

*Late Arrival**Tuesday, November 30, 1993***SENATE***Tuesday, November 30, 1993*

The Senate met at 1.30 p.m.

PRAYERS[MR. VICE-PRESIDENT *in the Chair*]**LATE ARRIVAL**

Mr. Vice-President: Hon. Senators, I have been advised that Sen. Camille Robinson-Regis and Sen. John Spence would be late.

ORDER OF BUSINESS

The Minister of Planning and Development (Sen. Dr. The Hon. Lenny Saith): Mr. Vice-President, I beg to move that we continue with the debate in the second reading of the Airports Authority (Amdt.) Bill at this stage to be followed by the debate on the Supplementary Appropriation Bill.

*Assent indicated.***AIRPORTS AUTHORITY (AMDT.) BILL**

[SECOND DAY]

Order read for resuming adjourned debate on question [November 29, 1993]:

That the Bill be now read a second time.

Question again proposed.

Sen. Diana Mahabir-Wyatt: Mr. Vice-President, after listening to the rather lengthy debate that we had on this issue yesterday, my remarks would be short because I really do not want to go back over a lot of old ground.

I do not have the concern that was mentioned by certain Senators in the Opposition yesterday about the tendering procedures that led up to the choice of the particular company that is going to deal with Project Pride, which seems to come back like a recurring decimal. I did follow rather closely the new procedures under which this particular contract was granted.

While I do share with Sen. Mahadeo the feeling that the terms of the letter that was circulated from Mr. Ed Ham were rather fulsome, to say the least, I really cannot fault the process itself.

There are only three points I would like to make. One is to support Sen. Mansoor in his point, that whatever is going on in relation to the airport, because

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it is so vital in terms of a country this size, some control should be maintained by the Government of Trinidad and Tobago in ensuring that the airport is run in accordance with national security measures and that the interests of the country are safeguarded.

Whatever that amount should be is open for debate. It was suggested that it should be a majority control. I think that we should all feel more comfortable with that, but at least we should have some control so that we would have an idea of what is going on. We have a right to be in there and know what is happening. This is just in the event that the allegations which have been made for total privatization have some substance to them.

The second point, and one which really concerns me and is an ongoing concern, has to do with the granting of tax-free status to the Airports Authority, where this tax-free status could allow the Airports Authority to operate in competition with private enterprise. This referred to the point which was made about carrying on a bus service, but not just that.

I would like some guidance from the Minister on this. Section 15A(1)(a) states:

"all plant, machinery, appliances, apparatus, equipment and material of every kind whatsoever, imported into Trinidad and Tobago by the Authority for the purposes of carrying out its functions under this Act, shall be exempt from all taxes, duties, levies, imposts or surcharges."

We were assured yesterday this just refers to the Airports Authority itself, but this Bill goes a little beyond that and says that the Authority in carrying out its functions can also enter into various kinds of joint ventures and it can invest in companies. This could be regarded as carrying out its functions, which would then indicate to me that the Airports Authority in carrying out its functions under the Act could bring into the country, exempt from taxes, duties and levies, all kinds of things, which would then go towards the joint venture or the company that it bought over.

That worries me because I think that if we accept that this Government has as a policy that the private sector should be carrying the direction of the future economic development of the country, I maintain over and over that it is unfair, contradictory and inconsistent in any way whatsoever, that the Government should then enter into any sort of arrangement which puts itself in competition with the private sector. This is really self-defeating in terms of its purpose.

The third point that I would like to make is simply to support Sen. Daly in his concerns—not all of them—but the particular concern that the drafting of this Bill does go beyond what the Bill says it needs to do. I have not seen the amendments which are presently being drafted, so I would hold any other comments with respect to that until we get to the committee stage.

Thank you, Mr. President.

1.40 p.m.

Sen. Roi Kwabene: Mr. President, we have gathered again in this august Chamber to discuss and debate a Bill to amend the Airports Authority of Trinidad and Tobago, Chap. 49:02 and I think it is very significant, if not historical, that this whole issue of the airport is once again raised in this Chamber.

Over the years, we have witnessed the wanton neglect of our transport services. Regime after regime has come into power and promises have been made. In fact, there was even a rumour that there were Members of the other place, during the former regime, who purchased lands in anticipation of the expansion of the airport facilities. This is a rumour which existed all over the country.

The airport is a very important and serious institution. I quote from item No. 20 on page 7 of the *Medium Term Policy Framework, 1994—1996*, which states:

"Our airport and port facilities will be upgraded and expanded to provide transshipment facilities to service the South American mainland".

I will end the quote there because a significant word came up, "transshipment". I have no problem with our being the hub of economic activity in the region. We should have thought about that many years ago. However, as with everything else, because of the politics of the day, at the time people were of the opinion that they should not establish closer relations with their South American counterparts. Today, however, we are seeing things in a different light. We recognize the fact that we are living in an interdependent world. However, yesterday, certain assertions were made and this word "transshipment" is very, very questionable at this point.

We have a problem in Trinidad and Tobago. I trust that whatever authority is given to the Airports Authority of Trinidad and Tobago—despite the fact that it has been established in this Parliament, and that we are selling this airport lock, stock and barrel—giving it away—that we would have control over the security of that institution.

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We are part of a larger region known as the Caribbean and over the years the Caribbean has been stereotyped as a place of the sun, sea and sand. It appears that there are no intelligent people in the Caribbean and that is unfortunate because today, again, we are giving away our patrimony, a bad word in the ears of those who claim to be unrepentant capitalists.

A precedent has already been established in the Caribbean in a tiny state, St. Maarten, which is a French and Dutch territory. We are a republic. However, despite its size—it is smaller than Diego Martin—a Concorde lands on the island. I cannot understand how the Concorde could have landed in St. Maarten despite that they do have a policy in terms of promoting their tourism. The fact remains that so far we have neglected to establish proper facilities to allow major airlines to use our so-called hub of activity.

A precedent has already been set in the Caribbean, as I said earlier, which has a lot to do with another airport deal which went sour, so much so that even the Lieutenant Governor of the island was taken into custody. The Prime Minister of the territories, which include Curaçao, Aruba, St. Eustasius and Saba had to resign from her position as Prime Minister because of an airport scandal. This should serve a lesson to those who are in power to recognize the fact that they are not too high up to fall over an airport scandal.

Remember, not so long ago, we had a little problem with the same airport, again Greek mythology at work—Pegasus. We are living in serious times. The history of neglect of the airport does not say much for our people. Look at the situation where we, as a developing territory in the Caribbean, loaned money to other Caribbean territories who were able to establish a modern airport. Barbados is an example. The time has come for us in Trinidad and Tobago to establish a proper airport, yes, but not at the expense of our patrimony. We want control over the Authority. We want to have some say.

Transshipment sounds very familiar, does it not, taking into consideration that already we are a transshipment point for drugs? This is unfortunate but is a reality we have to face. If today the Airports Authority does not have the authority to control that situation, one hopes and prays that despite the fact that the Ministry of National Security is an authority of the airport, in future, whatever authority is given to the Airports Authority, we would have some measure of control of our ports.

According to this document we are not only talking about our airport, but we are also talking about our port facilities, and other port facilities would include, obviously, our sea ports. Lower down we read that the objective planned by this Government, it appears, is to set up some sort of link via the Orinoco/Apure river, access to Trinidad and Tobago. It is said that via this route, they will reach Europe. Already drugs are leaving Latin America via the Caribbean and reaching Europe. One wonders if they are opening the floodgates to allow more drugs to pass through our beautiful land. What sort of security will there be?

It is stated that one of the intentions of this Airports Authority is to establish a bus service. That is all well and good. I will support that, however, I intend to reiterate our point that the Opposition will only support this measure if we have some control. Today I am saying that the only way we can support the measure is if there is a measure of control.

I have heard our airport being described as a huge cowshed and that is not a nice remark to hear. I think the most naked feeling any national of Trinidad and Tobago can ever experience is coming off the tarmac at Piarco airport, having had an opportunity to travel in developed and developing countries and having seen the state of their ports. As indicated by my colleague, Sen. Muntaz Hosein, when he first spoke on the Bill, first and last impressions always count. That airport says a lot.

I am also going to refer to another document which, in itself, may seem irrelevant but all in all it says much concerning what we plan to do about employment practices, for instance. What are we going to do about disabled people? Are they going to have an opportunity to travel comfortably? Would they be able to enjoy facilities at that port? These are points we need to raise. Again, we do not want to feel naked as nationals to return home and climb down the stairs onto that tarmac. Better has to be done. A lot has to be done.

1.50 p.m.

I have not been privy to the proposed plans of the airport. I hope that state-of-the-art technology would be employed, but at what expense, Mr. Vice-President? At what cost? This is the point. Not our patrimony! We need to have some say. We need to have some measure of control in order for this Bill to pass.

Thank you, Mr. Vice-President.

Sen. Rev. Daniel Teelucksingh: Mr. Vice-President, within the past year, during what appears as virtually a national debate on the proposed expansion of the Piarco International Airport, not many of our people have seen the wisdom in embarking on the project at this time, except the Government, of course. In fact, it seems to me as though it is only the Government and their foreign advisors who are excited over this idea. I have heard too many voices describe the Pride Project as ill-advised, a waste of time, soon to be another white elephant and in the final analysis a taxpayers' nightmare. Several persons are amazed that Pegasus has started again in the second episode of the project.

Experienced pilots who use the airport on a regular basis think that all we need is a good parallel runway to add to the present runway with some minor improvement on existing structures. Pilots with international experience confirm that airports at New York, London or Frankfurt have use for only one runway at certain times of the day. Therefore, what is the fuss about elaborate, burdensome, airport expenditures for us?

All of us know that the airline industry is globally depressed and furthermore it seems fashionable for some people to talk about making Trinidad and Tobago the gateway to the Americas. Somehow or the other, I feel that is so much talk. I believe it is a misplaced vision. Long before we started to talk the Americas had their own gateway.

Mr. Vice-President, yesterday we spent a very long time—we were almost exhausted close to midnight—and the point was carefully examined by several Senators in yesterday's sitting of this honourable Senate about thinking about upgrading the Airport. Something we are made to believe is so desperately needed, that the Government is misled into offering on a platter to foreigners, our airport for development, and you have heard the word exploitation so often within the last 24 hours.

I am concerned about clause 12(a) of the Bill granting power to the Airports Authority to impose as it thinks fit, dues, charges and fees for the use of the airport's facilities. I believe that this is a prescription for unrestrained exploitation and profiteering. Also added to this, are the privileges of certain tax concessions. A new set of taxes, indirect taxes and duties in the form of all of the fees mentioned in the Bill can be levelled on a population already heavily burdened. It does not seem from the regulations that Government can intervene once the sell-out is finalized.

Furthermore, I am concerned that the Bill ensures that the Airports Authority can have its accounts audited by auditors other than the Auditor General. Do you think we have the technology and the personnel available to monitor an auditor somewhere outside of Trinidad and Tobago? I am appalled by the protective devices in the Bill before us to maximize and to ensure the absolute independence of the airport from the Government and people of this nation. It is a total sell-out! It is a disastrous piece of legislation for so strategic an enterprise as the nation's only airport.

Mr. Vice-President, I really have very serious reservation about Parliament giving assent to the Bill in its present form as proposed by the honourable Minister.

The Minister of Works and Transport (Hon. Colm Imbert): Mr. Vice-President, I would seek to address all of the concerns that have been raised in this rather lengthy debate and, if you will allow me, I will go through them in sequence.

Let me deal first with the contribution of Sen. Hosein who raised concerns about the passenger service fee; what level of fee would justify the airport development and also indicated that there should be a clause for local involvement in the project. Let me say at the outset that the question of a passenger fee would be subject to the general policy direction of the Minister, which means Cabinet, so that the two considerations would be balanced, that of the project to generate sufficient revenue to make an adequate return and also the question of not imposing an extremely high passenger service fee on passengers. And I might add that a feasibility study funded by the IDB and supervised by the International Civil Aviation Organization, which is a United Nations organization, indicated that the present level of the departure tax was sufficient to justify the project. I would just like to share that information with you.

With regard to local involvement, there was a clause in the request for proposals that a minimum of 40 per cent local content be included in the project. That was a requirement and all of the tenderers had to satisfy that requirement. So certainly, in terms of any contractual arrangements there will be a requirement to utilize at least 40 per cent of the total cost of the project from local sources, that is raw materials, professional services, architectural services, engineering services and local construction services.

He also raised questions about the relocation of the—

Sen. Hosein: Mr. Vice-President, while the Minister is on his feet I wonder whether he can share with us how he arrived at 40 per cent, because I am concerned whether we cannot be given 70 per cent. What is the rationale behind that?

Hon. C. Imbert: Some of the equipment, as Sen. Kwabene pointed out, will have to be very sophisticated, such as the direct contact loading bridges. Some of the state of the art equipment, navigation, and communication equipment will all have to be imported—that is the foreign content—and it was determined that an appropriate minimum level for local content was 40 per cent.

2.00 p.m.

With regard to the relocation of the villagers at Oropuna Village, a Cabinet-appointed committee has been meeting with villagers and their representatives over the last several months and I am advised that the relocation discussions are going quite well. There are categories of villagers—some are squatters on state lands, some are squatters on private lands, some are private land owners, some are tenants on private lands—so that for each category of occupant a different strategy has to be devised.

Several options are available: the question of offering finished lots within the National Housing Authority settlements programme has been raised. I have here the several locations that have been offered—Malabar, Caroni, Couva, Harmony Hall, Union Hall, Debe, so that there are a number of options that have been offered to the occupants. In the case of private land owners, obviously it will involve compensation; in the case of tenants it might involve relocation.

These discussions are on-going, and I am advised that they are going extremely well. So that matter is in hand and I believe it will reach resolution to the satisfaction of all concerned. I understand that one person has been relocated already.

I might point out, however, that I wondered when the Senator raised the issue, whether there were any considerations involved, because I think another hon. Senator on the other side has some interest in the land.

Sen. Capildeo: On a point of order, Mr. Vice-President. I have no interest in the land, my late beloved father owned the entirety of the land. It is because of the intransigence of your predecessors in title, the airport which should have been on the north was placed on the south, that is why you have to spend all this money.

The Government refused to acquire the lands in 1956. Learie Constantine whispered in the ears of Dr. Williams that if he acquired they would take that money and win the 1961 election. So the airport was sited on the south and now the Government is stuck with it.

Hon. C. Imbert: Mr. Vice-President, I am glad the hon. Senator has admitted that he owns all the land.

Sen. Capildeo: On a point of order. I am never ashamed of my inheritance. We have been here five generations.

Sen. Hosein: Mr. Vice-President, just to clear the air, I was not aware at all of any interest of Sen. Capildeo.

Mr. Vice-President: Hon. Senators, may we proceed? We have a long way to go today.

Hon. C. Imbert: I am glad that Sen. Hosein was not negotiating on behalf of Sen. Capildeo.

Let us now look at the other matters raised by Sen. Hosein. The question of exemptions from taxes and duties, this was raised by most Senators. In fact, the second to last contributor, and also Sen. Mahabir-Wyatt, raised this issue and it is a matter we will consider in the committee stage. We are looking at that.

I would not dwell on the other issues raised by Sen. Hosein, because Sen. Wade Mark waded into those matters with some gusto, and I would deal with that when I come to his contribution.

Sen. Mansoor expressed some concern about the Airports Authority Board being comprised mainly of public officers and saw a basic contradiction, in that public officers are not necessarily profit oriented, and since one of the objectives of the Bill was to move the Airports Authority into a profit orientation, that there was a bit of a conflict there. As the Attorney General point out, however, the Airports Authority is responsible for much of the security matters at the airport—it facilitates customs, immigration, air traffic control and public health—so it is necessary to have the Comptroller of Customs, the Chief Immigration Officer, the Commissioner of Police on the board to deal with these matters. They will set overall policy, together with the nominated members, who one would expect would come from a more private sector orientation. Then divest the security and safety functions, put them aside, let the board deal with that and then the commercial aspects would be taken up with these companies that the Airports

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Authority would be investing in and forming joint venture companies with, and certainly the directors of these companies would be chosen from among persons who have some experience in the commercial sector. So I hope we have been able to make the distinction between the Airports Authority Board and the directors of the companies that will be formed.

Sen. Mansoor also raised the question of tax exemptions and we are going to look at that. Also, the question of majority ownership in any joint venture company that the Authority may form that would be involved in airport operations or aviation-related operations. Again, I hope that in the committee stage we can look at some amendments that will address the concerns raised by Sen. Mansoor and others in that regard, with regard to ensuring that there is control over the critical aspects of the Airports Authority's operations. I might add at this point, that we see the functions of the Airports Authority as being essentially three distinct functions, that is: ensuring the security of passengers and the airport; ensuring the safety of passengers and the public; and also ensuring that the operations are conducted in an efficient manner. Certainly, we have no intention of removing the control of safety and security—those aspects which are so important to the public—from the Airports Authority. So hon. Senators can rest assured on that score. The legal draftsmen are looking at a formulation that will address those concerns: about who will control the airport; who will be responsible for security. There is absolutely no intention to give the Airports Authority the power to remove itself from security operations and ensuring the security of passengers.

Sen. Mansoor also asked about the financial aspects of the project. I might add that this is a unique project, in that the Government will not be giving a financial guarantee, neither will the Airports Authority be giving any guarantee. The only financial aspect is that revenue streams of the expanded facility will be pledged to the joint venture company. But in terms of land assets or a financial guarantee by the Treasury, that is not going to take place. So that the project must stand alone, with the exemption of the revenue streams from the expanded facility.

Sen. Mansoor: Mr. Vice-President, through you, is the company that is going to be constructing the infrastructure likely to make a profit? If so, would it be shared in the way profits are normally shared between shareholders?

Sen. Daly: Mr. Vice-President, if I can take advantage of the interruption. These parameters to which the Minister has been referring, about the revenue

streams and the majority ownership, are these in fact laid down in a document or memorandum of understanding that could be made available to us?

2.10 p.m.

Hon. C. Imbert: The terms and conditions of the agreement between the Airports Authority and the preferred developer are being discussed at present, so that the document is not completed at this point in time but details will be made available in due course.

Let me return to Sen. Mansoor's point. The purpose of the project is to bring direct investment into Trinidad and Tobago. The joint venture company will raise US \$80 million on the financial market and that money will be used to construct the airport. The intention is to go out for tender. For example, the Airports Authority has already invited contractors to prequalify for the first phase of the project which involves infrastructure work—some drainage work, earthwork and so forth—so that the US \$80 million will be used to construct the airport.

On the question of profit, the contractors who do the work and the equipment suppliers who will supply the equipment will earn income from the project. The joint venture company itself will take possession of the facilities afterwards to operate them and one assumes it will earn a profit after the project is completed and for the 10-year period that the joint venture company will operate the facilities. One assumes that during that period, it will earn a profit and the Airports Authority will get its majority share of those profits and, hopefully, will then pay dividends to the Government, rather than the current situation where the Government has to subsidize the Airports Authority to the tune of some \$10 million. I do not know if that answers the Senator's question.

Sen. Mansoor: Therefore, would it be correct to say that the joint venture is doing its project on a cost basis, whatever it costs? If it costs \$80 million, that is the cost of the project. I would like confirmation on that. Secondly, what happens if it costs \$90 million?

Hon. C. Imbert: The sum of US \$80 million is a ceiling price. The preferred developer is going to come in and has pledged to construct an airport of a certain size with certain characteristics—a terminal building of 23,000 square metres; twelve gates, seven of them direct contact gates; improve the runway; put in a new apron; improve the infrastructure—for a ceiling price of \$80 million, and they take the liability. This is the developer who will take the liability if the price goes

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beyond US \$80 million. It is a fixed ceiling price arrangement. I do not know if that addresses that point.

As I said, we will be looking, during committee stage, at some amendments that will address the concerns of Senators, particularly with regard to who will have control over the operations of the Authority. Let me state at the outset that it is not the Government's intention to divest itself of control of the Airports Authority. Certainly not! What the Airports Authority will be doing will be purchasing services from the joint venture company in terms of the operation of the terminal building and other services but the Airports Authority will have overall control of the estate, the terminal building and the entire operation of the Airport.

In other words, the joint venture company may simply maintain and repair the passenger terminal building, keep it in proper working order, on behalf of the Airports Authority. I hope that puts things in proper perspective.

Sen. Spence spoke of tax free status. We will deal with that. He also raised the question of the passenger service charge being raised to unreasonable levels. I can assure you that the question of a passenger service charge would have to be guided by the general policy directions of the Minister and, again, that will have to be approved by Cabinet so that one would expect that would be in the public domain and it will be reasonable within the context of all other public fees and charges.

I would like to make the distinction that at present the Airports Authority can only retain that portion of the departure tax that the Minister of Finance approves and that also has to be approved by Parliament. The Government has to bring legislation to Parliament to get approval for any portion of the departure tax the Airports Authority may retain. Previously the Airports Authority was given a subvention. Now they retain a certain portion of the departure tax, subject to parliamentary approval. I think that deals with Sen. Spence.

Sen. Wade Mark managed to bring the debate below sea level but, again, his first name is Wade. After I thought about it, I realized that he may have to wade his way through a lot of legislation. It was really regrettable that Sen. Mark sought to cast aspersions, using the cover of parliamentary privilege, on organizations such as the International Civil Aviation Organization, which is a United Nations organization and which is the established civil aviation organization in the world. It is regrettable that he sought to cast aspersions on that organization and also on

reputable auditing firms such as Price Waterhouse and Ernst & Young. It is regrettable, but also typical.

He also raised questions about control and, again, we are hoping we can make certain amendments so that we can give a measure of comfort to those Senators who would wish to see the Airports Authority retain overall control of certain areas and majority control of other areas. I am hoping we can satisfy the concerns during committee stage.

He asked about industrial relations. Well, the fact of the matter is that the Bill proposed an amendment that will ensure that all conditions of service, benefits and entitlements are transferred with workers when they transfer from the Airports Authority to any joint venture company. One would expect that the workers would not suffer any loss. Also, one would expect the normal industrial relations practices in the country to apply to any company that operates in Trinidad and Tobago.

He complained about the absence of reports from the Airports Authority in Parliament and one would hope that with the provision to allow an auditor appointed by the Auditor General to audit the books of the Airports Authority, we would see reports appearing here with a little more regularity. This provision actually is to assist with some of the concerns. The Airports Authority does have a pension plan. It has been operating now for a short while but it is in operation, so that aspect of the Airports Authority's employee relationships has been resolved and it is no longer a bone of contention.

Sen. W. Mark: Can I ask the hon. Minister whether he is aware that Trintoc and Trintopec do have independent auditors and although their books have been audited, the accounts of Trintoc and Trintopec have not been formally laid in Parliament since 1986?

Hon. C. Imbert: Yes. However, one of the problems is the resources available to the Auditor General's Department and one would expect that if one uses other auditors, actually the physical paper work can be completed in a much shorter space of time.

Sen. Mark also asked about Tobago. Tobago has benefited from a \$100 million airport development and the project we are embarking on at Piarco deals specifically with the operations at Piarco. I hope that answers that. One would expect in the future that we would look again at further improvements to Crown Point Airport.

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Sen. Mark also raised the concept of having a company or firm oversee the management of the project during the construction phase. That is a very good point and I can inform the Senator that the Ministry is going to propose that an independent firm of consultants be engaged to oversee and seek the Government's interest during the construction phase, just as an independent auditor, to ensure that the country will get value for the investment involved. I can tell you we are at one with that and we will be advising you, in due course, of the process for engaging these independent consultants.

Sen. Daly asked what is the rush. Essentially we are seeking to catch the 1994 dry season. We would like to start the construction work at the beginning of the dry season which, as you may know, is in January. There is no fixed date in January but we are just hoping to catch as much of the dry season as we possibly can. It is not a constraint but we would like to take advantage of the dry weather.

Many of the other matters that Sen. Daly raised, we have been looking at. We have looked at the amendments which he has proposed and we are hoping, as I said, that at the committee stage we can formulate certain amendments that would address all of the concerns about majority control and the retention of control by the Airports Authority over the core functions of the Authority with regard to safety and security. Hopefully, by the committee stage we can have these amendments in written form so we could look at them and see whether we can reach a consensus on them.

Sen. Mahadeo raised the question of control. As I said, we are going to ensure that we are in the driving seat, as it were. We will have majority ownership, majority shareholding of the joint venture company and we certainly will not allow anybody to dictate the pace for us. So that when she sees the amendments at the committee stage, I hope she can be assured that we have taken all these concerns into account.

With regard to professional services that the Authority might wish to sell, these are airport management services. They might not even be here; they might be elsewhere—airfield development, that sort of thing. They are aviation-related professional services which the Airports Authority may have built up—expertise in these services over the years.

Sen. Capildeo spoke about control. He raised the red herring of the regulations, even after I pointed out we are not amending the regulations. He

spoke about making moneys incidental to the airport. Really, I think I have addressed all of these matters. I took detailed notes of what he said. He asked about the projected traffic flow; what happens if it does not come off. As I said, the developers have decided to invest US \$80 million based on their own estimation of the traffic, so that they are taking the risk. I hope that deals with that.

Sen. Capildeo: On a point of clarification. I have a document here which I referred to, the last contract with the airport in 1981. On December 22, 1981, there was a contract between the Republic of Trinidad and Tobago, MBL International Contractors Incorporated and Alves International. The contract is dated December 22, 1981 and by April 19, 1982, Alves and the contractor, MBL, had assigned all the moneys to the Bank of America, Canada.

"...all rights, benefits and moneys payable under an agreement made the 22nd day of December, 1981 between Ainsley Tim Pow, the Permanent Secretary in the Ministry of Public Utilities and Transportation..."

Mr. Vice-President: Sen. Capildeo, is this relevant?

Sen. Capildeo: I just want to know if there are going to be safeguards to protect the moneys of the taxpayers of this country so that this history does not repeat itself. The moneys were assigned even before the work began and the local contractors could not collect.

Hon. C. Imbert: The project involves the construction of a passenger terminal building, airfield improvements and infrastructure work. As I said before, a study has shown that the present levels of passenger service charges justify the project. One expects at the end of the day one will get the modern airport facility and that the public interest will be safeguarded. That is our intention. So the answer is, yes.

Sen. Capildeo: That was the same answer ten years ago and the money went.

Hon. C. Imbert: Sen. Mahabir-Wyatt, again, spoke about control. This is the most significant point that we are going to address. We will most certainly see if we can formulate measures that will satisfy the concerns raised on the other side about the question of security and safety. I might say at the outset that we do not intend to divest any aspects relating to security and public safety to any joint venture company or any company the Airports Authority may invest in. The Airports Authority is considering investment in ancillary companies such as airline catering, hotels, things like that, but the security force that the Airports

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Authority has at present will remain and will be responsible for the security at the airport. So there is no question of any other organization or company getting involved in those matters.

Sen. Kwabene supports the Bill.

Sen. Kwabene: Mr. Vice-President, at no time did I lend any support to this measure. I would like him to withdraw that.

Hon. C. Imbert: Let me clarify that. Sen. Kwabene said he would support the Bill if we put in adequate safeguards and since we intend to do so, he supports the Bill. I might point out that the present runway can accommodate the Concorde, but the runway at Piarco can accommodate the largest aircraft in the world.

Sen. Teelucksingh raised concerns about the project itself, but I can tell the Senator that the current passenger terminal building is nearing the end of its design life. The roofs of the building require radical rehabilitation. The plumbing, drainage and electrical systems need to be refurbished. The baggage handling systems are at the point of breakdown. I might also add that with forecast of traffic growth of just about three per cent per annum, it is anticipated that the existing terminal will reach breakdown well before the year 2000.

All the studies have shown that the present passenger terminal building has been developed in an *ad hoc* manner; there has been a hodgepodge of additions and modifications. The terminal building is totally unsuited to a modern airport facility in terms of passenger flow. All of the studies have shown that what we really need to take us forward is a new terminal building. It is virtually impossible to modify the present terminal building to meet the needs of the next 15 to 20 years. All the engineering studies have demonstrated that.

Sen. Teelucksingh: Mr. Vice-President, a simple question and a very searching one, too. Why is it that we have reached the state where you can tell this honourable Senate that the facilities are at the point of breakdown? I am quoting you. Why is it we have allowed the situation to deteriorate so much that you have to report to the nation that facilities there have reached the point of breakdown?

2.30 p.m.

Hon. C. Imbert: Mr. Vice-President, there have been several incremental additions and expansions to the airport building. The building itself was opened in 1962—31 years ago—and it has reached the end of its design life. The roof design, for example, is unsuitable; it is simply an engineering problem that has

happened over the years. The way Piarco has been developed, by adding on a piece here and expanding a room here and so forth; it is just the result of a series of *ad hoc* additions. The way the building is structured it cannot accommodate heavy passenger flows. It is just the result of the matter in which improvements and additions were done to the airport. I do not know if that answers the Senator's question.

In addition, the way the building is constructed at this point in time makes it impossible to put in direct contact loading bridges, which are going to be some of the features of the new terminal building. Sen. Kwabene talked about the naked feeling of getting off a plane and walking onto the tarmac, in the rain. The new terminal building would have direct contact loading bridges so that passengers can walk on and off the aircraft in comfort. The present terminal building cannot be modified economically. One can do anything, but the cost of modifying the present terminal building to bring us into the modern age is not economically feasible. It is far better to build a new facility.

This is typical with many engineering projects. The cost of their improvement is far more than the cost of complete reconstruction. I do not know if I have allayed some of your fears.

Sen. W. Mark: Mr. Vice-President, I did, in fact, raise the history of Pegasus and that the main financial backer of Pegasus was a division of American Airlines. I asked whether it would not be a dangerous precedent to allow a subsidiary of American Airlines to control our national airport.

Secondly, would the Minister be so kind to make available to this Senate, the relevant documentation and analysis concerning the projections of Project Pride? We have not seen any documentation on that so-called project. I think we should, as parliamentarians, be entitled to see that.

Hon. C. Imbert: I believe the Senator had asked the question some time ago regarding the feasibility study and I did give the assurance at that time, that as soon as the negotiations are completed, I would lay the feasibility study in this Senate. I would lay all the feasibility studies that had been done on the Piarco Airport since 1962, if he wishes.

I would like to point out that the subsidiary of American Airlines is AMR Services and it is an aircraft operation company. It does not operate airplanes. It maintains airfields and aviation facilities.

Airports Authority (Amdt.) Bill
[HON. C. IMBERT]

Tuesday, November 30, 1993

I trust I have answered all of the concerns raised and have been able to demonstrate—

Sen. Mahadeo: Mr. Vice-President, the hon. Minister has said that he thinks he has addressed all the concerns raised, but I am afraid I spoke so late last evening that, maybe, he bypassed the question of my concern about the passenger services charge and the airport departure tax, where one is to replace the other. Am I to understand that the departure tax is going to be waived and the passenger services charge is going to replace the charge? I have not been made to understand the difference up to now. I think the hon. Attorney General had said the passenger services charge would replace the departure tax, but the Minister has not addressed this issue this afternoon. If I could get clarity on that I should be grateful.

Hon. C. Imbert: I thought I had addressed that, but just for the sake of clarity I would do so now. The question of fees that are to be imposed on passengers for the use of the airport facilities as they are leaving the country will be within the public domain. So, the question of what fee or charge would be imposed on a passenger would be treated together with all fees and charges that are imposed on the public. One would expect that whatever fee is charged would be reasonable.

The whole question of whether there would be a departure tax and a passenger service charge, or one passenger service fee is a matter that is being addressed at this point in time. The departure tax could be replaced with a passenger service fee or there could be a small departure tax and a passenger service fee, but the total charge on a passenger is going to be within the public domain and it would, most certainly, be reasonable. I do not know if that answers your concern.

Sen. Mahadeo: Has it been a decision on the part of the people who are doing this at the moment? Or, would it be embedded by way of a clause in the Bill? Is it still being studied with the hope of arriving at a conclusion as to whether it is a replacement? Or, is the departure tax going to be embodied in the passenger services charge which would be an all-encompassing charge?

Hon. C. Imbert: The departure tax is a charge of the Ministry of Finance, like income tax. The departure tax does not belong to the Airports Authority. The Minister of Finance can allow the Airports Authority to retain a portion of the departure tax, but only he can do that and he has to come to the Parliament to get legislative approval for that.

The joint venture company will impose a passenger service charge which, as I said, would be under the general policy direction of the Minister, which means Cabinet. Therefore, any passenger service charge the joint venture company may impose would have to be reasonable. The question of any tax that the Ministry of Finance may seek to impose otherwise has to be taken in the context of all taxes imposed by the Ministry of Finance.

One would expect that the Minister of Finance—when looking at all fees, taxes and duties he may wish to raise revenue with—would be reasonable.

The point I am making is that the project is justified on the basis of the present level of charge. The passenger service charge is not expected to exceed the present level of the departure tax. The question of whether there is going to be an additional departure tax is a matter for the Minister of Finance when he considers all the taxes he wishes to impose on the country. He may or may not wish to impose a small departure tax; he may wish to impose no tax at all or another form of tax. I do not know if this clarifies the issue.

I trust I have been able to deal with most of the concerns raised, and I advise the Senate that we would deal with some amendments at a later stage. I beg to move.

Question put and agreed to.

Bill accordingly read a second time.

BUSINESS OF THE SENATE

The Minister of Planning and Development (Sen. Dr. The Hon. Lenny Saith): Mr. Vice-President, as the Minister indicated, we are in the process of drafting amendments to this Bill, which we would like to consider in committee stage. The amendments are not yet ready, so in the circumstances, I beg to move that the committee stage of this Bill be taken at a later stage in the proceedings.

Question put and agreed to.

2.40 p.m.

SUPPLEMENTARY APPROPRIATION (AMDT.) BILL

Order for second reading read.

The Minister of Finance (Hon. Wendell Mottley): Mr. Vice-President, I beg to move,

That the Bill to provide for the Supplementary Appropriation for the service of Trinidad and Tobago for the year ending December 31, 1993, be now read a second time.

Supplementary Appropriation Bill
[HON. W. MOTTLEY]

Tuesday, November 30, 1993

Mr. Vice-President, the House of Representatives on Wednesday 24, debated the Supplementary Appropriation Bill which seeks authority for a further issue from the Consolidated Fund in the amount of \$475,277,962 to meet expenditures for the year ending December 31, 1993.

This hon. Senate will remember that in April of this year we removed exchange controls and resulting therefrom, the value of the Trinidad and Tobago dollar immediately depreciated. This has had a direct effect on several matters, but most notably on several aspects of Government's expenditure. You will know that this country still has a significant external debt stock on which principal repayments have to be paid in US dollars and the interest payments also have to be made in US dollars. That amounts to quite a significant portion of our expenditures. Also there are, related to the same movement in the exchange, several aspects of expenditure, the most obvious being, for instance, the cost of certain contributions that we make to international organizations which are denominated in US dollars; the cost of up-keeping our foreign service and several bills that are directly related to imports which would therefore reflect the increased growth of the US dollar and, requiring more TT dollars of expenditure to service those particular commitments.

The depreciation of the rate has had beneficial effects. I could outline some of the down-side effects but there have been beneficial effects, most notably, a significant increase in non-oil exports especially within the Caricom region. It has also seen significant reflows of capital and as a result of all of these factors, for the first time in many months, there has been significant rebuilding of our foreign reserves position. Nevertheless there has been this adverse effect on the country's expenditure and, therefore, quite a significant part of the matters we are dealing with here today, are a direct result of that depreciation in the rate.

Also, there are areas where there have been frankly some under-provision in the course of the preparation and presentation of the 1993 Budget. We will deal with those two elements.

Finally, there have been some unpredicted out-turns such as, rate increase in electricity, all of which we hope to deal with under the several items where we are now seeking the increased expenditures.

If, with your permission, Mr. Vice-President, I can not turn to some of the details where we are seeking approval for the increases, they are all listed under several Heads.

Head 1—The President, in the amount of \$184,980.00. This was due almost entirely to increase on provision in electricity rates. There was a T&TEC rate increase on provision in electricity rates. There was a T&TEC rate increase in the course of 1993, and there were some carried forward 1992 electricity bills, and most notably, T&TEC had done estimates of readings and they went in the course of 1993 and did the actual meter-reading and that caused certain significant increases. It is a small Head, and the President was not able to do the normal transfers and was therefore exposed on the electricity bills and we are now seeking to correct this by having Senators approve \$184,980.00.

Head 3—The Judiciary, in the amount of \$230,000. It is well known that the judiciary enjoys a perquisite of office, a term of their service known as judicial contract. This item was provided for in the 1993 Budget in the amount of \$1.5 million. Due to a bunching of requests for the enjoyment of that term of service in 1993, and also because following the depreciation in the exchange rate, airline fares went up. For those two reasons the amount allocated was insufficient and we provisioned another \$230.00 to meet that item.

Head 6—Service Commissions—\$158,000.00. Principally on account of the Salaries Review Commission's acceptance of their recommendations we now seek approval to allocate more moneys to the Service Commissions.

Head 13—Office of the Prime Minister in an amount of \$13,800.00. This falls under two items. The first is on account of the purchase of the building around the Savannah from Algico Limited, to house the Ministry of Community Development and Women's Affairs.

Mr. Vice-President, the Ministry is a new one under this particular Government and until even now is housed in several places. It is desirable that it be centralized. Therefore, the Government sought office space and advertised for that in several newspapers. This particular property was found to be the most suitable and this amount is for an advance for the purchase of the building, \$6.3 million. In addition, the Trinidad and Tobago Turf Club and the Union Park Turf Club were advanced an amount of \$7.5 million for the acquisition and the assets of those clubs. The Queen's Park Savannah building and the Union Park Turf Club is being acquired.

Head 15—The Tobago House of Assembly—\$1 million. This amount is required to extend the School Feeding Programme in Tobago.

Head 18—Ministry of Finance—\$189,355,452.

Head 19—in the amount of \$142,477.40. It would be observed that these two amounts—which total together \$331,832,492 and which have been a direct result of the depreciation of the Trinidad and Tobago dollar—account for 70 per cent of the supplementary funds now being sought and are attributable to the reasons that I outlined earlier.

I will give you a breakdown and details of the \$189 million. Interest on overdrafts—\$112 million; principal, another \$62 million. Then specifically for the Iron and Steel Company which the Government has to service, \$15.2 million. The sum of \$112 million is required to supplement the original provision of \$212 million. In other words, we budgeted \$212 million, but because of the depreciation a further \$112 million is now required.

2.50 p.m.

If Members are interested, I can also provide the details of the \$142 million.

Sen. Mansoor: Is that the expenditure account liability?

Hon. W. Mottley: Yes, that is on the domestic front. There were additional borrowings from the Central Bank and increased interest rates. That is \$112 million interest on the overdraft. That is correct. My apologies.

The external loans amount to interest of \$9.6 million and principal of \$52,555,452 both totalling \$62,155,452 and then for the Iron and Steel Company, \$15.2 million and when you take all of that you get back up to \$189 million which is listed under sub-head 18. I have the details of all of these transactions and can make them available to the Senators.

Under Head 22, Ministry of National Security, \$2 million; \$1 million was to supplement the provision of funds for food for the regiment and the other \$1 million is to purchase new passports. The first item needs no further explanation.

On the second item, I should point out to Senators that we have been receiving complaints from countries overseas that the existing Trinidad and Tobago passport which is locally produced is being forged and that we require security passports, printed by companies that print bank notes. Clearly, there was a trend of problems with the holders of those passports as they went abroad. Therefore, the Government has taken steps to have one of these security companies in Britain print the new passports.

We have provided \$1 million for the first such printing and they would shortly be available at the prices that were outlined in the 1994 Budget. They are really only \$150, a small increase from \$100. If you do hold a passport that has still an unexpired life, there would be some rebate on the unexpired life of that passport.

Under Head 26, Ministry of Education, \$67,988,281. Quite frankly, there was some under-provisioning in the 1993 Budget. There was a shortfall under personnel expenditure of \$49,488,281. There was an additional \$17.5 million for the extension of the School Feeding Programme in Trinidad which was announced by the Prime Minister in June, and a further \$1 million for urgent repairs to government secondary schools.

Sen. Rooks: The US government has been known to transfer visas into new passports. Since these are new passports, would they transfer visas? Have they organized anything there?

Hon. W. Mottley: The matter of the issue of visas is a matter entirely under the control of the US Immigration Service. However, we appreciate the problems of Trinidadians and Tobagonians. Whatever moral suasion we can exercise is being exercised. The problem is understood.

Under Head 42, Ministry of Local Government, \$993,297 is entirely on account of amounts under the personnel expenditure vote proving insufficient for the Ministry of Local Government and having to top up that vote for that purpose.

Under Head 43, Ministry of Works and Transport, in an amount of \$15,562,496. Of this amount, the first item is an amount of \$10 million to supplement the Unemployment Relieve Programme which is funded from two sources. Firstly, an amount of \$76 million was allocated from the Consolidated Fund in the 1993 budget and the balance of \$54 million to make up—I believe if my arithmetic is right—\$130 million was from the Unemployment Levy which is paid by the oil companies.

The sum of \$76 million from the Consolidated Fund was used up. However, due to oil prices and lower oil production that was anticipated, there has been under-performance in the Unemployment Levy. In order to keep URP running until December 3, 1993 we have had to top up by this supplementary. It means that URP would not obtain the sum of \$130 million that we had originally anticipated, but in order just to barely keep it going to December 3, as we had anticipated, we are seeking approval to top up that by \$10 million.

In addition, the Ministry of Works and Transport is seeking \$4.3 million from the Contingencies Fund, and \$1,262,496 from treasury deposits to assist Port Authority. The Authority has been consistently cash starved, and the Ministry of Finance has been trying to give them some assistance from time to time. This critical assistance was required to meet insurance premiums for their sea-going vessels on the Tobago run.

Head 44, Ministry of Public Utilities—\$34,164,936—has made several requests on behalf of their charges for supplementary funds. The Public Utilities Commission itself was being restructured. We did not complete the restructuring on time as was originally anticipated when the 1993 budget was presented. Therefore, we have had to incur unexpected further expenditure of \$1,221,436.

Then WASA was allocated \$15 million in the 1993 budget as a direct subsidy from Government. This subsidy was exhausted by June, in spite of the reductions in the labour force in the course of the year which hon. Senators all know about. We have had to top up WASA by a further \$17,240,000 just to keep the service alive.

Similarly, \$50 million was allocated to the Public Service Transport Corporation. Again, despite increases in bus fares and Government funding the voluntary severance of several hundred workers, still an additional \$15.7 million in supplementary is now being asked of this Parliament to keep the service alive, until December 31, 1993.

3.00 p.m.

Head 45, Ministry of Consumer Affairs and Social Services, in the amount of \$6.6 million. When the Government took the decision to float the TT dollar, it was known that the result would have had an adverse effect on the cost of living. In order to cushion the effects of the depreciation of the TT dollar, especially on the disadvantaged and the elderly, the Government took the decision in June to increase the food element of old age pensions and we are now seeking the approval of this Senate to have \$6.6 million in supplementary funds approved for the purpose. It means that old age pensioners who knew of this since June but who have, in fact, not been receiving that incremental amount, after passage of this measure, hopefully today, will get a little backpay, going back to June, on this particular element of increase.

Head 47, Ministry of Foreign Affairs, in the amount of \$758,480. This amount is being sought to meet obligations for some of its international dues and

obligations, which denominated in US dollars, in particular the Caribbean Telecommunications Union, the Centre for Regional Seismology in South America and contributions to UNESCO.

Sen. Spence: Can the Minister say whether included in those international obligations is CAB International, to which Trinidad has not paid its dues? Could you amplify, a bit, your reference to the purchase of the building belonging to the Trinidad Turf Club? It seems to me that if the land belongs to the City Council, the Turf Club cannot very well move the buildings on it. We really are in a buyers' market. I wonder why we paid anything for them at all. Why are they not just left there? I do not see how we can move them.

Hon. W. Mottley: On the CAB, I do not believe that the amounts I have given here add up to the amount being approved, which means that item is not covered. I just do not know. I cannot, at this stage, help you with that particular item, but I can check and make the data available to you.

The Turf Club has an unexpired term on the Savannah lands and, therefore, we are paying for the value of that unexpired term plus the particular assets, the buildings, and the Grand Stand in particular, which come over to us in February of next year.

Sen. Spence: How long is the unexpired term?

Hon. W. Mottley: I do not have that data. Minister Kuei Tung is not here. Oh, yes he is. The unexpired term of the Turf Club in Port of Spain?

He believes it to be about seven years, but these items were dealt with by independent valuers. The Government did not sit across the table and negotiate with the racing clubs, we had the valuations done by independent, professional valuers.

Sen. Spence: I think that the people of Trinidad and Tobago should have waited seven years to save then \$7 million.

Hon. W. Mottley: These amounts are due not only for Port of Spin, but there is the real estate in San Fernando as well, the Union Park Club, which is a freehold property.

In closing I want to state that this Supplementary Appropriation Bill will increase the 1993 appropriation by \$475,277,962, so that the total amount to be appropriated for 1993 will be \$8,529,955,333. This sounds like much money,

especially in a supplementary, but I want to give this Senate the assurance that sayings have been identified to meet this particular supplemental appropriation. Unfortunately, most of those savings, I think in excess of \$210 million—Dr. Saith can correct me—have been on account of savings in the capital programme of the budget, but there have also been other sayings in PE, transfers, *et cetera*, so that one should not be alarmed by this to believe that this is just extra spending for this amount. What will happen is that, eventually, when the Government's books are closed after December 31, 1993, the whole account will be brought to Parliament in the course of the first quarter and we will explain all the details of the sayings by which we hope to fund this supplementary before you.

Question proposed.

Sen. Wade Mark: Mr. Vice-President, we have been forced to be here for the last two days, so if you are hearing me very often, I am not responsible.

Sen. Daly: Mr. Vice-President, on a point of order. Before my learned Friend embarks on his third contribution, I wonder if he has anything to tell us about some colourful remarks he made yesterday, about which some of us are concerned.

Sen. W. Mark: I did in fact realize that when I used the term "white", some of my colleagues felt that I was referring to them.

Sen. Daly: The expression referred to "white Americans", if I am not mistaken.

Sen. W. Mark: If anyone was offended by my remarks, I want to indicate to them that it was not intended. If that would in any way reduce the level of concern on the Back Benches. It was not meant to destabilize anyone or to make people feel uncomfortable. It was just a very serious point I was making with respect to our sovereignty and independence in Trinidad and Tobago. I hope that my good and hon. Friend, Sen. Daly, would review that colourful part and realize that no injury was intended.

3.10 p.m

Mr. Vice-President, coming back to this particular Bill we have before us, the object of the Bill as outlined by the Minister is to authorize supplementary expenditure of the sum of \$475,277,962 for the services of Trinidad and Tobago for the year ended December 31, 1993 under the Heads of Expenditure as outlined in the Schedule. Mr. Vice-President, as you know, the Minister made it very clear that this Supplementary Appropriation has to do with the Government's ill-

advised decision to devalue our currency to the tune of 35 per cent and then in a very colourful style, represented it as a float in Trinidad and Tobago.

Our currency has not been floated, it has been effectively devalued. I do not know what role the cosmetologist—the man who puts on all the frills, Sen. Gordon Draper—had to play in this one—but to "mamaguy" this population and tell us that our dollar is floating when we had an effective devaluation is to play games with people's lives. This is nothing new, Mr. Vice-President, the Government has been playing games for the past two years and what we have here is a reflection of the continuation of the games that it has been playing in this Supplementary Appropriation Bill.

The issue of Supplementary Appropriation Bills has now assumed what we call comic proportions in this Parliament. Year in, year out, this Parliament has to debate two budgets. We are going to debate the official one shortly and next year around this same time we are going to debate a second budget. The key difference with the Supplementary Appropriation Bills is always that acts have been committed, decisions have been taken, transfers made and the Parliament is called upon, simply, to endorse decisions already made. The whole process—as we call it on this side—of rubber-stamping.

We are concerned about the principle of this exercise. It has now become an annual ritual in our Parliament. We have raised, repeatedly, the issue of financial accountability in this country. Why must we allow this Parliament to be used as a floor cloth, year after year, after we have approved expenditures? We have called on the hon. Minister to engage in greater planning and forecasting. Last year the sum was \$233.5 million in over-expenditure on the part of this Government. This year it is twice that sum and the reason was already elaborated upon.

Mr. Vice-President, nobody seems to be listening, or maybe they are, but they are not hearing. The Minister who is here today indicated to us last year when he was about the same mission, that his Ministry had been provided with new equipment and tools and as such the Government would be in a better position to improve in a more accurate way its planning and forecasting. This is what he told us when he last presented the Supplementary Appropriation Bill for 1992. But, he has come here today and in his normal fashion provided this Parliament with little details of huge expenditures that we are asked to approve and in a very flippant way he tells us that, he has the details and he can make those available. Why not make those details available to the Senate before the debate so that we can look at

these things in a more detailed way? But information is a favour in this country, it is no longer a right of the citizens of our Republic and we have to depend upon the whims and fancies of the Government of this country to provide us with information that is crucial for our deliberation.

The system of public finance still remains loose and corrupt, in spite of the fact that we have repeatedly advanced the issue of corruption, which apparently some of our Friends in the back do not support. Some go on radio programmes and attack the Opposition. We will deal with those people at the appropriate time.

I want to indicate the issue of public finance is extremely important for our development in Trinidad and Tobago. When we look at the Auditor General's accounts for the year ended December 31, 1992, what do we see? We see a litany of financial irregularities bordering on corrupt and criminal practices in the public sector, misappropriation and fraud, theft, and when we indicate to the Government that we need to reform the system, it laughs. But here it is we have the report of the Auditor General who says that this is looseness in public financing. What is the Government doing about this? The Auditor General has been repeating this year in and year out, 742 cases of over-payments amounting to \$2 million. That might not be much for Minister Kuei Tung, but for ordinary people in Trinidad and Tobago it represents a vast sum of money.

3.20 p.m.

Mr. Vice-President, thefts, losses and other irregularities—518 cases, and out of those 518 cases, close to one million dollars involved in thefts, losses and irregularities.

In addition, the Auditor General goes on, 221 cases reported in previous years involving amounts of \$5,000 and over, which total \$9.7 million. This has been going on for years. A very important and telling statement by the Auditor General:

"Theft and losses reported to be this department are increasing annually. While in some cases the losses appear to be caused by negligence of officers responsible, the majority appears to be the direct result of the increasing criminal activity which is permeating the fabric of the society."

I am saying that these are serious developments taking place in the public sector, at a time when the Government is bawling.

Sen. Mahabir-Wyatt: Mr. Vice-President, could I ask the hon. Senator if he is implying that it is the workers in the public service who are corrupt, and whose moral decay is permeating the society in terms of this theft?

Sen. W. Mark: I am simply quoting from the Auditor General's Report. She did not indicate whether it was workers, or managers, or accountants. What is indicated in this report is that the accounting officers have a very critical role to play in the supervision and monitoring of Government expenditure. She did not mention workers in this matter. I cannot say, hon. Senator, if workers are involved. But I have a position: If workers are corrupt, you deal with them; if Government Ministers are corrupt, you jail them. I have no difficulty with that. I do not condone dishonesty and corrupt activities. As I said, the Auditor General did not indicate whether it was workers or senior managers.

Mr. Vice-President, this Parliament requires what we call "meaningful reforms". We have to advance and develop and establish meaningful reforms to address the system of public finance in Trinidad and Tobago, and we do not know what this Minister of Public Administration is doing. He seems to be spending a lot of money on going down the road—\$400,000. What is he doing about serious accountability as the man responsible for public service reform? What is he doing? Year in year out, moneys are missing, all kinds of things are missing in the public sector, and no one is arrested.

This Parliament authorized the Minister of Finance to spend revenue according to approved Heads of Expenditure. Without any parliamentary intervention, or any real justification, this same Parliament is being requested to vote in favour of a Bill to justify and approve expenditures which were varied unilaterally by the Government. Mr. Vice-President, we repeat our call for the establishment of a joint parliamentary committee on financial matters in Trinidad and Tobago. We need to monitor and supervise the implementation of our national budgets. This is necessary for accountability and proper use of power.

The PNM is guilty of abusing its powers in the past and now, this is why we have been asking for the deepening and the institutionalization of the democratic processes in our country. We are saying, to do so we must establish the relevant mechanisms. One of the areas in which we have been advancing recommendations—in spite of what Senators in the Back Benches have been saying—is in the establishment of a system of parliamentary committees to deal with the issue of accountability.

Something is fundamentally wrong with the country's financial system. The fact is that we receive these documents every year, with little or no information of value. This Minister seems to be trying, under difficult circumstances, but he is

Supplementary Appropriation Bill
[SEN. W. MARK]

Tuesday, November 30, 1993

helpless as well. He promises to bring something of a more substantial nature to us, yet he brings the same old, almost empty document, on a Supplementary Appropriation Bill. The Minister has a responsibility and a duty to provide this Senate with detailed information, and not sketchy disclosures and false promises. How long can we allow this circus to continue?

Information is at a premium rate insofar as this Government is concerned. We are entitled to information. The PNM believes that when it gives information it is providing us with some kind of favour. I want to put to this honourable Senate, that this exercise is one in futility. It makes a mockery of our nation's democracy and the entire budgetary process. What real controls do we, as a Senate, have over Government's expenditure? This Senate has assumed the status of an observation post; we have been just watching and we cannot, in any way, influence the decisions of Government. We have to change the system. This system is corrupt and we have to alter it. But the PNM is not prepared to do so, because it is part of the system.

The Government has done little to transform the virtually corrupt financial system in our country. The Auditor General has, in fact, been making requests over and over to this Government to beef up its staff, and through that process stem the rising tide of corruption, and this has not been done. We recognize the need and even the basis for reallocation of expenditure from time to time. What we are saying, however, is that it makes a mockery of the budgetary plans and processes of the Government. The Government, by its actions, is deliberately undermining and subverting the parliamentary process and transforming the Parliament into a laughing institution.

3.30 p.m.

But, Mr. Vice-President, we shall continue to press on with our job, without fear or favour, to rid this country of these new parasites, because we are convinced that this Government is not seriously and truly committed to our nation. When we look at these expenditures that we are asked to approve—the increases—this Government knew in advance that it was going to float the currency, to devalue the currency. The hon. Prime Minister had signalled in January, 1992, that the Government was going to float the currency. They knew long in advance that they were going to float.

In fact, the T&TEC increases that came did not come overnight. Right now this Government owes T&TEC \$50 million. When will the Government settle that debt

with T&TEC? Instead, it seems to be rushing in a mad way to privatize the generating capacity of T&TEC to their American friends, Enron. "Mamaguying" the population and telling the population no decision has been taken when all that is required now is a formalization via the announcement. They have decided who will take 49 per cent of T&TEC's generating capacity, but if it is one rock that will shake the system in 1994, it will be that rock. Let the Government go ahead and privatize without consultation and without discussions. This is why we have said on numerous occasions that this Government is going about its business standing on its head, not on its feet.

Mr. Vice-President, when we look at the expenditure for the Office of the Prime Minister, we see under Head 13—\$13.8 million. We also heard reference being made to the acquisition of assets of Trinidad Turf Club, Union Park. We heard from the hon. Minister that a valuation was done by independent valuers. Well, we have heard that talk before. We do not have the information. We have to take it for granted. "Trust us." Trust the PNM. Trust the Government and they will take us down the road. We have to trust the hon. Minister today. He tells us that an independent valuation was conducted and it cost, at the final stage, \$7.5 million.

I recall sometime ago, that T&TEC conducted a valuation of its properties occupied by some of its senior staff members. One valuator had one valuation which was very high and there was a second valuation which turned out to be very low, and the management of T&TEC accepted the second valuation and sold those houses below market value. We do not have the facts on these matters but the Government is requesting our support. They want us to approve, but we do not have any information. I must trust Minister Mottley's statements and utterances.

Well, the big pay back has come. ALGICO publicly financed the PNM's campaign in 1991 and the big pay back has come. If that is not corruption, I do not know what is. They paid \$6.3 million of taxpayers' money for a run-down building that nobody wants except the Government of Trinidad and Tobago. Nobody wants it. That building at the corner of Jerningham Avenue and Queen's Park East has been languishing for the longest while. Sometimes I think it is a ghost house.

But all of a sudden, the Government tells us that the hon. Minister of Community Development has a big Ministry and it is situated in different departments, that everything has to be centralized and the most appropriate

building that could have been located to house our hon. Minister of Community Development is that ALGICO building.

Mr. Vice-President, this is a conflict of interest. This is corruption. They are telling us today that we must support corruption by asking us to approve this Bill.

The hon. Minister Barry Barnes, when he was speaking yesterday, was very sincere when he made the declaration that he was a former worker of Texaco.

We have people in this Government who were former employees of ALGICO and who have used their influence to get this Government to sew up private deals like this ALGICO building for \$6.3 million.

Mr. Vice-President: Sen. Wade Mark, I just want to direct you to Standing Order 35(5).

"No Senator shall impute improper motives to any Member of either Chamber."

You are treading on some very tenuous ground, so please be guided.

Sen. W. Mark: I am not casting aspersions.

Mr. Vice-President: Please be guided.

Sen. W. Mark: Mr. Vice-President, we are dealing with conflict of interest here. That is what we are dealing with here—conflict of interest. We are not casting aspersions. We are dealing with conflict of interest and public moneys. That is what we are doing.

Sen. Ojah-Maharaj: You are imputing.

Sen. W. Mark: I am not imputing either and if I am imputing, I want to say that I am not doing that here.

It is immoral. It is bordering on criminal conduct. It is almost illegal for anybody in public office, without making a declaration of interest, to be engaged in the kinds of activities that we are seeing here. This is why the Integrity Commission had a massive forum and symposium on this issue of unwholesome activities—irregular behaviour, conduct.

How do they explain the fact that there are people in Government whose buildings are being rented by the Government and they are active in the Government? There is a building somewhere on Queen Street that is now occupied by the CSO and we understand it is the building of a Government official.

Sen. Hosein: Whose is it?

Sen. W. Mark: No. I do not want the Vice-President to say that I am imputing improper motives.

Sen. Rahael: Will the hon. Senator give way? Is the hon. Senator suggesting that Members who are supportive of the Government and Government officials should not have any dealings with the Government of Trinidad and Tobago?

3.40 p.m.

Sen. W. Mark: All I am saying is that these disclosures should be made and it should not be some kind of secret, under the carpet. We are saying that there must be full, public disclosure on these matters. This is what accountability is all about. But I have to hear through the grapevine that some Senator has a building on Queen Street and it is being rented by the state. That is what I have to hear. I am saying that should be made public and it should be declared.

What we are dealing with here are some very serious issues; conflict of interest. Recently another building was purchased to house the National Insurance Board in Barataria.

Mr. Vice-President: Sen. Wade Mark, is that building the subject of the Supplementary Appropriations of the Service of Trinidad and Tobago Bill?

Sen. W. Mark: Mr. Vice-President, we are talking about buildings that the Government is purchasing. For instance, if we go to the Auditor General's Report, we are advancing that this is public revenue; this is taxpayers' money, and we have in the Auditor General's report where he is advising the Government very strongly to get out of this rental arrangement. It is costing this country \$27 million a year. All we are saying is that these matters ought to be publicly disclosed and we do not want secrecy in these matters. I want to make the point that it is a principle we are dealing with here.

Sen. Prof. Spence: Mr. Vice-President, I find myself in some difficulty because I certainly do not want to appear to be defending the Government, but, really, we are spending time discussing these other matters other than the Bill. Surely, this could wait until we deal with Sen. Wade Mark's Private Members' Motion which he has on the Order Paper. I really feel we are well aware of his views about the corrupt nature of the Government. Could we not get on with the debate on the Bill?

Sen. W. Mark: Mr. Vice-President, at one point in time I thought you had vacated your Chair and the hon. Senator had taken it over. The hon. Senator

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cannot tell me when I should debate something. You, Mr. Vice-President will advise me on that. He does not have that authority to tell me this. I have a right to speak here. I have freedom of speech in the Parliament! Until I am cowed or until you tie my tongue, I will speak freely and frankly and without fear or favour. If he wants to defend the Government, that is his business.

Mr. Vice-President: Sen. Wade Mark, you have been in the Senate and you are aware that all Members have a right to draw the attention of the Chair to anything that they might consider an infringement. I think this is what Sen. Spence did a short while ago. I am advising you that you should make your comments and treat specifically with the matter before us this afternoon, the Supplementary Appropriation Bill for the year ended December, 31, 1993. You would have an opportunity in the budget debate to range far and wide.

Sen. W. Mark: I am anxiously awaiting the budget debate, but I am giving some signals here. Mr. Vice-President, I will be guided by your directions on this matter.

If we go to the Ministry of Finance under this particular matter that we have here, we have the issue of moneys being paid to Texaco, the issue of interest on external loans as it relates to the acquisition of the assets of Texaco Trinidad Incorporated. How much money could the hon. Minister tell this Parliament we are still owing Texaco? What is the outstanding sum? We would like to know the outstanding sums of moneys which are owed.

Could not the hon. Minister in his budgetary process predict these kinds of expenditure? Did the hon. Minister not know that we have this commitment to Texaco? When he devalued the currency, did he not know that we had to deal with this issue, and even before? This is what this is about, the debt crisis. They devalue the currency, triple the country's foreign debt commitments and have this nation in a state of uncertainty and instability. But we would deal with the question of Government's debt strategy and management at the budget debate that most people would like me to deal with.

One of the areas that we want to deal with as we proceed is with the Iron and Steel Company—an increase of \$15 million—and we understand they are going to sell it, ultimately, because they have a durable salesman who sells everything in his path. We have a situation where the Iron and Steel Company of Trinidad and Tobago is now being leased to Ispat, and Ispat, I understand, pays this country some \$10 million a year for renting these expensive equipment. The plant cost the

taxpayers of this country close to \$2 billion—the Iron and Steel plant of our country. Yet, we are collecting a measly \$10 million and these people who are here do not pay, or they are exempted from paying, or they are given concessions in a number of areas, that ordinary Trinidad and Tobago manufacturers could never hope to reap under this Government.

What we are seeing here is that this Government is prepared to sell out, to lease and then to inherit the debt. Why do they not, in their privatization drive, get the foreigner to deal with the debt also? They are not doing that. They are tying up the country with foreign debt and they are leasing, selling and privatizing our state enterprises. We understand that Iscott is on the chopping block for sale in 1994 or whenever the period expires for Ispat.

We go to the issue of pensions and gratuities. We are seeing, under this heading, many outlays in this area: Public Officers pension—\$9.8 million. Does this sum include the Port pensions? I would like the hon. Minister of Finance in his response, to indicate to us whether this \$9.8 million included some funds which are outstanding. Well, not outstanding, because Port pensioners have not been paid their pension for the months of October, as we speak. The Port pensioners had to deal with the PNM publicly in order to get a commitment from the Prime Minister. We want the Government to take pensioners' rights seriously.

3.50 p.m.

The people at the Port have laboured and the Government refuses to properly fund the pension plan after people have almost been inveigled to leave their jobs—go through the route of voluntary retirement and retrenchment.

The former president of the Seamen and Waterfront Workers' Trade Union, Mr. Vernon Glean, is a pensioner and he has to be pounding the pavement around this Parliament and outside the Twin Towers in order for him—a stalwart of the labour movement; a man who has made yeoman contributions to the development of this country; former Senator of this honourable Senate—to get what is legally his. It is not him alone. I am talking about hundreds of pensioners in Trinidad and Tobago who are former employees of the Port Authority who have to be fighting for their legitimate rights.

I want the hon. Minister to indicate to this Senate, what is taking place insofar as the pension rights of these port workers are concerned.

Mr. Vice-President: The speaking time of the hon. Senator has expired.

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Motion made, That the hon. Senator's speaking time be extended by 15 minutes. [*Sen. S. Capildeo*]

Question put and agreed to.

Sen. W. Mark: Mr. Vice-President, I now go to the Ministry of National Security. If people are committing fraudulent activities and forging our passports, we have to take action. What we are concerned about here is this consulting and other contractual services that cost this country \$1 million. To whom did this money go?

We are being asked to approve matters about which we have no information. Who are the contractors? Who provided consultancy services? I do not think it is going to harm the Government to tell the Parliament and the population. We need to know. The Government is asking us to approve \$1 million for what? Is it a ghost company? It has to be a real company. [*Interruption*] No, I do not want it that way. I want it in black and white. I want it in writing. I want the documentation. I want the terms and conditions. I do not want anybody shouting across the Chamber and telling me who it is. I do not want that.

This is the problem that we have in our country. We do not get the information that we require by right. [*Interruption*] Well, they do not want that. They want secrecy and they want to engage in conspiracies. That is what they want.

As I said, in principle, we cannot be against the country taking action to protect its national security.

Mr. Mottley: Mr. Vice-President, for the information of the Senator, this matter was handled by the Central Tenders Board and their records are available for public scrutiny.

Sen. Ojah-Maharaj: [*Inaudible*]

Sen. W. Mark: Mr. Vice-President, if the Senator continues to disturb me I would have to report him to the Prime Minister, and he knows he would be demoted. [*Interruption*] Not the invisible one. It is the real one I am dealing here with now. If the Senator continues to harass me, he should remember how he got his post. He should not press me. He is looking for trouble.

Under the Ministry of Local Government we know for a fact that the Government had no choice but to allocate at least \$1 million in an effort to prop up this important Ministry. We know that this Government also advised a number

of regional corporations to vire funds that were intended for development programmes to recurrent expenditure so that the workers of the regional corporations could, in fact, be allowed to work until December 31, 1993.

The Government's real intention was to retrench about 6,000 of those workers. But, if John did not go in the valley of the valley and threatened Valley in the valley, Valley would not have done what he did; and the hon. Prime Minister Manning would not have done what he had to do in this context.

The Government has intentions, but the workers are preparing. I already said that 1994 is going to be a year of militant action. *[Interruption]* I never said that about 1993. I said that 1993 would have been the year of bankruptcy for Dr. Saith. That is what I said, and it has come to pass. Let me talk. The Senator is provoking me and I would say things he does not want me to say here.

All we are saying here, under the Ministry of Local Government, is that there is need for the Government to properly allocate funds so that this kind of emergency would not rise in the future. The Government should provide workers with the kind of support necessary so that they can have their 10 days on a fortnightly basis.

This Government reduced the allocation to the Ministry of Public Utilities deliberately. As a result of that deliberate strategy, the Government had no choice but to provide some backup. But, we understand that there were various private task forces that went into WASA and we have not received any accountability. We want to know if the sum of \$17 million for WASA included the intervention of private task forces. We would like to have some information on this matter. What was this \$17 million used for? Was it used exclusively for wages? Let us know. Do not allow me to speculate because my mind is running in a way that I do not want it to. Give us the information so that we can deal with these matters.

We are saying that the Government is deliberately engaging in an exercise that is aimed at also destroying the Water and Sewerage Authority, and it had no choice in 1993 but to provide some assistance to that Authority. This is the Minister who talked about a surplus budget in 1993 and comes here today for us to approve expenditure that is close to \$500 million.

In tying up my contribution at this time, we want to advise and advance, at the same time, that this ritual that we are going through today will continue unless this Government is brought under some "heavy manners". Unless and until we are able to establish a joint parliamentary committee on financial matters in Trinidad

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and Tobago, where we could monitor the financial activities of this Government, we are going to continue to have a situation where we approve a budget and the Government comes back, revises the budget and we have to approve of it after the fact.

4.00 p.m.

In order to ensure proper accountability such a system is needed urgently in our country and we can, in fact, ignore this proposal at our own peril. I advise the Hon. Minister of Finance that he needs to improve the system of public financing. He has to establish more efficient mechanism within his Ministry so that when he comes to the Parliament in 1994 to present the 1993 Supplementary Appropriation Bill, we can be provided, as parliamentarians, as jealous keepers of our republic, with the kind of detailed information necessary for us to make what I call more meaningful, more serious, more profound contributions. We want to investigate the Government in a more detailed way but we need that information. We hope that this Government would do something to overhaul this system of public finance and support our call for the establishment of a system of joint parliamentary committees in this country and in this Parliament, which would serve to monitor, police and supervise the activities of all Government ministries, agencies, Government departments, statutory authorities and boards.

If we do not get that system in place, we are always going to be receiving reports from the Auditor General talking about all kinds of irregularities and corrupt practices in the public sector. The Government will continue to engage in secret arrangements and private deals and not bring those matters to the attention of the Parliament. I keep repeating, that it seems to me, whether people recognize it or not, it will only be under a United National Congress government that these institutions will be established, because this Government is not prepared to do it. They are not prepared to deepen the democratic process in our country. We can only deepen the process when we establish the institutions and the mechanisms so that people can be accountable.

The President of the United States can go to jail. Nixon had to vacate office otherwise he would have faced impeachment. That is the extent of the system of checks and balances in the United States of America. *[Interruption]* I will criticize them whenever it is necessary. If Sally Cowal interferes in our affairs, I will deal with her too. That does not mean to say that we cannot observe certain powerful elements in terms of their systems. We can learn from their systems. I have no problem with that.

We are saying that we have difficulty in supporting this matter. The Government has to take our comments and observations very seriously and do not use us as patsies on this side. We are not prepared to be used as rubber stamps. We do not want that kind of responsibility and role. If others want that, that is their business. We are saying clearly and without favour that the Opposition, the United National Congress, wants a system of parliamentary committees so that we can monitor and police the activities of the Government of Trinidad and Tobago, whether it be the PNM, who is going out in 1996, and we are coming in, or whether it is another party in the year 2020. It does not matter. We want to strengthen and deepen the democratic process and I so guide the hon. Minister of Finance, so that in his response he would deal with these critical issues that I have raised.

Thank you very much, Mr. Vice-President.

The Minister of Public Administration (Sen. The Hon. Gordon Draper): Mr. Vice-President, let me say I understood a little this afternoon about Sen. Wade Mark. He began his contribution by noting that he was speaking for the third time, not through his own doing, but because of something that happened on this side. It is clear to me that he is not in control of his own actions which, perhaps, suggests why we do hear certain things.

Mr. Vice-President, let me assure you that I will not be following him down his meanderings of irrelevancy but, having introduced for yet another time in this Senate the issue of ALGICO and the issue more generally of accommodation for public servants, I felt it important that we intervene once again to put the record straight.

I may remind you, Mr. Vice-President, and this Senate that some weeks ago this issue also came up and we on this side committed ourselves to provide the Senate, by the end of the year, with full details relating to the ALGICO purchase, and we intend to honour that commitment. Perhaps, it is important that we put this in some context even some weeks before we do lay that document, given the comments of Sen. Wade Mark.

Let us recognize that the issue of accommodation has been one of grave concern to the Government. It has, indeed, been a core element of our own public service reform activity. The Public Services Association—and I understand that they are a brother association of Sen. Wade Mark, so clearly, he would understand when that association—joins with other public service unions to identify

accommodation as one of the critical elements needing attention as part of our reform activity. We recognize that the Government occupies and in some cases, owns buildings, many of which are in need of repair. But we also rent a large number of buildings. In fact, in answer to a question in the other place some time ago, we indicated that we spent somewhere in the region of \$18 million a year on rental and office space throughout Trinidad and Tobago. We indicated then, too, that we needed to treat with the issue of the standard of accommodation for public servants, not only in rental accommodation, but even in accommodation that Government itself may own.

To us there is a clear link between the physical environments in which people work and their level of productivity. In taking all this into account in 1992, the Government, and the hon. Minister of Finance alluded to it in his presentation, went out publicly and sought to enquire of the national community what buildings were available for rent or sale which we could use to house Government offices.

Mr. Vice-President, we got 16 offers of varying sizes, buildings in varying states of repair. Our commitment to the public service meant that we had to look at these buildings to determine which were really suitable. Among these, ALGICO was put up to us as a possibility. While some of the owners of buildings were prepared to rent, others were more interested in a sale arrangement of one sort or another. Let us also recognize that we needed to ensure that we had sufficient space to comfortably accommodate those Government offices. In the case of the Minister of Community Development, Culture and Women's Affairs, their estimate of space was somewhere in the region of 15,000 square feet. Most of the buildings which were offered to us were not of that size.

4.10 p.m.

ALGICO afforded us 17,000 sq. ft. It is a building which had recently been occupied by one of our corporate citizens and, therefore, had had occupants who were concerned with space and decent layout. As we sought to look at that building, our own Ministry of Works and Transport looked at it and recognized that there were some elements of repair that would have needed to be done, before it could be comfortably occupied.

More that this, we needed to recognize that as one changes the way in which a building may be used, from one occupant to another, the needs vary. Therefore, in addition to the physical repairs which were necessary with issues relating to the roof and electrical installations, there was also work to be done in terms of the internal partitioning.

We sought valuation not only from the Valuations Division of the Ministry of Planning and Development, but also from external, private and independent valuation before we arrived at a figure which we would then use for transacting the sale between the Government and ALGICO. It was on that basis that we arrived at what was an acceptable figure for both the Government and ALGICO: the basis of evaluations done by the Government and an independent valuator. In other words, we had two valuations on which we could base the decision with regard to that transaction.

While the Minister of Finance in his Bill, identifies \$6.3 million which he quite rightly has to do, when we lay on this Table the full details of that transaction, one would see that the arrangement includes, among other things, payment over a period of time and the issuance of bonds which would be part of the final settlement to ALGICO. The Ministry of Finance is continuing to put these measures in place. The Minister of Finance quite rightly at this stage has to identify that figure in the Supplementary Appropriation Bill.

More than this, the arrangement which we are able to enter into with ALGICO saw ALGICO agreeing to undertake—under the supervision of the Ministry of Works and Transport—the necessary repairs before the Ministry could occupy it.

While for the second time—repetition is his norm—Sen. Wade Mark alluded to the fact that the building stood for some time with seemingly nothing being done. For the second time, I would say to him, that over that period of time, the physical work was being done, and even as we speak, the internal reconstruction is going on. For the second time, I would say to him that we expect to occupy that building early in 1994.

We entered into the arrangement; we did it in such a way that would be beneficial in terms of financing and that by the time the public servants enter, they would enter a building which is physically strong and has the necessary internal restructuring to allow them to function effectively and efficiently. As I said, these details would be laid in Parliament. I made a commitment to do it before the end of the year. We still have a few weeks to go and we intend to honour that commitment. We felt it important that we make this point at this stage.

Let me go further. Sen. Wade Mark also alluded to some of our approaches to rentals and purchase of buildings. Against the background of what I have said, let us recognize that the Government would continue to seek the most appropriate and cost-effective way to provide a physical environment for our public servants.

There are certain processes through which we must go in all of these transactions. Those processes involve, firstly, the identification of an appropriate site, and public servants themselves identify sites. They may come because persons with buildings offer them to the Government, but whichever way they come, a number of things are done. Among these things, we ensure that Town and Country Planning has given permission for the building and any additions which may have been put on.

We ensure that the building is physically strong so that the Ministry of Works and Transport and their construction division could go to inspect the building. Once those checks have been carried out, we then have our own Valuations Division provide some sense of what the worth of that building is, whether it is for rent or sale. It is at that point that negotiations would be entered into between the Property Management Unit of the Office of the Prime Minister and the owner of that building.

I say all of this to point out that the oft touted notions of accountability and systems to which Sen. Wade Mark likes to make mention are all built into the approaches which are followed in every single transaction in which we are involved. Ultimately, the final act to determine whether we would or would not enter into an arrangement with an owner for lease or purchase is a Cabinet decision, which ensures that all of these stages have been gone through, and that Cabinet is comfortable and clear that the matter has been treated with from all perspectives.

In a society like ours, it is inevitable, that from time to time there would be persons who would be perceived to have a relationship with a government, who also, through no fault of their own may have buildings or land to rent or to sell. In fact, just today, we discovered that it is not only Members of the Government who may have lands in which they have to enter into transactions with the state, but also Members of the Opposition may, from time to time, find themselves in that situation.

Whatever the ownership is, the process that is followed remains the same; a process which ensures that we get value for money and we go through all the necessary tests and checks, so that both from our own accountability point of view, and in the case where we deal with office space, the public servant is, in fact, going to be put into a decent building.

Sen. Hosein: Would you give way, Minister? It is gratifying to hear the Minister tell us about this system before the Government rents or buys. Could he then tell us if all this was done with the property on Queen Street, before purchase? If that was so, why the complaint of the civil servants that the ceiling was falling on them, and there were pigeons droppings all over the place?

Sen. The Hon. G. Draper: I will give the assurance that was done in the case of all of the buildings including the building on Queen Street. I am not aware of the complaints of which the dear Senator speaks. I am not aware of the pigeon droppings. However, the steps that I outlined were in fact followed in that case as in others.

I put this in the context of reform because I want to relate to something else to which Sen. Wade Mark alluded. It is something on which I will elaborate later on in my contribution. He made a point relating to the Auditor General's Report and he talked about the importance of reform in the accounting system. Let me say with respect to the broader issue of reform in the accounting system and the more specific nitty-gritty details in the Auditor General's Report, both of those are now occupying the attention of our reform activity.

Sen. Wade Mark needs to understand that merely reading the Auditor General's Report and coming here making grandiose statements will not bring reform; that movement from the findings of the Auditor General's Report to change will come when a number of things happen. This includes clearly identifying why those overpayments were made.

There may be varying reasons, including the fact that in some cases, our own accounting and payment systems are still done manually. That is an issue which we are addressing. In some cases it may well be theft and if that is so, then that has to be addressed in a completely different way. In other cases, one may really be looking at what we ourselves admit to be an accounting system that has long outlived its usefulness.

4.20 p.m.

Whichever the reason, the track that we take to treating with it and reforming it would have to be changed, but we have been on record in this Senate as identifying changes in the system and, indeed, on following through on Auditor General's statements and recommendations as being key and central parts of our own public service reform activity.

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Going back for a minute on the issue of accommodation, let me say that as we ourselves look at that task—and I have already alluded in here to the establishment some time ago of a task force, which included a representative of the Public Services Association, to look specifically at issues relating to accommodation. It is that Association, among others, which pushed and put very high up on the agenda the crisis in accommodation. It is to the recommendations of that report and to our concerns with those articulated by the PSA and others, that decisions such as the purchase of ALGICO would have emerged and decisions which, over the last year, as indeed last year, were taken to repair a whole range of Government buildings and property.

We cannot, on the one hand, be prepared to come here and talk about the importance of efficiency, effectiveness and productivity without at the same time understanding, even in the face of difficult financial circumstances, some of the necessary investments and decisions which need to be made for that to happen. We cannot at one and the same time say that we are concerned with dealing with issues in the Auditor General's Report, with correcting some of those deficiencies, and yet not understand that perhaps one of the ways to deal with that is to ensure that public servants sit in buildings and offices conducive to dealing with the systems which will allow us to correct the deficiencies in the Auditor General's Report.

Logic ought to lead us on to understand the linkage between those things, but logic, alas, is not one of the things in abundance that we get from Sen. Wade Mark. We understand some of his difficulties and we understand why he may rise to speak, but not being in total control, we are never too sure what will emerge.

Let me end by assuring you, Mr. Vice-President, and this honourable Senate, that in the matter relating to the ALGICO building, the approach followed the steps I have outlined. The approach to that, as the approach to other places, was done against a background of valuations and testing.

Also, the other issues which Sen. Wade Mark raised with regard to the Auditor General's Report, the accounting systems and so on, are indeed central parts of our reform activity about which we will say more in the coming weeks.

I thank you, Mr. Vice-President.

Mr. Vice-President: The sitting of the Senate is suspended until 4.55 p.m.

4.25 p.m.: *Sitting suspended.*

4.55 p.m.: *Sitting resumed.*

The Minister of Finance (Hon. Wendell Mottley): Mr. Vice-President, the hon. Senators on the other side raised a few matters which I propose to deal with very briefly.

The question of the accuracy of the budgeting done by the Ministry of Finance has been raised in the Senate before. Quite frankly, one should discount the elements entirely attributable to the depreciation in exchange rates which was a matter done in April of 1993, long after the budget had been prepared and presented. One should discount the dollar value attributable in this supplementary directly and indirectly to that, and deal, therefore, with only the matters which could be put at the door of insufficient provisioning in the 1993 budget: specifically the shortfalls in the personnel expenditure vote of the Ministry of Education and other similar items; also the matter of the overdraft of \$112 million at the Central Bank which partially should have been realized in the budget. However, there were, especially at the end of the year, some large supplementaries which led to overdraft at the Central Bank which again was not known at the time of the budget of November 20—in fact, in 1992, the 1993 budget was presented. If one discounts those factors, Mr. Vice-President, one would see that the margin of errors is extremely small and well within the number of error normally attributable in preparing budgets of this nature, which are forecast into the future where not all the variables are under the control of the Government.

The other matters of substance that were raised in this debate, Mr. Vice-President, dealt with the question of Government accommodation, and that was satisfactorily explained by the hon. Sen. Draper. In addition, the question was raised of Government's not making satisfactory provision for the vote for paying of foreign services for multilateral agencies and different subscriptions. I do not have the exact amounts that we have appropriated to meet these additional subventions, but I have promised to make available to Sen. Spence the full details of what this specific appropriation covered and to give him the data on the CAB dues—if there are any—and let him have that in writing.

I do not believe that there were any areas of major substance raised.

Sen. Teelucksingh: Mr. Vice-President, I would like to ask the hon. Minister about items on page 6 concerning acquisition of the assets of Texaco and our commitments concerning the Iron and Steel Company. This big figure of

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approximately \$274 million, will I see this on next year or is this the end of this story? Could you bring us up to date on that—the acquisition of assets of Texaco and the Iron and Steel Company commitments?

Hon. W. Mottley: Mr. Vice-President, specifically on that, I do not have the data before me as to whether there are still outstandings on the Texaco matter. I certainly know that there are still outstandings on the Iscott matter. Those payments shown there are in US dollars and therefore, they were underestimated in the 1993 budget as a result of the depreciation in the rate. We are now required to have a supplementary related to those two matters. But, certainly, we do have outstandings on Iscott which we have to continue to service.

If there were no further matters raised, Mr. Vice-President, I beg to move.

Question proposed.

Question put and agreed to.

Bill accordingly read a second time.

Hon. W. Mottley: Mr. Vice-President, I beg to move, in accordance with the provisions of amended Standing Order 63, that the Supplementary Appropriation Bill be not referred to a committee of this whole Senate. This is a money Bill.

Question put and agreed to.

Question put and agreed to, That the Bill be read a third time and passed.

Bill accordingly read a third time and passed.

AIRPORTS AUTHORITY (AMDT.) BILL

Bill committed to a committee of the whole Senate.

Senate in committee.

Clauses 1 to 5 ordered to stand part of the Bill.

5.05 p.m.

Clause 6.

Question proposed, That clause 6 stand part of the Bill.

Mr. Imbert: Mr. Chairman, a list of amendments has been circulated. We propose to amend clause 6 as follows:

“In section 12—

- A. “Notwithstanding section 13, the Authority may with the approval of the Minister, and for the purpose of facilitating the proper discharge of its functions, enter into contract with any person, hold shares in any company; or form a joint venture company, save however that with respect to:
- (a) safety and security at airports; or
 - (b) supervision and administration of passenger terminal buildings, the Authority shall be a majority shareholder in such company, or joint venture company undertaking those functions, and the financial statements of such companies shall be audited by the Auditor General or by a qualified Auditor appointed by the Auditor General.
- B. In paragraph (a) of subsection (3), insert immediately after the last word “Authority” the following words “or is related to the functions of the Authority”.
- C. Delete paragraph (b) of subsection (3), and reletter the other paragraphs accordingly.
- D. Insert the following new paragraph (e):
- “carry on all other activities the carrying on of which appear to it to be requisite, advantageous or convenient for or in connection with the discharge of its function.”

Sen. Daly: Mr. Chairman, I withdraw my proposed amendments to clause 6.

Amendments withdrawn.

Sen. Spence: Mr. Chairman: I withdraw my amendment to clause 6.

Amendment withdrawn.

Question put and agreed to.

Clause 6, as amendment, ordered to stand part of the Bill.

Clause 7.

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

Mr. Imbert: Mr. Chairman, we propose to delete this clause and renumber subsequent clauses accordingly. In this amendment we are deleting the clause that

Supplementary Appropriation Bill
[HON. C. IMBERT]

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would exempt the Authority from taxes, duties, levies and imports. This is on the basis of proposals from Sen. Spence and other hon. Senators.

Clause 7 deleted.

Clause 8, renumbered 7, ordered to stand part of the Bill.

Clause 9 (renumbered clause 8).

Question proposed, That clause 9, renumbered clause 8, stand part of the Bill.

Mr. Imbert: Mr. Chairman, we propose to amend clause 9 renumbered clause 8 as follows:

Delete section 31 (1) and substitute the following:

“31. The Minister responsible for National Security may for the purpose of ensuring security at any airport declare by Order:

- (a) on the advice of the Security Committee, any part of an airport or air navigation installation to be a restricted area; or
- (b) declare an airport to be a restricted area.”

In this amendment we are seeking to remove any doubts with regard to exactly which Minister would declare a part of the airport to be a restricted area.

Question put and agreed to.

Clause 9, renumbered 8, as amended, ordered to stand part of the Bill.

Causes 10 and 11, renumbered clauses 9 and 10, ordered to stand part of the Bill.

Question put and agreed to, That the Bill, as amended, be reported to the Senate.

5.15 p.m.

Senate resumed.

Bill reported with amendment.

Question put, That the Bill be now read the third time.

The Senate divided: Ayes 21 Noes 6

AYES

Saith, Hon. L.

Huggins, Hon. R.

Airports Authority (Amdt.) Bill

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Barnes, Hon. B.

Kuei Tung, Hon. B.

Yuille-Williams, Hon. J.

Draper, Hon. G.

Robinson-Regis, Hon.

Callender, S.

Ojah-Maharaj, D.

Rahael, J.

Gosine, R.

Hasim, A. M.

Maloney, A.

Mansoor, M.

Spence, J.

Rooks, J.

Mahabir-Wyatt, Mrs. D.

Ali, H.

Daly, M.

Dean, E.

Mahadeo, C.

NOES

Mark, W.

Capildeo, S.

Baksh, S.

Kwabene, R.

Merritt, C.

Hosein, M.

Supplementary Appropriation Bill

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Sen. Rev. D. Teelucksingh abstained.

Question agreed to.

Bill accordingly read the third time and passed.

Motion made, That the Senate do now adjourn to Tuesday, December, 7, 1993, at 10.00 a.m. for commencement of the debate on the Appropriation Bill. [Hon. L. Saith]

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 5.19 p.m.