining unit, the only body authorized to represent him is the recognized majority union.

Section 51 says:

“(1) Subject to this section, any trade dispute, not otherwise determined or resolved may be reported to the Minister only by—

- (a) the employer;
- (b) the recognised majority union.”

And (c) deals with a situation where there is no recognised majority union.

7.35 p.m.

Section 54 says:

“(1) Where there is any question or difference between an employer and a trade union as to whether a dispute that has been reported is—

- (a) one that concerns the application to any worker of that employer of existing terms and conditions of employment or the denial of any right applicable to the worker in respect of such employment;

either party or the Minister may make application to the Court for the determination...”

So that where there are disputes arising out of negotiated terms of a collective bargaining situation, it is only the employer and the recognized majority union that can negotiate over those terms, whether it be interpretations, whether it be a denial of rights under those agreements and any settlement can only be between the recognized majority union and the employer.

Mr. Maharaj: Does this kind of scenario fall within a trade dispute? Secondly, assuming it does, would you not say that section 51 is to give effect to go to the Industrial Court for the resolution of the dispute?

Mr. Sobion: No, because they are pre-industrial court situations. The trade dispute procedure starts before one gets to the Industrial Court. This just solidifies the right in relation to the Industrial Court, but one could not go to the Ministry of Labour, for example, on one's own if there is a recognized majority union. Quite clearly, it is a dispute within the competence of the recognized majority.

Madam Chairman: So you are saying that the argument by the Member for Couva South falls under the denial of rights—

Mr. Sobion: That is right, under the negotiated collective agreement.

Mr. Sharma: Madam Chairman, the assumption of the Attorney General accounts only for present employees and does not address ex-employees. This Bill addresses all employees meaning those who worked previously. It is a denial of their constitutional right to their property, because it is moneys already earned and they should exercise some choice as to how they want to receive it.

What the Attorney General has just proposed is where an employee is represented by majority union or otherwise; he does not take into account previous employees.

Madam Chairman: When the right accrued, was he not represented by the bargaining unit?

Mr. Sharma: That was in the past, Madam Chairman, if this is to address people presently—

Mr. Sobion: Madam Speaker, I think the Member for Couva South would explain to the Member for Fyzabad. *[Interruption]*

Mr. Maharaj: Madam Speaker, Mr. Valley said, this is not a court. It may be that we shall end up in the court if we do not get the constitutional amendment through.

Question, on amendment [Mr. Haniff] put.

The Committee divided: Ayes 9, Noes 15

AYES

Maharaj, R.

Humphrey, J. Palackdharrysingh, Mr. R.

Singh, Dr. C.

Hanoomansingh, G.

Panday, S.

Jurai, C.

Haniff, M.

Sharma, C.

NOES

Valley, Hon. K.
 Sobion, Hon. K.
 Mottley, Hon. W.
 Rowley, Dr. The Hon. K.
 Eckstein, Hon. J.
 Maraj, Hon. R.
 Collis, Hon. K.
 Griffith, The Hon. Dr. R
 Lasse, V.
 Pierre, Hon. J.
 Casimire, A.
 Narine, J.
 Hart, E.
 James, Mrs. E.
 Bereaux, Mr. H.

Amendment negatived.

Clause 9 ordered to stand part of the Bill.

Clause 10 ordered to stand part of the Bill.

First Schedule.

Question proposed, That the First Schedule stand part of the Bill.

Mr. Sobion: There is an amendment to the First Schedule. Consequent upon the amendment to the definition of emoluments, bringing in the members of the Trinidad and Tobago Defence Force, there is a new (j) in the First Schedule to note that amendment.

First Schedule

Insert after paragraph (i), the following paragraph in the appropriate columnar position:

| | | |
|---------------------------|---------------------------------------|-------------------|
| "(j) Officer and other | January 1, 1989- February 29, 1992 | Rates of Pay " |
|---------------------------|---------------------------------------|-------------------|

ranks of
the Trinidad
and Tobago
Defence
Force

Question put and agreed to.

First Schedule, as amended, ordered to stand part of the Bill

Second and Third Schedules ordered to stand part of the Bill

Question put and agreed to, That the Bill be reported to the House.

House resumed.

Bill reported, with amendment; read the third time and passed.

ADJOURNMENT

The Minister of Local Government and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, I beg to move that this House do now adjourn to Friday, April 7, 1995, at 1.30 p.m.

I wish to inform Members that next Friday we shall be doing the ADB legislation as well as the Sugar Welfare Motion.

Question put and agreed to.

House adjourned accordingly.

Adjourned at 7.44 p.m.