

*Leave of Absence**Tuesday, March 26, 1991***SENATE***Tuesday, March 26, 1991*

The Senate met at 1.30 p.m.

PRAYERS[MR. PRESIDENT *in the Chair*]**LEAVE OF ABSENCE**

Mr. President: Hon. Senators, I have granted leave of absence to Sen. the hon. Herbert Atwell and Sen. Dr. Ramesh Deosaran from today's sitting of the Senate.

SENATOR'S APPOINTMENT

Mr. President: Hon. Senators, I have been advised that His Excellency the President has appointed Mr. Abdool Wahab to be a temporary Senator with effect from March 25, 1991 during the absence of Sen. the hon. Herbert Atwell.

OATH OF ALLEGIANCE

Sen. Abdool Wahab took and subscribed the Oath of Allegiance as required by law.

FINANCE (VARIATION OF APPROPRIATION) (1990) BILL

Bill to vary the appropriation of the sum the issue of which was authorized by the Appropriation Bill, 1990, [*The Minister of Finance*]; read the first time.

Motion made, That the next stage be taken at a later stage of the proceedings.
[*Hon. W. Dookeran*]

Question put and agreed to.

PAPER LAID

The Customs (Caribbean Common Market) (Origin of Goods) Regulations 1990.
[*Sen. Alloy Lequay*]

ORAL ANSWERS TO QUESTIONS**Caroni Lands**

12. Sen. Haji Ralph Khan asked the Minister of Planning and Mobilization:

- (i) Would the Minister indicate the acreage of land formerly of Caroni (1975) Limited, expropriated by Government for use by Government and other

agencies from the time of the company's takeover from Tate and Lyle to the present time?

- (ii) Would the Minister state what quantum of this distribution was utilized by Government, and what percentage was turned over to the other agencies?
- (iii) Would the Minister indicate to this House what is the total value of these lands so distributed?

The Minister of Planning and Mobilization (Hon. Winston Dookeran):
Mr. President, I wish to advise hon. Members that during the period 1975 to 1990, the Government of Trinidad and Tobago acquired 5,177 acres of land valued at \$192,671,000 from Caroni (1975) Limited. Lands acquired for use by the Government amounted to 3,373 acres; lands acquired for use by other Government agencies amounted to 1,803 acres.

I have made a list of land acquired available for distribution, for it covers a number of pages. This list shows lands which were referred to, the purposes for which they were acquired, the valuation, locations and the applicants. Members may wish to note that the purpose for which lands have been acquired include education, industrial activity, housing and recreation. Since 1986, 13 pieces of land comprising 208 acres have been acquired by Government. These lands valued at \$20,526,000 are included in the list.

Suffice it to say however, that since 1986, the purposes for which lands have been acquired pertain to a police station; resettlement of persons displaced by the dualling of the Uriah Butler Highway; recreation ground in Diamond Village, Picton; recreation ground in Hermitage Village; site and offices for the laboratories of the Bureau of Standards; Halfway House at Harmony Hall; industrial sites and factory shelves at Biljah Road, Charlieville; industrial sites and factory shelves at Harmony Hall; industrial sites and factory shelves at Frederick Settlement; Trinidad and Tobago Electricity Commission Sub-Station, Princess Margaret Highway; housing development in Williamsville; the Hindu Temple and Cultural Centre in Boundary Trace and factory extension in La Paille Village.

1.40 p.m.

Mr. President, I wish to advise hon. Members that the value of lands acquired by Government is offset against loans made to Caroni (1975) Limited to meet its operating deficit. To date the Government has loaned the company approximately

\$2 billion excluding interest. The lands acquired by Government and other agencies therefore represent less than 10 per cent of the company's indebtedness to Government for loans to meet its operating deficit. It is to be noted also that since 1985 the Government has also provided \$167.6 million as price support to cane farmers. This sum is a direct support to the industry and has facilitated the continuing survival of the industry and the company.

In the context of the restructuring of Caroni (1975) Limited, Government has agreed that 8,000 acres of land currently held by the company for the cultivation of sugar cane should be allocated to farmers and workers in the sugar industry for the production of sugar cane and other crops.

In accordance with the Land Tenure (Security of Tenure) Act No. 1 of 1981, some 5,033 persons who are tenants of Caroni (1975) Limited are granted 30-year statutory leases with an option to renew such leases for another 30 years. Under this Act, such tenants also have the option to purchase lands on which they are tenants, at not more than 50 per cent of the market value of the lands. Since 1986, 86 persons have purchased lands valued 17 acres, at the value of \$1,626,000.00.

**Caroni (1975) Limited
(Foreign Exchange)**

13. Sen. Haji Ralph Khan asked the Minister of Planning and Mobilization:

- (i) Would the Hon. Minister indicate the total amount of foreign exchange earned by Caroni (1975) Limited from the time of its takeover, by the Government from Tate and Lyle Limited to the present time?
- (ii) Would the Minister indicate what has been the aggregate of subventions granted to Caroni (1975) Limited within the period referred to at (i)?

The Minister of Planning and Mobilization (Mr. Winston Dookeran): Mr. President, Caroni Limited earned \$1,367 million in foreign exchange from 1976 to 1990. During the period 1984—1990 the Company used directly \$86,488,000 in foreign exchange. Information on foreign exchange used directly before 1984—is not immediately available.

Net foreign exchange earned between 1984 and 1990 is \$638, 806,000. Subventions have been provided to Caroni Limited during the period January 1976—January 1991 as loans for budgetary support. These total \$1,984,117,000.

Details on a yearly basis are included in the appendix which I would lay before this House.

**Caroni (1975) Limited
(Housing Policy)**

14. Sen. Haji Ralph Khan asked the Minister of Planning and Mobilization:

- (i) Would the hon. Minister kindly state what is the housing policy of Caroni (1975) Limited?
- (ii) Would the Minister indicate the number of qualified personnel who, though offered company housing facilities, turned them down in favour of cash housing allowances:
- (iii) Could the Minister inform this House whether or not this state of affairs is against the company's policy?

The Minister of Planning and Mobilization (Mr. Winston Dookeran): Mr. President, in accordance with the housing policy of Caroni (1975) Limited the company shall provide housing accommodation at its discretion to employees on the following basis:

1. Those whose jobs demand that they have custodial responsibility for estates, plant and equipment.
2. Other than above, those who are assigned custodial responsibilities.
3. Those who are required to be on call on a regular basis.
4. Certain senior management positions as designated from time to time.
5. Persons recruited overseas on a fixed term contract.
6. Representatives of overseas contractors who are assigned to work on any of the company's installations.

The company's housing policy also states the conditions for use of accommodation provided.

I am advised, that Caroni (1975) Limited has stated that there are no employees who have been offered company housing facilities, have turned them down in favour of cash housing allowances.

In the circumstances, (iii) is not applicable.

Sen. Khan: Mr. President, I would like to pose a question to the Minister. If I can supply precise information with respect to that question, would it be acceptable?

Mr. President: If you have a question you can put it to him, but do not make a statement.

Sen. Khan: The question is: Can I supply him with information relevant to the question asked and give him the facts for his answer at some later stage?

Dr. Dookeran: I would be delighted to receive any further question on the matter and would make every effort to respond to it.

Mr. President: The main purpose for asking questions is to solicit information. If Members already know the information they should not really be asking questions. Would you like to ask a supplementary?

Sen. Khan: I wish to clear up that. I was trying to put the question in a way that could be properly understood. If I had said exactly what I was going to say you would realize that at the end, it was going to be in the form of a question. Unfortunately you stopped me midway.

Public Service

16. Sen. Wade Mark asked the hon. Prime Minister:

- (a) Could the hon. Prime Minister state whether the public service is over-staffed, and if so, by how many, and in which categories.
- (b) Could the hon. Prime Minister state in precise and definite terms the current size of trained professional personnel in the public service and their respective categories?
- (c) Could the hon. Prime Minister state the precise size of the establishment of the public service in respect of the following categories:

Number of Civil Servants

Number of Fire Officers

Number of Prison Officers

Number of Police Officers

Number of Teachers?

Sen. Horace Broomes: Mr. President, in September 1988 Government established a Public Service Reform Task Force to advise on administrative reform programmes which would *inter alia* rationalize services and improve efficiencies, and as a consequence, determine human resource and equipment requirements.

The administrative reform programme is currently in progress and when it is completed Government will be better placed to determine the optimum staffing levels which ought to obtain in the numerous departments of Government.

There are 138 categories of posts which are classified in the professional and scientific class. These total 2,473 posts. There are however several professionally trained public servants holding positions in the administrative and technical classes and conceivably even in the clerical class.

In such circumstances it is not possible on the basis of available data, to state in precise and definite terms the exact number of trained professional personnel in the respective categories of the public service.

The breakdown of the establishment of the various services which comprise the public service is as follows:

Civil Service	28,774
Fire Service	1,432
Prison Service	1,578
Police Service	4,849
Teaching Service	14,792
Statutory Authority	9,797

1.50 p.m.

These figures do not reflect the number of persons currently holding appointments to these posts, which number would be continuously changing by virtue of appointments, retirements, deaths and other relevant factors. As of June, 1990, the actual number of posts filled was 47,077.

Sen. Wade Mark: Mr. President, could the hon. Minister indicate when the task force report on the whole issue of whether the civil service is over-staffed, the public service is over-staffed or under-staffed is going to be made available to the Government and, subsequently, to the public? Secondly,

what efforts are being made by the Government at this time to obtain information on the categories of trained professional personnel in the public service?

Sen. Broomes: The Chairman of the task force has been the Permanent Secretary to the Prime Minister and Head of the Public Service. There has recently been a change in that position. The new holder of that post has taken up his position as Chariman of the task force. In discussions with him, I have been advised that just over a year from now would be a reasonable estimate of the time that the task oforce report might be available.

In respect of the determination of the professionals in the various grades, I believe that can be expected to be a part of the report. As pointed out in the answer earlier, there are professional people in non-professional posts, and this is one of the reasons that they are not clearly classified. This will also be available as part of the report in just over a year's time.

Sen. Mark: Could the Minister indicate whether, for instance, the views that have been expressed by officials in the Government that the public service is over-staffed is really speculative, and basicially a report will be submitted that will in fact establish whether the service is under-staffed or over-staffed?

Sen. Broomes: Mr. President, if the view is not speculative, it is clear that the statistics on which they are based, the evidence on which they are based is known only to those people. I am not in a position to say whether it is speculative or not. We do not have the evidence.

Insurance Claims

18. Sen. Wade Mark asked the Minister of Finance:

- (a) Is the Minister aware that there are reported complaints by policy holders on the speed with which claims are being satisfied by motor and general insurance companies?
- (b) If the Minister is so aware, can he state how many such complaints have been submitted to the Supervisor of Insurance over the last four years?
- (c) Could the Minister indicate what measures have been instituted to address these complaints?

The Minister of Finance (Hon. Selby Wilson): Mr. President, the Minister is aware of complaints by policy holders about the speed at which claims are being provided by motor and general insurance companies.

Over the period 1987—1990, there were 742 complaints against 24 companies writing motor or general insurance. These complaints were distributed as follows: 1987, 224; 1988, 269; 1989, 208; 1990, 141. Of the complaints received, 272 or 37 per cent were against two companies, while 427 or 58 per cent were against four companies.

The Supervisor of Insurance, as a matter of policy, investigates every complaint made against insurance companies. In respect of the 742 complaints over the period 1987—1990, the Supervisor pursued each complaint by writing to the chief executive officers of the companies involved requesting explanations for the delay in the settlement of claims. Except in the case of one company, replies were received from the companies concerned indicating either the reason for the delay in payment, or the time at which payment will be made. The Insurance Division diligently pursued all complaints and received satisfactory explanations in the majority of cases for the decisions made by insurance companies.

As a result of these investigations, the Supervisor has on two occasions exercised his powers of intervention under the Insurance Act to require an insurance company to cease writing business because of proven instances of delay in the settlement of claims. However, on each occasion the company has embraced the opportunity provided under the Act to appeal the decision of the Supervisor. I wish to advise that the Government is preparing new legislation which will contain provisions which will make it impossible for companies to continue writing business without increased financial resources. This will have a positive impact on the ability of companies to meet their commitments promptly.

Sen. Mark: Mr. President, could the Minister indicate whether he personally, as the Minister of Finance with responsibility for the Supervisor of Insurance, is satisfied with the steps being taken by the Supervisor of Insurance to rectify complaints made by motor and general insurers? Secondly, could the Minister indicate when the proposed legislation is expected to come before Parliament?

Mr. Wilson: Mr. President, I am satisfied that the Supervisor of Insurance is using his best endeavours to service both the insurers and the insurance industry in accordance with provisions of the Act. As to the timing of the legislation, I am not in a position to say how soon the legislation will be here, but we are working on strengthening the provisions in the legislation.

Caroni Racing Complex

The following question stood on the Order Paper in the name of Sen. Robert Amar:

- 19.** Will the Minister of Industry, Enterprise and Tourism advise this House on the date for the commencement of construction of the Caroni Racing Complex?

Sen. Alloy Lequay: Mr. President, I indicated at the last sitting that the Minister had requested a two-week postponement. The question will be answered at the next sitting.

Mr. President: It has been answered already? From what I have seen in the newspapers, it seems to have been answered already. The Minister has asked the Senate to defer this question for a further week, as indicated previously.

Question, by leave, deferred.

**NEWSPAPER REPORT
(RE-INTRODUCTION OF SCHOOL FEES)**

The Minister of Education (Hon. Gloria Henry): Mr. President, I would like to take the opportunity in this honourable House to read a statement on a particular report that was published in the newspaper to which I feel Members of this House are entitled to a proper answer.

There is absolutely no truth to the statement attributed to Mr. Augustus Ramrekersingh to the effect that school fees are to be re-introduced. It is deeply regretted that the Deputy Political Leader of the PNM would attempt to exploit the fears and emotions of parents and children in a transparent attempt to gain political mileage. This Government has made a commitment to mobilize all possible resources to serve the interests of the nation's children. We will not bring back school fees.

Moreover, this Government has demonstrated its commitment to expanding free secondary education by creating 560 new first-form places over the last two years. This was made possible by the completion of the Mayaro Composite School with an intake of 240 children, sparing these children the ordeal of those who for many years had to leave home at 3.30 a.m. to reach schools in San Fernando on time.

We have also completed the Cedros Composite School with an intake of 160 children, and granted assisted secondary school status to Holy Faith Convent, Couva with an intake of 160 first formers.

In addition, in the last three years, two junior secondary schools have been taken out of the shift system and have been made all-day, five-year schools on the basis of two different models. These two schools are the Morvant/Laventille Junior Secondary School where students spend their entire five years, and the St. Madeleine Junior Secondary School where the students spend their first three years before moving on to the adjacent Corinth Senior Comprehensive School for their final two years.

In addition to all this, over the last two years three schools have been upgraded to become limited five-year schools. They are the South East Port of Spain Secondary School, the Barataria Senior Comprehensive School, and the San Juan Senior Comprehensive School.

BUSINESS OF THE SENATE

Sen. Alloy Lequay: Mr. President, I am sure that you are aware that today is in fact Private Members' Day. I had previously indicated to hon. Members that there was an urgent Government matter to be attended to and, therefore, in accordance with Standing Order No. 24, I beg to move that Private Members business be postponed to take care of the urgent Government Business, the Finance (Variation of Appropriation) 1990 Bill.

Question put and agreed to.

FINANCE (VARIATION OF APPROPRIATION) (1990) BILL

Order for second reading read.

The Minister of Finance (Hon. Selby Wilson): Mr. President, I beg to move that the bill to vary the appropriation of the sum the issue of which was authorized by the Appropriation Act, 1990, be read a second time.

This bill relates to the appropriation approved by Parliament for the year 1990. The Finance Committee of the House of Representatives met on Wednesday, March 20, 1991 to consider the variations from the Appropriation Bill (1990). At that meeting, the Finance Committee approved the proposals made. Those proposals were confirmed by the Finance Committee on Friday, March 22, 1991. The committee also agreed to write off certain losses incurred in several ministries and departments.

For the information of the House, the proposals approved by the Finance Committee are as follows:

- (a) The retirement of a number of warrants for advances from the Contingencies Fund amount to \$12,051,152, which were authorized by the hon. Minister of Finance under section 16 of the Exchequer and Audit Act, Chap. 69:01.
- (b) The retirement of five warrants for advances from treasury deposits in the sum of \$64,199,211 which was authorized by the Minister of Finance under section 17(1)(b) of the Exchequer and Audit Act, Chap. 69:01.
- (c) To provide for expenditure in the sum of \$20,417,578 in order that funds disbursed under the European Economic Community loan agreement and a FINCOR financing agreement can be brought to account.
- (d) To approve the transfer of funds in the sum of \$136.5 million between subheads of expenditure authorized by the hon. Minister of Finance as delegated to the hon. Minister by Cabinet Minute No. 1565 dated July 21, 1988.
- (e) To write off certain losses to the value of \$86,470 which occurred in various ministries and departments.

2.05 p.m.

Mr. President, these variations do not result in an overall increase in the Appropriation Act of 1990 and, therefore, there is no increase in the total estimates of expenditure amounting to \$7,069,881,861, previously approved by Parliament in respect of the year 1990. The net transfer of funds between individual heads of expenditure amounted to \$204,046,123, and this is reflected in the schedule to the Finance (Variation of Appropriation) 1990 Bill.

This bill therefore seeks to vary the appropriation under certain heads of expenditure provided for by the Appropriation Act of 1990 and to authorize the utilization of any sums accruing from a reduction in expenditure under certain heads for the purpose of meeting any liability incurred through the increase in expenditure under other heads. Hon. Senators are already in possession of the detailed transfers.

For the information of the Senate, the significant transfers reflected in the Finance (Variation of Appropriation) 1990 Bill are as follows:

Head 15—Tobago House of Assembly. Payment made by FINCOR in respect of the project for the expansion of the Scarborough Wharf for which there was insufficient budgetary provision to allow for expenditure to be brought to account in the amount of \$20,409,375. This resulted primarily from an expansion of the project, change in the terms of the scope of the project, the devaluation of the currency in 1989 and the introduction of the value added tax, which increased the cost of this particular project.

Head 18—Ministry of Finance. Settlement of outstanding indebtedness by government ministries and agencies to general contractors by way of an issue of bonds in the amount of \$36,040,000 and a cash payment of \$39,754.

Mr. President, you would recall that some time ago we made an amendment to the Development Loans Act in order to provide for the settlement of our indebtedness, dating back many years, to contractors who had performed services for the Government of Trinidad and Tobago and whose debts had been outstanding for a considerable period of time. This variation is giving effect to the change in the Development Loans Act and has permitted us to discharge our obligation in respect of debts owing to contractors over a protracted period of time, dating back several years.

The provision of \$39,079,754 is broken down as follows in order that expenditure can be reflected under the appropriate heads:

Head 26—Ministry of Education—\$13,621,674.

Head 29—Ministry of Industry, Enterprise and Tourism—\$4,631,292.

Head 32—Ministry of Works, Infrastructure and Decentralization—
\$17,500,000.

Head 35—Ministry of Settlements and Public Utilities—\$326,788.

Head 20—Pensions and Gratuities. Over the last two or three years there has been a larger than anticipated number of public servants going off on early retirement, either under the normal provisions of the retirement ordinances or employees who made use of the provisions of the Voluntary Termination of Employment Programme. In 1990 this gave rise to an additional requirement of some \$111,553,826, and accounts for one of the variations in this bill today.

For the information of the Senate, in 1990, 1,494 employees went off on early retirement under the normal provisions, and 782 employees went off on retirement under the VTEP provisions.

Head 21—Ministry of Planning and Mobilization. An increase in the subsidy payment to Caroni (1975) Limited by \$26,255,000 in order to assist the company in meeting its liability to cane farmers in respect of the 1990 crop, a deficit not within the capability of the company to meet, which amounted to \$16,255,000.

Also you would recall, Mr. President, in our budget presentation of 1991 we did indicate that \$10 million would have been allocated to satisfy arrears of emoluments due to the workers of Caroni (1975) Limited. This particular provision was implemented towards the end of 1990 and gave rise to a variation of \$10 million.

Head 22—Ministry of Justice and National Security. Under this head there was a variation of some \$5.6 million which resulted in the main from the events of July 27 as a result of unanticipated demands to satisfy the requirements not only of the defence services but also in making provision for the additional supplies to keep the incarcerated in good body and mind.

The Ministry of External Affairs and International Trade. We had an obligation in 1990 to contribute additional equity to the West Indies Shipping Corporation and this gave rise to a variation of some \$2,134,885. This was under our collaborative arrangements with our Caricom partners.

2.15 p.m.

The Ministry of Industry, Enterprise and Tourism. There had been for some time an arrears in respect of the air-bridge subsidy to BWIA which amounted to \$14,581,671 which we sought to satisfy in 1990.

In respect of 1990 the provision provided—if my memory serves me right—was \$10 million in respect of the air-bridge subsidy between the two islands. It was short by some \$12,612,540 and, therefore, we had to make additional provision to settle our indebtedness to BWIA in respect of the year 1990. The total variation amounted to \$27,194,211.

In respect of the employees of the National Fisheries Company, a company which we took a decision to liquidate and, therefore, had an obligation to settle with the 160 employees, we had to make provision for the severance benefits to these employees amounting to \$8,750,000. That was satisfied by one of the

proposals in the Variation of Appropriation Bill which was considered by the committee in relation to this item.

Mr. President, I would like to deal very briefly with some of the significant transfers between the principal heads of expenditure. Just for the information—

Sen. Prof. Spence: Mr. President, before the Minister goes on to that part of his presentation I wonder if he could clarify the increased expenditures because the sums given in the bill add up to \$204,000 but he has added on Head 18, \$36 million and the Ministry of Planning and Mobilization is down here at \$19 million. He read it out as \$26 million. It seems to me that there is an additional \$44 million stated in his presentation. I am finding it difficult to get the arithmetic to coincide with what is in the bill. I do not know whether there is going to be an amendment to the bill or whether some other explanation is forthcoming.

Mr. Wilson: There is no amendment to the bill. This is the point I was just about to explain. What is shown in the bill are the transfers between the principal heads which we are required to do by way of the provisions of the relevant ordinance. What is not shown in the bill are the transfers between sub-heads within the same head.

Sen. Prof. Spence: You mentioned Head 18—\$36 million

Mr. Wilson: Head 18—\$36 million. What I did not say here—and I do not have the information, it is somewhere in the bulky document—is that some of these transfers might have been made between sub-head items within the main head. I am just indicating the areas in which we had to expend more money. The transfers between the main head are, in fact, part of the bill and that amounts to \$204,000. I was about to enter into this area of the bill and perhaps, deal with the significant movements between the main heads. In the Schedule to the bill, Part I deals with the heads in which there were increases and Part II deals with the heads in which there were reductions. It is the movement between these two heads that I will now deal with.

Mr. President, I would like to deal with the principal reduction as shown in the Schedule, Part II of the bill. Those two principal reductions are in respect of the Ministry of Education and the Ministry of Health. I am fully aware that these might be sensitive areas in which there might be perceptions that there was some deliberate attempt to withdraw money from these important social heads of expenditure to transfer into other areas. I want to give the assurance to the honourable House that this is not really so. I would like to preface my remarks by

saying that in terms of a budget of \$7.1 billion, it is quite likely that in putting forward that budget, there would be variations, under and over-expenditures or, put differently, under-execution of some projects for one of several reasons, and indeed, having the requirement to meet expenditures which were not at all anticipated. For example, if the budget were a perfect document and we were able to execute it as presented to Parliament when we presented the 1990 Budget and we had to meet unanticipated expenditures, then what we would be doing here today would be an increase in the appropriations of the 1990 appropriation. It is these deviations from the budget which are reconciled at the end of the year to determine how we shift the funds among the various places.

In respect of the Ministry of Education the original appropriation was under-executed by some \$59.6 million. Therefore, we were able to use the under-expenditure which arose as a result of the following circumstances. Indeed, Mr. President, there were a number of some 13 schools to be established. In putting forward the budget the assumption was made that all these schools would come on stream on January 1, 1990. Therefore, one year personal emoluments for all the staff requirements was provided for in the budget. Of course, in hindsight one knows that was not possible and was probably the wrong thing to do in the first instance.

Therefore under Personal Expenditure, there is an under-execution of expenditure principally because of our inability to recruit all the staff that was required in this area which accounted for some \$25.8 million in savings.

Under Current Transfers, our scholarship fund was under-executed by \$2.7 million. It is my understanding that this arose out of the fact that not all scholarship winners took up the scholarships in that particular year. Provision was made for something like 60 winners, so therefore we had an under-execution under the scholarship vote of \$2.7 million.

On the Development Programme associated with our IDB funding of these 13 schools of which I spoke, there is an under-execution of \$17.2 million in that all the schools did not come on stream or were not completed in the time-frame that we had anticipated.

Likewise with the Learning Resource Centre we ran into some problems with the contractor. Indeed, the original contractor was put off the job and under the IDB provisions we had to go back out to tender, causing a delay to the project and an under-execution of expenditure on that project of some \$10.6 million. If I add

these bits together, I arrive at some \$56 million. I would not deal with the other miscellaneous pieces that will bring it up to the \$59.9 million.

Mr. President, I make that point for the benefit of the House. But in doing so, we did not impair, in any way, the existing structure or arrangements for schools that were already commissioned and in service. It did result in a deviation from our plans to bring additional schools on stream and to have additional people employed in those additional new schools. Therefore, there has been some slippage in the implementation of our development plans in the Ministry of Education. Certainly, it did not result in affecting the ongoing arrangements in schools which were already commissioned and in service.

2.25 p.m.

The Ministry of Health, accounted for under-execution of \$87.5 million. I would like to explain the under-execution which allowed us to retire expenditures which we did not anticipate in 1990. Again under Personnel Expenditure, there were a number of posts which remained unfilled; there were a number of resignations made under the VTEP provisions and under the normal provisions which resulted in unspent amounts on salaries and wages of some \$26 million.

Under goods and services, mainly related to drugs, there was an unspent expenditure of \$6.1 million and this was so mainly as a result of the events of July 27, 1990. We received generous donations of drugs and medicines which allowed us not to spend as much on drugs and medicines as was originally budgeted.

You will recall too, Mr. President, that we had undertaken to do a number of repairs to existing facilities and in doing that, we had funds which were committed in 1990 but for some reason, not yet disbursed in 1990 and this amounted to \$6.4 million under Repairs and Upkeep of Premises.

In respect of the Eric Williams Medical Sciences Complex, we had anticipated the commissioning of the adult hospital during 1990. This plan did not materialize and it is my understanding that the principal constraint in the execution of this plan was one of getting the required numbers of appropriate personnel to staff the adult hospital and this resulted in an under-execution, although it is classified as current transfers and subsidies it is mainly expenditure on personnel emoluments of \$21.7 million. It should be noted that the Eric Williams Medical Sciences Complex was still able to bring on stream in 1990, the general radiology service, paediatric and the same-day service.

With respect to the development programme as related to the Ministry of Health, we had an allocation of \$4 million which was under-expended in respect of the Sangre Grande Hospital and this was mainly as a result of the award for the implementation of this particular project taking place later on in the year than originally anticipated and, therefore, resulted in an under-execution of expenditure of some \$4 million which was used to retire expenditure in other areas. Under the IADB arrangements, we did not make a draw on this facility which amounted to \$12.3 million, therefore it provided us with an opportunity to retire other expenditures.

In summing up, I hope I have classified the principal areas relative to the bill and once more I would like to emphasize that these variations, in the first instance, will not result in an increase in the appropriation which was approved by both Houses of Parliament in respect of the 1990 Budget of \$7.1 billion.

Secondly, there had been variations between sub-items and sub-heads of expenditure under the same principal head and there had been variations between principal heads of expenditure. I have sought to assure the House that the variations, particularly those between the principal heads of expenditure were as a result of what one might term to be imprecise budgetary planning or put differently, meeting stumbling blocks which were not anticipated and, therefore, resulted in under-expenditure in some of those programmes, and this has allowed us in the main to retire expenditures under the Contingency Fund and Treasury Deposit Fund in accordance with the law by the end of 1991. I beg to move.

Question proposed.

Sen. Wade Mark: Mr. President, the issue of finance is a very serious one, particularly in the context of proper accountability. It is my view that maybe this House should have been called into special session to deal with this particular issue. However, we have before us this afternoon, a bill to vary the Appropriation Act, 1990. As the hon. Minister indicated, there have been some very important shifts from one head to another.

We on this side understand perfectly that whenever a budget is presented, some variation will be required to meet unforeseen developments. However, we understand only too well that the mechanism for variation bills like this one, can be used to do at least two kinds of things which are certainly not to be encouraged. Firstly, these bills can be used to postpone revealing the cost of certain actions on the part of the Government. Secondly, these bills can be used to

make transfers that are not consistent with the best interest of our society. It is indeed unfortunate that in bringing this bill before the House, the Government seems to be using it to commit each of the two abuses.

Mr. President, consider first the variation made in respect of increasing expenditure under Head 20—Pensions and Gratuities. How in Heaven's name could a government, whose stated policy is to bring down the size of the public service by means of the Voluntary Termination of Employment Plan (VTEP), fail to make provision for the retirement payment that the plan would involve?

2.35 p.m.

Mr. President, in the 1989 Budget statement which was presented by the then Minister of Finance, the hon. ANR Robinson, on page 60 there is a heading "Voluntary Termination of Employment Plan" and I read the following for the records:

"Mr. Speaker you will recall that in late September, Cabinet approved guidelines to be used by a Government Team, appointed to conduct consultations with the respective associations and unions, in respect of the Voluntary Termination of Employment Plan (VTEP) in the Public Service."

This was in late September, 1988 when the idea struck the Government that it should reduce the public service. I do not know on whose advice and instructions. A team was appointed to meet the Public Services Association, TUTTA and other associations representing public servants who will be affected by VTEP.

Mr. President, to compound the situation even further, in the Minister of Finance's budget presentation of 1991 on page 15, paragraph 2, it reads:

"In June 1989, a Voluntary Termination of Employment Plan for central government employees was introduced. Mr. Speaker, under this plan 820 applications were approved by September 30, 1990."

My point is a very simple one. The Government took a decision to introduce VTEP or to consider introducing VTEP in September 1988. The plan came into effect—that was a horrendous plan and I will say more about that later—in June of 1989. That was in June 1989, and a budget is presented in 1990 and it is almost incomprehensible why no provision was made in the 1990 Budget for what the Government would certainly have anticipated—resignations and early retirements via VTEP.

I am saying this Mr. President, because this is a very efficient administration—as they claim—and they are seeking another term—as they claim—and as the Prime Minister recently stated that it is *bois* for them. I do not know if it is guava wood or mango wood.

While we have no intention of ascribing ulterior motives to the behaviour of the Minister of Finance and the Government, it is hard for us to accept that an omission of more than \$100 million was a mere oversight. You see the IMF is here. In fact, as I understand it, they are at the Central Bank or they are to leave the Central Bank sometime today. But they have been here and they have been doing things since they came here in 1989. I wonder whether—and maybe the Minister can clarify this point—in an effort to present a current account surplus, which is one of the stipulations that the IMF insists upon, that in a very surreptitious way, expenses could have been transferred from one section, current account, to another section, capital account.

I make these points, because it is really incomprehensible to accept this particular omission. Similarly, whilst we could understand the extra \$5 million that was required by the Ministry of Justice and National Security to deal with expenses incurred during the state of emergency, how on earth could we sanction an increase of \$43 million for the Ministry of Industry, Enterprise and Tourism?

Mr. President, only in today's newspapers we saw soldiers marching from Camp Ogden to the President's House. No vehicles. Maybe in the 1991 Budget when they come here in 1992—if they happen to be around—there would be further variations. Were the payments to BWIA, as well as severance payments for employees of National Fisheries and payment for the sugar rebate and cocoa subsidy, not foreseeable? The Government has been retrenching people through VTEP, voluntary separation and outright retrenchment. PTSC workers know only too well—500 of them left unceremoniously. The Port Authority, the workers on the docks—represented by the Seamen and Waterfront Workers' Trade Union—1,200 workers between 1989 and 1990. Some were forced out, about 450 of them, and some went through, what they call the Voluntary Separation Plan.

Mr. President, why were these figures omitted from the original estimates when you could have anticipated them? The Government came to this lower House, I believe—and I think my hon. colleague, Sen. Sahadeo Basdeo made the statement on behalf of the Government, that they were going to liquidate National Fisheries. I think it was in late 1989, if I am wrong I stand corrected, but this is what my memory tells me. So how come in 1989 you took a decision to liquidate

an enterprise and in 1990 no allocations are made for those workers? But you come in 1991, to vary after you pass the budget, without including that in your provisional estimates.

I am willing to believe that the Government has a perfectly good reason for these multimillion-dollar oversights. Maybe in the 1991 Budget, with elections in the air, more variations are going to be made. I hope that they would be kind enough to let the people know through this House, what those reasons are. Well, the Minister of Finance has attempted to provide us with some explanation as to why moneys were removed from one head to another. He drew examples to the Ministry of Education and Ministry of Health.

2.45 p.m.

One wants to know whether it is sheer incompetence on the part of the said administration or whether it is economic and financial games that it is playing with the International Monetary Fund. They must tell us so. They must tell the country so. When you talk about guava wood eventually—

Sen. Rampersad: The word is *bois* not “wood”.

Sen. Mark: It is *bois* for the NAR in 1991.

Mr. President: Would the hon. Senator address the Chair please.

Sen. Mark: Mr. President, to make matters worse, when we seek to determine where VTEP transfers, for example, were made from, we see that money for the university had to be cut back; money for the upkeep of the School Feeding Programme had to be cut back; money for the upkeep, possibly of primary schools—in spite of what the Minister might tell this House, there are many dilapidated primary schools all over the country; parents protesting all over the place—

Sen. Rampersad: The hon. Senator just made a statement and I am wondering if he can tell this honourable House whether the School Feeding Programme was in fact cut back or extended and by how much?

Sen. Mark: I did not hear that.

Sen Rampersad: Sit down and you will hear me. I said that you made a statement with regard to the School Feeding Programme and I am wondering if you know whether the programme was in fact cut back or extended and by how much.

Sen. Mark: The Minister of Finance would probably have that information, he would provide that for you.

Mr. President, could such cuts from the university's allocation be justified after this Government has jeopardized the life of that institution by a previous cut of \$20 million from the basic university's budget? Could these cuts be justified at a time when the University of the West Indies, St. Augustine, is hard pressed to recruit new staff because of poor conditions of work there? Is this how this Government shows its concern for higher education in this country? Could a cut of more than \$400,000 from the School Feeding Programme be justified when the programme is still not covering even half of the school children of this nation? You cut back the School Feeding Programme by \$400,000 and say you all care about the children. Does this Government really care about the children of this country?

With election in the air we are certainly going to be hearing much more about increased allocations.

Dr. Sampath: Mr. President, I would like to ask the Senator: is he aware that it is possible to increase a programme by higher efficiency and yet reduce the cost of the programme?

Sen. Mark. Mr. President, the reality of the matter, as it stands, is that less than half of the school population receive lunches on a regular basis—I think you all have it three days a week. So even if you are talking about efficiency by cutting back \$400,000 why not spread it, so that instead of 30,000 you could feed 40,000 now? With election in the air, as I said, we are certainly going to hear much more increases taking place; maybe to the School Feeding Programme. But I will tell you one thing, the people of this country would, as usual, have to take all the Government's promises with a kilo of salt.

Could the cuts in the primary school maintenance be justified when Parent Teachers' Association all over the country have been complaining about the dilapidated conditions of many primary schools? Does the Government care about how our children receive their education? We have been hearing about new schools being built, as outlined by the goodly Minister of Finance. But if we are not maintaining the older schools are we not simply spinning top in mud?

Now, what of the health cuts? How could a government in its right mind cut more than \$87 million from the health budget at a time when the health sector was already going to the dogs? Of course the Minister provided a list indicating

where the moneys were under-executed. There are people who still go to those hospitals—Port of Spain and San Fernando—to die and the conditions are terrible, in spite of the feeble efforts being made by this administration. But you take \$87 million. You see this Government has a mentality for grabbing. It is a “gimme gimme” gang.

You see, what we are talking about here essentially, is a situation where moneys that ought to be allocated to the health sector are taken out of the health sector and diverted elsewhere. Was this a part of the strategy to justify their intention to privatize most of the health services in our country? We saw what cuts meant. Thanks to the nation's nurses who marched day after day, the public was made aware of the heartlessness with which the Government was dealing with the needs of the sick people of this country.

Of course, when the budget is presented and these items of expenditure are included, that is, the school feeding, the primary schools repairs, health services and so on, the Government shamelessly takes great credit for presenting a good budget. Little does the unsuspecting population know that the Government has no intention of spending all the money allocated for these socially beneficial reasons.

As I indicated, I will not be surprised if in the 1991 Budget, which was approved by this House, and with elections in the air, we would not have serious variations. Instead, under the pull of some ideological paranoia about the size of the public sector, they are willing to cut the school children's food money in order to carry out the retrenchment that they so badly wanted to do. In order to get praise from certain people in Washington—World Bank, IMF, IDB—they are willing to cut away moneys that sick people needed to get better health services. Congratulations from the World Bank for the courage that this Government has shown in taking food from the children's mouth; jobs from the employed persons.

2.55 p.m.

There is more variation in the 1991 Budget. This Government, in spite of all the rhetoric to the contrary, the reality is that these things are taking place at a time when serious deprivations continue to haunt the population of this country. The point is that we should never regard these Finance Variation Bills as mere formalities.

The Government comes to this House and it knows that the financial year comes to an end in a couple of days. It wants to rush through a bill; through all its stages; feeble information and lack of details, and expects this Senate to be a

rubber stamp. If we are serious about public financial accountability, a bill such as this should have come to this House not today, but maybe a month ago. But the Government feels it is easy going so it brings it and rushes it through.

Today, the Variation Bill which we are seeking to approve, tells us about what are the Government's true priorities. A budget is a political document. The bill also tells us how willing the Government is to live by the principles which it has published for all to see. What is somewhat disturbing is the haste with which the Government is seeking to push through this very bill today.

An objective and dispassionate observer may well get the impression that they may not want to have too much scrutiny over what they have done. Such an observer may then conclude that what they have done is horrible and heartless. If that conclusion is true, then the people of this country would neither forgive nor forget this administration.

As I indicated earlier, what we are dealing with is the issue of accountability. Therefore, if we are to deal with that in a deliberate, conscious and objective manner, we need to have some more time.

Do you know when the Members of this Senate got this document? Some got it Saturday while others got it Sunday, for a debate on Tuesday. We are not serious but this administration talks about seriousness.

Permit me to take this opportunity to comment on one aspect of the notes. I refer to the callous manner in which Members of Parliament are asked to sanction the write-off of Government property which had been stolen. In the notes before us, we are told of more than \$75,000 worth of equipment stolen from schools all over the country. Who is going to be accountable for that? The Minister of Education? She has left.

This clearly raises the question of the security provided for the schools. At the present time, it may not be possible to provide each school with on-location security. Is it not possible to institute a system of mobile patrols for the school system, in order to save \$75,000 or less? That is one aspect of it. The amount of write-offs that are here, I would not go into details. What we do not want to happen is for trends such as have been revealed in this string of thefts, to be treated simply as an accounting matter.

This is a Government and if you have Members on the other side who are vying for public office and this is their attitude to the issue of accountability, the

masses shall judge. In some cases the equipment stolen may be expensive or impossible to be replaced. Therefore, we must treat these matters with much more concern than is shown by the Government. We must show much more seriousness and concern for matters which I have identified.

I would also like to say that the Finance Committee should be a little more deliberate when it meets. You have notes and there are a number of deficiencies and shortcomings which have been identified in this report. As a Senate, we are not privileged to be on the Finance Committee. If we had the privilege and opportunity, we would have made recommendations.

3.05 p.m.

The point I am simply advancing—and I want the Minister of Finance to note this; it is not a jocular point, but a serious one. I believe that the Finance Committee should make some more specific recommendations to the Government when trends observed, as have been identified, are brought to the attention of the honourable Houses of Parliament. We should not just get a report; recommendations should be made.

Sen. Rampersad: While you are drinking water, could I ask you a question, please, Senator? Thank you very much.

I am wondering whether the Senator is not aware that Mr. Panday, Mr. Ramnath, Mr. Humphrey, Mr. Sudama, Mr. Roopnarine and so on, are members of the Finance Committee?

Sen. Mark: I am making a serious proposal, a very serious proposal here, and I hope the hon. Minister would take it in the seriousness that it is being made, that in the future—

Mr. President: I appreciate the interest that the Senator has in the whole matter, but I think this House should be wary of commenting on the performance of committees of another place. I hope you understand what I am getting at. We should not comment on the performance of the other place. The Finance Committee is a committee of the other House.

Sen. Mark: Mr. President, are you saying in this context that advancing a recommendation is out of order at this time? If a recommendation is advanced at this level indicating that in future the Finance Committee should take into account the issue of recommendations, are you saying that is out of order?

Mr. President: I am not telling you it is out of order. It has been a well established convention or proceeding that one House should not make reference to the proceedings of another House. Since the Finance Committee is a committee of the House of Representatives, I am asking Senators to refrain from commenting on the performance of the committee. I think there are other avenues that Senators can adopt and use to get over a point of view such as the one you expressed.

Sen. Mark: I would like to indicate that whilst the Government presents a budget to the Parliament and the budget is approved according to estimates made in this House during the ensuing 12 months, the Government does something else. While one can certainly appreciate the need to vary heads of expenditure from time to time, we have to be very careful. The interests of the society—which is the point I would like to emphasize—ought to be given paramount importance. Therefore, when you move in this slipshod kind of manner and simply remove expenditure from ministries like Health, Education, Social Development and Family Services, I think in a period of economic recession where people are experiencing extreme hardship; where survival is now the name of the game, care and concern must be exercised in this particular regard.

I would finally like to indicate that there is need for us to take these Variation Bills much more seriously, and they must not be interpreted as mere formalities. Sometimes you speak in this chamber, and my colleagues on the other side, because in spite of what we may say, we live in one country and we have a responsibility to build our country and to ensure that the quality of life of the citizenry of this country is advanced and improved. From a philosophical point of view, there are different routes that are taken, and some men believe that the routes that they have taken are the correct ones. The Minister of Finance is convinced up to this day that expenditure-cutting measures was the route to take, but the social costs and the implications that the country is experiencing today would tell us, on reflection, that this particular route, probably was the wrong one.

I commend to this House the need to pay very serious attention to this issue, and do not take matters of accountability lightly, because come what may, the present regime has to face the population very shortly. In spite of all they may say and do, desperate people will hold on to anything, but the reality is that in the final analysis, Trinidad and Tobago and the people of this country must be committed to constructing a society that is built on justice, fair play and real democracy for all. Thank you very much.

Sen. Michael Mansoor: Mr. President, this is about the fourth or fifth occasion on which I have been privileged to speak on the Variation of Appropriation Bill. It has become perhaps customary to expect that Members of the Government would seek to emphasize the reasons for what are, in fact, minor variations in expenditure. It has also become quite customary to expect and to find that Members of the Opposition, use the opportunity to make very fervent pleas for more expenditure under what I like to call the compassionate heads, whether it be education, health care, or other types of social services.

On this occasion, we are being asked to deal with an amount of some \$204 million. It is perhaps instructive to note that in 1990, the amount of the transfers between heads was \$203.2 million. So that the amounts, in terms of the variations from year to year, do not seem, in the last two years anyway, to have varied very much.

I have to agree with the hon. Minister when he said that variations in the amount of \$203 million, which represent some three per cent of the total expenditure of the Government, is perhaps not an inordinate amount, and it is perhaps to be expected in a budget where you have recurrent expenditure in the region of \$5.6 billion to \$6 billion and a capital budget of about \$1.5 billion.

That being said, however, one cannot help remarking that the amount of the variations do give rise for some concern. I would like to add to what Sen. Mark said about the amounts under the heading of pensions and gratuities, if only because in the Appropriation Bill for the year 1989 there was a similar increase under the heading of \$68.2 million. So that one year ago, we went through the same exercise and we increased the amount of that heading by \$68.2 million. On this occasion, we are being asked to approve the amount by \$101.5 million. So that there is some merit in the questions as to whether or not the Government could not have anticipated that some 2,000 public servants would have retired or taken VTEP and that each one would cost approximately \$50,000.

What is of more concern to me though in this debate is that this bill—and indeed all debates that we have on matters of finance—gives the casual onlooker the impression that in this House we really establish a lot of control over the amounts of money expended by the Government of Trinidad and Tobago.

With your leave, I wish to talk a bit about what I see as a lack of real accountability in terms, not of the performance of this particular Minister, but in

terms of what I like to call the control infrastructure that exists for the control of moneys being spent by Government. As you know, we go through the budget debate and most of us make contributions of a general nature, and I suppose that debate is very useful; the population looks forward to it. However, one has to remember that there is really no detailed review of the amounts of expenditure under the various heads and, therefore, when we come to vary these amounts, one is really hard put to believe that one is really exercising real control as a Parliament over these amounts.

Take, for example, the increased expenditure for the sea transport in Tobago. I believe that the amount in question is \$20.4 million, where the Minister has explained that he wishes to get the approval of this House for increasing the expenditure on the Scarborough Deep Water Harbour by \$20.4 million in the year 1990. The original amount of the estimate was \$15 million, and the amount is being increased by \$20.4 which would mean that in 1990 the amount expended on this particular project was in the region of \$34 million.

There may be very good reason for this, but does this House really know whether or not the amount of \$20.4 million has arisen because of cost overruns, or because of the timing of the payments to the contractors? What is the reason for it? You see, Mr. President, this is where the real control breaks down. We do not know—at least I do not know from this documentation—whether or not the \$20.4 million represents cost overruns, or whether or not it represents amounts which should have been paid in the prior year but which were deferred. We do not know.

3.20 p.m.

While the Minister may be quite correct in coming to the Senate for our approval of this amount, I ask the question: Does this Senate have any control over that extra expenditure? Do we know whether or not the amount that has been appropriated for the Scarborough Wharf in 1991, which is stated as \$12 million in the 1991 Budget, would be enough? Or will we have a similar variation one year from today? This is why I want to make the point that the control infrastructure just does not exist. It is a veneer.

One gets the impression that we are in this Senate exercising control over minute matters. For example, there is a lot of documentation about the loss of a calculator in some embassy; a freezer costing less than \$2,000 in another place; and a welding machine somewhere else. The casual onlooker would believe that

here is a House and a Senate that are exercising real control over items like freezers and calculators. But for large amounts, \$20.4 million, do we really have any control? I do not think that we do. So that while I understand, and I commend the Minister for complying with the law—that is the law—I make the plea once again that these laws need to be reviewed because there really is no real control.

Take for example another matter. I have been making the point in this honourable Senate from time to time that the appropriation of moneys and the budget exercise is based on a cash basis; in other words, expenditure is accounted for on a cash basis. If you do not expend the money in any given year, it is part of the approved expenditure and the amount is left for next year. For example, the amount that is being provided for payments to BWIA for support of the air-bridge to Tobago—the amount in question is \$27.2 million—some \$14.5 million of that represents arrears for 1989. So that when we look at the documents which are provided to us as part of the budget exercise we really do not know how much expenditure has actually been incurred. We know how much money the Government has spent but we do not know what the liability position is or how much expenditure has been incurred. This is a perfect example. Here we have an amount of \$14.5 million representing arrears for a previous year, which we should have known about a long time ago.

Similarly, the point can be made with respect to the payments to contractors. The hon. Minister was praised by several sectors in the society when he brought the bill to deal with the payment of past due contractor bills, which amounted to some \$36 million, I believe it was. Here again, the accounting infrastructure is very deficient. We should know from year to year the amount of expenditure which the Government has to meet. As I have said on other occasions, these are relatively small amounts. What about the very large amounts in terms of billions, which we owe our public servants, which do not surface in this documentation at all? I make the point again: The infrastructure is very deficient.

Let us look at the estimates. The Exchequer and Audit Act makes provisions for estimates to be made. Before the budget speech was delivered on the last occasion, the original estimates were \$6.9 billion and by the time the budget document was prepared it was increased to \$7.6 billion; an increase of some 10 per cent. So one really has to wonder: Are the original estimates the result of a really hard analysis of the expenditure patterns of Government? Or are these amounts just increased willy-nilly depending on our feelings about the price of oil or other commodities? How did that 10 per cent increase in expenditure arise?

Who approved it? What sort of review process has it undergone? One does not know. One has to believe that it is really a set of estimates based on assumptions which are sometimes very hard to justify.

Mr. President, I want to make another point in this debate. Once again we find that the capital development programme has been reduced severely for the year 1990. The original budget was \$794.2 million. The revised estimate, which we are making provision for in this Variation Bill, is \$591 million. So that the capital development programme in 1990 was reduced by some \$200 million. I understand the stringencies of budgets and the fact that one has to balance the books but I want to make the point again that we keep cutting back on capital development and when we do that we affect, in a very disastrous way, the long-term potential of the country to generate jobs and the infrastructure that is needed for economic development. One must comment on the fact that in the year about which we are speaking the capital development programme was just sliced by \$200 million, and one does not see the effects of it now; one will see it in future years.

While it is possible to understand and to appreciate that in any given year the amount of the variation, an amount of three per cent of the total budget, is understandable, one cannot help realizing that these cuts in expenditure under the various headings sometimes have disastrous long-term effects and they mask the fact that in real terms Parliament does not really control the purse-strings of the country, because moneys are expended and these bills are brought here which give the veneer of a lot of accountability that really does not exist.

Mr. President, this is not a problem of today's administration. I wish to draw your attention to the fact that in the years 1974, I believe it was, to 1983, some \$14.9 billion was appropriated to what were called in those days "long-term development funds". These were funds that were used for a variety of projects, some of which have turned out to be financial and economic disasters. I ask the question: Did Parliament have any real control over those amounts? Those amounts were appropriated to long-term development funds and then they were spent on the basis of warrants from Ministers. It was a lot of money.

We have a similar problem when we come to borrowing. Under the various borrowing Acts we give approval as a Parliament to the increase in borrowing limits. And at the time this Senate does that, there is no indication as to what the funds are going to be used for.

Mr. President, while we make a lot of weather about the control of some calculator in an embassy, whether that debt has to be written off or not, we have no real control over these large amounts.

3.30 p.m.

What are we really doing in this bill? I suggest that it is a result of a set of laws which in fact do not really add up to accountability to the people of this country for the tax dollars which are presumably taken to provide a level of service. This is not just an academic type of dissertation on my part. I have taken the trouble over the years to read the report of the Auditor General which I make reference to in this Senate from time to time. He reports about expenditure, and year after year the same comments come up. I will give you an example. In paragraph 5.100 of the Auditor General's Report for 1989, it says:

“Ministry of Health

Overpayments.

Overpayments in excess of \$690,399.65 were reported during the year 1989.”

This is what is very amusing, perhaps.

"The majority of these reports indicate that no one could be held responsible, even though the circumstances surrounding the overpayments suggest that certain officers could have been responsible."

Mr. President, that is a fantastic sentence.

"The majority of these reports indicate that no one could be held responsible, even though the circumstances surrounding the overpayments suggest that certain officers could have been responsible."

Mr. President, this is money collected from people. Accountability! This is the Auditor General's Report of 1989. Where is the control? A sum of \$690,000, just like that. I will just give another instance from the same report, paragraph 5.110.

"Copies of contracts in respect of the extension of the kitchen (\$220,230.00) and the acquisition of kitchen equipment (\$198,440.00) were requested in May, 1983 but to date have not been received. Moreover, the Ministry could not confirm whether the contract awarded in October, 1979 for the extension of the kitchen had been executed satisfactorily."

The link I am trying to make is that we think we are exercising a great deal of control over the dollars collected by the Government from taxes for the service of the people of Trinidad and Tobago, but when we look at the reality we find that control really rests with the executive, but very little real control by Parliament. If I may take one last extract from the Auditor General's Report which again reads "Expenditure". In the 1985 report under the paragraph 6.24, headed: Fraudulent encashment of Income Tax Revenue Cheques, states:

"Information has not been received with regard to the finalisation of the matter commented on at paragraph 6.23 of the Audit Report for the year 1984 concerning the alleged fraudulent preparation and encashment of refund cheques representing \$1,949,572.17 for which four (4) persons had been reported to be charged with conspiracy to defraud the Inland Revenue Division of \$1,907,017.68. "

We go to the 1989 report. I will leave out 1986 which has a similarly amusing remark. In 1989 we are told by the Auditor General at paragraph 5.044 under the heading: "Suspected Fraudulent manipulation of monetary receipts—Fraudulent encashment of Inland Revenue Tax Refund cheques—\$1,949,572.17".

"These matters remain unresolved at December, 31, 1989."

Mr. President, are we really controlling and exercising the strictures which one would anticipate and expect when we hear that these very learned debates are taking place over the expenditure of moneys?

Mr. President, there is also another heading—and this is the last quotation that I would make from the Auditor General's Report—with respect to the Golden Grove Prison Complex Project. The matter, to the best of my knowledge, from my review of the reports of the Auditor General, has not been resolved. I would quote from the 1986 report:

"6.83. Expenditure of \$4,478,518.73 was incurred on the Golden Grove Prison Complex Project during 1986 bringing the total expenditure on this project to \$89,248,901.57 at 31st December, 1986. The estimated price of the contract was \$207,430,000.00 and the projected completion date was 31st December, 1984. The expenditure during 1986 includes an amount of \$3,912,765.00 paid to contractors as full and final settlement of all outstanding accounts.

6.84. The position of this project remained substantially the same as that reported in the 1985 Audit Report."

Maybe I should read the 1985 Report because that, perhaps, is more telling. At paragraph 6.48 of the Auditor General's Report for the year 1984 reference is made to a contract for the Golden Grove Prison Complex Project at an estimated price of \$207.4 million and a completion date of December 31, 1984. At December 31, 1985 the Youth Training Centre was completed. The position of the other items of the contract remains the same as stated in the Auditor's Report for the year 1984. The expenditure at December 31, 1985 was \$84.7 million. Mr. President, what that means is some one-third of the amount was expended and most of the work was not done. I followed this matter up and to the best of my knowledge satisfactory explanations have not been given.

Mr. President, the point has to be made that when we go back in time to see how these very large amounts of moneys have been spent—we are talking about 1984 expenditures—to the best of my knowledge in 1989, 1990 and 1991, we are none the wiser as to whether or not we got value for money, and the amounts are very large. When we come to movements of expenditure for one head to another in the light of the rather gaping holes that one finds in the control systems, one really has to wonder whether we are not fooling ourselves into believing that this honourable House exercises real control over the purse-strings of this country.

In conclusion, I will support this bill. Having regard to the fact that it is a money bill, that support is perhaps, not really necessary, but I wanted to make the point that we do have, in this country, a very serious problem with accountability. If you pursue the various apparent deviations from normal practice, some of which I have talked about, you will understand that in the end, there really is no accountability. No one is really responsible for anything.

Again, if I speak about a committee of both Houses of Parliament—the Public Accounts Committee. I have had the honour of sitting on that committee for several years. Various Auditor General's reports come to that committee and I will tell you that on numerous occasions the people who come to give evidence have nothing to do with the years which we are reviewing. In most cases we are reviewing accounts for five and six years prior. In many instances the accounting officers for those periods are either dead, retired or not available.

Mr. President, I end my contribution by making a very urgent plea for, in the first instance, the establishment of a Special Select Committee to deal with the budget—a plea which I have made before—and also for an urgent review of the control systems over expenditure in this country. My understanding of what now obtains leads me to the inescapable conclusion that in the end, everything depends

on the executive of the day and the control exercised by Parliament is more the figment for somebody's imagination rather than reality. I thank you.

Sen. Robert Amar: Mr. President, I cannot but compliment Sen. Mansoor on a very accurate report with regard to how he feels. I am sure he is taking this from a businessman's point of view. I myself, in looking over the particular bill, have, in theory, no major problem in offering some support to it, because I really think that there are ups and downs that occur from time to time. I feel that it is important for us to look at these issues with some very positive approach, as even Sen. Mark has done, although the Government wanted to give him some pressure because he seemed to have been making some points that touched on some very tender spots. Those of you who know when you have had an operation what happens with the sore before it is healed, it is very tender. I think we must start to approach this particular issue in a very positive way towards solving the problems in the future. When I hear Sen. Mansoor talk about \$204 million as a change of the heads for 1989 or 1990 and \$204 million or thereabout in 1991, I am thinking that maybe, \$204 million may be the lucky number. I would have to do like my good friend said when he saw me today: I have to play a "whe whe" mark.

To get down to the more serious part of this presentation, when I looked over the whole thing I had a little problem in bringing myself to the understanding as to how the Government did not realize, really and truly, that the pension and gratuity sector needed to have \$111 million in it, that it did not consider. I am of the opinion that the system of the public service is fairly up-to-date; that the number of people employed and their age groups are well defined and known; that the potential people for VTEP is more or less within a plan of action that has been put in place. It is a foreseeable thing and, therefore, I have a little problem in accepting that particular aspect. I think all the areas of that has been gone into detail already and there is really no need for me to waste time on it. I have a real problem in accepting that there was not the ability to foresee the need for this amount of money.

3.40 p.m.

When I look at Head 22, that is the only one I think that was unforeseeable. It is the one I vote very strongly for since I think it was something that happened that none of us had any control over.

The hon. Sen. John Spence tried to get some facts which I myself made a note on, that the Minister has not addressed. He made reference to Schedule 18. On the

paper we have, there are 15, 21 and 22 and I am thinking he said Head 18. He did not say subsection of 15 or subsection of 20. Maybe he really needs to go back and redefine so we can have clear in our minds whether 18 is a section or a subsection and on which heading does that subsection fall.

I looked at the situation of the \$2.4 million for WISCO and when I read through the documents, in a section it states:

"Based on the payment schedule which was agreed on..."

and this is in accordance with the document that was given to us,

"...the Government of Trinidad and Tobago was committed to pay by October 31st, 1990, a shareholding contribution of \$2.134 million."

My own view is if in 1990 we knew, I see no reason we should have come to have this heading changed again because we would have known of it already. But somehow or the other, somebody slipped up and the information did not get into the original budget document.

When I looked at the situation of the \$22 million for the Tobago House of Assembly, I certainly would like to see the deep-water harbour come on stream and start to be a financial profit to the country since we have already spent a substantial amount of money on it and I would hate if it should end up like the racing complex where a substantial sum of money was invested in capital and no return was forthcoming.

What I would like to see with that particular issue is that the Government really address and bring us up-to-date specifically on that project which continues to be an issue. I do not think it is an issue because the Government has all the information readily available that can satisfy the broad spectrum of this society, as to the information relative to the deep-water harbour, as to giving some clear indication as to what the scope of works changed from and what was the theoretical change and why, and try to give to us some meaningful information that we can sit down and say: "Yes, the Government has made the correct decision." Now there is only hypothetical information outside there and it is just a matter of time for one to prove who is right and who is wrong. But time is something we all have. If it was a blunder, it will show and if it was a success, it will carry.

In the preamble to this whole thing, I would like the Minister in retrospect to that particular area, to be a little more detailed so that we can all appreciate the particular aspect. That is in respect of Head 15 and Head 20.

I looked at the situation in the Ministry of Industry, Enterprise and Tourism for the \$43 million and I get a little bit concerned because under that particular head there are so many things that one has to wonder why it was not predictable. I want to quote for you something I did say in my budget speech so it would help the honourable House to understand because on that day I had to whisk through this thing very quickly. I quote:

"It leaves me in a position of dismay since it is my humble opinion that any budget that is presented must truthfully and, in fact, as Sen. Mansoor mentioned the day before yesterday, give us a clear indication of the datum line that is used in the measurement of the economic successes or tragedies. Therefore, it would be meaningless for anyone from a business environment to even start to contradict the present document since that person obviously would be making an idiot of himself, simply because the tools used for measurement were not clearly known.

My experience tells me that decisions made on information received are correct until one finds out that the information used was wrong."

I also made the following statement of my views during the budget debate.

"My concern in this particular issue is that the Minister has not identified who these institutions are and has not identified what the different scenarios are based on, save and except to say \$22 per barrel. I am sure he has read the *Financial and Petroleum Times of Trinidad and Tobago* and let us be serious. I personally in this volatile oil time, would have used the conservative price per barrel of \$18.00 bearing in mind that I can improve my financial and fiscal position if the price increases."

I make that contribution and reopen that issue because I think under the same subhead—No. 29, there are many areas that we are being asked to change. It talks about settlement of a case involving a gentleman named Earle Lewis and this is something that has been going on for donkey's years. It has cost the state almost \$500,000. I do not know the information as to why it takes so long and whether, like all businessmen, a quick out-of-court settlement would not have saved the country \$250,000 four years ago. That is in hindsight. Anybody can say anything now. But the fact of the matter is, how many more issues like this are there on the

table? Where are they now and are we going to cost the state more money by not solving the problem quickly? I want to find out.

When I look at the outstanding payments to BWIA, I want to say, like all of us in our budgetary exercises, we continue on a monthly basis to have a fixed expenditure. BWIA air-bridge is a fixed expenditure and we know for a fact that every month so many people travel; we know there is a discrepancy between what it costs and what we charge. I cannot understand why in the fiscal measures, monthly considerations were not taken for this particular thing. Because in the documents I have seen, there was nothing relative to this. But there are so many. Maybe if the Minister would be so kind to provide me with the information where this came up prior to now, I would be able to understand his point.

Mr. Wilson: I missed you. Could you make that point again?

Sen. Amar: I am saying that in the budgeting exercise one has to understand that like everyone else, you spread your costs over 12 months. We have to look at the situation and know that every month there is going to be this payment that has to be made to BWIA because of the cost factor. If it is \$125.00, maybe the fee is \$175.00 and we are subsidizing the cost at \$50.00. My view is if that cost is already known and it is predictable, why can we not compensate for it in advance? Why should it take so long for us to address issues of that nature? Maybe my preamble to this information is incorrect and if it is so, I would like you to guide me.

3 50 p.m.

When I looked at the situation going back to the National Fisheries issue, I say, "Yes, we have to pay the people their severance pay because I am a businessman who believes that the only way to maintain good labour relations is to make sure you honour your debts." It is important that the Government pay these people. I am not in any way disputing that fact, but we do not know the full details of the National Fisheries Company. We are now hearing, let us sever the relationship. I am trying to find out what really happened with this company, relative to the total sale. How much money was passed? Where did we wind up with this company relative to our loss? How much did it cost the state? Whether it went into receivership or otherwise, there is an end value and I think it is important to this House to have this information available.

The same thing applies with the situation of all of these companies which continue to be operated. I ask myself, what is our accounts receivable status in all of these companies which we have? We have WISCO and we put \$2.4 million in

it. Is the plan for this company to show that the return on investment—because it is an outside company; it is run by a board; it does a service in the Caribbean. Am I hearing that we have to continue to pump money behind this company without any date of finish?

I am sure that the Government and everyone is in favour of a regional shipping carrier, but there is a limit to when we must stop spending money on it. Is this company going to make money next year and, if so, how much? As shareholders, what are going to be our returns? Do we want to invest money in this company and not get back a feedback and get the money which we have spent? When are we going to see this company start to bring a return?

I looked at the situation and I did a quick analysis with regard to all of these petty things which showed up. If these are things which really take up the time of the Finance Committee, I, as an Opposition Senator, would not really like to serve on that committee, because there is so much meaningless information relative to pilferage. Suffice it to say, I am concerned about four things:

Firstly, are these places insured and if they are, why are we having to write off when the insurance companies must pay?

Secondly, do these places have security and, if so, are they private or governmental?

The third issue which came up when I looked at it was that there seemed to have been a situation where South had four pilferages or fatalities, Port of Spain had three, Chaguanas had one, Barataria and its environs had three. It seems as though we can define where these problems, more or less, seem to be occurring from the historical information. When I analyzed what was missing, it seemed to be a standard—chairs and other small things. I am worried whether the teachers of this school do not have a responsibility for securing these things. We are talking about minor equipment. Where does the responsibility really lie?

I am the Chief Executive Officer of my own company and if something happens, I am responsible. I am saying that in these organizations some positive decisions must be taken with the people and they must be held responsible. You cannot tell me that they stole a calculator, which can fit into the Principal's suitcase and take home. Let us be realistic. I really cannot understand those things. I agree with the hon. Senator, that it is trivial in the number, but I think we must look towards what should we do to prevent it from happening again. The sum of \$69,000 could have possibly provided five safes that could have gone

into five schools in which these things could have been locked away. That would have at least saved us some money and we would have had an asset. Or we could have built some strong rooms.

Mr. President, my problem in this whole thing is that as a businessman, I cannot understand why the big changes and the non-predictability of certain things which are predictable: pension; the payment for the man who had taken the Government to court; the situation of the \$2 million for WISCO. These are things which I am worried about. It might be nice if the Minister himself could not only satisfy me, but the honourable Senate, as to what he intends to do, relative to making sure that we can leave comfortable; that these movements, in addition to being erratic between health and education and food production, which are important areas, it really gives a very misleading picture which he tried to allude our affairs to, but I think, are still in the minds of the people. I am not worried about me, I am worried about the masses. He will be telegraphing a very difficult message which they cannot comprehend.

Mr. President, I feel we have no choice, because as Sen. Mansoor said, one of the problems is that the money is controlled by the executive. The executive has the majority and nothing we say or do will ever change the decision relative to this. I want the Minister to please take note, as I have suggested some time ago, that I think if one can start to broaden the base of people to offer suggestions in respect of budget presentations, I feel the budgets of this country would be more meaningful and would have less changes. I still stand to serve in any capacity in that area. I thank you.

The Minister of Finance (Hon. Selby Wilson): Mr. President, we have heard three contributions varying in depth and quality. I will deal with the contribution made by Sen. Mark, It is rather very easy to use opportunities like this with the greatest amount of emotion in order to cause confusion. When I said across the floor a little while ago that Sen. Amar was acting responsibly and I pointed this out to Sen. Mark, it was not a simple heckle, but indeed, I was very sincere in what I was saying. Sen. Amar demonstrated quite clearly, in my view, that whereas he understood what I was trying to explain, he thought it would be difficult to defuse the incorrect impressions in the minds, of what he called, the masses. I can accept that concern. When you look at what Sen. Mark attempted to do; he attempted, indeed, to exacerbate the concerns in the minds of the masses and I would like to submit that Sen. Mark knows better than that.

You see, emotional words and phrases are always used in vacuous arguments and that was the premise on which Sen. Mark pitched his argument today.

4.00 p.m.

Mr. President, if I say so, it is only because of my experiences on July 27. It is only because I was privy to reading books and papers left in the public gallery in those six days of my incarceration in this Chamber, to realize what kind of impression statements such as those uttered by Sen. Mark, have on the minds of the general public who sit in these halls to witness debates and might hear his comments and read his comments in the newspaper. It is indeed unfortunate that exemplars in this Chamber should revert to emotive words and phrases because they sound well and because out of his experience, no doubt, he knows that they are effective in swaying the opinions and feelings of the masses. I would like to counsel him that it is time for more responsible behaviour.

Mr. President, when for example, Sen. Mark dwelt on the fact that we have transferred from the University of the West Indies, some \$4.2 million dollars, he failed to indicate that \$2.5 million of that transfer, indeed more that \$2.5 million; indeed almost \$4.1 million of that transfer of which \$2.5 is transferred under the same head "Education" to "Consulting and other Contractual Services" and \$1.6 of it was transferred under the same head to the "Development Programme, Social Infrastructure, Education". But nevertheless he purported in his contribution that we were denying an important institution the resources that were necessary for that institution.

He could not resist the temptation to indicate to the Senate that in 1989—or was it 1988, I do not recall—we took the decision to inform the University that we will not be able to allocate to them, an additional \$20 million. But what he failed to do was to indicate also that up to 1986, although the appropriations to the university were not reduced at the time of the presentation of the appropriations in the respective years, up to 1986, the Government of the day was incapable of transferring the total appropriation to the university to the tune of almost \$60 million.

As of today, I gave instructions to my Permanent Secretary that we must proceed to implement a Cabinet decision to issue a promissory note or bond instrument to the university in respect of those accumulated arrears, which I daresay, the last administration did not have the straightforwardness to tell the university that it could not appropriate that amount of money. Nevertheless, as a

responsible Government we proceeded to honour that obligation and we are in the process of putting in place the instruments to give effect to transfer to the university, some \$60 million.

I now turn to pensions. I could understand the arguments advanced that perhaps this is an area that we can more accurately anticipate the level of expenditure. I sympathize with those persons who have to make that judgement. It is not an easy judgement to make. We knew in 1990 we had an over-expenditure in the area of pensions. First of all, I want to make the point that pensions is a direct charge on the Consolidated Fund. Regardless of the level of pension, we have to pay when people go off on retirement. Whether we have budgeted accurately or otherwise, the law provides that it is a direct charge—it does not come through a department or appropriation in the budget—it is a direct charge on the Consolidated Fund. It is an obligation which we must honour whenever it arises, whatever its size may be.

When we looked at the Appropriation Bill for 1990, we had provided something like \$39.8 million for pensions and as Sen. Mansoor rightly said, there was an over-expenditure. When we came to do the 1991, we had to make some judgements as to whether the previous year's demand was normal or abnormal. Indeed, we commissioned the equivalent to the Personnel Department, to look at the things that were mentioned: the age profiles, the likelihood of people going off—and I might add that the performance under VTEP had not been all that remarkable. You might recall that when we debated that bill, there were cries from the Opposition Benches that there would be mass exodus from the public service under the VTEP provisions and I want to say that it has not been so. Maybe not in this House but certainly in the other House. I do have difficulties sometimes in remembering where I do things as I am in both Houses all the time.

There was an outcry that there would be mass exodus from the public service. I am sure most of you read it in the newspapers. That was not so Mr. President. As of today, less than 1,000 people have left. In 1989 we had 133 people leaving under VTEP and in 1990, 782 people.

So, the point I was making, is that when we came to determine whether the performance in 1990 was abnormal, whether it could be expected to continue, we had to make some judgements. We looked at the age profile and we came to the conclusion that we had probably peaked in the area of early retirements and we had overcome the hump.

4.10 p.m.

Indeed, in 1989, we had 1,404 retirees, almost double what it was in 1988. If we go back to previous years, we would see that there was a tendency for lower numbers going off. In 1990 we had 1,494. So in fact, the level of retirement which existed in 1989 continued in 1990. We had to make some judgment as to whether that was an abnormal year or whether it will continue. We came to the conclusion that it was abnormal and we attempted to cover our best estimates by increasing the provision by \$16 million to \$55 million in 1991.

I do not know of any budget that stays on course, where all the numbers work out, even those where we can predict almost with laser accuracy. I defy any businessman in here to tell me that he has been budgeting and the budgets always work out neat and tidy. There have always been variations.

As Sen. Mansoor rightly said, a shift in expenditure of three per cent in \$7 billion is not a high variation. In some instances it might be considered very good performance.

The School Feeding Programme is another one of those items which attracted Sen. Mark to indulge in his emotive behaviour. What is wrong with this? The information is provided. It is not that we are hiding the information. We provided \$29.8 million on our estimates for the School Feeding Programme to feed a pre-determined population. We spent \$29.4 million. We ended up having under—expenditure on that vote of \$440,000 out of \$29 million. Sen. Mark makes heavy weather of this saying that we have denied poor children additional food. We, as a wicked Government, have done it deliberately. That is what he wanted us to communicate to the masses. It was a deliberate action on the part of this Government that we have denied poor children food, when indeed, it is under this administration that we are feeding school children in all the primary schools through the length and breadth of Trinidad and Tobago. It has never been done before.

He makes heavy weather of the fact that we are building new schools and the old schools are not being attended to. He has my budget document in his possession. Let us see what the budget document says on education. Under “Education”, on page 26 of the budget speech, which Sen. Mark has because he quoted from it this afternoon, and proceeded to give the impression that we do not care about the maintenance of schools, that we are building new schools and what about the old schools. I quote from page 26:

"It is in recognition of this situation that we accorded early priority to a resuscitation of the School Feeding Programme that was terminated by the last administration in June 1986. It was also in recognition of this that we were prompted to begin the rehabilitation of the physical plant.

We have already constructed twenty-two (22) primary schools providing accommodation for 16,000 students."

Is Sen. Mark suggesting that we should not provide accommodation for 16,000 poor students?

"We have replaced or refurbished another thirty-five (35) primary schools thereby providing upgraded accommodation for existing students "

That is maintenance. Did you read the budget speech? [*Interruption*] There are not 35 schools in my constituency. Do not be ridiculous!

"At the secondary level thirteen (13) schools have been refurbished and/or extended."

These are existing schools.

"Two new schools were built at Mayaro and Cedros providing accommodation for two thousand (2,000) students."

Mr. President, now you can appreciate why if I appear to be severe on Sen. Mark, I have only been hardened by the events of July 27. I have only been schooled by the events of July 27. So, therefore, it is imperative that we throw some *bois* sometimes.

Let me now turn to National Fisheries. There seems to be some confusion as to whether we did not anticipate we had to pay \$8.7 million in severance benefits. Of course we anticipated that we had to pay that. It is imperative for this Senate to note that even though my colleague, the Minister of External Affairs and International Trade, announced sometime towards the end of 1989, that a decision had been taken to liquidate the National Fisheries Company, while we pursued the negotiations for the sale or the disposal of the assets of the company, we continued the operations of the company in order to keep poor employees employed and paid.

As part of our negotiations, we were negotiating that those employees should stay on with the new owners. So we were seeking the interest of the employees of National Fisheries in order to ensure that while we were negotiating the

liquidation of the company, they would continue to be employed, and if we were successful in that activity, that we were seeking to preserve their jobs by persuading the new owners to maintain their services. Mr. President, if Sen. Mark believes that I have not dealt with any substantial issue he has raised, I am quite prepared to sit and let him put a question and I will deal with it.

4.20 p.m.

That was our intention, but there came a time in 1990, because of the protracted negotiations—and, indeed, our first efforts in concluding those negotiations did not succeed in the manner in which we had anticipated—when we had to make a decision to liquidate, that we pay the employees their severance, because we could no longer support carrying the company at the present low level of operations. This gave rise to the requirement to pay the severance benefit.

In any dynamic management situation these things happen. I know the Members of the Opposition Benches are not dynamic people so they do not understand that. They do not understand the dynamics of developments. They do not understand the dynamics of business except, of course, for Sen. Amar and Sen. Moonan, distinguished businessmen who have made it in their own right. We cannot say so for Sen. Mark. He has always been loafing maybe, but not in business. Therefore, he does not understand the dynamics of that kind of environment.

It is not unusual, Mr. President. As I related on a previous occasion, Sen. Mark was a member of a team that tried to persuade me to budget at \$25 because it suited their purpose at that time. Then he had the audacity to come in the budget debate and say \$22 was over-optimistic. *[Interruption]* That is all that happened. The only thing that was constant is the behaviour of Sen. Mark. That was the only constant in all the variables, the behaviour of Sen. Mark, dancing to the tune when it suits him to force or pry out of the Minister of Finance that which he does not have to give. That is his game.

WISCO: I could again understand the concerns, but I want to suggest that at the beginning of 1990 there was no intention to put additional equity in WISCO. The need to put equity in WISCO came out of the collaboration of the partners in WISCO during the course of 1990, and it is at that forum that the contribution required by Trinidad and Tobago was determined and allocated. We decided that

we should try to meet our contribution if our partners in running WISCO came to the conclusion that WISCO needed to have an injection of capital.

I share the concerns of Sen. Amar, not only in respect of WISCO. We have similar concerns in respect of Arawak Cement, in respect of Caricargo. Indeed, we have given notice to our partners that we would like to sell our holdings in Arawak, and we would like to see some different arrangements with Caricargo. We have concerns about Liat, and we would like to see some different arrangements with Liat. So it is not that we do not have concerns, but as responsible partners in association with Caricom, we cannot simply uproot ourselves out of the relationship because it suits us. We voice the concerns in the right quarters and we agitate and argue in the right quarters, and we hope that we will achieve the results that we would like.

So we share the concerns, that we should get a return on WISCO if that is possible, and if it is not possible, then we have to look to see whether the service is of benefit to the region, and whether the loss in the operations is sustainable by the partners in the wider interests. That is what we always have to look at: the wider interests; what are the wider interests. That is what we have to look at.

Mr. President, there is one other matter I would like to mention. If I seem not to deal with the remark made by Sen. Mansoor, it is only because I agree with him. We need to address those areas. We need to modernize the systems and run a tighter ship in the administration of the various ministries and departments that make demands on the Treasury. I cannot deny that. We have to do that.

We are addressing some of those programmes. In some areas we have strengthened, but it is not an easy task. You do not do that by wishing it will happen. You have to work at it. You have to work on the attitudes of people. You have to modernize. You have to retrain. It is a fantastic exercise. You even have to change laws. You have to change some of the laws to effect some of the efficiencies that we would like to have. Not for the UNC: that would be total chaos. They would not know how to read a balance sheet. They would have labour problems with Sen. Mark, and they would eventually throw out Sen. Amar because he is pressing for efficiency. Sen Moonan will want to build more roads and they would not have money to accommodate him. So it would be real confusion.

The whole issue is that I agree with the remarks of Sen. Mansoor. I cannot fault his observations. We have some basic differences in how Government

accounts. We do account on a cash basis, and that has its advantages. It does not reveal accrued liabilities or accrued liabilities on commitments. I admit that. That is the system we operate. That is the system, as I understand, that most governments operate. There are some governments that have switched to the accrual basis of accounting and, therefore, bring all these things into account, and you get a different picture. It is very much a policy position which one would have to take on that issue and determine what is required in order to change it, if we took the decision to change it. But in essence, I agree with the observations made by Sen. Mansoor and, of course, I cannot fault the concerns of the Auditor General.

The point I want to deal with is the point made by Sen. Mark again in respect of the social costs of cutting expenditure. He said that we have established that our policy is to cut expenditure, and that has had a significant social cost. Mr. President, let me just say that our policy really is one of adopting measures and policies that would put this economy on a sustainable path because we really believe that it is only through sustained economic growth and a strong economy that we could continue to improve the standard of life and the conditions of our citizens. That is what we believe in. That is the policy. Now, how we execute that policy is a different thing.

What Sen. Mark has done is to say that our policy is to cut expenditure, and that has resulted in a social cost. He has not ventured—and I suppose he will say, being an Opposition Senator, he does not have to venture any alternative; he does not have to do it. He has not attempted to analyze what the social costs would have been if any other policies had been pursued. If we had allowed ourselves to continue spending more than we earned, if we had allowed ourselves as a result of that action to deplete totally our foreign reserves, to increase the rate of inflation in this country—because we would have been printing money to sustain that level of expenditure—he has not ventured to tell us what the social costs would have been. He has not told us that.

I hate to point to another Caricom country, but it is the only example near to us that we have some sort of community of interest that I can point to, and that is Guyana. Guyana tried it, and what have been the social costs in Guyana? *[Interruption]* Nothing is a comparison to you. You would not venture to compare anything with anybody or anything else. If you do not know about oil, do not talk about oil, Sen. Mark. If you do not understand the principles of

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taxation, if you do not understand the principles of agreements and understandings, then do not talk about them. Do not talk about it.

I would simply like to point out, as I did in the budget debate in response to very searching, and correctly so, queries by Sen. Alexander on the performance of the economy post-1986 and up to 1986, that despite our difficulties we have been able to contain inflation; we have been able to maintain the currency at an appropriate rate of exchange after our initial adjustments, and that is against a background of liberalizing the economy, dismantling price controls in some areas, and removing subsidies in other areas. One would have expected that if this economy were not properly managed, and embracing those policy measures, then the rate of inflation might have been higher. But we were able to contain it, to maintain it at levels when there were high subsidies, when there was price control, and I think that is an achievement.

As I pointed out to you in the budget debate, unemployment took off in 1983. A total of 7,000 people were retrenched in 1983, and in 1984 another 5,000 people were retrenched. We had no IMF then. We did not have NAR policies then. If Sen. Mark would be less emotive in his presentations we would have less crime, and poor people would understand more, but when you ride on their backs—and that is all they do: they ride on the backs of the poor people. They understand the emotive behaviour. They understand the psychology of emotive language, but their arguments have no substance, no validity.

I would just like to advise this Senate that since there were comments on the performance of the Finance Committee—and I respect your ruling, Mr. President, but I think so much was said that I need to say just a little bit more. I will not be long. Mr. President, not one Member of the Opposition attended the Finance Committee meeting in the other place. Also, only one Member of the Opposition Benches contributed to the debate on the Finance (Variation of Appropriation) Bill in the other place, and they want to make believe that the Finance Committee should take its work more seriously.

I was there on two occasions. We had to abort one meeting because we had nobody from the Opposition. If they want to have a chance to say what they have to say and to search more deeply, then they must attend the forums that are provided for that kind of thing. I think only the Independent Senators could be excused because they do not have the privilege to have any representation in the other place. One would have noted the difference in the contributions, one of objectivity and one of emotions between Sen. Mansoor and Sen. Mark respectively. Sen Amar was also objective. *[Interruption]*

4.35 p.m.

Hon. Senator: Sit down! Sen. Mark, let us hear you.

Mr. Wilson: If I have not dealt with any substantive issue that he has raised I would give him an opportunity to point me in that direction, and I will deal with it. He knows in his heart that I have dealt with all the issues in his contribution, if they were substantial. And he knows in his heart that he has raised no substantial issue.

Mr. President, I should like to summarize by saying that it is unfortunate that the expenditures under development were not achieved. I assure Sen. Mansoor that the expenditures under development were not achieved because we deliberately cut back on development; it has to do with the preciseness of our planning and the implementation. I admit that. There is still some difficulty in the service in terms of accurately anticipating the capacity to develop, plan and execute some of the programmes. Therefore, any under-expenditure on development in 1990 was not as a result of a deliberate cut in the expenditure but rather under-execution or imprecise planning in our ability to carry through with the programme of work that was outlined in 1990.

For example, under the school programme alone, \$43 million was not spent under the IDB funding. We cannot use that money for anything else but schools. So the money is there for the school programme. What has happened is that they put forward over-ambitious schedules in terms of when they would start the project and when it would be completed. Since that is a weakness in the system it results in an under-execution. I have the dates but I want to establish the principle. It did not result from any deliberate attempt to re-allocate money under development into other areas. It is purely under-execution.

In summing up, Mr. President, I should like to ask the Senate, particularly my friend, Sen. Mark, to defuse his mind of any clandestine motives; to defuse his mind that this vehicle of variations would be used in any political sense. I think one thing this Government has done is to demonstrate to the population that politicians can be responsible. We have demonstrated that in more than one sense. We have demonstrated that we are prepared to do what is right and not necessarily what is popular.

Finance (Variation of Appropriation) Bill
[HON. S. WILSON]

Tuesday, March 26, 1991

Mr. President, I should like to move that the honourable Senate approve this bill.

Question put and agreed to.

Bill accordingly read a second time.

Sen. Alloy Lequay: Mr. President, this being a money bill, and in accordance with Standing Order No. 63, I beg to move that it be not committed to a committee of the whole Senate.

Question put and agreed to.

Question put and agreed to, That the bill be read the third time.

Bill accordingly read the third time and passed.

ADJOURNMENT

Sen. Alloy Lequay: Mr. President, in moving the adjournment permit me to make two short statements.

I appreciate the fact that we have, for two months, utilized Private Members' Day for Government business. This obviously is not allowing motions by Private Members, particularly in the Opposition, to receive due consideration, and I intend to hold discussions with the Senate Minority Leader and the Leader of the Independent Benches to determine whether we can have a special sitting so we can advance the Private Member's motion.

Let me also suggest, for the kind consideration of hon. Senators, merely as a courtesy, that we sit on Monday, April 8, 1991 and not Tuesday, April 9, 1991, for reasons that would be obvious to those who have a sporting background.

Mr. President, I beg to move that this Senate do now adjourn to Tuesday, April 2, 1991 at 1.30 p.m.

Mr. President: Before putting the question, I should just like to extend to all Senators a very happy Easter and an enjoyable weekend.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 4.45 p.m.