

## HOUSE OF REPRESENTATIVES

*Friday, May 27, 2011*

The House met at 1.30 p.m.

### PRAYERS

[MR. SPEAKER *in the Chair*]

### CONDOLENCES

**(MR. FELIX GREGORY BELLAMY)**

**Mr. Speaker:** Hon. Members, it has been brought to my attention that a former Member of this honourable House, Mr. Felix Gregory Bellamy, departed this life some time on Holy Thursday. I will now call on hon. Members to pay tribute to this former Member of Parliament. I call on the Leader of the House.

**The Minister of Housing and the Environment (Hon. Dr. Roodal Moonilal):** Thank you very much. Mr. Speaker, on this occasion, on behalf of the Members of the Government, I wish to express our deep condolences to the relatives and friends of the late Felix Gregory Bellamy, former Mayor of Arima and former Member of this House, who had the honour to serve in the House during the period 1976—1981.

Mr. Speaker, it would really have been the memory of our Member for Point-a-Pierre—I think that the Member for Pointe-a-Pierre first served in this House at the same time, 1976—1981. Many of us, of course, would not be familiar with the late Felix Gregory Bellamy. We have, of course, been briefed as to his contribution, and from our understanding, Mr. Bellamy had served in the House, and had served with distinction, working on several committees of the House, and collaborated with Members of the Government and the Opposition on several path-breaking areas, including

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the matter of developing a housing policy for the Government of Trinidad and Tobago.

Mr. Bellamy is survived by his wife, Edith, and children: Brenda, Cheryl, Michael, Noel and several grandchildren. Mr. Bellamy at his death was at the ripe age of 92, and would have enjoyed a full life. On behalf of the Government and the Prime Minister, Hon. Kamla Persad-Bissessar, we again extend our condolences and our sympathy to the family and friends, and wish them well at this time of grieving, and hope that they will have comfort as they move on.

Thank you.

**1.35 p.m.**

**Hon. Dr. Keith Rowley** (*Diego Martin West*): Thank you, Mr. Speaker.

Felix Bellamy was a Member of this House serving as a PNM representative for Arima. He served, at that time, when we were making some significant changes in the country. It was soon after the Republican Constitution and he had served one term, 1976—1981. I knew him very briefly when I had just come into the party in 1974, and a couple of years later there were elections.

Mr. Bellamy was one of those citizens who made a quiet contribution. He was not a household name. He did not hold ministerial office or things like that, to make the news regularly, but what he did, he is credited with being a foundation Member of the PNM that has served this country for a long time, both in Government and Opposition, and that service was not only in this House but at the constituency level. People like Felix Bellamy, giving of their time, their effort and identifying with the development of the country outside of high office, make that very useful contribution on what we

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commonly call the grassroots level and out of that, Felix Bellamy ended up in the House as a Member of Parliament.

I would like to join the sentiments expressed by our colleagues on the other side on his passing, where having served us publicly and at the constituency level, recognized that there is a lot that we can do quietly, which contribute a lot to the country overall.

Mr. Bellamy leaves a very large family in Arima, all of whom sustained his effort in public life and would have contributed to what he managed to offer the people of Trinidad and Tobago. At this time of his passing, at age 92, we join the family and the Arima community in mourning his passing and acknowledging his contribution in this House. We wish them Godspeed and we send our condolences and we hope that as they mourn his passing they acknowledge the contribution he made to the wider Trinidad and Tobago and we trust that he would rest in peace.

**Mr. Speaker:** Hon. Members, as I indicated earlier, my attention was drawn to the fact that, on Holy Thursday, a former Member of this House, Mr. Felix Gregory Bellamy, had departed this life at the noteworthy age of 92 years.

As a founding member of the People's National Movement, Felix Bellamy spent, at the very least, one-quarter of his life in service to the people of Arima. He initially worked as a councillor at the local government level in the borough council and later became the Mayor of Arima. He graduated to service on a national scale in our first Republican Parliament between 1976 and 1981, with the support of some 9,207 voters.

The records reveal that during his time in the Parliament he was an active member of several private Bill committees, including those that

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approved the incorporation of the Amateur Radio Society and the Lion's Club of St. Patrick West.

Outside of his parliamentary life, Mr. Bellamy was known to be involved in the development of sporting activities in Arima and for providing services as a commissioner of affidavits. At the time of his passing, Mr. Bellamy was a proud grandfather of 20 and great-grandfather of 22.

I, therefore direct the clerk to prepare an appropriate letter of condolence to the family of the late Mr. Felix Gregory Bellamy, on behalf of this honourable House. May we all stand in a minute's silence as we pay honour and tribute to this late Member of Parliament.

*The House of Representatives stood.*

#### **LEAVE OF ABSENCE**

**Mr. Speaker:** Hon. Members I have received communication from Mrs. Patricia McIntosh, Member of Parliament for Port of Spain North/St. Ann's West, who is unwell and has asked to be excused from today's sitting of the House. The leave which the Member seeks is granted.

#### **PAPERS LAID**

1. Audited financial statements of accounts of the Caribbean Industrial Research Institute for the year ended September 30, 2008. [*The Minister of Finance (Hon. Winston Dookeran)*]
2. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Princes Town Regional Corporation for the year ended September 30, 2005. [*Hon. W. Dookeran*]

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3. Audited Financial statement of accounts of the Caribbean Industrial Research Institute for the year ended September 30, 2009. [*Hon. W. Dookeran*]  
*Papers 1 to 3 to be referred to the Public Accounts Committee.*
4. Annual audited financial statements of the Tourism Development Company Limited for the financial year ended September 30, 2009. [*Hon. W. Dookeran*]
5. Annual audited financial statements of the National Gas Company of Trinidad and Tobago Limited for the year ended December 31, 2009. [*Hon. W. Dookeran*]
6. Annual audited financial statements of Seafood Industry Development Company Limited for the financial year ended September 30, 2010. [*Hon. W. Dookeran*]
7. Annual audited financial statements of the Trinidad and Tobago Film Company Limited for the financial year ended September 30, 2010. [*Hon. W. Dookeran*]  
*Papers 4 to 7 to be referred to the Public Accounts (Enterprises) Committee*
8. Annual administrative report of the Ministry of Energy and Energy Industries for the fiscal year ended September 30, 2009. [*The Minister of Energy and Energy Industries (Hon. Carolyn Seepersad-Bachan)*]

## **ORAL ANSWERS TO QUESTIONS**

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**The Minister of Housing and the Environment (Hon. Dr. Roodal Moonilal):** Mr. Speaker, there are three questions for oral reply today. The Government is in a position to answer all three and there are no questions for written response. Thank you.

**Trincity Gun, Drug and Kidnapping Court  
 (Details of )**

**89. Ms. Alicia Hospedales (Arouca/Maloney)** asked the hon. Minister of Justice:

Could the Minister state:

- (a) whether the Government intends to build a gun, drug and kidnapping court in Trincity?
- (b) the exact location in the Trincity Housing Development earmarked for the construction of this court?
- (c) when will the construction of this court commence?

**The Minister of Justice (Hon. Herbert Volney):** Mr. Speaker, in response to question No. 89, the response to part (a) is: no. The response to part (b) is: in view of the response to (a), part (b) does not arise. And the response to (c) is: in view of the response to part (a), part (c) also does not arise.

**Miss Hospedales:** Could the hon. Minister state whether or not you do have an intention of building a court in Trincity?

**Hon. J. Volney:** That is a matter that the Government will, in the fullness of time, be in a position to answer, but at this time I cannot answer that question.

**Arouca Community Library  
 (Details of)**

**90. Ms. Alicia Hospedales (Arouca/Maloney)** asked the hon. Minister of Arts and Multiculturalism:

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Could the Minister state:

- (a) when will the project to build the library in the Arouca community commence?
- (b) what was the original date for the commencement of this project?
- (c) what are the revised commencement and completion dates?

**The Minister of Arts and Multiculturalism (Hon. Winston Peters):**

Thank you very much, Mr. Speaker. In response to question No. 90, part (a), the date for the commencement of the library in the Arouca community has not yet been fixed. This is as a result of the Town and Country Planning Division's querying the size and capacity of the proposed library and its ability to serve the catchment area. Therefore, at present, there is no approval for the building of the library in the Arouca community. In this regard, NALIS has contracted an architect to amend the initial architectural design for resubmission to the Town and Country Planning Division.

With respect to part (b), no original date was set for the commencement of this project until the necessary approvals are received from the Town and Country Planning Division.

With respect to part (c), there are no revised commencement and completion dates. This project cannot commence until Town and Country Planning Division is satisfied with the design and the identified site and the requisite approvals are granted.

**Polygraphs Experts  
(Details of)**

**91. Ms. Alicia Hospedales (Arouca/Maloney)** asked the hon. Minister of National Security:

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Could the Minister state:

- (a) the cost to the taxpayers of this country for the professional services of seven polygraph experts?
- (b) the names, qualifications and work experience of the seven polygraph experts?
- (c) the arrival and departure dates of the seven polygraph experts?
- (d) whether return airfare, hotel accommodation and expenses were a part of the costs incurred for the services of the seven polygraph experts?
- (e) the amounts paid for return airfare tickets, hotel accommodation and expenses for the seven polygraph experts in relation to this visit?
- (f) the procedures followed to hire the seven experts including the procurement method used, the person who authorized their employment and the person who approved their payment?

**The Minister of State in the Ministry of National Security (Sen. The Hon. Subhas Panday):** Thank you Mr. Speaker. It is important to establish the backdrop against which this polygraph exercise was undertaken. There was an unprecedented level of continuous leakage of sensitive information concerning the internal affairs of the Security Intelligence Agency (SIA), now subsumed in the Strategic Services Agency (SSA). Specifically, they were:

- (a) several internal classified matters of the SIA formed part of media reports and open discussions on radio talk shows;

And you know which radio talk show.

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- (b) research shows that some parts of the media reports could have only originated from disclosure by an employee of the SIA or persons privileged to such information outside the agency, but within the confines of national security;

**Dr. Gopeesingh:** Clement.

**Sen. The Hon. S. Panday:** (c) the identity of the SIA's corporate cover was leaked to the media, again exposing and putting all staff, but particularly intelligence operatives, at risk;

(d) names and photos of intelligence officers appeared in the media. These continuous leaks were having a debilitating effect on the operations of the agency and were consequently destabilizing effort aimed at returning the organization to normalcy.

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Staff morale was also negatively impacted. Concerns were expressed about the personal safety and security of staff members who would have operated covertly against criminal targets.

Mr. Speaker, Trinidad and Tobago is a small country, the intelligence service does not have its own international capacity. In the fight against transnational organized crime, the relationship with international entities is essential to Trinidad and Tobago's efforts in this regard. In the intelligence world, information is only shared on the basis of mutual trust and the guarantee of secrecy of sensitive information.

Putting an immediate stop to these continuous leaks was deemed a top priority, and the cost of such an undertaking had to be weighed against the benefits to be derived from arresting the disclosure of confidential

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information to unauthorized sources. There was a critical need to restore some level of confidence in our local, regional and international partners and stakeholders versus allowing this runaway situation to continue unchecked and consequently threatening key long-standing relationships that are central to the nation's intelligence gathering capabilities.

Mr. Speaker, failure to confront and eradicate this problem could have potentially destabilized the intelligence gathering efforts of the State's main intelligence agency. One only has to recall the damage done by the US Wikileaks incident to put into context the gravity of the situation with which the Strategic Services Agency (SSA) was faced. However, the records will show that for the period following the exercise from March 22 to the present, there have been no further leaks concerning the internal affairs of the SSA. This appears to vindicate the agency in that it acted responsibly and decisively to restore internal, regional and international confidence.

With regard to the question specifically posed, Mr. Speaker:

(a) Hon. Members are advised that the professional services of six polygraph experts were obtained at a cost of TT \$265,692.

The six certified polygraph experts were charged with the responsibility to test 161 persons over a seven-day period. The cost incurred was disaggregated as follows:

- examiner fee for 161 tests \$154,560, less than \$1,000 per examination;
- airfare – \$23,112;
- accommodation – \$61,140;
- expenses – \$26,880, making a grand total of \$265,692.

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- (b) The team comprised of six polygraph examiners, certified by the American Polygraph Association. The examiners have backgrounds in law enforcement, military and federal government, in excess of 20 years each. Additionally, these examiners have conducted a combined total of over 10,000 polygraph examinations in the areas of military intelligence and investigations, law enforcement, federal government, in and outside of the United States of America.

Mr. Speaker, given the sensitivity of the work conducted by these examiners, and the bond of trust that exists between the agency and its international partners, I am advised that it would be an unacceptable breach of protocol to disclose their names.

- (c) The examiners arrived in Trinidad and Tobago on March 13, 2011 and departed on March 21, 2011, with the exception of the lead examiner who departed on March 23 in order to facilitate a debrief with the SSA director.

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- (d) Airfare, hotel accommodation and expenses were included in the total cost as provided in part (a) of the question.
- (e) A total of TT \$111,132 was paid for return airfare tickets, hotel accommodation and expenses for the six examiners.
- (f) In addition to the urgency for the services of the examiners, given the context I set out earlier, there were other key contributing factors that gave rise to the selection of this particular team. They are:

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- (1) The team had undertaken projects of a similar nature for the Ministry of National Security over the past eight years—the Trinidad and Tobago Police Service, the Trinidad and Tobago Regiment, the Trinidad and Tobago Coast Guard and the Coastal Radar Surveillance Centre.
- (2) The team's ability to make six examiners available based on one week's notice.
- (3) The team's ability to conduct 161 tests over a seven-day period.
- (4) The team's ability to submit results and print the reports on completion of the exercise.
- (5) The agreement to negotiate a fee of US \$150 per test versus the market value of US \$300 for tests of a similar nature.

In keeping with the terms of the appointment, the two deputy directors of the SSA authorized the employment and payment of the six polygraph experts. Mr. Speaker, the People's Partnership Government will spare no effort in continuing to enhance the national security of our country.

**Mr. Imbert:** Mr. Speaker, the leakages the Minister referred to that required the engagement of polygraph experts and this large sum of expenditure, were they occurring before the May 2010 election?

**Sen. The Hon. S. Panday:** Could you kindly present this as another question and we shall research it and ensure that we give the correct answer to your question?

**Dr. Browne:** Did the polygraph testing identify the source of the alleged

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leaks the Minister referred to?

**Sen. The Hon. S. Panday:** This is a matter of national security and as such it will be inappropriate to make such sensitive information public.

**PORTABILITY OF PENSIONS  
 (PRIVATE AND PUBLIC SECTOR EMPLOYEES)**

**Miss Marlene McDonald** (*Port-of-Spain South*): Thank you, Mr. Speaker. It gives me great pleasure this afternoon to move this Motion, which speaks to the portability of pension schemes. As a matter of fact, when I researched the topic, I realized it was not just something of concern to Trinidad and Tobago; but also of concern across Europe, the United States and Canada. I will try my best this afternoon to enlighten this honourable House, as well as the national community, on exactly what we are looking at. At the end of it, the Motion states:

*Be it resolved* that the Government move expeditiously to enact legislation to effect the portability of vested pension entitlements for both private and public sector employees.

I will begin, as I normally do, by defining the terms, especially, as I always say, I speak not only to this honourable House, but also to the national community and to my constituency.

**Mr. Speaker:** May I advise you to read the entire Motion so that it could be recorded.

**Miss. M. McDonald:**

*Whereas* pension funds are critical to the long term saving rate of a country and for the safety and security of each individual citizen's future;

*And Whereas* the savings of individuals are a critical component in the

growth and stability of the economy and the related financial system;  
*And Whereas* a critical part of an individual's savings for his later years is his contribution to a long-term pension plan;  
*And Whereas* the average length of time spent by any individual in any one organization has shortened considerably;  
*And Whereas* pension plans are currently designed to reward employees who remain with one organization for a considerable period of time;  
*And Whereas* there is no system for pension portability either in the public or private sector in Trinidad and Tobago;  
*And Whereas* the lack of pension portability is a constraint on the free movement of labour resources and the ability of the working citizen to pursue alternative employment opportunities without a substantial loss of pension benefits;  
*Be It Resolved* that the Government move expeditiously to enact legislation to effect the portability of vested pension entitlements for both private and public sector employees.

Mr. Speaker, as I said before, I define my terms. In general, a pension is an arrangement to provide persons with an income when they are no longer earning a regular income from employment. A pension plan is a conduit by which an employee transfers his or her current income stream towards a retirement income.

I understand that a pension is something critical in the life of any individual who is working. People are not only interested in their present income, but also the kind of income they would be receiving in their

retirement.

When a person is working, he or she enjoys a certain standard of living and there is a reasonable expectation that he or she would want to maintain this standard even when he or she retires. We recognize that pension funds are a critical part of long-term savings in any economy for the safety and security of each individual citizen's future.

It is to be noted that pension funds are important stakeholders of listed private companies. Across the globe, pension funds are especially important to stock markets, the largest, 300 pension funds collectively, hold about \$6 trillion in assets. In January 2008, the magazine, *The Economist*, reported that Morgan Stanley estimated that pension funds worldwide hold over US \$20 trillion in assets—the largest for any category of investor—ahead of mutual funds, insurance companies, currency reserves, hedge funds and even private equity.

In the US alone, pension funds as at March 31, 2010 amounted to some \$9.8 trillion. Here, in Trinidad and Tobago—I only have figures for up to 2006—the total in terms of pension funds invested is \$19.8 billion. That is the figure I received and it is spread over mortgage investments, foreign assets, fixed deposits, government securities and others. That “others” means real estate, Trinidad and Tobago equities and other Trinidad and Tobago assets.

Having given this little background, let me explain because this is the crux of the debate. What is pension portability? I am saying all this to get to pension portability. Pension portability means the capacity to preserve the actuarial value of the accrued pension when switching jobs. Here we are

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trying to ensure that there are no portability losses when an individual decides to switch his or her job.

A pension scheme lacking that feature of full portability will impose a portability loss on workers when they move from job to job. There is a saying in Trinidad; I remember my grandmother, 40 or 50 years ago, would say to us: As you finish school, get a government job. They saw security in that government job.

So you enter and you work for your 33 $\frac{1}{3}$  years, at the end of which you get a lump sum, a pension, and you go home and rock. In these days, where there are so many skill sets around with the emergence of the energy sector and the need to get a different type of worker, people need to be given that flexibility and leverage to move between jobs.

Even in the public service, there is a problem. We need to see people moving between the ministries and the statutory authorities, et cetera. Contract jobs, Mr. Speaker, is the name of the game today as people utilize their skills in different sectors of the economy.

There are some people who would be afraid to do it because they fear, if they have spent 10 years in the government service, to switch. They think about their benefits. What will happen to my benefits? What will be the loss as I switch from one job to the next? This is exactly what I am attempting to explain and to bring to the Government's attention, the need to implement legislation for pension portability in Trinidad and Tobago. That is what I am about here. That is my objective.

There are basically two pension schemes and I wish to bring them to the fore, this afternoon. There is the defined contribution pension, which I will

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hold for the time being because we are looking at the defined benefit pension scheme. That pension scheme is more appropriate to describe what happens in Trinidad and Tobago today.

The defined benefit pension scheme is one in which the planned sponsor promises a pension that usually depends on final wages and years of service. That sounds very familiar. Workers who are in the scheme receive a pension based on the salary and years of service at the time of leaving. Workers leaving the plan early tend to suffer portability losses and most defined pension schemes—these are the characteristics of this pension scheme—are designed in such a way that workers who switch jobs suffer a loss of pension rights.

**2.10 p.m.**

Mr. Speaker, let me briefly enlighten this House on the sources of portability losses. Mr. Speaker, in the unfunded plans—like the one that I recognize that we have here in Trinidad—in an unfunded pension plan no assets are set aside and the benefits are paid for by the employer or the plan sponsor as and when they are paid. The resources that would be used to pay the benefits are not yet available when the employee changes jobs.

Now, Mr. Speaker, it sounds very familiar because I think having researched this, the Government has no way of determining exactly what is their pension liability on an annual basis. I think that because it is a charge on the Consolidated Fund, the Government prepares the budgetary allocations for the year, and probably will just put a figure. That figure may not be the correct figure, a nominal figure, and that figure may not be the correct figure. We are suggesting that, perhaps, the Government should create a fund

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operated by the Central Bank. It could be done collaboratively, and each year, or whatever, a certain sum of money would be placed in this account, and the Central Bank will then have the authority—I am just suggesting something—to invest those funds. The Government will get some interest out of that. And at the end of each year we know—the financial year is the end of September—that a certain number of people will be coming into retirement let us say 100 persons, we would be able to gauge the sum, so the Central Bank would be able to release those funds to the Government, on an annual basis; as opposed to having a charge on the Consolidated Fund. It is just a simple recommendation that we could look at.

The pension scheme and those unfunded plans—the pension scheme receiving the new employee as he switch is being asked to accept a liability, because you do not know, the last employer would not know, how much accumulated benefits that person would be entitled to. The obvious solution to this is to maintain fully funded pension plans.

Mr. Speaker, there are many sources of portability losses. The first one I want to look at, which really had me thinking, was the vesting losses because as I read the vesting benefits across Europe, United States I could not help but think that we are very archaic in the way we think and how we do things. The portability loss occurs—I am looking at the various portability losses; we are dealing with vesting losses. This portability loss occurs when an employee changes jobs prior to reaching the vesting period from which pension benefits begin to accrue. A solution to alleviating vesting losses, would be to reduce the vesting period.

In the Caribbean, Mr. Speaker, the vesting period is between 10 to 13

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years. I always find that Barbados has always been very progressive in its law. In 2003, Barbados reduced the vesting period for certain plans to three years. Mr. Speaker, in Trinidad and Tobago that vesting period is 10 years, so we need to look at it. This is the time within which the employee would become qualified to own the particular benefits that would have been invested by the employer. There is a period and that vesting period—is it called vesting losses because you take so much time—if an employee is employed for, say, four years and the vesting period is 10 years; if that person decides to switch jobs that person loses all his or her benefits. That is why the vesting period is so important. And that is one of the areas of portability losses.

**2.15 p.m.**

Mr. Speaker, there is another portability loss called the “final wage loss” and this portability loss occurs typically with the defined benefit plans like the one we see here, as a result of the calculation methodology of the pension benefit. Most of these plans base the pension benefit on the employee’s final wage at the time he or she leaves the job, and we know that. We know that in the public service you work and work, and at the end of the 33 $\frac{1}{3}$  years they then calculate.

If the employee changes jobs, he enters a new job—he is now vested in a new pension plan at his new job—he would be paid benefits from two separate pension plans, however, his total benefit payment will be lower, because he did not remain at his first job until retirement, and herein lies that portability loss. That portability loss occurs, because the employer’s first pension plan calculated his benefit based on his final wage at the time he left his first job.

Mr. Speaker, another portability loss is the back-loading losses, and this is very simple. I am trying to simplify this to this House and to the community outside. This portability loss occurs as a result of increasing accrual rates for pension benefits over time. In some defined pension plans, pension rights accrue slowly in the early years and accelerate in the later years and, therefore, employees who switch jobs in their early years will forego those high accruals in the later years as never again will they gain access to the higher benefit accrual rates. It is very simple. You are in a job, your job is accruing rates for pension benefits from day one to day 100, and as you go along it starts slowly and then it goes faster. If you leave in the middle, you would have lost those higher rates which were accrued.

We come to the last one, the penalty losses that will occur. This is another one of the portability losses. This portability occurs as a result of the portability rules adopted by certain pension plans. For example, some pension plans accept rights accrued in other pension plans, but with a penalty fee and this is where you will suffer your portability losses. As you switch, there are a lot of administrative fees, of course that would redound to your benefit, to your disadvantage.

Mr. Speaker, at this juncture, it is important to note that before dealing with our own situation here in Trinidad and Tobago, we must have some sort of appreciation for what is happening in foreign jurisdictions, so I take this House to the United Kingdom. Mr. Speaker, for at least two decades, the issue of the pension rights of early leavers has been a matter of public policy.

Mr. Speaker, in the UK, the average worker changes jobs at least five times in his or her career, and only a small proportion of workers will hold the

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same job at retirement, yet about 60 per cent of full-time male workers and 53 per cent of full-time female workers are in an occupational pension scheme, most of which are the defined benefit type, similar to Trinidad and Tobago, in which the pension rights are either not fully portable or not fully preserved, and this capital loss leads to labour market imperfections which help to reduce job mobility.

Mr. Speaker, a study was commissioned by the UK Office of Fair Trading as part of its enquiry into UK occupational pension scheme, and the name of the study is called “Portability and Preservation of Pension Rights in the UK”. It is a study that was done in January 1998 by David Blake and Michael Orszag. Mr. Speaker, in this study, they examined the various ways in which early leavers of pension plans are penalized. In the first case, they said that the pension rights are based on final salary in each job with limited revaluation for inflation. They also said that defined benefit plans involved implicitly back-loaded contributions so that workers who move to defined contribution schemes in mid career will lose pension benefits, because they will not receive the back-loaded employer contributions as I have explained before. Some of the benefits are accrued over the years, and in the early years they start off very low, and in the latter years it is very fast. So, if a worker leaves in-between, he will not get the benefit of those enhanced accruals. If an employee leaves a scheme during the vesting period as in England now, it is currently two years, they will lose their pension rights.

Mr. Speaker, the research shows that there has been a dramatic improvement in the position of early leavers in England. The recent legislation that was passed, that is the Pensions Act of 1995, has actually had

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the effect of reducing transfer values for early leavers.

Mr. Speaker, pension portability losses also arise in other countries. I want to look at the United States of America. In the United States of America, most defined benefit pension schemes are non-contributory, just like our public servants here, and workers leaving jobs lose all their pension rights, if their pension had not been vested by the time they leave.

Before the 1974 Employee Retirement Income Security Act, many workers had to stay on their jobs until retirement to vest while most schemes granted vesting where the sum, the age and the years of service exceeded 40 years.

Accrued benefits in the United States of America could be lost if there was a break in service of the workers, or if the workers were guilty of misconduct, or if they moved to a rival company. But in 1986, the Tax Reform Act shortened the vesting period. This is what is important, because as they shortened the vesting period, employees were able to move between jobs much easier, because they did not suffer those types of loss of benefits as if they were not vested.

Mr. Speaker, I looked at the European Union, and a task force was set up and it is called Cross-Border Portability of Pension Rights—An Important Condition and Integrated Market for Pension Provision. This was updated on January 29, 2010, and this report gives recommendation on how pension portability could be improved in the European Union. The task force noted that whereas the issue of pension portability has several dimensions, the task force decided to focus, in particular, on the cost and the scope of eliminating obstacles. So, there we are, just as we are trying to do here in Trinidad and

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Tobago, we want to pass that legislation; we have recommendations from the Mercer Group, and now we see here in the European Union that they are virtually doing the same thing that we are doing.

Mr. Speaker what are those benefits incurred in increasing portability of pensions and minimizing portability issues? They have identified several benefits. Increased portability will facilitate labour mobility; both within and between member states. The free movement of workers within the single market is a fundamental right. As they say, we want to encourage the European Commission to continue to press for the elimination of all measures of discrimination between sedentary and mobile workers within the various pension schemes.

They also identified that increased portability and, ultimately, the possibility to create a Pan-European Pension Fund for all staff members will lead to reduced administrative costs. I rather like that point, because when there are numbers, you enjoy what is called economies of scale as opposed to going it alone. If you own a home, you know that you benefit more from being in a group insurance as opposed to a single insurance, because there are so many people to share those administrative costs that you enjoy those economies of scale. This is exactly what they are saying here—to create a Pan-European Pension Fund for all staff members will lead to a reduction in administrative costs of the increasing number of firms undertaking cross-frontier production and distribution.

Mr. Speaker, I looked at Netherlands; I looked to see what the Dutch people are doing, and most of the large pension schemes in Holland participate in one of five portability clearing houses known as transfer

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circuits. Mr. Speaker, I really did not know much about it. I rather think that the Dutch has provided a rather interesting approach to this portability issue. These transfer circuits were established in 1987 following the government's threats to introduce legislation to improve portability if a suitable private sector alternative was not forthcoming. So, the Government got involved, and out of it you have these transfer circuits being established.

Early leavers can keep their vested rights in the scheme, if they are leaving or transfer them to the new employer scheme using a clearing house. Mr. Speaker, this transfer procedure is simplified by the fact that most defined benefit schemes in Holland have identical accrued rates based on the average final salary. That is one of the important features in the transfer. This means that early leavers do not lose out from career progression when they change jobs as they do in the United Kingdom, where less than full service is credited in the new employer's scheme. I dare say that the Dutch system of transfer circuit works largely because of the high degree of uniformity in the benefit system across different schemes.

I looked at Japan, and Japan also has clearing house for schemes contracted out under the employer's pension fund. The clearing house is operated by the pension fund association to which all contracted out pension schemes belong. If the Government wishes it could look at it; to contract out all the pension funds. This is a model that could be followed.

I come now to the Caribbean. The Caribbean countries are not immune from this growing issue of pension portability. Many pension schemes in the Caribbean impose significant losses on workers who change jobs. These losses have negative impact on labour mobility, and this issue

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seems to be particularly relevant for our Caribbean countries given their small size and growing number of moving workers.

I just want to give a little breakdown, and this was done in the year 2000. This is the migration from Caribbean workers to other countries. I am going to name just a few. Antigua and Barbuda had an 86 per cent movement of workers: 1.3 per cent to the Caribbean, 24.9 per cent to the United States of America, 5.1 per cent to the United Kingdom and 54.8 per cent for the rest of the world. Let me give you Trinidad and Tobago: .5 per cent to the Caribbean, 15.9 per cent to the United States of America, 1.7 per cent to the United Kingdom and 7.8 per cent to the rest of the world, only 25.8 per cent migration.

**2.30 p.m.**

What I am saying, here, Mr. Speaker, is that most of the people who left—I have figures for Bahamas, Barbados, Belize, et cetera—they are actually choosing the United States as their destiny of choice. But what I am saying, as people move from the Caribbean and they move to different islands, are they protected by social security agreements? And if your country did not sign with the country that you are destined to, you would have lost all of your benefits. Mr. Speaker, the main problem with the portability of pensions is usually the lack of aggregation or totalization rules. Now, that simply mean—the rule is that you total the number of years of service in different pension schemes and you can determine somebody's benefit in the receiving country, but if you have not signed off you are not so entitled.

Bringing the bid closer to home in Trinidad and Tobago, in June 2004, a White Paper produced by the Minister of Finance entitled “Reform of the

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Financial System of Trinidad and Tobago”, addressed the vision of a new financial landscape for Trinidad and Tobago and the role of the government in achieving the vision, the role of the government was to be a facilitator as well as the developer.

Mr. Speaker, the White Paper laid out policy recommendations for various sectors in this economy and they had seven main recommendations for the pension industry. While all the recommendations are relevant there is one that stood out and which is quite germane to this debate. It says and I quote:

“5. Codify the portability of pension rights in law so that it is not left up to the discretion of the rules of individual”—funds. “This will ensure that”—fund—“members are not constrained or lose benefits when they switch from one pension...”—fund—“to another.”

That was one of the objectives in that White Paper. Trinidad and Tobago needs to continue the journey to this new financial landscape envisioned in the 2004 White Paper.

Mr. Speaker, the PNM administration sought the services of Mercer Limited—I think it is a Canadian firm—to develop a contributory pension plan for the public service and the main objective was to review the existing pension arrangements and the development of a proposal for the establishment of a modern contributory occupational plan for public servants. Having had Cabinet approval in 2008, the budget of 2010 stated the key proposals and they are:

- (1) improved survivor benefits;
- (2) shorter vesting periods;

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- (3) the elimination of the 2/3 limit on pension accruals; and
- (4) improved pension portability

As a matter of fact they also asked for it to be codified.

Mr. Speaker, this piece of legislation once enacted would assist persons as they seek to use their talents within the public sector or private sector without fear of significant losses. As I researched this topic, I could not help but think how backward we are in Trinidad and Tobago in terms of our pension law. When one looks at Holland and Japan, we could have tried to emulate their systems, their approaches.

**2.35 p.m.**

Mr. Speaker, I wish to recommend that the Government in its pension reform reduce the vesting period of pensions from its current 10 years to a recommendation of two to three years. This is one of the key proposals stated in the budget statement of 2010, and, of course, we should see greater mobility within the Government service and statutory authorities.

Another recommendation is the removal of the 33 $\frac{1}{3}$  year cap in the public service. Pension benefits in the public service are calculated on the 33 $\frac{1}{3}$  years that a worker is employed, before he or she can access full pension rights. I would also recommend for workers, be it the public or private sector, improvement in the survival benefits and automation of the pension system in Trinidad and Tobago. The Government must now play a role in passing, in bringing expeditiously, this piece of legislation on pension portability to allow our workers, especially in the public service and the private sector, to gain more flexibility and leverage.

Mr. Speaker, I beg the move.

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**Mr. Nileung Hypolite** (*Laventille West*): Mr. Speaker, I beg to second the Motion and reserve the right to speak. [*Interruption*]

**Mr. Speaker:** Member for Caroni East and Member for Tabaquite.

*Question proposed.*

**The Minister of Finance (Hon. Winston Dookeran):** Mr. Speaker, let me first of all say I am pleased that the Member for Port of Spain South has brought this Motion for public attention. As usual, she has done some research, which she has now become accustomed to in this House. [*Desk thumping*] Regrettably, however, it appears to me to be the first draft of a scholarly piece of work.

**Hon. Members:** Oooh!

**Hon. W. Dookeran:** I do not blame her for that, but I do believe that she has her intentions correct and her proposals are, in fact, worthy of commendation.

This Government has made it very clear in our manifesto provisions, and subsequently in our actions, that the security of our senior citizens is a matter of very high priority. You would recollect that one of the first pieces of legislative action brought before this House was to establish a minimum level of pensions for Trinidad and Tobago in general, and specifically for those who receive pension support. Notwithstanding the debate that emerged out of that proposal, today we have established a floor of a basic pension of \$3,000 per person in Trinidad and Tobago, as the beginning of a process of pension security. [*Desk thumping*] This applies to a fairly wide scale, and over time clearly we will be able to build upon this and expand its coverage.

Beyond that, in terms of our financial commitment to the issue which

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the hon. Member for Port of Spain South has addressed her attention, in the People's Partnership Government we have been able to begin to change the priorities of expenditure that we inherited. What has happened in the past is that the rhetoric of the government did not match the priorities of expenditure. [*Desk thumping*] So it is no wonder that the Member for Port of Spain South would have given us such a detailed contribution on what that government had done in the past.

I believe she said as way back as 2004, a White Paper was produced, and in 2008 there was a Cabinet decision to proceed along the lines of that White Paper. But the rhetoric of that conversation was not indeed matched by the priorities of expenditure, as we in this Partnership Government has attempted to change the priorities of expenditure to achieve two goals: to try to set the economy and the society on a growth trajectory, but equally important, to include what we call a wider cross section of people to benefit from the expenditure of the country. Growth and inclusiveness have been the fundamental philosophic pillars upon which we have been changing the priorities of expenditure.

It would be nice to change it radically, but clearly we have to proceed in a gradual fashion. The end result of this change will, of course, be to allow the senior citizens to have a larger share of the pie that is available for Trinidad and Tobago.

Already I am informed that our expenditure as a Government on both old age and public sector pensions is at a level of \$2 billion in 2006; today, in 2011, the figure is now \$4.5 billion. We have more than doubled the expenditure over the last five years on the issue of pension to

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Trinidad and Tobago, and if there is more proof that we mean what we say, it is here in the figures before you. Over time, the coverage of course will increase. But clearly there is a deep commitment on our part to ensure that our senior citizens' retirement security is given a very high priority.

In order to do that, we have begun to work on what we had, in fact, found on the desk. It is only one year ago that this Government took on the responsibility for charting the public policy direction of this country. So we began to look at what was on the desk, since 2004 and before that, because my recollection is that the White Paper was the result of years of agitation and conversation before that. If it is one area in which we have failed our nation, it is in the area of pension reform, because we have been talking about it without doing anything about it. That is why I can say here today that we have taken the steps, not only to talk about it, but to do something about it as we proceed. [*Desk thumping*] I will outline, in a few moments, some of the things that we have embarked upon.

We began by taking what was on the desk. On the desk was some work regarding the issues facing public sector pension reform. There was a fair amount of preparatory work. The Member for Port of Spain South made reference to some, but there was much more that was on the desk at the time. Very specifically, what was being discussed was the actual valuation of the gratuity arrangements for daily-rated employees, and beyond that, to look at the public sector programme.

In fact, one of the key issues that emerged in our very fruitful and constructive deliberations with the Public Services Association, prior to the arrangement which we had agreed upon recently, was the issue of pensions.

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The PSA made a strong appeal for accelerating the work on pension reform, with particular reference to the pensions for the public service. We conceded to that, as consistent with our own desires to have a better share of the pie devoted to senior citizens, and while we talk about the agreement that has been arrived at and has provided a breathing space for this economy, it has also provided potential for growth in the improvement of the lives of senior citizens.

Pension was one of the key issues raised during the negotiations, and is currently being raised in the continuing negotiations taking place. I say that because we are very sensitive to the desires of the workers in this country, who are calling for a better pension plan. Today I want to give you the assurance that is directly what the journey is all about. We intend in the People's Partnership Government to provide a better deal for the pensioners in this country, as we deal with this professionally as well as from the point of view of the finances.

We do not wish to have new promises based on old premises. So as a result, we are looking at the premises upon which these new promises are emerging. In that sense, we are looking carefully at the premises of the existing system: why has it not worked and how can it be improved. To that extent we have placed as one of the key issues for consideration, the issue of pension service delivery. That is the current problem.

The Member for Port of Spain South did raise some very valid concerns affecting pensioners. It is the delivery system that we are focusing on. It is one thing to talk about what you want to do, but it is another thing to roll up your sleeves and do it. [*Desk thumping*] That is why we have begun to deal

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with the pension service delivery by putting into place the necessary systems to improve it. There are only two aspects of it I want to raise, but there are many other aspects. I just want to point out the direction in which we are moving to improve pension service delivery.

Based on the reports of the professionals in this matter, we have embarked on a programme for the promotion of information via web-based technology, so that in due course citizens could go onto the web and be able to get a good picture of what is in store for them, with respect to the public sector pension programmes. Information, we are told, has been one of the missing links in the delivery system. Our citizens do not know what is in store and what is available. Much of the frustration and anxiety has come from the absence of information. I think the Member for Port of Spain South alluded to some of that. Therefore, it is our desire to reduce that information gap, and in so doing to join in these times of using modern technology, information technology and web-based technology to address that problem.

**2.50 p.m.**

We did not come to this conclusion on our own, it was the result of professional work by consultants in the area—with whom the previous government started to work with but we now in the stage of embracing that and carrying on with trying to reduce that information gap, when we do so, then clearly citizens will be in a better position to know what their entitlements are, so that they do not have to make multiple trips to the various government departments only to be told, “come back tomorrow”. That is an era that we want to leave behind, as indeed is the era that we have left behind when we defeated the PNM in the last election. [*Desk thumping*]

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As much they will try to come to this era, there is a lot of pruning and a lot of walking that has to be done for that to happen. [*Desk thumping*] [*Laughter*] Leaving things behind is why we are moving so fast ahead of us. So, Mr. Speaker, that is one area which we are addressing to improve the service to pensioners, and I have told you the number, the funds that are now being spent in that area.

The other area which we are paying special attention to is improving, the pension delivery system in the country and streamlining the approval process. We are well aware that the approval process is cumbersome, time consuming, not consistent, contradictory at times, as to some of the things that the Member for Port of Spain said, contradictory at times, and therefore, streamlining that process is another one of our goals in trying to improve the delivery of pension in this country.

So, it is in that context I reiterate the position that we have taken, not only in terms of allocation of funds, but also in terms of changing the system of administration. One cannot expect that to happen overnight, but what we can expect is that it will not take all the years that have passed under the PNM administration to do what we can do in one year.

And that is the debate before this country, as they hem and haw on what has happened in the past, we are quietly doing what is required for the future [*Desk thumping*] and evidence of that is becoming more and more apparent as we proceed to report and account to the people. So while they continue with debates that have been futile and sterile, we are really engaged in trying to engage the society in solving the problems on the ground.

Mr. Speaker, it in that context that I believe the proposal that has been

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put forward is a very valid one, because beyond the issues that I have raised, there is need to clearly deal with the wider issues, and that too we have begun to deal with.

In fact, this Government, very early in its term, within a matter of two months after we assumed the responsibility for public management in this country, began to hold discussions with other professionals on the issue of what I call the harmonized universal pensions system. Harmonized because there were so many conflicting pension rules and legislation. I believe I was told at one stage that there were about 16 or 17 pieces of legislation on the books—23, thank you for the correction—and that itself is a problem.

**2.55 p.m.**

You would remember I came to this very House, Mr. Speaker, to pass legislation with respect to ensuring that some public servants would have got one month's gratis payment upon the death of their beloved one, which was in one legislation but it was not in the other legislation. And we had to use the very scarce parliamentary time to do things like that and spent a lot of time when it was a simple matter that could have been handled administratively if the legislative system was not so cumbersome. So we recognized that the legislation on pension has been on a piecemeal basis. It dealt with a problem as the problem emerged. The society in the past and under the previous regime continued in that tradition so we ended up with a legislative apparatus that was itself paralyzed. Therefore, we decided that we should approach this problem by having, what I call, a harmonized pension system.

Secondly, because the area of application was so limited we said it should be a universal pension plan and we began work on that. Universal in

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the sense that we want to include into the network those who are self-employed, to courage them in the act of saving for the future, to provide that sense of financial security even for the self-employed and hence we designed a framework for a harmonized universal pension system. It was within three months after we were in office that the Cabinet took a decision, in principle, to proceed with the development of a harmonized universal pension system for Trinidad and Tobago. These things may not make the news, but they are certainly the things that would create a better future.

Mr. Speaker, it is in that context that I want to just say a few words on that programme that is being developed and to give some idea of the timetable for its work and the delivery that is expected. I said it is universal, because it will, in fact, aim at reaching all citizens, who, once reaching retirement age, will have access to a source of income that is adequate and prevents one from falling into poverty. You see, we see this problem as twofold, encouraging savings on one hand and ensuring that the country is protected and buffered against falling into poverty. You cannot deal with the problems of poverty by just simply being advocates for those who are poor. You have to deal with the problems of poverty by putting into place those structures and those systems that will ensure that the cycle of poverty can be eliminated, and the pension system is one such measure. So the objective of the universal pension plan is twofold: one to deal with the issue of savings, redirect the expenditure. We have had enough of tall buildings, it is about time we have short people, and short people getting some of the benefits—[*Desk thumping*]*]*—and therefore, frontally attack the problems of poverty.

The other component of the programme, Mr. Speaker, is, what I call,

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the harmonized part of the programme and I made reference earlier to the 23 pieces of legislation on the books; some contradictory or if not contradictory it makes it difficult to administer. It creates a lot of silos and it creates a lot of departments, and today we find that the pensioners are frustrated and we get messages all the time. I am sure as Members of Parliament you get numerous complaints from our citizens about the frustration in accessing what they believe is their right. Having lived, worked and contributed to society, it is really, not only unfair and unjust, but it is unconscionable to have them go through the type of things they have to go through to get their rightful income in the senior part of their life.

So, Mr. Speaker, the harmonization—so that we can establish the consistency of the rules and benefits across all components of the system. We have done a full report on that issue, since we have been in Government, to which I am making reference. So these are not pie in the sky or these are not simply advocacies, this is work in action that I am talking about. Within that context I come to what the Member for Port of Spain South has raised: the portability of pensions. The portability of pension rights between occupations, regardless of sector of employment, and I think the Member for Port of Spain South made a strong advocacy for that. [*Interruption*] Well, I know in the days when she had to deliver there was nobody to receive the advocacy about which she spoke. [*Desk thumping*] Her heart to advocate is something we welcome. [*Interruption*]

So the portability of pensions has major benefits and I think we must admit they were all outlined very well by the Member for Port of Spain South, including the employment benefits, including the flexibility of the

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labour-force benefits and we have no problem. But it is not a simple matter without going through the work to look at the laws and see how they need to be reformed and here we are talking about portability between the public sector and the private sector, and that, in our view, is a step that ought to be done as quickly as we can so that we will be able to have people moving from the public sector and the private sector with greater ease and no loss of future benefits. This might even help in the whole management of this economy, because there are many people in the private sector who need to understand the issues in the public sector, and there are many people in the public sector who need to understand the issues in the private sector, and therefore the portability that you talk about could, overtime, encourage that kind of cross fusion of experiences. In the final analysis, development is not so much about policies as it is about people and, in that sense, Mr. Speaker, this proposal is worthy of consideration.

But not only are we working towards a universal plan, we are working towards a harmonized plan, but equally important it must be sustainable, and that is an area that we sometimes lose in the public discourse. It must be sustainable so that it can be supported by sources of income. I said earlier that this Government, within one year, was able to double the allocation on pensions as an indication of a direction to provide protection for senior citizens retirement. Some have argued that we should do more, and rightly so. But whatever we do must be sustainable and in the sense we must find the ways by which the sources of income can be generated to pay for it.

You see, gone are the days when we would simply respond to desires without understanding how to make them practical and financially possible.

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So sustainability is an important part, and part of our work right now, not only with respect to the pension system, but with respect to all the programmes, is the sustainability and therefore, its financial sustainability. When we talk, therefore, about the portable pension plan, we have to locate that in the context of a sustainable programme. You see, we would be doing this society a great disservice to start something today that the next government cannot continue tomorrow, and that is why we are putting so much emphasis on designing the programme with a lot of professional input and technical support, but the objective is clear.

In the case of the Motion before us, the objective is very clear, that portability is part of that programme, but it is not the whole programme. That is why I said it represented to me the first draft of a good research piece of work, because it did not cover the totality of the challenges facing us. *[Laughter]* But I do not blame the Member for Port of Spain South and I know she may have tried in previous incarnations and failed, not through her fault, but through the fault that the system that they were operating is now obsolete and no longer relevant to the people of Trinidad and Tobago which they intend to impose on the people, again—

**Hon. Member:** “Wooo”. *[Desk thumping]*

**Hon. W. Dookeran:**—and I do not know if they understand the significance of the May 24th general election is a rejection of that paradigm and the attraction of a new paradigm.

**Hon. Member:** “Whaoo”. *[Desk thumping]*

**Hon. W. Dookeran:** That is why when I read the newspapers, when I get time to do that, I sometimes wonder when on earth would the Opposition rise

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to the challenge of coming towards something different, something better and not going back to the old—

**Hon. Member:** Yes! [*Desk thumping*]

**Hon. W. Dookeran:**—and not fighting with the old and the wet ways and means by which they do it. The advice I give to all Members in Parliament, it is time that we rise to the challenges ahead of us—

**Mr. Warner:** We shall rise.

**Hon. W. Dookeran:**—rather than be imprisoned by what we have inherited in the past. [*Interruption*]

**Hon. Member:** Keep walking.

**Hon. W. Dookeran:** So, Mr. Speaker, it is in this context I am very pleased to say that the Motion before us is indeed very appropriate, in my view. It is part of the programme. The question that must, of course, be asked is, when would this be done and when would we see the results of it? The priority that we have placed on this programme of support for the senior citizens, has been evidenced by our reallocation of the resources of which I spoke. It has been evidenced by the desire to add to that other programmes of social support beyond pensions. Although there is a challenge to meet the financing of them all, we are committed to shifting that expenditure over time, but at the same time ensuring that we establish the basis for which sustainability would take place. That really is what responsible government is all about, and that is what the other side understood they did not do and the electorate decided what they had to do.

So, Mr. Speaker, the time for responsible approach to development, the time for a credible approach to development is upon us, and such a credible

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approach must be based on detailed work that has to be done, and to include the rationalization of the legislative apparatus before us and the sustainability of the programmes. In simple terms what I am really saying is that we cannot simply talk about these things without making sure they happen. What I can assure you here today—and I know the Prime Minister has been saying it often in Cabinet, “Less talk, more action; let us get for the people what the people have requested us to do for them.” [*Desk thumping*] But action does not always have to be done in the public; much of the action is done behind closed doors. At the end of it we hope that we can come out and serve the people in a way that they, too, would realize that we are serious.

**3.10 p.m.**

So, Mr. Speaker, this debate has given us an opportunity to raise these issues in the public arena, and I think it is right too. It is right that we do that for the population at large must now become aware of what is happening. This particular debate has allowed us that chance to bring this forward, so that the public would be engaged.

Part of the process of going forward involves detailed discussions. Firstly, with the workers, with whom we have already started informal discussions through the negotiations, but with whom we will have more structured discussions for they will be engaged. And I did give the assurance when we discussed with the Public Services Association that we would have a joint steering committee which would include not only the workers, but other groups in the society who will have to play a part.

So the next stage after designing what we are working on now is to have these discussions, to have these conversations, to engage the workers;

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and to engage the employers; and to engage the public servants; and to engage the civil society in a new process of consultation. We cannot finalize this plan without having the input of those who are going to be affected. And while you need to do some of this work, in the end, you have to get the validation of this work from the people with whom this work will be affected.

So our next stage is to open up that conversation. Part of that will be dealt with in the upcoming budget consultation, which will deal with that and wider issues. But, clearly, it is important to engage the society in that consultation on the pension programme that we are talking about. So that we can respond to the real needs of the people rather than simply lay back and believe that we have worked it all out by ourselves. What we can do is generate the necessary technical work, but such discussions will take place. Beyond that will have to be the legislative agenda, and I have been mentioning here today that that itself is a big task. And beyond that will be the implementation of the programmes and, of course, having the wherewithal to make it financially sustainable.

Our programme that I have outlined is a programme for the next year. What we have done in the last year, we will double in the next year in terms of our output, and that is a programme for the next year on pension reform.

The issue of portable pension programmes and legislation is part of that programme, and it may well be that we will have to even do that on a staged basis, and bring that forward. Member for Port of Spain/South, we will consider how we might bring that particular measure forward, so that we would not have to wait for the entire blueprint to deal with the entire issue, because I think, as I said, it has validity on its own.

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So you have given us the opportunity here to explain to this national community, and to the Parliament what steps we are taking to satisfy the requirements of the senior citizens for better retirement benefits, the requirements of senior citizens to have a better day. Now, we will work towards that end with a greater sense of urgency.

Let me end by saying—*[Interruption]*

**Mr. Warner:** “Doh end, doh end man geh dem, geh dem.” *[Laughter]*  
teach them; let them learn something.

**3.15 p.m.**

**Hon. W. Dookeran:** Well, I believe we have covered all the points that have been raised by the Member for Port of Spain South in her presentation, and I have had the opportunity here to explain exactly how this Government is going to be approaching these issues on pension reform, on pension changes and on trying to ensure that our senior citizens—especially our senior citizens who do not have the wherewithal to access pensions at high levels. I said earlier, we were first in our legislative proposals to introduce the basic pension of \$3,000. That will be extended to include all members of the protective services as the Prime Minister indicated recently, but we are using that as a building block.

Many have raised the issue about why did we retain the 60 years; whether there was a promise and so forth. I think that debate is over because people recognize that you got to do this in a manner that is sustainable. As I mentioned to you earlier, we have moved our expenditure from about \$2 billion within the last five years to \$4.5 billion in this year. We have changed that expenditure. One cannot expect us to change that dramatically over

time. So we will indeed be able to deal with that.

Mr. Speaker, all I can say at this point in time, is that the direction in which we are moving is a direction that is clearly in the interest of the public at this point. Our commitment to the senior citizens is strong. Our desire to expand this coverage has been articulated in the new programme that I have outlined and I have had the opportunity to outline here today. I only hope that Members opposite will join us in the debate about the future rather than become satisfied about debating the past and the past and the past, for we have now got to move the society forward.

If you notice what is happening in this country, we have been preoccupied and possessed by a debate on process, without understanding the outcome of that process all the time, and that to me, is where I see the Opposition always trying to respond, and rightly, the process must be correct, there is no doubt about that. But it is the outcome that matters. That is why I said earlier, the Member for Port of Spain South would have spent many years advocating in her government what they have advocated so well, but to make it happen is a different story and we must now engage in a discussion on how to make it all happen.

Mr. Speaker, I indicated to you that this is a welcome Motion. It ought to have been dealt with. The Member for Port of Spain South did what she could do to bring it to the attention of the national community, and I have tried here to tell her that what she has said, we have already begun to work. What you are learning today from her is what we may have forgotten as we move forward in the future. The premises upon which you are basing your suggestion need to be reviewed so that we can get the right results.

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Let me conclude by saying that pension reform is but a small part of the programme for social security of the citizens of this country. We are already engaged in some demographic work as to what are the demands for senior citizens. In fact, there is a new demography that will emerge, and emerging, and in that sense, we have to provide the support to deal with the increasing demands on the Treasury for changes in the demography. It may reflect itself in the health sector, it may reflect itself certainly in the social security sector, and it will reflect itself at all times in the senior citizens' sector. So, that too, we are considering in our quest to try and satisfy the needs of the people.

Pension reform, therefore, is part of the wider programme of social security support, and that programme is then linked together with our programmes for economic restructuring. It is not a matter of choices. It is a matter of doing them in a way that you can achieve the growth on one hand and the inclusiveness on the other hand. The society must, in fact, benefit from the rewards of its work and being citizens of this country and, the parities of expenditure will be changed to reflect that. In so doing, we will be able to achieve the sense of sustainable security for the future without jeopardizing this country's fiscal and economic situation.

At this point in time, we do believe that there is a new sense of comfort, and although from a fiscal point of view, we can say that we are nearing out of the woods—

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

*Motion made,* That the hon. Member's speaking time be extended by

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30 minutes. [*Hon. A. Roberts*]

*Question put and agreed to.*

**Hon. W. Dookeran:** Thank you, Mr. Speaker. On this side of the House we have many leaders, but we have one person who shall lead this country, the Prime Minister. [*Desk thumping*] On that side of the House we have many people and we have two Leaders of the Opposition at the same time. [*Desk thumping and laughter*] Maybe more. [*Crosstalk*]

**Mrs. Gopee-Scoon:** You all would have to call a by-election just now in the constituency of Chaguanas West.

**Hon. W. Dookeran:** Mr. Speaker, I know that this is a weekend in which there will be the celebration of Indian Arrival Day and I used the opportunity as I met those who came to demonstrate their protest in Parliament earlier, many of the farmers who came to talk about something that happened years ago which they want us to rectify.

**Mr. Warner:** Today! Today! Now!

**Hon. W. Dookeran:** When I walked in I met with them and spoke to them. I believe they told me that many of them are from Barrackpore, and I told them that one of our budget consultations this year is going to take place in Barrackpore and I invited them to come to it, [*Desk thumping*] so that we can sit together and work out what are the issues that are before them. They cannot expect us to take these problems that were created in the past and solve them today, but we are willing, of course, to work out how best they can be dealt with.

The problem has to do with the compensation issue emanating from the closure of Caroni (1975) Limited which was done in haste without plan and,

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today, we are “benefiting” from the inheritance of that haste and that no plan. That is what is happening outside. So, when you think that is a problem facing us, that is a problem created by the last government which we have to solve, again. Another one! [*Desk thumping*] If there is anything, as the Minister of Finance, what I have been doing is solving the problems that I have inherited in the financial world that I have had to deal with. So, we shall do it because our mandate is to solve these problems as we go along, but we do not solve them without putting them in some context.

So I could say to you that those who came to demonstrate, or those who came to express their deep concern that this long-standing compensation issue should be solved, we will dialogue. We will continue to dialogue. We started to talk with them. They are aware of the view that the European Union had provided funds. We have provided all the information to them.  
 [*Interruption*]

**Dr. Rowley:** And you told the public about the—[*Inaudible*] Go and tell them now. He told them that. [*Crosstalk*]

**Hon. W. Dookeran:** You mean you told them that?

**Dr. Rowley:** I told them that?

**Hon. W. Dookeran:** I do not know who told them that.

**Dr. Rowley:** Oh, really!

**Mr. Speaker:** Please! Please!

**Hon. W. Dookeran:** But the point is, we will solve those problems.

**Mr. Imbert:** Mr. Speaker, point of order. Standing Order 36(1), relevance.  
 [*Crosstalk*]

**Hon. Members:** Oooooooh!

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**Mr. Speaker:** I am of the opinion that the hon. Minister is winding down, so I would him allow.

**Hon. W. Dookeran:** You know, when I listen to the Member for Diego Martin North/East—over the months when I listened to the Member for Diego Martin North/East, I always wondered whether he was relevant to today's world or yesterday's world. [*Desk thumping*] I sit here very quietly and listen and listen and listen, and I said it is good to go back to old times when I listen to him. It is like a story that I have to read every time, and a story I have read so often that I am looking for a new story, my friends, a new story, and the only place you will get the new story is by the new men and women [*Desk thumping*] who are on this side of the House today. It is time to confront the issues as they are and give them direction, give them purpose, give them delivery, give them hope and give them confidence. We are fighting those on the other side who want to break down that hope, break down that confidence and break down that whole thing in the interest of narrow political goals. As I said earlier, they could walk as long as they want, as far as they want, the people have already decided. [*Desk thumping*]

Mr. Speaker, this is good example in which we have not been able to deliver since 2005, officially, but it was before that. You know that! The White Paper was in 2005—

**Hon. Member:** 2004.

**Hon. W. Dookeran:**—2004, sorry, was the White Paper, but it is just the example. But that is our responsibility; let us get serious. It is our responsibility to fix all the wrongs that you have done and to put this country right again. That is what we have to do, so we are not perturbed at all by that.

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In fact, it brings it to our attention and we deal it, because to fix the future we have to fix the past as well. You have been able to raise those issues, and every issue that comes up here we can trace it back to the fact that it did not happen properly at the right time.

So, Mr. Speaker, I conclude by putting this debate in the context of the overall economic programme in which we are fighting to create the conditions for sustainable growth and inclusion in the society, and will be more than happy to hear what others may wish to say to include in the agenda. There is only group today that has the political mandate to have an agenda to run the country, and that is the agenda of the People's Partnership right here in this land. [*Desk thumping*]

It is an open agenda. It is an agenda in which we will incorporate any new and progressive ideas. It is not a closed agenda, it is not a “we stand alone” agenda, it is a “we stand together” agenda. [*Desk thumping*] That is the difference. You are accustomed with a “we stand alone” agenda and you are following that agenda to your own peril. [*Desk thumping*] We stand together, so the paradigm that we are putting forward is an open one and any positive ideas that are meant to further the country, we will in fact incorporate it, and we have done so on more than one occasion. One thing the Prime Minister has done is open up dialogue when there was no dialogue before. [*Interruption*]

**Mr. Warner:** “That’s right.” “That’s right.”

**Dr. Browne:** Winston Churchill.

**Hon. W. Dookeran:** In that sense, Mr. Speaker, any views we welcome. As I said, the Member for Port of Spain South made some valid points and we

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will incorporate that. I said I would try to see how we can accelerate in the legislative agenda what you have said, if it is possible.

**Mr. Warner:** You said so!

**3.30 p.m.**

In general, that is where we are today.

So I do not think you can live in the comfort of feeling that you can revive the past in order to create the future, because that has passed. What is past is past, and the People's National Movement is now past tense in Trinidad and Tobago. [*Desk thumping*]

**Mr. Imbert:** Mr. Speaker, point of order.

**Mr. Speaker:** Your point of order?

**Mr. Imbert:** Mr. Speaker, I have to repeat Standing Order 36(1). This is some kind of throne speech! It has nothing to do with the Motion!  
 [*Interruption*]

**Mr. Speaker:** Are you finished, hon. Member?

**Hon. W. Dookeran:** No.

**Mr. Imbert:** Did you rule on the Standing Order?

**Mr. Speaker:** He is winding up.

**Hon. W. Dookeran:** Mr. Speaker, I know how the Member feels when he is designated as past tense, not because he is annoyed, but because he knows that I am right. [*Desk thumping and laughter*] And therefore, I have spent most of my life teaching. When I first came to this Parliament, I learned a great deal. Now, I have been here long enough that I offer myself to continue the teaching.

Mr. Speaker, let us discuss the real issues. Let us discuss the issues

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that affect the lives of our people. Let us discuss how we can improve the lives of our people, and how we can put into place the necessary structures to improve those lives. Let us debate the real issues. Pension reform: how do we go about to have social security in the country? How do we change that, and how do we make it happen? I think it is within one year in office, we have been able to deal with some of the tricky problems. We have been able to deal with many of the problems that appeared to be unsolvable in the past. If there is one thing that distinguishes that side from this side, they cannot solve problems and we can solve problems on this side, because we approach this thing in a way to create the solution. But the democracy must be alive, and it is absolutely essential for the Opposition to raise the issues. Whether it is in pension reform or whether it is in social security support, it is legitimate, and I say we welcome this. When I saw this on the Order Paper, and I told the Leader of Government Business I am happy to speak, I was happy to get the chance to speak about pension in this Parliament, and I thank you for so doing, giving us the opportunity.

So let us draw this collective talent. Now, we are doing it in many different ways and the results of which we are beginning to see, but we have to do more and more of that. To take a single act as the Member for Diego Martin West was suggesting a few minutes ago that somebody had promised somebody to settle something. I do not know what he is talking about because one thing I do not do, I do not derive my intelligence from the newspapers in Trinidad and Tobago. [*Interruption*] I read it, I understand it but I get behind the headlines and see what the problem is, but if the Member for Diego Martin West is prepared to use that as intelligence, well, so be it.

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But we must get to it, because the problems that I was speaking about had to deal with the security of the workers who are claiming that there is a compensation package that was not honoured some five years ago, and they are hoping to get that honoured by this Government at this time. But, the reality of the situation is that the sources of funding that they said was available, was not available for that purpose. That is essentially what it is. So we have to dialogue and see whether there is legitimacy in the claim, and whether the claim can fit into our solution, that is how we approach it.

**3.35 p.m.**

The Member for Diego Martin North/East knows this because he is perhaps one of the longest standing Members of this Parliament, so he knows the process of government [*Interruption*] He should know, but he knows the process of government. Sometimes he ties himself up with it, but more often than not he knows it.

As I close—and I think should close now because I think I have able to prolong and detain you for little longer than I had planned to do, but sometimes it is necessary to do that—I want to say that I think this country recognizes that the hand that now holds the responsibility for public management is a firm hand, is a patient hand, is a hand that will grapple with the problems and will face the onslaught as they come to us. When it is political we recognize it. When it is national, we recognize it. When it is political, we deal with it politically and when it is when it is national, we absorb it. It is simple as that. As I said, this is a national appeal which we absorbed.

When I hear the Member for Diego Martin North/East later I know it

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is going to be political and I would just simply not listen to that, because it is political and the country must make a distinction between those who wish to make political attacks in the name of national development. But, the country recognizes that. Everybody recognizes that. Everyone recognizes when they revert to political attacks. It is the old politics and we are here now trying to introduce the new politics in Trinidad and Tobago. [*Desk thumping*]

**Mrs. Persad-Bissessar:** That is why we had 50,000 persons at Mid Centre Mall in Chaguanas

**Hon. W. Dookeran:** And evidence that the population at large is understanding what we are doing and is looking carefully at how we are governing this country was reflected last Tuesday when over 50,000 people came to Mid Centre Mall to give us the sense of encouragement that we are moving in the right direction. And after one year, I think it is easy to see what has happened, and it is important to distinguish between political attacks that are meant to derail the Government. I can tell you here today, I have now worked for one year in this Government, nothing will derail this Government and certainly not political attacks. [*Desk thumping*]

They will be dealt with in time by the people of the country, and if they do not respond immediately they will continue to respond the way they have responded. I advise my friends opposite to let us use the opportunity to embrace the new paradigm, the new agenda, the new hopes of the people, and let us see how we can make that happen. We would have more and more debates in this House. The Member for Diego Martin North/East looks like he is somewhat disillusioned when I asked him to rise

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to the higher ground. [*Interruption*]

**Mr. McLeod:** He cannot get any higher than that.

**Hon. W. Dookeran:** But be that as it may, this pension debate is a good opening for a debate on serious public policy issues in the country.

I do close by saying to the Member for Port of Spain South that I think that you did us a great service by giving us the opportunity to explain what is going on we have listened to you very carefully. Thank you.

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

[*Interruption*]

**Dr. Browne:** At last it ended

**Mr. C. Imbert:** I tell you. [*Crosstalk*] The noise has started behind me.

**Mr. Speaker:** You have my full protection.

**Mr. C. Imbert:** Thank you. The Motion before us today, if the Member for Tunapuna had bothered to read it, deals with pension portability. It also deals with the whole issue of pensions in the recitals. But, if one looks at the resolution, it states:

“Be it resolved that the Government move expeditiously to enact legislation to effect the portability of vested pension entitlements for both private and public sector employees.”

The Member for Tunapuna spoke for how long, 60 minutes?—somewhere around that. I do not recall, within that 60-minute period, the Minister of Finance addressing the substance of this Motion, which is the portability of vested pension entitlements for both private and public sector employees. That fact, because that is a fact that the hon.

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Member spoke for one hour and spent about three minutes, at most, on dealing with the issue that is the subject of this Motion. If the Minister of Finance had bothered to do his research, he would have understood that for years, this whole issue of pension portability has been a burning issue within the public service in particular.

He would have known, if he bothered to do his research, that—[*Interruption*] Mr. Speaker, the noise is rising in its decibel level. Mr. Speaker, could you—

**Mr. Speaker:** I will pay attention. I was not paying attention there, but continue.

**Mr. C. Imbert:** Mr. Speaker, for years public servants have wanted to take up temporary assignments within the private sector, within large conglomerates within Trinidad and Tobago, even within the Caribbean. For years public servants have wanted to do this, go outside into the private sector, because there is a constant complaint with our public service, that it is not attuned to the private sector, and in order to solve this problem there has been a proposal on the table for many, many years to allow public servants to move in and out of the public service, to take up an assignment in a large company such as Neal and Massy for example, I am just using that as an example, and learn how the private sector does its business and then come back into the public service with that knowledge. Similarly, private sector employees moving into the public service and learning about public service procedures and then moving back into the private sector.

The problem is that it has never been possible to facilitate this because of the issue of pension portability. It has always been the bugbear

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that a public servant moving out of the public service into the private sector would be in danger of losing their pension rights and, therefore, it has not happened. There have been temporary short-term appointments based on an approach to Cabinet or to the head of the public service, but these are very isolated incidents, so this Motion strikes at the core of what we need to do in this country to improve the efficiency of the public sector and also to improve the understanding of the public sector by the private sector.

Therefore, I would have like to hear from the Minister of Finance, exactly what his Government is doing, with respect to this very, very serious issue, because as the Member for Port of Spain South pointed out, when you move out of the public service after a short period of time, you are in danger of losing all your pension rights. In fact, if you do not reach a certain qualifying period you get nothing.

The Minister should also have checked the Cabinet records, because if he had done so—and I was very intrigued by the statement he made, that he is not going to listen to me because it would be a political attack. I consider that to be childish. If the Minister of Finance had checked the Cabinet records, he would have seen that his predecessor, the former Minister of Finance, had brought a Note to Cabinet two to three weeks before the last general election, dealing with this very issue. That was in May 2010. He would have seen that his predecessor and predecessor governments before that had hired the services of an international consulting firm called Mercer from Canada. He would have seen that.

He would have observed the many, many years of consultations between the consultants Mercer, the people in the Ministry of Finance, the

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Public Services Association and the public servants. These consultations went on for years. So, all of this talk that we heard here today, that this new Government has a new approach and that the new approach is consultation, if he had done his homework, he would have seen that his predecessor had been consulting with public servants, with respect to this matter for many, many years.

He would have seen the report from Mercer, where Mercer made firm and positive recommendations on how we should reform the pension scheme for public servants and also for parliamentarians—and I would talk a little about that, because the Member for Tunapuna, I do not know if he is getting a big pension from the Central Bank, so it does not bother him, but I am a parliamentarian and I have parliamentarian colleagues on the other side who are interested in what I have to say about parliamentarian pensions, including you, Mr. Speaker. I am sure you are interested in what I have to say. But, if the Minister of Finance had checked the records, he would have seen that in May 2010, Mercer made a number of recommendations, including recommendations on this entire issue of pension portability for public servants in particular.

The question I would like to ask the Government is: What has happened between May 2010 and May 2011? What has been done? The consultants had completed their work and I can tell you what the recommendations were. At this time, public servants and parliamentarians are subject to very archaic pension rules. I had not intended to speak today but when I learnt that there would be a number of speakers on this Motion I was asked to speak. I took the liberty of

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obtaining a copy of the Retiring Allowances (Legislative Service) Act, Chap. 2:03. That is the legislation that is directly relevant to Members of Parliament.

In case the Members opposite do not know, I will now inform them about the pension entitlements for MPs. Because, if we are going to transport pensions, which is what this debate is all about, you must have something to transport. If you want to discuss the question of pension portability and vested pension entitlements, you must have something that you can carry. One of the things about parliamentarians—now that you are in that Chair you would understand this, I am not engaging you in the debate—we have no trade union that lobbies on our behalf. We in this Chamber have no bargaining unit. We do not even have a pressure group that can make representation on our behalf, with respect to our terms and conditions of service.

One of things that the House Committee had discovered, because this matter has received the attention of the House Committee over the last six or seven years—In fact, if the Leader of Government Business would go and check the records, he will see a report done by the House Committee of the House of Representatives, which was then sent to the Senate and received the unanimous approval of all Members of the House of Representatives and also Members of the Senate: Independent, Opposition and Government, with respect to reform of parliamentarians' pensions. I ask the Leader of Government Business to check the records. I think it would be about three or four years ago. There is a comprehensive report on improvements to the pensions of both Senators and elected Members,

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including Opposition Senators and Independent Senators who, as you will know, are not entitled to pensions at this point in time.

Persons who had served in the Senate—I am not drawing you into the debate, Mr. Speaker, but like your good self—for 19 years or 20 years, as the case may be, are not—and contained in there would be considerable periods where you are not a Member of the Government—and would not be entitled to any pension entitlements, with respect to the service in the Senate when you were not a Member of the Government.

**3.50 p.m.**

So that three or four years ago the House Committee of the House of Representatives made substantial recommendations with respect to pensions, including the whole question of vesting of pensions which is directly relevant to pension portability. Because again, you have to have something to transport, it must be vested, it must be quantifiable.

Mr. Speaker, that House Committee report was sent to the Salaries Review Commission and like many things that go to those places it has died a natural death. In fact, the last report of the Salaries Review Commission that I saw, that dealt with the whole question of MPs' pensions and the portability of MPs' pensions, et cetera, the Salaries Review Commission complained that they did not have the resources, they needed the assistance of an actuary, in order to determine whether there should be an improvement in parliamentarians' pensions, and as a result, no improvement in the pension of parliamentarians has occurred since then, as I said several years ago.

Mr. Speaker, when we in the House Committee were doing our research with respect to pension entitlements for Members of Parliament, we

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discovered that all over the world MPs have the same problem, and that is that Members of Parliament are what is called politically striped, that you are not ordinary employee. When you are elected to this place, whether in opposition, or whether you are in Government when you leave this place you are politically striped, and it is very, very difficult for former parliamentarians to obtain gainful employment, very, very, very difficult. It is a recognition all over the world in all the Parliaments that we looked at, Commonwealth Parliaments, European Parliaments, we looked at Parliaments in India, we looked at the United States Senate; there is a recognition of the this fact. And because of the fact that the diminished capacity of parliamentarians to obtain gainful employment when they leave the Parliament, there is a recognition that parliamentarians' pensions need special attention and that parliamentarians need to be treated as a special case.

And I dare say this would happen for judges as well, because we have heard many stories about retired judges who I think are debarred from working for 10 years, am I correct for the attorneys-at-law who are inside here? I think retired judges are not able to practise, they are not able to go before the courts, appear in court for a period of 10 years. So you would have a judge retiring at age 60 or 65, I am not sure what the retirement age is, I think it is 60, and still having at least 10 more years of good professional life in them, having a wealth of knowledge, having served on the Bench for many, many years, but being unable to apply that expertise because of this rule that retired judges cannot appear before the court for a period of 10 years. So that the only thing a retired judge would have to look at would be the pension. But you have judges who retired 20 years ago with a very small pension, who

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are now wheelchair bound—I know of a particular case, a former chief justice I hope he does not mind me referring to his situation here; I apologize for that, if I offended anyone. But you have elderly judges who retired 10/20 years ago earning a small pittance and they have serious medical bills.

So what the Mercer Group had come up with is the whole question of index-linking of pensions, Mr. Speaker. The Minister of Finance spoke about looking at the bigger picture; well, I would like to look at the bigger picture. As I said you must have something to transport before it becomes relevant to transport it. The Mercer Group had recommended both for public servants and for parliamentarians, because people became so frustrated at the inaction of the SRC in terms of parliamentarians' pensions that the matter was tagged on to the Mercer assignment.

### **3.55 p.m.**

Now Mercer was engaged to look at public service pensions not parliamentarians' pensions and as of right they should not be looking at parliamentarians' pensions because we are guided by legislation, the Retiring Allowances (Legislative Service) Act and, therefore, we should deal with the issue ourselves. There is always this view that the recommendation should come from an independent party because it would be himself trying to enhance himself in terms of entitlements.

So the question of looking at parliamentarians' pensions was tagged on to the Mercer assignment and Mercer recommended the same approach for parliamentarians as they were recommending for public servants. From my information, the public servants were eager, anxious and waiting for these

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proposals to be implemented. The Minister of Finance said that he spent the last year looking to do something; you do not implement things before looking at them first. If the Minister of Finance had come out of his ivory tower, gotten down on the ground and dealt with the people, then he would have spoken to the public servants and known that they were anxious to implement these proposals, which, as I said, were submitted by way of a Cabinet Note since May 2010.

The reason we did not implement that is that, first, the election was upon us and secondly, there was some minor fine tuning to be done in terms of rates to be applied to the new pension scheme.

I will tell you what it was. At this time, public servants' pension is capped at two-thirds of their salaries. The view is that many people are in the public service for a very long time. People might serve 30 years, 33 year in the public service. Therefore, to cap off the pension at two-thirds when somebody might reach that number early in their career was really unjust. So the consultants recommended an accumulation basis so that every year the pension of a public servant—and this was going to be applied to parliamentarians as well—would accumulate.

Let me use the parliamentarian system to explain the point I am making. In the Retiring Allowances (Legislative Service) Act, there is a rate of calculation of parliamentarians' pensions. It goes like this for those on the other side and even the hon. Member behind me, who I notice has become very quiet. This is how it goes. You have to serve five years in aggregate in

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order to obtain a pension equivalent to one-sixth of your highest salary. The next step is serving eight years in aggregate to get a pension equivalent to one quarter of your highest salary. The next step is two full terms over nine years or 10 years in aggregate when you will receive one-third of your salary.

So, Mr. Speaker, imagine, you are an elected Member in this House for 10 years, taking all this pressure; whether in government or opposition, you are still taking pressure. You have a constituency to manage whether you are in government or opposition; you have the public to deal with. You are taking all the jamming and after 10 years of that, which has put an extra 10 years on your age, you are entitled to one-third of your highest salary.

The next step is after three full terms—and a full term is defined as the commencement and conclusion of a Parliament—over a minimum period of 13½ years or 15 years in aggregate, you get one half. I will use an example. We just celebrated the life of Mr. Kenneth Valley. He was elected to this House in 1990. He retired from this House when Parliament was dissolved in 2007.

**Dr. Moonilal:** He was kicked out.

**Mr. C. Imbert:** Let me use terms that are relevant to the legislation. We are talking about the Retiring Allowances (Legislative Service) Act. As I was saying, he was elected to this House in 1990 and retired from this House in 2007. [*Interruption*] I am not talking about the methodology; I am talking about the fact. He achieved a total of 17 years' service. Do you realize that in order to get the full pension of two-thirds, you have to make 18

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years? Although Mr. Valley had served 17 years, all he received before his unfortunate passing was one-half of his highest salary up to 2007.

As I said, that is the fourth step. The fifth, which some of us in this Parliament are entitled to—the Member for Diego Martin West, the Member for Fyzabad and I are the ones who spring to mind—and if Senators had been entitled to a pension, you would have qualified as well, Mr. Speaker.

**Dr. Moonilal:** Just to confirm; you are using the late Mr. Valley as an example. Was that the highest salary as a Member of Parliament; not as a Government Minister?

**Mr. C. Imbert:** It is the highest salary you have ever earned; your highest salary at some point in time when you were a Minister.

To get the full amount, you have to serve four full terms over 18 years or 20 years in aggregate to get two-thirds of the highest salary. How many of you, hon. gentlemen and ladies will be in this place for 20 years? I heard someone say not even two. That is why when you look all over the world, you see that all parliamentarians have recognized that parliamentarians require special attention in terms of pension.

The initial improvement was coming by way of the Mercer Report as was coming to public servants. So let us take the person who has served for four full parliamentary terms, amounting to a minimum of 18 years. That person will be entitled to two-thirds of the highest salary they earned during their period as a parliamentarian. If you take two-thirds, 67 per cent, round it off and multiply it by 18, that means that the person's pension is accumulating

at about 3.7 per cent of their highest salary per year.

When they hit the 18 years, they stop, so that persons such as the Member for Fyzabad, the Member for Diego Martin West and I are now contributing to the parliamentary pension scheme without receiving any additional benefits. I need a trade union to represent me. I need a trade union to represent us.

The Member for Pointe-a-Pierre was just making a little joke, but the fact is that you have persons in this Chamber who are now contributing 6 per cent of their salary to get nothing because we have hit the two-thirds already. That happens to public servants as well, although the public service pension scheme is an unfunded scheme. In other words, it is not a contributory scheme.

**Hon. Member:** How long have you known that?

**Mr. C. Imbert:** It is all right. Just let me deal with the issues. Although it is a non-contributory scheme, they hit the maximum after a period of time. What Mercer was saying is: Work out what the annual accretion of accumulation would be—as I said, in the case of a parliamentarian, it would be 3.7 per cent per year—and multiply that by the number of years. Take the cap off and allow those public servants and parliamentarians who serve beyond the prescribed period to continue to accumulate a pension entitlement. In the case of a parliamentarian, for example, it would mean that if a parliamentarian served for 20 years, his pension would be 72 per cent of his highest salary. If he served for 25 years, it would be 92 per cent. I did some

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small calculations. If he served for 10 years, it would be 37 per cent of his salary.

What Mercer also recognized is the devastating effects of inflation on pensions. This brings me to the story I gave about the retired judge who is getting a pittance as a pension; is in difficulty, but cannot benefit from any index linking. What Mercer had recommended to the Cabinet—and there was acceptance on our side; we were going along in due course—was the whole question of index linking. The first thing was to take the cap off and then there was some further work to be done on the formula for index linking.

However, the proposal on the table, which I know that public servants were happy with, was that you take 50 per cent of the inflation rate and use that to index link the pension. So, if you have an inflation of 8 per cent in a year, you would enhance the pension by 4 per cent; but you cap it at a certain point because you cannot let it get out of control. This is what Mercer had recommended and I knew the public servants had embraced it. I urge the Government to get on with that. You do not have to use the precise formula, but at least use the same policy.

So, there is the removal of the cap and index linking of pensions based on some formula tied to the cost of living index or something like that and then full vesting and portability of pensions so that people can move in and out; into the private sector, back into the public sector; into the private sector, back into the public sector. [*Interruption*] It is no joke.

Mr. Speaker, I do not know how many public servants there are.

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There are thousands of them. There are not too many of us, but I am urging the Government to implement the Mercer proposals. As far as I know, draft legislation had been prepared. This will all require amendment to our laws; amendment to the Civil Service Act and so on. I urge the Government to get on with it and deal with that issue. To me it is a form of injustice to have persons like judges and Members of Parliament, the only opportunity we get to make a case is when debates like these come up.

We do not have a trade union. Judges do not have a trade union. They have no bargaining unit, so it is situations like these that give us the opportunity to deal with these issues and, contrary to statements made by the Minister of Finance, a considerable amount of work has been done. As I said, a Cabinet Note has been prepared; a proposal has been put before the Cabinet and it simply was one of those last minute Cabinet Notes, just before the general election, which required a little fine tuning and that is why it was not approved by Cabinet.

So the work has been done. You just have to go back in the records; pull out the Cabinet Note, put it before the Cabinet; make some changes if you want to, but at least get the show on the road. After Cabinet approves that, you have to go to the preparation of legislation and we have to come to this House and deal with it.

The other thing that Mercer had recommended, and the Ministry of Finance was on board—and this will help public servants in particular—is the whole question of creating a pension fund. At this time, government

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pensions are funded on a cash basis out of the Consolidated Fund. There is no investment fund earning income—I notice the Member for Pointe-a-Pierre nodding. That is really an archaic system.

There was a little concern about the amount of money you are dealing with. My memory tells me about \$4 billion would have been the seed capital for the fund, but we felt at that time it was something that needed to be dealt with aggressively so that you could establish a pension fund primarily to deal with public servants. Invest that fund. Let us say, you have \$4 billion in a pension fund and you are earning 6 per cent per year out of that, you would be earning \$240 million or so. In fact, based on the calculations we were shown by the officials of the Ministry of Finance, eventually that pension fund would meet all of the annual commitments of public service pensions and take that burden off the Treasury. Because every year, the Minister of Finance has to find \$300/\$400 million for pension payments to retired public servants. As I said, it is funded on a cash basis, there is no pension investment scheme that will yield that income.

**4.10 p.m.**

There are very few countries in the world that still use this antiquated colonial approach to public service pensions where you just, as I said, fund it on a cash basis. And that again, is something where Mercer had done most of the work already—because they made a presentation to the Cabinet before it came as a Cabinet note, and demonstrated how this pension fund would be created, how it would be invested, and so on. And you see, Mr. Speaker, this will facilitate the question of portability. Because if you have a designated

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sum of money in a particular place—and the Member of Parliament for Port of Spain South was recommending that this be put in the Central Bank, and they be given the responsibility to manage it then you can—and as I said if you take the cap off the pension and you make it an annual accretion rather than a system where you have to make a number of years before you get anything at all, then you can easily calculate what every public servant, what every parliamentarian, every judge would be entitled to, and then they could move in and out of the system and carry their pension entitlements with them.

So this is a very, very serious matter, Mr. Speaker. As I said, the vast majority of the work had been done. It is there to run with it. Why does the Member for Tunapuna not do like the Member for Chaguanas West, and just complete what the PNM had started? At least something would be done, Mr. Speaker. [*Crosstalk*] So I am urging the Member for Tunapuna, the PNM had done 95 per cent of the work with respect to this pension thing—[*Interruption*] [*Desk thumping*] No it is a fact! [*Crosstalk*] I hear the oohs and aaahs over there. [*Crosstalk*]

**Dr. Browne:** Admiration!

**Mr. C. Imbert:** To get to the stage of a presentation to Cabinet with concrete proposals for removing the cap on pensions, concrete proposals with the formula for pension accretion and for vesting, portability, and the creation of a pension fund, the bulk of the work had been done. All that is required now is to take that, bring it and turn it into legislation and create the instrument that would be the pension fund, Mr. Speaker. I would urge the Member for Tunapuna to follow the Member for Chaguanas West; just complete what the PNM had started.

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Mr. Speaker, if that is done then persons who had served in the Senate, as Opposition Senators or Independent Senators for years, who are not now entitled to any pension for that service, would receive their just entitlement. Persons who have been in this House for a very long time and now wish to retire, could do so with some sort of security.

You know, I think this is something that we need to take above the old talk in this Parliament. The Member for Tunapuna said he would not listen to me because I would attack politically. He was wrong. My intention was to put some information into the system, and to educate hon. Members over there and hon. Members behind me in terms of the perils that we in this House face in terms of our pension scheme, Mr. Speaker. I hope I have put out enough information so that the Leader of Government Business can check the records of the House Committee and determine what has happened to that proposal that had the unanimous I want to repeat that—that had the unanimous endorsement of every single Member of the House of Representatives and every single Member of the Senate three or four years ago. What has happen to that proposal for enhancing parliamentarians' pensions, for bringing Senators onto the pension scheme, and for generally improving the pension arrangements for Members of this House and the other place? What has happened to that?

Also, go and find that Cabinet Note that the former Minister of Finance submitted in May 2010, and simply, if you wish, make some changes to it or whatever, but get the Cabinet approval which is the first step, and then bring legislation to this House, so that we can improve the lives of retirees both in the public service, in the Judiciary and in the Parliament. I thank you,

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Mr. Speaker.

**4.15 p.m.**

**The Minister of the People and Social Development (Hon. Dr. Glenn Ramadharsingh):** Thank you very much, Mr. Speaker, for the opportunity to contribute to this debate. I must also thank the Member for Port of Spain South for making a useful contribution, and also bringing this particular debate into the Parliament. It is, in fact, a people-oriented issue and it is one that the Minister of Finance concurred, that we continue to look at and continue to address. We have several areas of cooperation on this issue, and I am sure that the dialogue has benefited not only the Parliament, but the national community.

I must, indeed, congratulate the Minister of Finance who made some sterling points in the debate. [*Desk thumping*] He spoke about rhetoric not matching the priorities of expenditure under the previous administration. He enlightened us that the country was being run in a certain way and it was on a growth trajectory. He spoke about social inclusion, which is an issue that is now being spoken of at the highest levels of global governance at UNESCO. It has shown that what we need to do for the economics of the country to develop rapidly, we need to bring people into the governance of the society, and hence, indeed all our measures, we do this by going out to the people. He indicated that radical change may not be the best way to go, and that we do this on a phase basis that the gradual nature will absorb some of the discomfort that will come with the change that is expected.

I must, indeed, say that I am proud to be part of a Government that in five years has moved the spending towards—and this Motion says it, that

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pension funds are critical to long-term savings of a country.

*And whereas...* the savings of individuals are a critical component of the growth and stability of the economy and the related financial systems;  
*And whereas* individual savings for his later years in his contribution to a long term pension fund is critical;

I am proud to be part of a government that whereas in 2006, \$2 billion was spent on pensions and savings for the future, we are now spending in excess of \$4.5 billion as the People's Partnership Government. That alone speaks volumes of our commitment to the future savings of the people of Trinidad and Tobago.

The Minister of Finance also painted a picture that we are working toward the harmonized pension and the universal pension. That is the trajectory; that is the road that we want to travel. He also spoke about reducing public expenditure and excessive spending. The fact is that we have had to reorder the priorities of governance where people felt that the focus was on radically transforming the skyline of Port of Spain; lifting the skyline of Port of Spain, as if there would be no end to it and building big buildings and now we are challenged as to how to outfit these buildings. There seems not to have been a strong conceptual framework in which this type of development was done, while in many parts of rural Trinidad and Tobago people could not get water.

Mr. Speaker, only one year ago, the people of this country spoke, and the Minister of Finance went to town on that. They spoke in one united voice, and they said that the priorities of government had gone wrong. I remember just last year, while I was walking through a place called Firebond

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in Freeport in my constituency, a woman held on to me and she said, “I did not have water for 48 days and if you do not help me, tomorrow I will not have water for 49 days”. I was almost moved to tears that the governance had gone for tall large buildings and mansions and the people were left without roads, water and bridges.

The former Minister of Works and Transport and Transport and Member for Diego Martin North/East has the temerity to say that the hon. Minister of Works and Transport is carrying out a PNM policy and so on. Where was Cucharran Trace, where was Debe and where was Central Trinidad in terms of physical infrastructure? The Minister of Works and Transport has gone through every part of Trinidad and Tobago—[*Crosstalk*]

**Dr. Browne:** Mr. Speaker, Standing Order 36(1).

**Mr. Speaker:** I will give him an opportunity and so on to connect his points.

**Hon. Dr. G. Ramadharsingh:** Mr. Speaker, thank you, very good. I see that we are being edified as to some places in Trinidad and Tobago that were not on the national dialogue. I am happy.

Mr. Speaker, I come to the contribution, the very short contribution of the Member for Diego Martin North/East when he continued to plough away that we should just go and implement the recommendations of a Mercer consultancy. That is not the way we want to do business. Many of the programmes and policies that were being pursued, we need to take a second look at them. We need to study these things. We cannot just go back and implement what was there before. As I explained to you, many of those policies were rejected by the population in the May 24 election last year. They were rejected by the people, and now we have to reorder our priorities.

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He went on and was almost guilty of tedious repetition saying that there was a need for people to move between the public sector and the private sector. We are all in agreement with that, and that is why we are on the same page that we will have to go the way of portability of pension, but the question remains, if it was a burning issue—he described it as a burning issue for years in the public service—what did the last Government do about it? Where is their track record on this issue? You know what he points to as his track record? He says that just before the election, a Cabinet note was passed. They cannot fool the population. That was an election move; that was an election decision to go to the population and say:—“well, the Cabinet agreed that we must have portability of pension.” He never said that two years before work was done—a year before, three years before; eight years went by and that issue, the issue of pension portability, was not addressed in a comprehensive manner.

He also had the temerity to ask, what happened between May 2010 and May 2011, as if oblivious to the fact that he was in government for eight years before. He wants to know—he is challenging us to tell him what happened in the last 12 months. Can you believe the compunction? Can you believe the state of mind that will come with this kind of illogical dialogue in this Parliament?

What we did? As soon as we came into office, the first Bill that was brought to Parliament, we increased the pension to \$3,000 for everyone who was over the age of 65. [*Desk thumping*] That is what we did! We also put in law that this was no longer a grant; a grant that could be perceived as being taken away at any time, but we legislated that it be returned as the senior

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citizens pension, and that was very significant to give our citizens peace of mind, because we promised and we hold fast to what is now the government policy that the ageing population, we will give a fair deal for older persons; that we would have a social security system that guarantees to retired persons a decent life. Our Government promised, and holds fast to that, protects the rights of the elderly.

We will provide incentives for medical students to specialize in geriatric medicine to care for our ageing population; reinstate the Old Age Pension Act. Pension must be an entitlement not a grant. The pension laws must be amended to provide for the national and regional portability of pension benefits, and for improved pension benefits. Those are some of the things that we promised and we hold fast to those promises as a Government.

Under the current system, there is need for legislation to allow pension portability, because workers, as I said before, are becoming increasingly mobile and people now have a range of opportunities and they want to serve in different capacities. There is a changing face of employment and the paradigm of job security is fading fast. The labour market is now dynamic. Even the Government which is traditionally the largest employer and the proponent of jobs and benefit of security has been changing the nature of tenure.

We on this side agree that pension portability is desired because of the regional thrust toward integration. The CSME and regional integration are very important for our development. As early as in 1996, the Caricom member countries signed an agreement on the portability of social security entitlements that included provisions to facilitate the movement of workers,

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not only in Trinidad and Tobago, but across the region.

The work of the Ministry of the People and Social Development has been done and continues to be done with regard to protecting our senior citizens at the pensionable age. We follow the United Nations Madrid International Plan of Action on Ageing which was in 2002. This estimates globally that the number of persons aged 60 years and older is expected to double between 2000 and 2050 from 10 per cent to 21 per cent of the world population.

In developing countries like ours in Trinidad and Tobago, the older population is expected to increase four-fold. The CSO indicates that by the year 2020 there will be an approximate doubling of the population in the age cohort 60 years and older, with that proportion of the population increasing from what it is now at 9.4 per cent to 16 per cent. In actual numbers, the number of persons aged 60 years and older will exceed 230,000 in Trinidad and Tobago.

As you know, we have commissioned a survey of living conditions for 2011, and this report will be out soon. We will also be gathering information from the census that is taking place in Trinidad and Tobago, and we will collate the information so that we will have a better picture of where we are as a country by the end of the year. The last survey of living conditions was done in 2005, and it indicated that the population ageing in Trinidad and Tobago—the proportion of the national population consisting of persons 65 years and older was estimated to have increased from 7.1 per cent to 7.6 per cent between 2000 and 2005.

Mr. Speaker, formal retirement schemes address the needs of fewer

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than 15 per cent of the world's household and less than 10 per cent of the world's working population. Most of those persons who are not covered by formal retirement provisions do, in fact, live in developing countries like Trinidad and Tobago. The non-contributory pensions are seen to be successful at attacking old age poverty, and are particularly helpful to women and persons who previously worked in the informal sector.

Given the current policy regarding retirement, many older persons sever formal employment arrangements at the age of 60, and are forced to live on the assets they have accumulated during their lifetime. Income from other sources is usually inadequate and the major social protection strategy is the old age pension which usually begins at 65.

**4.30 p.m.**

### **ADJOURNMENT**

**The Minister of Housing and the Environment (Hon. Dr. Roodal Moonilal):** Mr. Speaker, I beg to move that this House do now adjourn to Wednesday, June 01, 2011, at 1.30 p.m., and to indicate on that day it is the intention of the Government to debate through all its stages, the report and the associated Bill, the Finance (Supplementary Appropriation) Bill, 2011. Time permitting to also debate the Senate Amendments to the Data Protection Bill and the Trafficking in Persons Bill, and Motion number one under Committee Business, which deals with the adoption of the Second Interim Report of the Joint Select Committee appointed to consider and report on the Legislative Proposals to provide for Public Procurement and Disposal of Public Property and the Repeal and Replacement of the Central Tenders Board Act. Those three items I propose, but also to indicate to Members that

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we do have two Motions on the Adjournment to deal with today. I beg to move.

**Mr. Speaker:** Hon. Members, before moving for the adjournment, as the Hon. Leader of the House has indicated, we have two matters on the Motion for the Adjournment, and I suggest that we suspend the sitting until 5.00 p.m. This sitting is now suspended until 5.00 p.m.

**4.30 p.m.:** *Sitting suspended.*

**5.00 p.m.:** *Sitting resumed.*

### **CEPEP Workers (Plight of)**

**(Ms. Donna Cox)** (*Laventille East/Morvant*): Thank you very much, Mr. Speaker. Mr. Speaker, it pains me to come to this honourable House to bring this matter pertaining to the plight of the CEPEP workers. Mr. Speaker, it is painful because this UNC-led coalition Government promised the workers engaged in the CEPEP programme that their jobs would be secured.

With regard to the establishment of CEPEP, the PNM government pioneered this initiative to allow communities throughout Trinidad and Tobago to improve their local environment, while creating employment opportunities for citizens and opportunities for the development of small businesses. Mr. Speaker, CEPEP was a groundbreaking and new initiative for everyone involved, and the major purpose of the programme at that time was the empowerment of communities to improve the condition of their local environment.

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Mr. Speaker, this initiative showed principles of good governance and moreover, the social and economic regard that we the PNM have for the citizens of Trinidad and Tobago regardless of creed, race or political affiliation. Every time they were in opposition, they never supported any initiative of the government; I guess their thinking was that the government should not look good. They criticized this programme at every turn—you just have to check the *Hansard* record. Mr. Speaker, whether in government or in opposition, the PNM always functions in the interest of the country—we put country first.

Over the years, the PNM ensured that all and sundry benefited from the CEPEP programme, as we realized that proper job security allows for a more balanced and prosperous society. This UNC-led coalition Government did, from very early upon assuming office, send out signals that all CEPEP/PNM people must go, to give way to their people on the ground. The Government's intention, therefore, was well known; it was just a matter of time before the onslaught began. Although the hon. Prime Minister sought to allay the fears of these workers, that none of them would lose their jobs and that they would be engaged in the expansion of the programme, that was another set of “ol’ talk”, Mr. Speaker.

The guise upon which these poor workers were fired was that of a restructuring taking place in the programme, but that is a poor excuse for clear and blatant political victimization. On May 24, 2010, the electorate gave the UNC-led coalition the mandate to govern, within that electorate, of course, there were CEPEP workers. Mr. Speaker, among those workers are men and women, mothers and fathers, aunts and uncles, sons and daughters, single

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parents, citizens of Trinidad and Tobago; some of these workers are the sole breadwinners in their families. The Government is well aware that the majority of these CEPEP workers are single women with children and they are also head of their household. Is this Government going to leave their children hungry? Are they to starve?

**5.05 p.m.**

Mr. Speaker, I am informed that many of these employees who were sent home are indebted to Courts, American Stores and Standards.

*[Interruption]*

**Mr. Sharma:** They never had one gang in Siparia!

**Miss D. Cox:** Some have rents and mortgages to pay. It is with this in mind, that I am extremely concerned about contractors whose contracts were maliciously and wilfully terminated since this UNC-led coalition assumed office.

**Mr. Sharma:** Shame!

**Miss D. Cox:** There were contractors whose contracts were in high risk communities and they were terminated. What are the plans for all those workers? And they want us to believe that they are serious about crime. Speaking about crime, I understand that CEPEP contracts were even given to some rogue elements in communities, and to be more specific, bad boys, gang leaders.

Mr. Speaker, I expected CEPEP workers to lose their jobs, but the sad part about this is that they did not expect it to happen to them. The contractors had a legitimate expectation that their contracts would have been continued. I am the voice on their behalf today in this honourable House,

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crying shame on the Government of Trinidad and Tobago. [*Desk thumping*]  
They fooled the electorate to get their votes, including the employees of CEPEP. Even Dr. Anselm London, Secretary of Finance for the Tobago House of Assembly, has publicly complained that there has been no funding from central government for the CEPEP and URP programmes in Tobago. The obvious intention of the Government is to penalize poor Tobagonians for supporting the PNM. Mr. London pointed out that the situation was threatening the livelihood of some 2,000 persons employed in both programmes. I wonder what the Government intends to do about that.

The Member for Siparia, while on the campaign trail last year, said that programme would be expanded. At a political meeting held at St. Helena Junction on April 19 last year, she said that the CEPEP workers would not lose their jobs. I quote:

“My Government will restore pride to the workers of CEPEP.”

Is that what they call pride? Unemployment is not pride. On the campaign trail, the hon. Prime Minister also stated that the employees of CEPEP would not be touched. She was right, they were not touched. They were pushed, shoved and kicked out of their jobs and forced into a situation of unemployment, joblessness and hopelessness.

Mr. Speaker, there is a lot of talk about transparency, and as the situation is now there is no transparency where CEPEP is concerned. Imagine, Mr. Speaker, that 70 new CEPEP contractors were hired, after this Government assumed office, without any advertisement taking place. The process was not followed; the ads went out after the persons were hired. The Member of Parliament for Oropouche East stated that it was 53, but the facts

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show there were, in fact, 70 new contracts awarded. I understand that since then they have added a further 60, and it seems like more is being added on a daily basis, so at the end of the day, family, friends and party hacks are in place.

Mr. Speaker, I heard that people are even being offered CEPEP contracts for their votes in the COP internal elections. Contracts are being awarded for votes in the COP internal elections, once they vote for certain persons. The Members opposite are clearly not providing clear and factual information with regard to the hiring and firing of contractors in the CEPEP programme. They need to speak the truth.

I posed a question to the Member for Oropouche East in this honourable House on November 12 last year, with regard to CEPEP, and I quote from his reply:

“I wish to note that since May 24, under the Government of the People’s Partnership led by the Member for Siparia, not one single contractor has been discontinued, fired or removed from the CEPEP programme. We have taken no steps to dismiss or fire anyone.”

That is the Member for Oropouche East, under whose portfolio CEPEP lies.

I repeat:

“I wish to note that since May 24, under the Government of the People’s Partnership led by the Member for Siparia, not one single contractor has been discontinued, fired or removed...”

I would like to know what has happened now. Why were all these contractors sent home? I understand 47 contractors were sent home. Why were they sent home? [*Crosstalk*] That affects 2,975 persons thus far.

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[*Hon. Member whistles*] Actually, if you count families, we are talking about 15,000 persons affected.

**Hon. Members:** Shame! Shame!

**Miss D. Cox:** Mr. Speaker, I understand that another set received termination letters for June 17, so another set of CEPEP contractors will be home by June 17. I am reliably informed that it is being done some by some; so as they take in, they let out.

We are aware that some contractors might have made mistakes along the way, but as the hon. Prime Minister said, when they were celebrating their year in office, people make mistakes. We on this side agree that if they break the law, they must be penalized accordingly. But according to my information, there are those who abided by the law and their CEPEP contracts were still terminated. Why were their contracts terminated?

I have also been informed that in some areas, 20 per cent of the employees have been absorbed by other contractors, but I would like to know what about the other 80 per cent who are still at home, and more to come on June 17.

Mr. Speaker, if CEPEP is indeed being expanded, as stated by the Member for Oropouche East and the Member for Siparia, then why is victimization taking place? Why are these employees being fired from the programme, in the first place? I would like to know under what budget all these contractors are being hired. I really would like to know. What were the real reasons these able-bodied men and women were sent home?

I am informed that some persons with thriving businesses were awarded CEPEP contracts, which, of course, is totally against the objectives

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of the programme. [*Desk thumping*] Totally against the objectives which are geared at creating employment and engendering entrepreneurship among citizens. There are even members of the protective services with CEPEP contracts. I am not talking about friends and family yet; we are talking about people with thriving businesses having CEPEP contracts.

There are numerous persons on the breadline in Trinidad and Tobago who do not know what to do, where to turn, where the next meal will be coming from or how they would provide for their families financially. This is because of the vicious acts of this UNC-led coalition Government, the Government that said, “We will rise”. At this point in time, bread cannot even rise, because they do not have money to buy baking powder and yeast. Bread cannot even rise at this point in time. [*Desk thumping*]

While they are celebrating their first year in office, eating and drinking, wining and dining, the CEPEP workers are at home hungry. Do they have a conscience? When a government acts in such an uncaring manner towards its citizens, who are at risk and vulnerable, it can have very negative social consequences, and these people would be unable to take proper care of their families. [*Interruption*]

**Mr. Speaker:** Hon. Member, one more minute.

**Miss D. Cox:** I just want to talk about the victimization. I want to tell this Government that when they made an oath to serve, it was an oath to serve all. People are being victimized because of their perceived political affiliation, and people who do not qualify are getting CEPEP contracts, because they are friends, families and supporters of the UNC-led coalition.

For example, Michael T Kerr and Andy Williams, radio announcers of

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102FM, who everyone knows bash the PNM, Mighty K, CEPEP contract, payback—[*Crosstalk*]—Rabindra Moonan, Acting Senator on the opposite side—[*Interruption*]

**Hon. Members:** Nooooo!

**Miss D. Cox:**—a defeated candidate for COP, who is also—[*Crosstalk*]—yes, Horizon, he is a CEPEP contractor; Kirt Sinnette, a boxer, gainfully employed with TSTT. [*Interruption*]

**Mr. Speaker:** Hon. Member, your time is up, just wind up.

**Miss D. Cox:** Mr. Speaker, there are many more. There are members of the police service and so on. I want to conclude by reminding them, however, that when you are elected as a government, you are elected to serve the people. You took an oath before God and before man to serve everyone, and it must be done fairly and impartially. I want them to know that the people of Trinidad and Tobago are looking at you, and if you do not care about the people, God is watching you.

I thank you.

**The Minister of Housing and the Environment (Hon. Dr. Roodal**

**Moonilal):** Mr. Speaker, God is watching. I do not know where to begin. Mc Donald Padmore is in jail right now serving a term of imprisonment for, I think, a drug related offence. He was, until recently, a CEPEP contractor, employed under the tenure of the PNM, and they come today to talk about persons involved in crime. He is in jail right now. [*Interruption*] He came out of jail then; he was incarcerated. Who is Foster Cummings? Who is Ainsley Mathews? Who is Jennifer Marryshow?

**Hon. Member:** PNM!

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**Miss Cox:** Nobody with a thriving business.

**Hon. Dr. R. Moonilal:** Who is Roopchand Balliram? Who is Beckles and Beckles?

**Hon. Member:** PNM!

**Hon. Dr. R. Moonilal:** And they come here talking about “friends and family”? This is the list of CEPEP contractors which we met as of May 06, 2010. Mr. Speaker, if you read through this list of these people—Oliver Aqui in St. Joseph—this is really a General Council listing from Balisier House. These are the CEPEP contractors we met there in May.

I am happy that you raised names like Mikey K and so on. Who is Darian Marcelle? “Which station he on?”

**Hon. Member:** I95!

**Hon. Dr. Moonilal:** We met him there as a CEPEP contractor. “So if you want to raise name, we could call name.” [*Crosstalk*] I am just pointing out in one shot the hypocrisy of your arguments. You have your General Council members as CEPEP contractors, radio announcers, and you come here, in pure heart and pure spirit, to talk. God is watching you; God is listening to you. [*Crosstalk*]

Mr. Speaker, let me get to this thing one time. In June 2009, the CEPEP transferred the last moneys to the Tobago House of Assembly; in June 2009, not 2010 or 2011. The THA did not receive moneys from the CEPEP since June 2009. Today you are hearing about people like London, and the THA complaining about no money. It was the PNM government in June 2009 that stopped providing resources for CEPEP in Tobago. It was the PNM government. Next week Friday we will open a CEPEP office in

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Tobago to provide for people of Tobago. [*Desk thumping*]

The CEPEP was created by the former Prime Minister, the Member for San Fernando East. In fact, the former Prime Minister launched this programme himself in Moruga. In July 2002 he launched the programme in Moruga. That was where he went to launch the programme. When they entered into this arrangement, contractors were meant to be there for three years initially. They stayed for eight years; they never left. When we tried to graduate them, they said, “No, we doh want to graduate, we could fail; we could stay.” And I am coming to the NIS just now.

In places like La Horquetta/Talparo, they do not know what a CEPEP team looks like; they never did. Places like Debe, Cucharran Trace, Clarke Road, Rock Road and Barrackpore did not even know what a CEPEP team “look like” or what “de shirt does look like”. They did not know.

**5.20 p.m.**

They did not know. And you know what is the hypocrisy here, it is the PNM government who understood that parts of this country were alienated from the benefit and the work of CEPEP. In 2007, Mr. Speaker, when my friend from Laventille/East Morvant was in the government, but regrettably not the Cabinet, the Cabinet of 2007 took a decision, the Cabinet Minute 1454 of June 8, 2007—the 2007 I am talking about, a PNM government. A couple others were there, certainly the Leader of the Opposition and, Mr. Speaker, her party while in government—the Minute is entitled “Initiative for Dealing with Unemployment in Trinidad and Tobago” —Cabinet agreed that the introduction and/or expansion of the Community-Based Environmental Protection and Enhancement Programme (CEPEP), taking into account an

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expanded role for the programme in areas such as flood prevention and control, the maintenance of watercourses and disaster preparedness. Their own Cabinet acknowledged that the programme was limited and did not have the geographic coverage as it should and linked the programme to environmental objectives.

Mr. Speaker, in 2007 the PNM administration recognized that this programme did not cover the island, they did nothing. When we came in office, we met the system in place. Mr. Speaker, when we came in we met approximately 118 contractors, and there were areas in this country—in central, in south, even in north—that were completely devoid of any coverage. We began to implement that policy of linking CEPEP to the environmental objectives. Today for the first time in history CEPEP is working with the Forestry Division, CEPEP is working with the EMA, CEPEP is working with the Chaguaramas Development Authority, CEPEP is working throughout Trinidad and Tobago with every agency, meeting and treating with its environmental mandate.

Then, Mr. Speaker, when a certain assessment was done we discovered that several of these contractors were in default of their statutory obligations, many of them collected money and that is why “they hurry for CEPEP contract” because they collected money and did not pay this money to NIS, and the workers believed that they were covered by the NIS and the contractor “gone with all”.

And we quickly moved, Mr. Speaker, to discontinue the contracts of those persons who were breaking the law; they were breaking the law. Mr. Speaker, I want to announce now with pride that during the period May 2010

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to today—May 2011—the employment level in CEPEP has moved from 6,000 to 11,000 citizens in Trinidad and Tobago. [*Desk thumping*] That is an increase of 5,000 plus employees in CEPEP across the entire island.

Mr. Speaker, in the process between January 2011 to May 2011, we have discontinued 47 contracting companies engaged in the programme, and these companies were engaged since 2002. CEPEP—and I might add URP as well, but I speak for CEPEP—is not a career. It was never meant to be a career where you go to work and you spend 40 years. It was meant to assist low-income poor people to get work and throughout Trinidad and Tobago, it was not meant to be a career. Contractors in the system made this thing a business and they did not want to leave, even though they were breaking the law. Mr. Speaker, we have enlisted new contractors across the geographical divide in Trinidad and Tobago, and we are paying the same money, we are operating it with the same budget. But you see what we have done, and they did not understand, whereas they had one contractor with 12 teams that would have had almost in their pocket 100,000 a month and they ran gangs with that, today, Mr. Speaker, we have a policy where contractors are allowed two to three teams each. So, you can have more contractors coming in and less teams. That is how we operate. And we spend no more money, we have no more money. We spend the same thing, but you get more contractors and more persons from different areas in because we cut out this way where a man has 12 teams, the next one 10 and making all this money and excluding others.

**5.25 p.m.**

This programme, Mr. Speaker, has been restructured to meet that objective. Of the contractors who have been discontinued, we have made a

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direct pitch—and the Member acknowledged it—to re-engage the employees. We have re-engaged to this day 952, almost 1,000 employees who were working with contractors before and those contracts were discontinued. [*Desk thumping*] We have re-engaged them.

Mr. Speaker, as of now the CEPEP has established an unemployment bureau at its head office in Chaguanas, and the purpose of that unemployment bureau is to enlist those persons who are out of work and place them either with another contractor or in another programme. [*Interruption*] They ran a programme and did not know about the National Reforestation Programme which does similar work to CEPEP, where the terms and conditions are similar. They have a budget of about \$60 million per year and we are now transferring some of these employees to the National Reforestation Programme to get into productive work in the environment and under the ambit of the Forestry Division. [*Desk thumping*]

The employment bureau at Chaguanas has been meeting scores of workers and seeking to place them. In some cases there are persons who have been employed with CEPEP who can easily join an On-the-Job Training Programme and get into a construction business or a manufacturing business on a plant and learn some skills, so we are linking now with the Ministry of Science, Technology and Tertiary Education to get placements for all. [*Desk thumping*] But today we have created over 5,000 new jobs. This is the purpose of programmes like that, so while you cry and mourn about what happens and so on, you do not welcome new people into this programme, you do not welcome new workers, new mothers, single mothers, you do not welcome people in different areas, who, for the first time in history

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[*Crosstalk*] can get a little bread, can put bread on the table because of this programme.

Mr. Speaker, my friends and hon. Members, would note that this programme under the former administration was subjected to an enormous amount of political manipulation. In this Government today, apart from the Minister with responsibility, not one Minister of Government or the Prime Minister has any input or influence in the CEPEP programme in Trinidad and Tobago. [*Desk thumping*]

And as line Minister, our responsibility as line Minister is policy. Policy! I have visited the headquarters of CEPEP once. I think it was for a Divali show, CEPEP had a Divali show; that is the point I am making. [*Interruption*] Mr. Speaker, the Members opposite are defending an archaic, corrupt system where their General Council members were all contractors. Today they are crying, and they are crying for persons who are political appointees and run contract companies, that is what they are crying for. It is unbelievable. Today, instead of praising us for 5,000 new jobs you want to condemn us. Instead of praising us—we have moved from 118 contractors to almost 205 contractors today operating in Trinidad and Tobago, [*Desk thumping*] of which the Senator you named is not one. That is the next boldface untruth, almost. [*Crosstalk*] It is not true.

Mr. Speaker, I want to indicate to hon. Members that when they are trying to get their facts, get the facts right, get the facts right and indicate as well when you get the facts who were the People's National Movement radio supporters who were CEPEP contractors, who were they?

**Hon. Member:** Who were the counsellors?

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**Hon. Dr. R. Moonilal:** Who were the counsellors? Who were the executive members? When you look at their list, almost every single one can be linked to the general council. Almost all.

**Hon. Member:** Read it. Read it.

**Hon. Dr. R. Moonilal:** Mr. Speaker, you had Foster Cummings, you had Charmaine Cummings. Imagine two in one family. [*Interruption*] Imagine that. Let me—Tabaquite, John Ross; anybody know who is that?

Mr. Speaker, you have Samuel Lee-Phillip Salazar, Angela Baptiste—get Fyzabad, you would find it as well. Imagine Oropouche West had one, Oropouche West, I have not seen Oropouche East—Patrick Clifford. You know who is Desmond Clifford? [*Laughter*] No, I do not want to do this, I am sorry. I want to apologize to these people, but you forced me to do this now. [*Interruption*] Couva North, Norman Ross; Randell Mitchell, San Fernando East; San Fernando East, Dwane Ferguson; Jennifer Simonette, Mayaro; Suzanne Guldon, Mayaro; Joel West, Nariva; Campbell. Mr. Speaker, these are the people.

Mr. Speaker, in closing I want to indicate to the Member as I wind up, the programme is now in a new era; it is now environmentally linked and we would be aware of the work of this programme. In a few days we launch the CEPEP Marine Programme that will deal with clean-up at the beaches and in the rivers. That is the vision we have for the CEPEP. [*Desk thumping*]

Thank you.

**Clico Group  
 (Payouts)**

**Mr. Colmn Imbert** (*Diego Martin North/East*): Thank you, Mr. Speaker. [*Interruption*] Yes, in front and behind. Mr. Speaker, on May 19th there

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was an article in the *Trinidad Guardian* where the Minister of Finance, the present Minister of Finance—and I am talking about May 2011—was quoted as stating that Clico’s statutory reserves had been restored by the transfer of certain assets to a Statutory Fund. The headline was “Clico’s statutory fund back in the black”, or it had a positive balance, Mr. Speaker.

On the 26th of this month an article appeared in the *Business Guardian*—this was actually yesterday—where the editor of the *Business Guardian* made a proposal that the Government should create a holding company and place all the profitable assets of CL Financial Group and Clico into that holding company and use the funds generated by the sale of the shares in that holding company to pay off all of the creditors of Clico and CL Financial. Now, I heard the Minister of Finance, today, say, “he doh read the papers”.

**Mr. Dookeran:** I read it.

**Mr. C. Imbert:** You read the papers? That was “ol’talk” then. I heard him say he is not in the habit of reading the papers or listening to political attacks. I do not know if he read this story, but let me read it into the record because it is very relevant to what we are discussing:

“The idea is to bundle all the good assets”—this is of Clico—“Angostura, Lascelles, deMercado, Home Construction, Republic Bank and Methanol Holdings (Trinidad) Ltd—into an investment holding company similar to NEL, which could then be divested on to the local stock market.

If the Government needed to raise \$22 billion from the CL Financial assets in order to pay off all of the liabilities, it would be

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quicker and easier to roll all of the attractive assets into one vehicle and sell them to the public.”

And it goes on:

“It is well known that Clico’s Executive Flexible Premium Annuity policyholders with investments of above \$75,000 have \$12 billion tied up in the insurance company among them.

It is also well known that the Government ploughed \$7.3 billion into Clico and Clico Investment Bank with Clico receiving \$5 billion and CIB receiving \$2.3 billion.

The non-policyholder creditors of Clico are owed about \$2 billion.

If it will take \$21.3 billion to pay off all of Clico’s creditors, the plan is for the Government to facilitate an Initial Public Offering (IPO) for Clico Enterprises Ltd (CEL) which raises \$22 billion.”

So this was the proposal made by the editor of the *Business Guardian*, and this is a solution, because my Motion is solutions to the difficulties being faced by policyholders in Clico who have shares valued in excess of \$75,000, policies in excess of \$75,000. So this is one solution. Take all of the good assets of Clico, put them into a holding company and sell the shares on the stock market, raise the \$22 billion and pay off everybody. Pay off all of the policyholders, pay back the Government; everybody comes out fine. That is one proposal. The *Business Guardian* went through it like this—Methanol Holdings worth \$8 billion. Republic Bank, worth \$7 billion—I think it is worth a little more than that—Lascelles, \$4 billion; Angostura, \$1.2 billion; Home Construction, \$800 million; and came up with approximately \$22

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billion in assets. The article went on to say:

“All of the other plans for the resolution of Clico have disadvantages.

The plan by the Hong Kong group, which is using Swiss money has the advantage of guaranteeing the payoff of the Government and the policyholders—the Government gets US \$3 billion to distribute to itself and the policyholders—but its disadvantage is that the ownership of these valuable CL Financial assets will slip out of T&T hands.”

So this individual did not see that proposal from the Hong Kong group as attractive.

He goes on to say the current Government plan, which is payment over 20 years is illegal, and that he is of the view that a judge will grant a winding up petition to the policyholders who have taken legal action, in which case the assets would simply be sold and used to pay the policyholders at whatever value.

Mr. Speaker, I am aware that a proposal was made to the Government on April 14, 2011, a proposal was made to the Minister of Finance, not this one, the acting Minister of Finance, and the proposal is as follows:

That—I will come to that—a holding company representing a number of financial institutions and other international entities, has proposed to the Government that it will fund the refinancing and restructuring of CL Financial Limited in the amount of US \$3 billion for the following purpose:

- Restore shareholders;
- Negotiate and finalize the payout of all third-party debts;
- Satisfy the financial obligations to the depositors of CIB;

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- Meet the statutory requirements of all entities;
- Restore public confidence; and
- Set up adequate reserves.

Now, the company that has made this proposal to the Government is a holding company for a large number of other companies working in the European and the Asian private banking sector, representing almost 2,000 private European trusts with about US \$58 billion under management. That is my information. My information is if the Government accepts this offer from this group it will:

- (i) Reduce the Government's debt obligation because they are not asking for Government guaranteed debt;
- (ii) Allow the money that the Government has put into the CL problem, the \$7 billion that the Prime Minister spoke about to be returned to the Government;
- (iii) Allow all the thousands of policyholders to get back all of their money with interest; and
- (iv) Allow all the creditors of Clico and CL Financial to be restored.

I want the Minister of Finance to tell me, are you aware of this proposal made by this group which was obliquely referred to by the *Business Guardian* as the Hong Kong group? Are you aware of the proposal by the Hong Kong group? Are you aware that they have made an offer, which if it is a real offer and if—I said if it is a real offer—[*Interruption*—hold on. Mr. Speaker, from all my information, it is a genuine offer. From all my information it is a genuine offer. It is genuine. They are offering the Government US \$3 billion—

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**Dr. Gopeesingh:** But they want all the assets.

**Mr. C. Imbert:** Yes. Mr. Speaker, I am hearing the noise from over there. Right now what is the position of the policyholders? That they would get back 40 cents on the dollar if they are lucky. That is the position of the policyholders

**5.40 p.m.**

That the Government will not get back the \$7 billion dollars of taxpayers' money that has gone into the Clico Group, that is the current position.

This group, I am told, is offering a solution where the Government will get back its money, and all the policyholders will get back their money. Unless the Minister can tell me something to the contrary, that this is not a genuine proposal, that they do not have the money, that the proposal does not make sense, I would like the Minister of Finance to tell me why the Government is not accepting this offer? Because everybody will be repaid, all the policyholders who have not been paid on the instructions of the Minister of Finance—interest, well right now it is \$7 billion in the hole—but right now I am hearing the noise over there—but right now \$7 billion dollars of taxpayers' money has gone into Clico, and the Minister of Finance has been at pains to say that another \$10-odd billion dollars of taxpayers' money will be required to satisfy the Government's plan, \$15/\$17 billion of taxpayers' money funds.

Right now, policyholders have not received their interest payments for eight months on the instructions of the Minister of Finance; payments were stopped in September 2010.

So, Mr. Speaker, I would like the Minister of Finance to tell me

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whether the Government is treating seriously with this offer from the Hong Kong group, whether you think it is viable. And if it is a viable offer, why are you not pursuing it so that all these elderly people, all these thousands of people can get back their life-savings and return to some semblance of normalcy? It has been eight months now and the Government has just procrastinated, prevaricated, dilly-dallied, gone silent, done nothing expect promise to deal with this problem. I thank you. [*Desk thumping*]

**The Hon. Minister of Finance: (Hon. W. Dookeran):** Mr. Speaker, I am indeed very pleased to see the tone of the Member for Diego Martin North/East trying to search for a solution, and let me just make two points. The proposals of which he spoke have been made known to me, and I wish not to say too much except that I have asked the Chairman of Clico and the Governor of the Central Bank to look into the matter. Preliminary indications, I need not say more at this point in time.

There is need indeed for innovative solutions to the story that has unfolded, but what is important to recognize is that we have been able over the last year to put a solution in place that is now well in the process of being implemented. This clearly for eighteen months before has been left as unknown territory in the search for solutions. I think the Member will agree with that and I need not repeat that. I would like to, since he has raised the issue of the solutions, just put on the record some of the information pertaining to the solution that is being implemented.

We had worked out a programme that involved two categories of repayment, one, for what we call under \$75,000 using that figure as being consistent with the deposit insurance figure of \$75,000, and some time ago we

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started dealing with this matter in earnest having gone through all the logistics work, all the legal work, and all the administrative work that was required to handle this matter, which took a little more time than I had first anticipated.

**5.45 p.m.**

But to date, as of May 26, 2011, the information before me in terms of the progress report is that the solution that is being implemented, covers 6,140 clients in Clico who have accepted the offer which has been approved by the Ministry of Finance, and this represents \$200 million. A further 1,406 clients from British American have accepted the offer, which has been approved by the Ministry of Finance and, to date, the dollar value is \$33.5 million.

So as I speak here today, over 7,000 of the 25,000 policyholders have been dealt with and dealt with in a manner that is satisfactory to them and they got the \$75,000. That is an important part to the solution. This represents 68 per cent of the response and 75 per cent of the dollar value that we had allocated for this. I am told that 25 per cent of the no-shows are residing abroad and steps are being taken to even locate them. There were a number of others who came without the appropriate documentation and steps are being taken to assist them. So if there was a success story with respect to the \$75,000 and under, this is indeed a success story. [*Desk thumping*] Many doubted it, many hoped that it would not work, and some felt that they could use the law. I will say very little about that at this stage. At some other stage we shall speak about that.

In addition, Mr. Speaker, we are very conscious of many of our citizens who are relying solely on this income and who are in a position that it may

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affect their medical or educational needs, and we established what we call a compassionate relief window. We followed very firm guidelines and the compassionate relief window for assessing the applicants—the guidelines were:

- cash is for non-discretionary purposes including the necessities of life;
- failure to meet the need that will result in serious prejudice to the client;
- the need for cash is immediate;
- alternative sources of funds available to the client are limited:

and began to administer this compassionate relief benefit. This relief benefit allowed applicants access to \$250,000 subject to meeting these requirements and, to date, I am told that 123 cases have been processed with a value \$25.6 million.

So in terms of solution, this is dealing with those who have immediate needs that must be satisfied while we deal with the larger issue and, the larger issue pertains to the \$75,000 and others. May I also point out on that issue, that we have also worked out what is the remaining problem on the issue of payout. There are 14,531 policies under this portfolio. So, we have reduced the problem now to 14,451. The noise you hear outside is much larger than the figure is showinn. [*Interruption*]

**Mr. Imbert:** What about 15,000?

**Hon. W. Dookeran:** Fifteen thousand, with an approximate balance of \$11.6 billion, and this is broken down in credit unions and trade unions of which there are 156 policies with an accumulated value of \$788 million.

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**Mr. Imbert:** You are representing a lot of people.

**Hon. W. Dookeran:** We have already worked out a plan which will go into effect for liquidity support to the credit unions, in order for them over a two-year period, to receive their funds via the Central Bank on the basis of a liquidity support programme, protecting, therefore, the credit unions.

The other group, Mr. Speaker, has to deal with the issue of providing support through the issuing of bonds, and I want to make it clear for yet another time. The 20-year bonds on which there is a lot of discussion is not a bond for which you have to wait 20 years. One can encash that bond at any time, or those bonds, at a discount, okay, at a discount, and it is 20 one-year bonds. So it means that if I get my bonds for the remaining, if I have more than \$75,000, I can take it to a financial institution and discount it. I want to make that clear because there has been a misconception in the media, in particular, that people have to wait for 20 years to get their money. That is not correct. It means that there will be a discount at which they will get their money, and this is part of the solution.

**Mr. Imbert:** That is the problem.

**Hon. W. Dookeran:** In respect to that particular matter, the discount rate is really the issue, and the Government is searching for ways to improve the discount rate. We are, and have been, in discussions with the financial institutions on this matter. I should not go into details of those discussions, but to improve the discount rate is our real challenge now, so that the others will be able to get a much better discount rate than the market determines. At some appropriate time, the method to finance the “highering” of the discount rate is what you are talking about. That is what the Member for Diego

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Martin North/East is talking: how do you finance. I do not want to say much on that proposal

**Mr. Imbert:** That is what they say.

**Hon. W. Dookeran:** So, the only issue that is a stake now is: how do you finance a better discount rate for the policyholders? That is under consideration at this point in time. The formula has been articulated and has been accepted as perhaps the best formula that will satisfy the issues of the national debt and the issues of protecting the policyholders.

In addition, the Member for Diego Martin North/East made the point that I had made a statement that the statutory funds in Clico are now in order. That is a major achievement because a large part of the problem which we inherited was because that was not in order, and created the meltdown that became a systemic risk. Now that that is in order, it is quite possible that—in fact, it is not possible—the 225,000 policyholders under Clico now have the assurance that their policies are protected in the statutory funds. That is 225,000. In due course we will discuss, as we are discussing, how the company itself should be treated. But in terms of solutions, the only part of the solution still to be resolved is the discount rate with respect to the 15,000 deposit holders who have more than \$75,000 and who have not yet accessed the compassionate fund. So we have reduced a major problem that was in the order of \$7 billion. When we took over, it became almost \$20 billion, when you add it all up, and now we are well in the last stage of dealing with that problem.

We are still open to any suggestions because, clearly, we will have to find ways and means for the taxpayers to get back their funds, but the problem

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has been resolved. The systemic risk has been resolved in that respect. The legal challenges might pose some more risks to us. [*Interruption*]

**Mr. Imbert:** This will solve that.

**Hon. W. Dookeran:** I said clearly that I did not want to speak about that proposal—

**Mr. Speaker:** One more minute, hon. Member.

**Hon. W. Dookeran:**—either one way or the other. I am saying we are aware of it, and if it is as rosy as that, as what you said, it would be a nice story. We have now reached to the very end. From almost 300 policyholders, 250 have been protected in the company itself; almost 8,000 have been paid off the \$75,000; trade unions will get their funds subject to liquidity support; and what I am left with is 15,000 policyholders who have more than \$75,000 and we are trying at this point to improve the discount rate.

Now if that is a solution, that is a solution that is being implemented and that is the solution of which the Member for Diego Martin North/East has made mention of. If there any innovative ways to deal with it we are always open, but we know that we are on the right track. We know that this process that we have into place has assisted us in getting the necessary support from the international community that assisted the entire country in getting a rating that was much better at one time than it appeared. I can say with confidence that notwithstanding that we are not yet out of the woods, the solution is well in sight, but we remain open to discuss that proposal or any other proposal.

[*Desk thumping*]

**Greetings  
 (Indian Arrival Day)**

**Mr. Speaker:** Hon. Members, Monday, May 30, 2011 would represent the

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171 or 171st anniversary—

**Hon. Members:** 166th.

**Mr. Speaker:** I am going a bit far. Sorry about that—the 166th anniversary of the arrival in Trinidad of our East Indian brothers and sisters who arrived here as contract labourers. I would like at this point in time to call on the hon. Prime Minister to make her contribution as we ready ourselves to celebrate that occasion. So, hon. Prime Minister. [*Desk thumping*]

**The Prime Minister (Hon. Kamla Persad-Bissessar):** Thank you very much, hon. Speaker. As you pointed out, Monday will mark the 166th anniversary of the arrival of East Indians into Trinidad and Tobago, and as we look forward to celebrating that event, we can also pause to reflect on the contributions made by those of Indian origin who are now Indo-Trinidadians in this land and, indeed, full citizens of Trinidad and Tobago.

In every field of endeavour, those who came from India have made their contributions here in this land, to help build this land alongside our brothers and sisters who are descendants of those came from Africa and those who came from other parts of the world, who are all now citizens of Trinidad and Tobago.

I have said and other have said, Mr. Speaker, that we have no mother India, no mother Africa, no mother China, but we do have a grandmother India, a grandmother Africa and a grandmother China. But our mother is indeed, this land of ourselves, where we work to build Trinidad and Tobago. [*Desk thumping*]

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So we join with the whole of Trinidad and Tobago on Monday to celebrate the contribution of those who came out of India. I do believe now one of the fastest selling fast food is, in fact, doubles, if I am not mistaken, which takes its place alongside bake and shark, indeed all the other cuisine that has come from so many different lands. But, while we celebrate that, I think the most salient point is for us to remember that this land of ours is one that is of multicultural, multi-religion, multi-ethnic, and that is what gives us our greatest strength. The golden thread which runs through the fabric of our society has to be that of unity in diversity.

So to everyone, I want to wish a happy Indian Arrival Day to those of East Indian descent especially on this day that is celebrated throughout the land, and we welcome all in the various celebrations as we look forward to a very happy Indian Arrival Day.

I thank you, Mr. Speaker.

**Dr. Keith Rowley** (*Diego Martin West*): Thank you very much, Mr. Speaker. Mr. Speaker, I rise to associate myself and my colleagues on this side with the sentiments expressed by the Prime Minister and my colleagues on the other side, as we come up to the 166th anniversary of the arrival of those persons who made that long journey from the eastern part of the world to Trinidad and Tobago.

Mr. Speaker, 166 years ago, Trinidad and Tobago must have been a very, very different place, and for those who arrived here, the outlook for the future and the future of their offspring might have been bleak to some, and for others it might have presented great hope for a new life in a new land.

Those of us who today have the honour and privilege to be citizens of

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Trinidad and Tobago to be celebrating this 166th anniversary, do so against the background of acknowledging the tremendous amount of work, the “sticktoitiveness” must have been very difficult at times. But, in recent times—as we took control of our own destiny in 1962—we have grabbed that opportunity to make these islands the kind of home that we think it could have been.

Mr. Speaker, those who are present today whom we recognize as members of a multi-ethnic, multicultural community, members of the East Indian community who celebrate with the rest of the national community, Indian Arrival Day, we must do so and reflect, not only on those who are celebrating, but those who ought to be celebrated for staying the course, keeping the faith and building Trinidad and Tobago to what it is today. Notwithstanding what we might think of our country in moments of anger or fury or whatever, Trinidad and Tobago is still a beautiful country built by the hard work of all citizens who arrived in this island nation of ours.

So, Mr. Speaker, as we are once again called upon to acknowledge the arrival of our ancestors, this time we speak of Indian Arrival Day but we can extend that to all those who arrived here in Trinidad and Tobago, and acknowledge that what we have done as a people, and what we are doing as a people is building a nation for us and our children, maybe to fit the dreams of those who arrived 166 years ago, and even those who arrived long before. So on this occasion, on behalf of the official Opposition in Trinidad and Tobago, we join with our colleagues as one House saying happy Indian Arrival Day, and safe, enjoyable festivities to all the people of Trinidad and Tobago on this occasion. [*Desk thumping*]

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**Mr. Speaker:** Hon. Members, I join with the sentiments already expressed by the hon. Prime Minister and the hon. Leader of the Opposition, on the commemoration of the 166th year since the first group of contracted East Indian labourers came to Trinidad and Tobago seeking greater economic opportunity.

I was recently reading a newspaper article which considered the historical reports concerning the *Fatal Razack* and details on the exact number of persons who first came, and I wish to say that whilst the historians research and debate these details, there are three key facts which are indisputable. Firstly, regardless of the date and of the numbers, our East Indians forefathers came to Trinidad and Tobago in continuous multitudes. Secondly, they worked hard to provide a better future for themselves and their families, as such their sweat, tears and sometimes their blood have been well woven into the fabric of who we are as a nation.

And thirdly, having come to seek greater opportunity, they have performed value roles in making Trinidad and Tobago a land of great opportunity today.

On behalf of the entire staff of the Parliament and behalf of my own family, I wish the entire nation a happy Indian Arrival Day holiday on Monday.

### **Parliament Staff Sports And Family Day**

**Mr. Speaker:** Hon. Members, may I also bring to your attention that invitations have been extended to every Member of Parliament via your email on May 09, 2011, inviting you to join the staff of the Office of the Parliament on their Sports and Family Day.

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I would like just to remind you that this event takes place tomorrow, Saturday, May 28, 2011, beginning at 9.30 a.m. at the WASA Grounds in St. Joseph. There are going to be activities for you, the Members and your children, so come and participate in a fun-filled day.

*Question put and agreed to.*

*House adjourned accordingly.*

*Adjourned at 6.08 p.m.*