

*Leave of Absence**Tuesday, February 7, 1995***SENATE***Tuesday, February 7, 1995*

The Senate met at 1.30 p.m.

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

**Mr. President:** Hon. Senators, I have granted leave of absence from today's sitting of the Senate to the following Senators: Sen. The Hon. Joan Yuille-Williams; Sen. Michael Mansoor, who is out of the country; Sen. The Hon. Russell Huggins; Sen. Junior Barrack; and Sen. The Hon. Camille Robinson-Regis.

**LATE ARRIVAL**

**Mr. President:** Hon Senators, Sen. Hydar Ali has indicated that he would be a little late for today's sitting.

**SENATOR'S APPOINTMENT**

**Mr. President:** Hon. Senators, I have been advised that His Excellency the President has appointed Mrs. Nirupa Oudit to be a temporary senator with effect from February 7, 1995 and continuing, during the absence from Trinidad and Tobago of Sen. Michael Mansoor.

**AFFIRMATION OF ALLEGIANCE**

*Senator Nirupa Oudit took and subscribed the Affirmation of Allegiance as required by law.*

**PUBLIC ACCOUNTS COMMITTEE****(Resignation)**

**Mr. President:** Hon. Senators, I wish to announce that I have received a letter from Sen. Wade Mark advising that he has resigned as a Member of the Public Accounts Committee. At a later stage of the proceedings, a motion will be moved to replace Sen. W. Mark on that committee.

**CONDOLENCES**

**Mr. President:** Hon. Senators, I think it is only right that I should remind you of the death of Mr. George Weekes, who was a member of the last Senate. He served briefly as a Senator in the first Parliament under the Republican Constitution, and then he served for a full five-year term in the previous Parliament.

*Condolences*  
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I know that representatives of the various parties and groups in the Senate would like to pay tribute to this well-known trade unionist. I open the floor at this stage for those who would like to do so.

**The Minister of Planning and Development (Sen. The Hon. Dr. Lenny Saith):** Mr. President, on behalf of the Senators on this side, I join the national community in paying our respects to the late Mr. George Weekes. In addition to his distinguished career as a trade unionist, as you yourself indicated, Mr. Weekes served with distinction in this Senate.

Much has been said over the last few days about Mr. Weekes' contribution to the country, and his place in the history of the development of our nation, in my view, is very well assured.

We extend to his wife and to his children our deepest sympathy and condolences on their loss.

Thank you.

**Sen. Wade Mark:** Mr. President, George Henry Hilton Weekes departed from this life last Thursday, after succumbing to heart failure. Known in the trade union movement as "PG", Mr. Weekes emerged as an ardent patriot, a consistent internationalist and a staunch champion of the working people's interest. George Weekes gave all his knowledge, energy and talent to the cause of workers' freedom and happiness.

Son of a school teacher from the village of Toco, George Weekes was the very personification of indefatigability, sincerity and devotion to the workers' cause. Inactivity was, therefore, organically alien to Weekes' selfless nature. George Weekes was not one of those armchair intellectual dreamers who simply dreamt of change but who, in fact, did absolutely nothing to bring it about. He was a man of action who delivered ardent speeches at national, regional and international meetings. He never flinched from danger and, indeed, walked knowingly into the lions' den in the cause of the workers' rights and freedom. The Fedchem incident comes readily to mind.

Mr. Weekes led his proud and glorious trade union, the OWTU, for some 25 years. Of course, he was an implacable opponent of the power structure, and he remained to his very death a patriot and freedom fighter, not only for workers' rights, but for our nation's genuine national independence.

Mr. Weekes was also the former president of the National Trade Union Congress of Trinidad and Tobago, as well as the militant Council of Progressive

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Trade Unions. George Weekes was an outstanding figure in the trade union movement and in the National Movement for Peace, Bread and Justice. Weekes' irrepressible desire to achieve real independence grew stronger over the years as he fought steadfastly and uncompromisingly against the giant multinational corporations in charge of the commanding heights of our economy.

**1.40 p.m.**

Mr. George Weekes, whose struggles brought about an enormous improvement in the workers' quality of life, must have grieved in his last moments of life when he stood witness, not only to an erosion of workers' rights, wages and benefits, but the almost fire-sale disposal of the people's capital assets by the present Government, which he fought so long and hard to achieve.

Mr. Weekes' education and training allowed him to always display a spirit of self-sacrifice whenever faced with trials. His devotion to the workers cause was boundless. Mr. George Weekes possessed, in spite of his many weaknesses, an unshakable belief and profound love for the masses, which undoubtedly motivated his every action and his every thought. He was an example of great simplicity and extreme modesty, qualities which adorned genuine soldiers of the working class.

Mr. George Henry Hilton Weekes was the true servant of the working people. His contribution to the modern trade union movement is unrivalled. The memory of this glorious labour hero will live forever and will always be cherished and remain etched on the hearts and minds of working people.

We on the Opposition Benches, and the alternative people's government of Trinidad and Tobago, take this opportunity to share our sadness with his wife, Theresa, and the bereaved family of this late and great son of the soil.

May the Lord's richest blessings accompany him to his final place of peace and eternal rest.

**Sen. Prof. John Spence:** Mr. President, on behalf of the Independent Senators, may I express to Mr. George Weekes' family and close friends our deepest sympathy.

In these days when role models seem to be not as much in evidence as they might be, I think we should use the opportunity to emphasize that Mr. George Weekes was a man who worked for other people and not for himself. Much has been said about his activities in the trade union field, and undoubtedly this is to be very well noted. I think it goes deeper than that in a sense that his efforts were not for his own advancement but for other folks in the community.

*Condolences*  
[SEN. PROF. SPENCE]

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My colleague, Sen. Mahabir-Wyatt, has pointed out to me that he had a very penetrating mind—she was more closely associated with him than I have been—in that he always seemed to be able to get to the heart of the matter. Certainly, when one considers a figure such as this—his mind, his determination, his efforts at hard work—there is no doubt that had he gone into a field in which he would have reaped greater material rewards, that he would have been equally successful. Therefore I think of him as a role model, and we should call attention to that.

I knew him in the Senate for the five years in the last Parliament and certainly, in that period he struck me as being a man with a sense of humour. He was passionate but not angry. He clearly felt deeply about the time which he felt he was unfairly treated, when he was arrested and put in prison. He was passionate about it but he was not bitter or angry. I think this speaks a great deal for the man. Mr. President, while we mourn, let us also celebrate a great Trinidadian.

Thank you.

**Mr. President:** I, too, associate myself with sentiments expressed by other Senators about the late Mr. George Weekes. He was a man who had a vision for the working masses of this country and he was committed to that vision selflessly. He did everything in his power to achieve what he could, and if he did not achieve his entire vision, his many successes in that direction brought him pretty close to achieving all that he wanted to.

I join with others in extending to his bereaved widow and other members of his family, my most sincere and deepest expression of sympathy.

I ask all present to stand in silence for one minute as a mark of respect to the late Mr. George Weekes, a former Senator.

*The Senate stood.*

#### PETITION

#### **Calvary Revival Centre Incorporated**

**Sen. Stanford Callender:** Mr. President, I have the honour to present a petition on behalf of the Calvary Revival Centre Incorporated, No. 100 Edinburgh Village, Chaguanas.

I now ask that the Clerk be permitted to read the petition and that the promoters be allowed to proceed.

*Petition read.*

*Question put and agreed to, That the promoters be allowed to proceed.*

**PAPERS LAID**

1. Report of the Auditor General on the accounts of the Public Library of Trinidad for the year ended December 31, 1990. [*The Minister of Planning and Development (Sen. The Hon. Dr. Lenny Saith)*]
2. Report of the Auditor General on the accounts of the Piarco Regional Corporation for the period October 1, 1991 to December 31, 1991. [*Sen. The Hon. Dr. L. Saith*].
3. Report of the Auditor General on the accounts of the Public Library of Trinidad for the year ended December 31, 1991. [*Sen. The Hon. Dr. L. Saith*]
4. Report of the Auditor General on the accounts of the Public Library of Trinidad for the year ended December 31, 1992. [*Sen. The Hon. Dr. L. Saith*]
5. Report of the Auditor General on the accounts of the National Quarries Company Limited for the year ended July 31, 1985. [*Sen. The Hon. Dr. L. Saith*].
6. Report of the Auditor General on the accounts of the National Quarries Company Limited for the year ended July 31, 1986. [*Sen. The Hon. Dr. L. Saith*]
7. Report of the Auditor General on the accounts of the National Quarries Company Limited for the year ended July 31, 1987. [*Sen. The Hon. Dr. L. Saith*]
8. Report of the Auditor General on the accounts of the National Quarries Company Limited for the year ended July 31, 1988. [*Sen. The Hon. Dr. L. Saith*]
9. Report of the Auditor General on the accounts of the National Quarries Company Limited for the year ended July 31, 1989. [*Sen. The Hon. Dr. L. Saith*]

**ORAL ANSWERS TO QUESTIONS****Amoco Trinidad Oil Company**

3. **Sen. Wade Mark** asked the Minister of Energy and Energy Industries and Minister of Public Utilities: Could the Minister state:
  - (a) How many expatriates are employed at Amoco Trinidad Oil Company at the present time and their respective classifications?

- (b) The precise number of expatriates, and their respective classifications, employed at Amoco Trinidad Oil Company during the period 1991, 1992, and 1993?
- (c) The total number of expatriates employed in the oil and gas industries as well as their various classifications for the period 1991, 1992, 1993 and 1994?

**The Minister of Energy and Energy Industries and Minister of Public Utilities (Sen. The Hon. Barry Barnes):** Mr. President, the number of expatriates employed at Amoco Trinidad Oil Company at present is 24. This number is to be compared with the 507 nationals currently and directly employed by Amoco and some 1,200 nationals indirectly employed in Amoco's Trinidad operations through the specialist service companies serving those operations.

The expatriates employed at Amoco Trinidad Oil Company may broadly be classified as follows:

9 managers;	11 professional staff;
2 technical staff;	2 other staff;
Total—24.	

The number of expatriates employed by Amoco Trinidad Oil Company for the years 1991, 1992 and 1993 respectively was 21 in each of those three years. The broad classifications of these expatriates were as follows:

1991 -	10 managers;	8 professional staff;
	1 technical staff and	2 other staff.
1992 -	10 managers;	8 professional staff;
	1 technical staff; and	2 other staff.
1993 -	9 managers;	8 professional staff;
	2 technical staff; and	2 other staff.

Data from 11 other oil and gas companies (excluding Amoco) now operating in Trinidad and Tobago show that the number of expatriates employed in each year of the period 1991 to 1994 and their respective classifications was as follows:-

<b>Year</b>	<b>Managers</b>	<b>Professionals</b>	<b>Total</b>
1991	20	4	24
1992	14	6	20
1993	15	11	26
1994	23	16	39

It should be noted that the increase in expatriates in years 1993 and 1994 coincided with the commencement of operations in Trinidad for the first time of Enron and Unocal in 1993 and British Gas in 1994.

The total number of expatriates (including Amoco) now employed in the oil and gas industry of Trinidad and Tobago is 63 compared with the total direct employment in the industry of some 12,000 nationals.

Mr. President, I thank you.

**Sen. W. Mark:** Mr. President, could the hon. Minister indicate to this Senate whether he is aware that Amoco has on its payroll some 41 expatriates who are not living in Trinidad and Tobago, but who are based in Houston, Texas?

**Hon. B. Barnes:** Mr. President, there are 34 Amoco professional officers who are involved, from time to time, in the evaluation and assessment of exploration work and well results and so forth. Indeed, some of them do come in for meetings with similar staff locally. That is the extent of my information.

**Sen. W. Mark:** Mr. President, is the hon. Minister aware that these 41 nationals of America who are based in Houston have been on Amoco's payroll for the last year? Is he aware of this? Would he be prepared to take criminal action against Amoco, if the particulars are provided to his ministry, that moneys are being fraudulently exported from this country?

**Hon. B. Barnes:** Mr. President, that is another question, but I will still try to answer it. The number as I have said, as far as I am aware, is 34. They are working, from time to time, on the work that is being done in Trinidad and Tobago. I will go so far as to say that persons from the Ministry of Energy and Energy Industries have, in fact, been involved both in Trinidad and offshore, in doing some of those evaluations. Clearly, there is a charge being made against Trinidad for those services, but beyond that I do not have any additional information.

**Sen. W. Mark:** Mr. President, is his ministry prepared to take action if the relevant information is supplied, showing that Amoco has on its payroll over the

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last year some 41 Americans who are living in Houston, Texas and are not employed in Trinidad and Tobago?

**Hon. B. Barnes:** Mr. President, to bring this to an end, if Sen. Wade Mark wishes to present information to the ministry, it would certainly investigate that information.

**Sen. W. Mark:** Mr. President, will the hon. Minister state why the nationals who are qualified and who are skilled are being retrenched through voluntary separation by Amoco, and at the same time, the company is employing expatriates? Could the Minister explain this to the Senate?

**Hon. B. Barnes:** Mr. President, the hon. Senator cleared up the mystery. AMOCO has, in fact, introduced a Voluntary Separation Employee Programme, as so many others have done. It is part of the general upgrading of the skill requirement in a modern industry. The presence of additional expatriates is essentially because of considerable additional activity in terms of even the number of rigs that are drilling at present, and the advance in drilling technology and capability that I have spoken about in this Senate on several occasions.

**Sen. W. Mark:** Mr. President, just a final question to the hon. Minister. Could the hon. Minister indicate whether he is aware that Amoco is subverting the rights of workers to join trade unions by offering workers VSEP and retrenching workers in the whole country?

Finally, is the Minister prepared, as I asked earlier, to take action once the relevant information is brought to his attention concerning the subversion of the trade union movement by this American company?

**Mr. President:** I just want to remind Senators of Standing Order No. 18(1)(a) which says:

"The proper object of a question is to obtain information on a question of fact within the official cognisance of the Minister to whom it is addressed, or to ask for official action."

I just want to remind the Senators because, after the answer to the original question, what seems to be coming out is that the Senator is supplying information to the Minister rather than seeking information from the Minister. Other parts of the Standing Orders will tell you that a question cannot be used as a pretext for debate, and it cannot contain argument.

Go ahead, if you care to answer, hon. Minister.

**Hon. B. Barnes:** Mr. President, I think the reminder has adequately covered this situation.

2.00 p.m.

**Brighton/La Brea Project  
(Cost and Financing of)**

9. **Sen. Wade Mark** asked the Minister of Energy and Energy Industries and Minister of Public Utilities:

Could the Minister state the actual cost of the development of the Brighton/La Brea Project and exactly how is it being financed?

**The Minister of Energy and Energy Industries and Minister of Public Utilities (Sen. The Hon. Barry Barnes):** Mr. President, the estimated cost of the development of the Brighton/La Brea Industrial Estate Project is TT \$256 million. It is anticipated however, that an additional TT \$150 million will be required to upgrade the external infrastructure facilities (roads, water and electricity) to properly serve the area.

The Brighton/La Brea Industrial Estate is earmarked for gas-based industries. As such, the National Gas Company has been given the role of principal developer. The National Gas Company proposes to fund 60 per cent of the project costs out of its own internal generation of funds. The remaining 40 per cent of project costs will be funded by a mixture of loan mechanisms including the design, finance, construct mechanisms.

**Royalty Rate  
(LNG Project)**

10. **Sen. Wade Mark** asked the Minister of Energy and Energy Industries and Minister of Public Utilities:

Could the Minister state what progress is being made with respect to the renegotiation of a higher royalty rate for the nation's natural gas in respect of the proposed LNG project?

**The Minister of Energy and Energy Industries and Minister of Public Utilities (Sen. The Hon. Barry Barnes):** Mr. President, under the Petroleum Act, Chap. 62:01 of 1969, Regulations 61(i) and 63 state respectively as follows:

- 61 (i) Every Exploration and Production (Public Petroleum Rights) Licensee shall pay a royalty at a rate to be stipulated in the licence on the net petroleum won and saved from the licensed area.

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63. The Minister, upon the prior approval of the Cabinet, may reduce the rate of royalty specified in the licence for any period if such reduction is found necessary in the public interest."

Accordingly, there is no legal basis for renegotiations to increase royalty rates in respect of any of Trinidad and Tobago's existing exploration and production licensed areas.

It should be noted that royalty is merely one component of revenue from petroleum operations; the other components of revenue are Petroleum Tax, Supplemental Petroleum Tax, Petroleum Levy, Petroleum Impost and Unemployment Levy.

**Sen. W. Mark:** Mr. President, could the hon. Minister indicate to this Senate which companies will be selling natural gas to the LNG Project in the final analysis?

**Hon. B. Barnes:** Mr. President, at present, the project is based on a proposed supply of gas from Amoco Trinidad, and British Gas, Texaco, from the Dolphin Field.

**Sen. W. Mark:** Could the hon. Minister indicate whether the Government has any intention whatsoever, in spite of the law, to renegotiate a higher royalty rate for the people of Trinidad and Tobago?

**Hon. B. Barnes:** Mr. President, I should pass on that question, but to make the matter explicit, I shall answer it. The Government of Trinidad and Tobago has always honoured its obligations under its exploration licences. In 1969, the Government imposed a Petroleum Impost. In 1974, after the first oil price shock, the Government did not change the royalty rate, it imposed a petroleum levy. In 1981, after the second oil shock, the Government did not change the royalty rate, it imposed a Supplemental Petroleum Tax. In other words, there are several other mechanisms, and there is good reason why the Government of Trinidad and Tobago should honour the agreements and contracts into which it has entered.

### **Prime Minister's Trip (Haiti)**

*The following question stood on the Order Paper in the name of Sen. M. Hosein:*

25. Could the Minister in the Office of the Prime Minister responsible for Public Administration and Public Information please state:

- a. The total cost of the Prime Minister's trip to Haiti in December 1994, and provide details of this figure, disaggregated according to item?
- b. The names and ministerial portfolios of the Ministers who accompanied the Prime Minister?
- c. The names of the artists who accompanied the Prime Minister?
- d. The reasons for the absence of the Minister of Foreign Affairs on this trip?
- e. The number of Trinidad and Tobago soldiers stationed in Haiti?
- f. The objectives of this trip and whether he is satisfied that these objectives were achieved?

**The Minister of Planning and Development (Sen. The Hon. Dr. Lenny Saith):** Mr. President, I regret the answer to this question is not yet ready, and I seek leave of the Senate to have it deferred for two weeks.

*Question, by leave, deferred.*

#### PERSONAL EXPLANATIONS

#### **Application to US Department of Transportation (BWIA International Airways Limited)**

**The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley):** Mr. President, I am authorized by Cabinet to make the following statement.

On Monday January 30, 1995, during my wind-up of the debate in the Senate on the BWIA Internal Airways Limited Vesting Bill, Sen. Wade Mark interjected that a joint application was made to the Department of Transportation in the United States of America by BWIA Corporation International, our airline, and "New BWIA" for the grant of an exemption authorizing "New BWIA" to perform air transport services previously provided by Trinidad and Tobago (BWIA International) Airways Corporation.

Sen. Wade Mark further announced that he had reliable information, in writing, that this Government had given approval to the Acker Group and BWIA to make such joint application which stated, *inter alia*, that the Parliament of Trinidad and Tobago had approved the Vesting Bill which was then the subject of the debate.

At that time, I responded to this Senate that no such joint application had been made to the Department of Transportation since I was sure that the Government of

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Trinidad and Tobago was not party to such joint application, nor did it give any approval or authority for the filing of such an application. However, Sen. Mark's claim of the previous day was further supported by a newspaper article on January 31, 1995.

Mr. President, on investigation, the following information has now surfaced: The Chairman of BWIA, Mr. Joseph Esau, by letter dated February 3, 1995, addressed to me, informed that a preliminary draft application, dated January 17, 1995, was forwarded to "all individuals involved in the process" on January 18, 1995 for their review and comments. He further indicated that to the best of BWIA's knowledge, all parties concerned, including BWIA's Corporate Secretary, had reviewed the said document and that relevant comments were conveyed to the Washington attorneys.

By letter dated February 6, 1995, Mr. Esau identified the parties to whom the preliminary draft agreement was submitted. They are:

Cecil Bernard (BWIA)  
Peter Hill (BWIA)  
Nelson Tom Yew (BWIA)  
William C. Evans (BWIA's Washington attorney)  
Edward J. Wegel (Acker Group)  
Krishna Narinesingh (Local attorney for Acker Group)  
Michael Stanfield (Loeb Partners)

The application in its final form made reference to the Parliament of Trinidad and Tobago having passed an Act providing for the vesting of the assets of the Corporation and certain liabilities in BWIA International Airways Limited. This final application was submitted to the Department of Transportation, Washington DC, on January 25, 1995.

Mr. President, may I inform the Senate that Government was not a party to that joint application neither did it approve or grant authority for such an application to be filed, nor did it have prior knowledge that such an application was being made.

**2.10 p.m.**

Further, Mr. President, may I indicate that any application to the Department of Transportation requesting BWIA International Airways Limited to be granted an

exemption authorizing it to perform air transport services previously provided by Trinidad and Tobago (BWIA International) Airways Corporation (BWIA), is the responsibility of the airline and not the Government of the Republic of Trinidad and Tobago.

Immediately on discovering the error, BWIA's Washington attorneys were informed of the mis-statement regarding Parliament's approval and promptly took steps to correct the misrepresentation. By letter dated January 31, 1995, the Department of Transportation of the United States of America was informed of the error.

Mr. President, both "Old BWIA" and "New BWIA" are aware of the embarrassment they have caused to the Government of Trinidad and Tobago and they have apologized.

In this regard, may I reiterate that this transaction could not be implemented without the approval of the Senate. Nevertheless, humbly I apologize for any embarrassment caused by this misrepresentation.

I thank you, Mr. President.

#### **Circumstances Surrounding Postponement of Debate on BWIA Vesting Bill**

**Sen. Wade. Mark:** Mr. President, reference is made to the Senate debate on the BWIA Vesting Bill on Monday, January 30, 1995 in which the Opposition intervened during the Minister of Finance's reply seeking clarification on information received from Washington concerning a joint application made by the United States Department of Transportation by the "Old BWIA" and the "New BWIA" in respect of landing rights on Wednesday, January 25, 1995, six days prior to the passage of the same Bill in the Senate of Trinidad and Tobago.

In the same application, Mr. President, it was stated that the Parliament of Trinidad and Tobago had passed the BWIA Vesting Bill. The Minister of Finance, of course, denied official knowledge. Subsequent to this intervention, the *Daily Express* carried a story on page 3 of the Wednesday issue of the newspaper which confirmed the Opposition queries. On the evening of Wednesday, February 1, 1995, *CCN TV-6* carried an exclusive on the BWIA privatization arrangement and the joint application made to the United States Department of Transportation by legal representatives of the Acker Group and the "Old BWIA".

In this report, Mr. President, which was narrated by a *CCN* reporter, the Opposition United National Congress was accused by Mr. Edward Wegel, Financial Consultant of the Acker Group and Vice-President Designate of the

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"New BWIA", of delaying the passage of the BWIA Vesting Bill when its Members staged a walkout of the Chamber in response to the re-arrest of the United National Congress Leader and the official Opposition Leader, Mr. Basdeo Panday, on the evening of January 31, 1995.

Mr. President, not only is this statement incorrect and untrue—

**Sen. Capildeo:** Lie!

**Sen. W. Mark:** —but it is absolutely misleading. The Opposition walkout came at approximately 4.25 p.m. on Tuesday, January 24 and it came during the committee stage of the Environmental Management Authority Bill. As you will no doubt recall, Mr. President, the debate on the BWIA Vesting Bill was to commence on the evening of Tuesday, January 31, 1995. This would have been at the conclusion of the Committee Stage of the Environmental Management Authority Bill.

**Mr. President:** That should be the 24th.

**Sen. W. Mark:** The 24th, yes, Sir. However, upon the convening of the Senate at 10.00 a.m. on Tuesday, January 24, 1995, it was reported by the Government side that copies of their amendments had not yet been completed in sufficient time to reach the Senate. The sitting of the Senate was subsequently suspended, pending the arrival of the Government's amendments.

Mr. President, it was during the suspension of the Senate that agreement was reached amongst the three parties in the Senate, namely, the Government, Independents and the Opposition, to postpone the sitting to 1.30 p.m. that same evening and focus, exclusively, on the amendments to the Environmental Management Authority Bill and to adjourn the debate on the BWIA Vesting Bill to the following Monday, February 6, 1995 at 10.00 a.m.—sorry, Monday, January 30, 1995 at 10.00 a.m. in order to allow Members of the Senate more time to study the Bill and to examine the Business Plan which was lodged in the Parliament Library.

The debate on the BWIA Vesting Bill commenced on Monday, January 30, 1995 at 10.00 a.m. in the Senate. The debate was concluded around 10 o'clock that evening. Mr. President, these are the facts and hard information on the circumstances surrounding postponement of the debate on the BWIA Vesting Bill. In the circumstances, we wish to categorically refute the obviously incorrect and false information presented to this population by Mr. Edward Wegel, Financial Consultant of the Acker Group and Vice-President Designate of the "New BWIA" on the delay of the passage of the BWIA Vesting Bill.

It was not the Opposition walk out which delayed the debate of the BWIA Vesting Bill and the subsequent joint application by the Old and New BWIA to the United States Department of Transportation. We wish to emphasize that the postponement arose out of agreement amongst the parties in the Senate. We hope, Mr. President, that this explanation by the Opposition will put to rest this totally incorrect impression presented to the population and that there would be more accurate and faithful reporting of the facts and truth by Mr. Edward Wegel and the reporters at *CCN TV-6 Network* in the future.

Thank you very much.

*[Minister Valley about to leave the Chamber]*

**Sen. Capildeo:** Mr. Minister, where is your book? You lent it to Acker?

#### COUNTING WOMEN'S UNREMUNERATED WORK BILL

A Bill to require the Central Statistical office and other public bodies to produce and maintain statistics relative to the counting of unremunerated work and to provide a mechanism for quantifying and recording the monetary value of such work *[Sen. Diana Mahabir-Wyatt]*; read the first time

**Sen. Diana Mahabir-Wyatt:** Mr. President, in accordance with Standing Order 47, I seek leave of the Senate to introduce a Private Member's Bill entitled, An Act to require the Central Statistical Office and other public bodies to produce and maintain statistics relative to the counting of unremunerated work and to provide a mechanism for quantifying and recording the monetary value of such work.

Mr. President, this will take into account work that is done in agriculture, care of the ill, the disabled, the elderly, the very young; work done in and around households, the unpaid "Social Safety Net"; work done by NGOs and other voluntary organizations by both men and women; and it will give this work a monetary value officially, not as part of the overall GDP but, hopefully, parallel to it, to recognize the value of the work that is being given to society.

Thank you, Mr. President.

*Seconded by Sen. Hydar Ali.*

*Question put and agreed to.*

**2.20 p.m.**

**PUBLIC ACCOUNTS COMMITTEE  
(APPOINTMENT OF MEMBER)**

**The Minister of Planning and Development (Sen. The Hon. Dr. Lenny Saith):** Mr. President, I beg to move the following Motion:

*Whereas* there exists a vacancy on the Public Accounts Committee occasioned by the resignation of Sen. Wade Mark;

*Be It Resolved* that the Senate appoint and nominate Sen. Carol Merritt to be a Member of the Public Accounts Committee in place of Sen. Wade Mark.

*Seconded by Sen. S. Capildeo.*

*Question put and agreed to.*

**ARRANGEMENT OF BUSINESS**

**The Minister of Planning and Development (Sen. The Hon. Dr. Lenny Saith):** Mr. President, I also wish to ask the Senate at this time, in place of "Government Business", to deal with "Private Business—Motions".

*Agreed to.*

**PUBLIC ACCOUNTS (ENTERPRISES) COMMITTEE  
(FIRST REPORT)**

**Sen. Muntaz Hosein:** Mr. President, I have the honour to move the following Motion:

Resolved that this Senate take note of the First Report of the Public Accounts (Enterprises) Committee 1993-1994 Session.

I intend to take Senators through some of the pertinent parts of this report in order that they might get an appreciation of the committee's work and the committee's thoughts in arriving at our recommendations. I will visit the Constitution and the thinking of the framers of the Constitution, the terms of reference of the committee, share some of our experiences and that of similar committees, the pattern and experiences of the Parliament of the United Kingdom, the United States pattern, and, finally, our recommendation and that of similar committees.

I have tabled an appropriate amendment in order that we might tighten up this Motion and achieve the desired objectives. Today is a historic day in this

Parliament as it is the first time a report on the Public Accounts (Enterprises) Committee is being debated. I am very proud to be the one who initiated this debate. The Public Accounts (Enterprises) Committee is a creature of the 1976 Constitution and because of its importance to accountability and transparency, I hope that this debate will be the first of a long line of such debates to be brought to this Senate in a timely manner.

This Motion which stands in my name should be brought here as a matter of priority, so designated on the Order Paper under the item heading "Parliamentary Business". As is known, we do not have such an item on our Order Paper and I will be suggesting to this Senate today to include on the Order Paper a new item, "Parliamentary Business", so that all our parliamentary committees' reports will be tabled automatically under this item and be dealt with in an expeditious manner.

A great thinker once said when confronted with the matter of responsibility and accountability: "No matter how lofty you are in your department, the responsibility for what your lowliest assistant is doing is yours." It will be agreed that this statement sums up quite nicely the spirit of responsibility.

Mr. President, as is known, public perception in Trinidad and Tobago is that we are the land of pan, calypso, tassa and, of course, 'bobol' and corruption. I hope to convince the Senate of the need to join committee members in doing their part in changing the way we are perceived as a people.

Every single government before, including this present regime, paid lip-service to accountability and transparency. Not so long ago, a Member of this House demonstrated by fasting on the steps of the Hall of Justice on this very topic of accountability. He was successful in winning at the polls against the former Prime Minister, George Chambers, mainly because of his efforts as a champion of accountability, but, lo and behold, when he got into power and became a Member of the Cabinet, accountability went through the window and it was business as usual.

Many Government Ministers, when challenged with the lack of accountability, point to the existence of the Public Accounts (Enterprises) Committee and the Public Accounts Committee. They like to tell the media that these committees are chaired by Opposition Members and, by inference, try to make people believe that a system has been put in place to ensure proper accountability. I would like to examine the issue for all to see the mirage and facade that is accountability through the Public Accounts (Enterprises) Committee.

It was only a few months ago that the Minister of Works and Transport made an apology for wild, erroneous and inaccurate statements made about the Public

Accounts (Enterprises) Committee in another place. Several senior Government ministers in the past year also made wild, erroneous and reckless statements about the Public Accounts (Enterprises) Committee. Some comments made were: "The PA(E)C does not meet." "The PA(E)C is designed to provide accountability, but it does not meet." Even one newspaper commented in its editorial, following one of these ministerial statements, without even calling me for verification, but, Mr. President, "time is longer than twine". I have waited patiently for this debate to put some wrongs, right, and to seek meaningful change which can bring proper accountability and transparency for the public funds of Trinidad and Tobago.

Mr. President, let us visit the report and let me start by going to page 2 of the report. Let me introduce for the benefit of hon. Senators, the Members of this committee. Your humble servant is the Chairman. Sen. Michael Mansoor was a Member who resigned and has been replaced by Sen. Everard Dean. Sen. Harry Kuarsingh died and had to be replaced by Sen. Nanga. Sen. Ashick Hassim, Sen. John Rahael, Mr. Trevor Sudama, Mr. Eddie Hart, Mr. Hedwidge Bereaux. Mr. Cyril Rajaram died and was replaced by—

**Mr. President:** A risky committee.

**Sen. M. Hosein:** —Mrs. Eulalie James, and last but not least, Mr. Sahid Hosein.

### **2.30 p.m.**

From July 29, 1992 to July 15, 1993, which is the period under review, the attendance record of the committee was as follows:

Total number of meetings	10
Number of meetings aborted	1

This meeting was aborted due to a lack of quorum.

The committee's initial workload consisted of those audited accounts which were laid in the House of Representatives during the 1987 session. To this is added audited accounts which are laid in the House on a regular basis.

The committee's mandate is set out at section 119 of the Constitution of the Republic of Trinidad and Tobago, which states as follows:

"119(5) In addition to the Public Accounts Committee established under subsection (1) there shall be a Public Accounts (Enterprises) Committee which shall consist of not less than six nor more than ten members.

- 119(8) The Public Accounts (Enterprises) Committee shall consider and report to the House of Representatives on—
- a) the audited accounts, balance sheets and other financial statements of all enterprises that are owned or controlled by or on behalf of the state; and
  - b) the Auditor General's report on any such accounts, balance sheets and other financial statements."

Section 119(9) states:

"For the purposes of subsection (8) and section 116(3) an enterprise shall be taken to be controlled by the State if the Government or any body controlled by the Government:

- (a) exercises or is entitled to exercise control directly or indirectly over the affairs of the enterprise;
- (b) is entitled to appoint a majority of the directors of the Board of Directors of the enterprise; or
- (c) holds at least fifty per cent of the ordinary share capital of the enterprise, as the case may be."

One can see clearly the importance of this committee and the mandate. But one can see that the mandate is not properly defined nor is it broad enough *vis-a-vis* the intention of the framers of the Constitution and the convention of this committee.

It cannot be that the framers of the Constitution intended that this committee must simply look at books which have already been audited. It had to go further. As I go further into my presentation, you will see that the intention of the framers of the Constitution must have been that they wanted accountability which is why the PA(E)C was set up in this manner, chaired by the Opposition, with Members of both the Government and Independent Benches.

Clearly, the function of the PA(E)C must be to safeguard the public funds, but this cannot be done with the present limited scope of the PA(E)C. Some constitutional changes are required to achieve the desired results. Let us look at what obtains in the House of Lords and the House of Commons in the United Kingdom from which we inherited our system of government. Let us see what Erskine May had to say about the "Powers of joint committees." I refer to page 665 of *Erskine May Parliamentary Practice*, and I quote:

"Any of the powers which are given to select committees to enable them to discharge the duties of their appointment may be given to a joint committee. Generally speaking, each House gives identical powers to the members appointed by it to serve on a joint committee. A joint committee has only such authority, and can exercise only such powers, as have been conferred upon it by the two Houses concurrently, nor can the powers of a joint committee be enlarged by an order of one House alone. This rule is, however, subject to an exception in cases where the power conferred is one which is related to select committees of the one House, but not to committees of the other, as, for example, power to appoint their own chairmen, or to sit notwithstanding the adjournment of the House. For a joint committee to act on an authority which had been delegated to it by one House only would be ultra vires.

A joint committee has the same power to administer an oath to witnesses examined before it as a select committee.

Power to send for persons, papers and records was conferred upon the joint committees on House of Lords Reform in sessions 1961—62 and 1962—63 by both Houses, although it is not the normal practice of the Lords to invest their committees specifically with this power.

In sessions 1986—87 and 1987—88 the Joint Committee on Private Bill Procedure was given power by both Houses to appoint specialist advisers. Committees on Special Procedure Orders have occasionally been given power to inspect sites."

I would now take you to pages 576 and 577 of the same book. Under, "Proceedings in select committees—Evidence", it states here and I quote:

"Meetings at which evidence is being taken are, by custom, held in public and strangers are admitted. A committee may at any time, however, order that a meeting or part of a meeting be held in private, and strangers are then required to withdraw. Meetings at which committees deliberate are invariably held in private. For a description of the examination of witnesses and methods of obtaining their attendance, see chapter 25. For the privilege and protection of witnesses and the punishment of contumacious witnesses, see Part I."

I take you now a little further down to page 577, under: "Specialist advisers and expert assistance." It states and I quote:

"Committees are now frequently given powers to secure the assistance of professional or technical advisers who are paid a daily fee for their assistance."

So one can see clearly that the House of Lords and the Parliament of the United Kingdom have gone further to what we are accustomed. Therefore, I am

putting forward that we need to take cognizance of what is happening in the outside world; to look at their experiences and one would see that we must take certain steps in order to ensure accountability and transparency in Trinidad and Tobago.

I want to invite you now to examine the norm in the United States of America. One would be familiar with senate and congressional committees in the United States. One would see in the United States that even for the appointment of judges or attorneys general, and so forth—even the appointment of the surgeon general, which is very topical and before a committee now—the matter must go through one of these committees which sits in full glare of the public and television, and so forth. The reason for this is to make certain that those persons who are appointed to these positions pass the scrutiny of their ability and their private life assures the country that whomever is being nominated and who is appointed by the President of the United States, can pass that kind of scrutiny.

**2.40 p.m.**

One can argue that the United States' system is different from ours, and I would readily agree with that; their system is not the same as ours. We, in Trinidad and Tobago are fortunate to be in a position where we can observe the different constitutions of different countries, especially the developed countries with a history much older than ours. We have the advantage of taking what is good out of their system and implementing it in Trinidad and Tobago to improve our own system. So, we must not be debarred in any way, in my view, from observing what is good in other systems.

In my view, from the openness of the United States' system one can readily understand that it has to do with the character of the people themselves. If one is able to look at that and at what happens in the United Kingdom, one would see that the United Kingdom recently started to introduce this kind of openness. It is my view that it has something to do with the character of the people in the United Kingdom and you would recall that in the United Kingdom, if a minister in government is simply tainted by corruption, the first thing that happens is that that minister hands in his resignation letter to the prime minister, the queen or whoever is relevant. That is the character of the people in the United Kingdom, therefore, that suited them. Perhaps, they are going a little away from that now, I do not know, but it still obtains in the United Kingdom.

If one looks at the parallel in the United States of America, one would see a different kettle of fish entirely. As a matter of fact, the case in point would be former President Nixon when he was tainted. One would recall that former

President Nixon all along said that he was not involved and was not guilty. It was only when it was clear to him and everyone else that the Congress was going to impeach him, that he resigned. That alone shows that those people are made up of a different kind of character to those of our friends in the United Kingdom.

I am saying that the character of the people of Trinidad and Tobago resembles very closely that of the United States of America. In Trinidad and Tobago ministers do not resign when their names are tainted by corruption or any type of scandal. They stay on for the long ride. Therefore, our laws must protect us against that kind of behaviour. Our laws must protect us against the public perception that we are people of "bobol" and corruption. We must protect ourselves against that. We must rebuild the dignity of the Parliament and politicians. It is unfair to those politicians who are honest to be tainted with the same brush of corruption and "bobol" as those who might be so corrupt.

It is not fair, but we as a responsible people and Parliament, must be able to put mechanisms in place which would address that issue. If we open ourselves to public scrutiny it will go a long way in changing that perception. People will not have to guess whether there is corruption or "bobol" going on here or there. They will be able to sit in the public gallery, witness the proceedings, listen to the questions being asked and get the answers there and then. That kind of openness will breed a new kind of people. We will then be in a position to dispel the perception that Trinidad and Tobago is a land of "bobol" and corruption and all politicians are crooks. We must do something to preserve the politicians who are honest.

I am suggesting, Mr. President, that we should visit the systems being adopted by the United States' Government and the new measures being adopted in the United Kingdom and change our system to suit that.

Let me go now to the "Constraints" of the committee.

"Inherited from the last Committee is the major constraint of the non definition of the powers and authority of the Committee. As a result the committee has been forced to adopt an attitude of caution in its dealings with the state enterprises."

The committee's members sought permission to visit BWIA to familiarize themselves with conditions with respect to missing spare parts, but although BWIA was willing to accommodate us, we were told that it was not within our jurisdiction to do so. Not within our jurisdiction!

I must explain that when we are examining these accounts and we are told that \$X million are missing and as a result parts are unaccounted for, Members of the

committee cannot really visualize what is happening. What kind of warehouse? What systems are in place? Therefore, it was felt that Members should visit to see for themselves, so as to be in a better position to look after the interest of the people of Trinidad and Tobago. We were told quite nicely and politely that it was not within our jurisdiction. Therefore, one sees the problems we have. We need to widen the powers so that we can do our duty.

All the secrecy surrounding the privatization of BWIA—the selection of joint partners and so forth—may have been avoided with proper accountability via the PA(E)C. The PA(E)C is the correct vehicle to have looked at all these issues and to be able to report to the House that everything was well done, as we would not have had those problems. But, we do not have it. Rightly or wrongly, whether there have been problems of a nature that caused people to be suspicious or whether everything was done in a proper manner, there will always be doubt in the minds of people that it might have been so or the other way around; because of that secrecy involved. The people's watchdog over these enterprises, the PA(E)C, had no role to play in this exercise. Had they a role to play, I am certain that what transpired over the last few months would not have occurred. It would not have been necessary.

When state enterprises go into these types of transactions, if they know that all documents must be examined by the PA(E)C and must be seen to be accounted for that would forestall any thought of corruption. As it is now, one can have people thinking about it and, perhaps, implementing it.

Another constraint was the late submission of financial statements to the Auditor General for examination. "Scope and function of the committee":

"The Members agreed that the Committee will be meaningless if it functioned within the narrow scope of Section 119 and sees its true function to be that of looking behind the financial statements so that an assessment can be made of the Company's performance, managerial skills and impact on the economy.

The Committee took the opportunity to ensure transparency in its examination and to obtain from management an up to date status of the operations of the company and an outlook for the future.

The Committee is still of the view that there is a need for its own qualified staff such as an analyst, management expert, an engineering expert among others in order to perform its mandate effectively. To this end the last Committee made certain recommendations to the Constitution Review Committee via the Speaker of the House of Representatives.

The Committee also considered the utilization of staff of the Auditor General's Department and to that end supports the Auditor General's plea for an increased establishment which will allow the Auditor General to allocate more staff to assist the Committee."

**2.50 p.m.**

Mr. President, this Government has privatized the function of the Auditor General's Department by allowing state enterprises to have their accounts audited by private companies when it would have cost the country far less to update the Auditor General's Department with more staff, with better salaries and better working conditions, than to allow it to go the other way around.

The state enterprises examined during these sessions were: Fertilizers of Trinidad and Tobago Limited—1986 to 1990. I want Senators to take note of the dated financial statements that we are called upon to examine.

**Mr. President:** Before you go further, I get the impression that you seem to want to read the entire report into the *Hansard*. Is that what you are doing? So far you are doing a pretty good job of it. I do not think you should.

**Sen. M. Hosein:** No, Mr. President. I am just reading the salient points, not the full report. I want you to note, Mr. President: Trinidad and Tobago Television Company—1987 to 1989; Trinidad and Tobago Oil Company Limited—1983 to 1986; Trinidad and Tobago National Petroleum Marketing Company—1980 to 1992; National Gas Company—1984 to 1986; Trinidad and Tobago Methanol Company—1984 to 1991; National Flour Mills Limited—1984 to 1990; Trinidad and Tobago Petroleum Company Limited—1986 to 1988.

The idea is to give Senators an appreciation of the dated financial statements that we had to examine and, in many instances, when we tried to get answers the personnel was no longer there; new personnel was in the chair and therefore, we could not get the kind of answers required. In any event, when we have these dated financial statements it is very difficult to ask questions that relate to the period 1984 and so forth.

Mr. President, let us examine some of the concerns the committee had about the above accounts. For example, Fertilizers of Trinidad and Tobago Limited:

"The Committee looked at the fluctuating prices of ammonia and was concerned that in the divestment exercise whether the country's stake in the assets of the company were not being short sold in terms of future earning capacity."

The whole exercise of divestment comes under scrutiny and suspicion but this could be avoided if the PA(E)C was restructured to make it effective. The people should be aware of areas which may be suspect to corrupt activities and know that their investment is being monitored by this committee.

Trinidad and Tobago Television: The committee heard of the company's plan for improved programming including the positioning of a permanent camera in Parliament. You will agree, Mr. President, you yourself made certain points at an earlier stage, about a year or so ago, regarding a permanent camera in the Parliament Chamber. We support the move to have a permanent camera in the Parliament Chamber. Too often one sees a few seconds of a Senator's contribution on television which could be taken totally out of context and the public is not aware of the entire contribution of that individual. Sometimes it shows that particular individual in bad light as a result of that or in good light, when a few seconds is taken out of it.

If one looks at some of the Government programmes and observes the kind of reporting coming out of the 'Inside Parliament' programme one would appreciate what I am talking about. In some instances, and all too often just bits and pieces are taken out and the salient points of that person's contribution are left out; because it is left to some editor who is editing the full tape to choose what goes on and what stays out.

As long as that is put in the hands of politicians they are going to show what they think is in their best interest and they would leave out what is not in the best interest—

**Mr. President:** I can see why the committee runs into problems if they tackle the technical aspects and ignore the accounts.

**Sen. M. Hosein:** I am afraid, Mr. President, I do not follow you.

**Mr. President:** I just ask you to get back to the Public Accounts (Enterprises) Committee, Senator.

**Sen. M. Hosein:** This is what I am doing. It had to do with Trinidad and Tobago Television and the recording of information in the Senate.

Mr. President, in examining the accounts of Trinidad and Tobago Television it was clear that the dismissal of CEO Grenville Kissoon was a questionable decision and his replacement by the new Managing Director, Mr. Lee Sing, a known party sympathizer. Trinidad and Tobago Television's finances was in good shape until the introduction of Mr. Lee Sing, and it has now taken a turn for the worse.

The Trinidad and Tobago Oil Company:

"Another concern was the unreliability of stock records at the Point Fortin Refinery since 1983. Mention was made of a particular incident involving investigation by the Fraud Squad. A system of checks and balances were now in place to prevent similar occurrences."

Very little can be done when examining accounts as far back as 1983. The committee could do very little regarding that.

In the examination of the Trinidad and Tobago National Petroleum Marketing Company Limited, it was found that the system of awarding contracts to firms whose tender was not the lowest was cause for concern and suspicion especially when participating firms had to pre-qualify. It is difficult when you are told, as we were told, that they do not always give tenders to the lowest bidder because other matters are taken into consideration. What are the other matters? How can you tell tenderers that they must pre-qualify and when they pass the pre-qualification of the company, you then turn around and give the contract to someone whose tender was not the lowest and then say, 'price was not the only factor.' What is the use of pre-qualifying? These are some of the problems that the committee had with National Petroleum Company Limited, Mr. President.

"The committee requested that it should be supplied with copies of letters giving reasons whenever the lowest tender was not accepted."

These are major areas of accountability. But, the committee has no power to send for papers. This has to be left up to the companies' good sense to forward papers to us. They do not have to.

### **3.00 p.m.**

The same thing applied to the National Gas Company of Trinidad and Tobago. This is what happened:

"The Committee requested that in the tendering procedure, the lowest bidder should be informed of the reason for non acceptance and the Committee be provided with a letter stating same.

The Managing Director informed the Committee that these requests would have to be raised with the Board."

We have not heard anything about this matter since then. When they do not want to comply they simply hide behind the skirt of saying they are going to the board. They know fully well that our powers are limited and that is how it is treated.

Take the case of National Flour Mills.

"Of concern to the Committee was the Company's Gross Profit ratio which fluctuated over the period under review and the earnings per share figure moved from \$3.33 to \$0.70 cents per share over the same period. High volatility in the prices of imported raw materials contributed towards this loss."

How can the committee verify the prices of raw material as far back as 1984 and 1985? We do not have the power to investigate these areas to ensure that there were no kickbacks and bribes. There might not have been any, but we cannot say for certain. The suspicion will always be there, because the committee does not have the power and the staff, and it is examining an account from way back in 1984 and 1985.

Further to that:

"The Committee noted that the statement showing bad debts of \$1.1 million which was written off without approval from the Board had since been approved."

This is very serious. Officers of a company take it upon themselves to write off bad debt to the tune of \$1.1 million, only to be rubber stamped by the board later on. Nothing has happened. In my view, I am not aware that any heads rolled; no one was dismissed for that kind of behaviour. How long before that might this have been going on? We do not know. Clearly, one can see the need for greater powers for this committee to do its work.

The same problem with contracts occurred again with Trinidad and Tobago Petroleum Company Limited. Contracts were given not to the lowest bidder, but to a higher one, notwithstanding that one had to pre-qualify. The person with the lowest bid was not told that his bid was the lowest and no reason was given. What do you have? People would think that somebody struck a deal. This is where the perception comes from, because there is no transparency and accountability in awarding these contracts. Therefore, if the powers are not given to the PA(E)C to get its work done, we would be saddled with the public perception of no accountability or transparency, and all that is going on in Trinidad and Tobago is bobol and corruption. We want to put an end to that.

I come now to the recommendations.

"The Committee sought to ensure that there was transparency with regard to the selection in the tendering procedure. To this end the Committee repeatedly requested that they be informed whenever contracts were not

awarded to the lowest bidder and the bidder be informed of the reasons for his non-selection.

The Committee recommended and supported previous recommendations for investigative staff to be attached to the PA(E)C to assist the Committee.

Finally, the Committee, cognisant of the fact that the public was not fully aware of the work of the Committee, recommends that sessions be held in public and the Report be debated in Parliament."

I state that we are aware that if our recommendations are adopted, there would be sensitive information which may not be the best thing to come before the public. In such a case it could be bad. The information could go before a judge and he could look at it and agree, that it is too sensitive a matter to be brought before the glare of the public, and in such a case, the PA(E)C will go by what the court orders. That could be done.

Mr. President, as you can see very clearly, the experiences of Trinidad and Tobago, the United Kingdom and also the United States of America are very much the same. Let us now look at the history of recommendations with respect to the PA(E)C and PAC and compare our problems and recommendations with those before us. Mr. President, with your leave, I would like to read from *House Paper No. 6 of 1985, Second Report of the Public Accounts Committee, 1981—1986 Term*. Under the heading "Work and Findings of the Committee", in this paper, page 14, paragraph 2.4 states:

"The Committee felt that the Report should be placed on the Order Paper as a Report of a Joint Select Committee of Parliament. The Chairman expressed this view to the Leader of Government Business and the Speaker of the House. In spite of assurances, the Report was never placed on the Order Paper as requested by the Committee. Subsequently, the Report has been placed on the Order Paper as a Private Motion in the name of the Member for Chaguanas, who is the current Chairman of the Public Accounts Committee. The Report has not been debated in Parliament."

This committee had similar problems as we had, and it dealt with them in a similar way. It made the same recommendations which we are making.

Under the heading, "Principal Findings of the Committee", paragraph 2.7(iii) states:

"In many cases, the reports presented to the Committee were of ancient vintage."

This is another problem similar to what we in the PA(E)C face; they faced the same problem.

Under "Recommendations" on page 15, paragraph 2.8(i) states:

**"Review of Constitutional Provisions**

A review of the provisions of Section 119 of the Constitution must be undertaken with a view to establishing agreement upon the functions and objectives of the Public Accounts Committee. This may require Constitutional amendment broadening the powers of the Committee and restating of the functions and objectives of the Committee in more positive terms.

Several of the following recommendations cannot be accomplished without Constitutional amendment."

**3.10 p.m.**

This is similar to what we have been saying. They go on to list public hearings as one of them. I quote:

"The Committee recommends that provision be made for the Committee to hold public hearings. These hearings will enable the Committee to hold public examination on matters of public importance. Therefore the proceedings of the Public Accounts Committee will be open to the public and to the media. The Committee may, however, decide at its discretion, to hold hearings in private.

The power to subpoena witnesses and to examine under oath is an integral part of this recommendation. The persons required to give evidence before the Committee will be protected by rules of examination.

The benefits of public hearings are manifold. They will increase public awareness about accountability, responsibility, integrity and control.

They will serve as a deterrent to serious or systematic infringements of public policy or procedures. By its recommendations, and guidelines, it will help to shape the activities of the organisation to the will of Parliament, and thus to the will of the people."

Mr. President, basically what we are recommending is what previous committees recommended. The same problems they had, we had. They went on to recommend independent research staff—similar to recommendations which we have made.

I think it is informative to quote the comments of Sen. Alwin Chow from page 38 of the report. I will quote only three of them:

"Upon completion of that first report, (in which preparation I participated fully), I took the conscious decision that I would refrain from participation in the PAC on a matter of principle until, at the very least, the report was debated in the Senate.

The failure of the government to allocate time for a parliamentary debate on the first report of the PAC, a unanimous document supported by government, opposition and independent parliamentarians, is a measure of the priority which has been accorded public accountability and the reform of important constitutional institutions.

Until such time this long overdue debate is held, I will continue, as a matter of principle, to absent myself from this Committee, whose constitutional objectives I uphold and support, but whose powers, functions, organization and methods completely frustrate its efforts."

I read that, Mr. President, to give you an idea of the depth of frustration that can seep into such a committee when its Members believe that what they are doing is an exercise in futility. We run that danger. If that happens to us we will lose, and lose big. I know that you share my view that Trinidad and Tobago can ill afford the kind of bad name we have in the eyes of the public and internationally.

Senators will recall, in a debate here earlier, I think it was Sen. Capildeo who brought a book called, *Bribes*, into this Parliament Chamber. In that book were the names of Ministers of Government and politicians of Trinidad and Tobago. It is therefore international; we are involved in that type of thing. We must not paint all the politicians of Trinidad and Tobago with that same brush. One of the ways in which we can do that is to make sure that there is mechanism in place, via the PA(E)C and the recommendations that we are making today, to ensure that there is maximum accountability and transparency. Mr. President, you can see very clearly that the experience is the same.

I pay public tribute to the parliamentary staff, especially the two secretaries who served this committee during the period under review—Mrs. Cheryl Mendonça and Miss Veronica Baptiste. I have the greatest regard for their dedication to duty. I also pay tribute to all Members of this committee, who gave me their unqualified support in their quest for public accountability and transparency which transcend all party lines. I refer to all Members of this Parliament—Government, Opposition and Independent Senators.

Let me, in conclusion, reiterate our recommendations:

- (a) That we include a new item on the Order Paper for the Senate, entitled, "Parliamentary Business" to accommodate reports from parliamentary committees and speed up the debate on them;
- (b) That we make suitable amendments to the Constitution to give powers to the PA(E)C to send for persons, papers and records and to hold meetings in public, and generally to broaden the powers of the committee and restate its functions and objectives in a more positive way;
- (c) That we assign suitable investigative and other professional staff to the committee.

Every single politician in Trinidad and Tobago has made a crusade of accountability and transparency. I invite all of them present today to make my day and put their money where their mouths are. Let us make the changes necessary to give meaning to accountability and transparency or risk passing on the legacy of "bobol" and corruption to the future generation of Trinidad and Tobago. I so move.

*Seconded by Sen. S. Capildeo.*

*Question proposed.*

**Sen. Ainsley Mark:** Mr. President, I listened very intently to Sen. Muntaz Hosein as he was making his presentation and I think I can identify perhaps four points that were made in the little less than an hour which he took.

He made the point that the Government is not concerned with accountability. He made the point that the powers and authority of the committee were not clear. He expressed the need for the PA(E)C to have its own staff of specialist advisers and expert assistants. Fourthly, he argued that the sessions should be held in public.

**3.20 p.m.**

I want to spend a little time, certainly not as long as Sen. Hosein did, addressing my contribution to those four points. Sen. Hosein spoke about the public perception of Trinidad and Tobago being the land of steelpan, calypso, "bobol", and corruption. The Member also spoke about the mirage, the facade of accountability through the PAC and PA(E)C. I think one needs to disabuse Sen. Hosein of that most mistaken notion.

I think it is important that we put on record, that it was a PNM Government in 1976 which brought into being a Republican Constitution in which clauses making greater provision for this serious question of public accountability were

entrenched. What is most significant, Mr. President, is that we would remember that at that time all the Members in the House were PNM. Arising out of the "no vote" campaign of 1971, in which in their typical irresponsible manner the Opposition decided not to participate, it was a PNM Government which brought into being a constitution which set up the PA(E)C and other committees to ensure that there was proper supervision, by Parliament, of the finances of the country; all founded upon our faith and commitment to parliamentary democracy.

**Sen. Hosein:** On a point of—

**Sen. A. Mark:** Are you on a point of order?

**Sen. Hosein:** I am on a point of clarification.

**Sen. A. Mark:** I am not giving way, Mr. President.

I think it is also necessary to remind Sen. Hosein and the others who want to give the impression that the Government is not concerned with public accountability, that it was a PNM Government which brought the Republican Constitution to Parliament in 1976, when there was no Opposition and sought to give the Leader of the Opposition a voice equal to that of the Prime Minister, in the selection of the Auditor General and in putting into that Constitution, provisions to ensure the independence of the Auditor General, his functions and his tenure of office. A PNM Government, when there was no Opposition! The Opposition opted out, they went across the country telling people do not vote.

If we go further back, it is important that I remind them that it was a PNM Government on December 15, 1959, prior to independence, that brought into being the Exchequer and Audit Ordinance, which has a wide range of provisions for the operations of the Auditor General.

I started there, Mr. President, because I think it is important that people who believe otherwise, disabuse themselves of the mistaken notion: the fallacy that PNM Governments are not concerned about financial accountability. With hindsight, some people might argue that some of the provisions that we included in that Republican Constitution might have been treated with a bit differently. That is not the view of the PNM, of course.

The whole issue of financial accountability rests upon three pillars which have been entrenched in our Constitution: the Auditor General, the PAC and the PA(E)C. It is important that whereas, in other Commonwealth countries the PAC and the reports of the PAC are treated through Standing Orders of Parliament, we felt it was necessary to entrench these committees in the Constitution. These three

pillars—the Auditor General, the PAC and the PA(E)C, and if one takes cognizance of our democratic traditions, it is critical that we understand that these institutions work hand in hand.

Mr. President, as I would state a little later in my contribution, just from my observations of the operations of the committee on which I sit, it is evident—I am not a Member of the PA(E)C, I am on another committee—that there seems to be a lack of understanding and appreciation of the role and office of the Auditor General. I will treat with that, as I said, in a little while.

Let us look at the powers, the responsibilities of these institutions. I quote from section 116 of the Constitution:

- "(1) There shall be an Auditor General for Trinidad and Tobago, whose office shall be a public office.
- (2) The public accounts of Trinidad and Tobago and of all officers, courts and authorities of Trinidad and Tobago shall be audited and reported on annually by the Auditor General, and for that purpose the Auditor General or any person authorised by him in that behalf shall have access to all books, records, returns and other documents relating to those accounts.
- (3) The Auditor General is hereby empowered to carry out audits of the accounts, balance sheets and other financial statements of all enterprises that are owned or controlled by or on behalf of the State.
- (6) In the exercise of his functions under this Constitution the Auditor General shall not be subject to the direction or control of any other person or authority."

Let me repeat that. In the exercise of his functions under this Constitution the Auditor General shall not be subject to the direction or control of any other person or authority.

Section 119(8) speaks about the Public Accounts (Enterprises) Committee. I quote:

- "The Public Accounts (Enterprises) Committee shall consider and report to the House of Representatives on—
- (a) the audited accounts, balance sheets and other financial statements of all enterprises that are owned or controlled by or on behalf of the State; and

- (b) the Auditor General's report on any such accounts, balance sheets and other financial statements."

**3.30 p.m.**

What we are dealing with here are two powerful institutions. If we go to section 121(8) again dealing with the staffing of the Auditor General's Department, it states:

"Before the Public Service Commission makes any appointment to or transfers a member of the staff of the Auditor General or Ombudsman, it shall first consult with the Auditor General or Ombudsman, as the case may be."

Mr. President, not even the Public Service Commission could treat willy-nilly with the staff of this creature of our Constitution. So that if we do not understand and appreciate the powers of the Auditor General, of the PAC and of the PA(E)C; if we do not understand and appreciate that they are supposed to work closely together; if for whatever reasons the chairmen of these committees do not utilize the full capacities, the experiences of people within the Auditor General's Department, it is foolhardy to come here to try to impress us otherwise.

Sen. Hosein spent a great deal of time dealing with the need for the PA(E)C to have its own staff. He told us what was happening in the House of Lords, he told us what happens in Congress in the United States of America. You see, on the surface, his request that expert assistance and some staff be granted to a committee of Parliament might appear very harmless and innocuous—as Sen. Hosein says, to be able to get behind certain information and so forth—but in so doing, Sen. Hosein has touched on perhaps the most difficult issue in this whole question of governance of a country such as Trinidad and Tobago.

On the surface, parliamentary committees' own staff, what happens in Congress and so forth might appear quite innocuous, but when linked with the other proposals of the UNC—talking about hearings in public and joint parliamentary committees with power to subpoena witnesses, governments of national unity and so forth a much more sinister—*[Interruption]*

**Sen. Hosein:** On a point of order, Mr. President. I think the Member is misleading the Senate. I made no such statements that he is talking about—sinister moves and so forth. What was presented here was presented on behalf of the committee which included Members of all sides of the Senate. It had nothing to do with the UNC, it had nothing to do with any partisan issue, and I wish the Member would set the record straight and stick to what was said in the debate.

**Mr. President:** The Senator has asked that you desist from blaming his party of being responsible for anything in the report; a report that transcends all party lines as far as he is concerned.

**Sen. A. Mark:** Mr. President, I would be guided by your ruling, but it is very difficult to separate certain things. This report really does not exist in a vacuum, and the point that I am trying—if you would allow me in another minute—to establish is that the reports of the previous committees and this committee are all linked.

What I am suggesting therefore—although it has nothing to do with this report—is that what we are seeing and what we have been hearing for the past three years are attempts to do away with our traditions of parliamentary democracy and governance under what we have in Trinidad and Tobago, which is an adaptation of the Westminster model, and an introduction—I would not want to call it surreptitious—nonetheless, of some elements of the American model, without understanding the very fundamental differences between what our traditions are and what obtains in the United States of America. That is the only point I was trying to make, I was not attributing the report to any one group or one party.

You see, what is happening here is that with the advent of cable—and I keep making the point that one of the things we have to thank the NAR for is the opening up of the airwaves and so forth—there is too much television.

**Sen. Prof. Spence:** Mr. President, I wonder if the hon. Senator is aware of the fact that committees in the United Kingdom, from which he says that we get our traditions, are now broadcast by the television media.

**Sen. A. Mark:** I am aware, Sen. Prof. Spence. Too much CNN, ABC and CBS, you see, we do not get the British debates on television as frequently as the United States debates. Some of my colleagues of the Lower Benches opposite have these visions of themselves heading these powerful committees and having our citizens, both public and private, appear before them in awe and trepidation. *[Laughter]* Mr. President, you see, quite unwittingly they have fallen into a quagmire of very significant constitutional issues. This is neither the time nor place to deal with them, but what I will say, in passing, is that some of what they are proposing strike at the very heart of our parliamentary traditions.

In this whole view of extra staff and committees and so forth, there are two facets with which one will treat. Notwithstanding the small size of our Parliament, I ask the question: If we were to go along that route, if we were to take what Sen.

Hosein describes as the best of the United States' system, what time would Sen. Capildeo find to be on several committees, given his onerous professional, social and religious responsibilities? When will he find time?

**3.40 p.m.**

Sen. Mansoor is not here but, as the Chief Executive Officer of one of the largest conglomerates, what would the shareholders say? Sen. Prof. Spence—I think he is due to retire or has recently retired—I am certain would prefer to be among his plants and greenery than having to be on a number of committees.

**Sen. Prof. Spence:** Mr. President, may I inform the hon. Senator that I am not yet retired. I have frequently in this Senate argued for the existence of committees of the Senate. On every possible occasion, I have argued in favour of these committees and I am strongly in support of them in spite of the fact that I will have to take time away from my family.

**Sen. A. Mark:** This is very encouraging, Sen. Prof. Spence.

On a much more serious note, there is a view that if Parliament is to exert more influence over public expenditure then the legislature will have to reduce the power being exercised at present by the executive. That is the fundamental issue; the ascendancy of the executive or that of the legislature. That is a very significant and fundamental question.

In a document, *Parliament and the Scrutiny of Public Finance*, The Report of a Study Group of the Commonwealth Parliamentary Association, this question was addressed. Dr. Ann Robinson in a paper entitled *Parliament and Public Spending*—the Executive Committee of the House of Commons 1970—76 published by Hynamon—puts it this way, and I quote:

"... there is a continuum of attitudes which shade into one another about the right balance of power between the legislature and the executive."

She has expressed three views as follows:

"The minimalist view:

At one end of the spectrum is the 'minimalist' view which tends to be associated with a strongly ideological analysis of politics in which party political conflict is the centrepiece. The government is supposed to govern and Parliament is there to provide support, or formal opposition, through tightly disciplined parties."

I repeat the words: "through tightly disciplined parties" because I shall return to that in a little while. I continue:

"... This championship of the chamber has the implication that the proper function of specialist committees should be to analyse the execution of a policy decision and not to challenge the policy itself.

The maximalist view:

At the opposite end of the spectrum—the 'maximalist' view—there are those who see Parliament as the controller of the executive. This group looks to the USA for its inspiration as the separation of powers gives an enhanced role to Congress independent of the executive. On this view, the House of Commons should undertake detailed investigations of government activities and members, freed of tight party ties, should make up their own minds on individual issues."

Loose cannons; votes of conscience; that is the other extreme. I continue:

"The moderate view:

Midway along the spectrum is what has been called the 'moderate' view which sees the legislature as a lay critic of the executive but not as a direct rival to the executive seeking to share in decision making."

**Sen. Hosein:** Mr. President, on a point of order . I think the Senator ought to indicate when he is quoting and when the quote has ended because he is quoting and speaking at the same time and one gets the impression that what he is saying is either his own words or the quotation.

**Mr. President:** I did not get that impression. The Senator was making it clear when he was quoting.

**Sen. A. Mark:** Mr. President, I am guided by your suggestion. I continue:

"... parliamentary control means influence, not direct control; advice, not command; criticism, not obstruction; scrutiny, not initiative; ...In practical terms, advocates of the 'moderate' view have said that Parliament should not set political objectives but should investigate their implications and their execution."

Mr. President, you see we in the PNM have taken the moderate view, and it is not surprising that my colleagues on the Lower Benches would wish to point us towards the maximalist view. You see, they would want a system that is more in keeping with their style of operation—no tight party discipline; people freed of party ties; making up their own minds on individual issues; confusion; bacchanal; loose canons; no collective responsibility; powers of attorney! This is why under

the last administration when they were part of the Government, Mr. Robinson, Mr. Wilson and Mr. Smart had to get rid of them.

**Sen. Hosein:** Mr. President, on a point of order. I cannot see what this has to do with the debate. I do not see the relevance of this to the debate.

**Hon. Senator:** What does the Senator know about irrelevance?

**Sen. A. Mark:** Mr. President, when Sen. Hosein spoke about choosing the US system and the committees subpoenaing witnesses, he set me off on this track so I am responding to his contribution.

**Sen. Hosein:** That cannot be the response to what I said.

**Sen. A. Mark:** Mr. President, may I go to another book, and after move off from this matter about committees and, once and for all, put the question of the US system to rest. May I quote from an article entitled "The Imperious Authority of the Standing Committees" in the book, *Legislative Politics USA*, Readings Selected and Edited by Theodore J. Lowi, published by Little, Brown and Company. This article is written by Mr. Woodrow Wilson. Those of us who are familiar with US history will know that Woodrow Wilson was the twenty-ninth president of the USA, so I would imagine that he would have a keen understanding of the committee system.

**Sen. Capildeo:** I shall bring three books next week.

**Sen. A. Mark:** Only three! Mr. President, I quote:

"There is within Congress ..."

talking about the systems and so forth.

"... no visible, and therefore no controllable party organization. The only bond of cohesion is the caucus, which occasionally whips a party together for cooperative action against the time for casting its vote upon some critical question. There is always a majority and a minority, indeed, but the legislation of a session does not represent the policy of either; it is simply an aggregate of the bills recommended by Committees composed of members from both sides of the House, and it is known to be usually, not the work of the majority men upon the Committees, but compromise conclusions bearing some shade or tinge of each of the variously-coloured opinions and wishes of the committeemen of both parties."

**3.50 p.m.**

Mr. President, I would hope that when Members on the other side want to take us down that road, that they would appreciate that we are talking about two very

different systems and that we have traditions which are quite dissimilar to those operating in the United States of America.

They spent much time dealing with public hearings. They want to have public hearings—open matters up to the public—as is being done now in the House of Lords. But the Senator made an extremely important point, and I do not want to misquote him. He spoke about the openness of the United States system having to do with the character of the people; and about us needing to open up these matters and institute laws to protect us against ministers who do not resign when they are tarnished, and so forth.

I want to make two points with respect to these public hearings. The first point, Mr. President, is that the PA(E)C is a parliamentary committee, and we are to be guided by Standing Order 73 which states:

"The proceedings of, and the evidence taken before, any Select Committee and any documents presented to and decisions of, such a Committee shall not be published by any Member thereof or by any other person, before the Committee has presented its Report to the Senate."

So that there is a parliamentary committee which you allow to do its work. When that committee reports to the Senate, which is open—there are strangers—the question one might ask is: Why is it necessary to have the public present at these hearings?

Mr. President, the next point I am going to make saddens me, but it is a reality of our political environment. It has to do with: How do we protect persons? You see, in the USA there is the Freedom of Information Act, and the Privacy Act which protect individuals. But when we think about our experience in Trinidad and Tobago, that most times—and this is, in fact, the penchant of the Members on the Lower Benches of the Senate—they abuse the Parliament to disgracefully and atrociously slander private citizens under the cloak of parliamentary privilege.

It saddens me, Mr. President, but some of the most vicious attacks on private citizens of this country take place in this Chamber, without the slightest shred of evidence. We had an example today, when Sen. Hosein told us about somebody who, he said, was fired from *TTT*, and somebody who has been hired, and since this person has been hired, *TTT* has been losing money and it was doing so well before.

It is my information that, because of the over-saturation in the media industry today, all of the TV stations are in trouble, but our Senator would not deal with the

environment within which the industry is operating. He prefers to call the name of an individual, who cannot come here and defend himself; and if there is no other reason, but for the irresponsibility of the UNC Members of Parliament, the question is: How are we going to protect those private citizens when they appear before committees such as the PA(E)C of which, Sen. Hosein, is the Chairman?

Mr. President, I did not plan to speak for this length of time, but let me wind up. We have absolutely no problem with the recommendation that the Auditor General's Department be strengthened—absolutely no problem, because we feel that is the institution which is in a position to investigate and deal with all the matters Sen. Hosein spoke about. In his contribution, he made mention of the PA(E)C wanting staff to investigate contracts. What size of staff would one need to investigate every contract in every state enterprise?

**Sen. Hosein:** On a point of order, Mr. President. I think the Member is misquoting me. I never said we wanted staff to investigate contracts. I talked about investigative staff in general—not specifically for contracts.

**Sen. A. Mark:** That makes it even worse, Mr. President. I thought we were trying to narrow it down to contracts, but if we are talking about investigative staff to investigate everything that goes on in every state enterprise—

**Sen. Hosein:** Come on!

**Sen. A. Mark:**—well then what are we, in fact, doing?

**Sen. Hosein:** You cannot mean that?

**Sen. A. Mark:** What are we, in fact, doing?

**4.00 p.m.**

Mr. President, he spoke about the PA(E)C looking at the issues surrounding the divestment policies of BWIA and all documents being examined by the PA(E)C. In previous debates, I have spoken about that particular Senator dreaming dreams. We have absolutely no problem with the strengthening of the Auditor General's Department because it has the mandate, the powers and the responsibilities for doing all these things. But to talk about the PA(E)C and the PAC having an investigative staff, the question one asks is: Where will it all end?

In concluding, I think I made the point that this PNM Government and previous PNM Governments, have demonstrated in a very tangible way, our concern with accountability by entrenching some very powerful institutions in our Constitution. I think I also made the point that the powers and authority of the committee are

quite clear but if certain Members believe that these powers should be expanded so they can achieve what the framers of the Constitution had in mind, then I am certain they would be in a position to suggest the appropriate constitutional amendments.

The question of sessions being held in public is a cause of grave concern on this side. While in the United Kingdom there are certain traditions born of centuries of a certain type of behaviour, and while in the United States of America there is the Privacy Act to protect individuals, given what one can only describe as the much too frequent irresponsible behaviour of Opposition Members of Parliament, we would be very wary of subjecting our citizens to that type of likely abuse.

Mr. President, I think that our position on this report is clear. There are a number of issues that have been raised that we have absolutely no difficulty with, but we must be concerned about some of the recommendations because they seem to strike at the very heart of our traditions of parliamentary democracy.

I thank you, Mr. President.

**Sen. Prof. John Spence:** Mr. President, I had not, in fact, intended to speak on this Motion, but I had to respond to some of the points made by Sen. Ainsley Mark because he did not confine his remarks only to this report, but he made general statements about the establishment of committee systems, and I disagree very strongly with the position that he has taken.

It is to me rather surprising that he should have made the point so strongly that we should act on tradition. I thought this Government, in fact, for the last four years, has been doing precisely the reverse. It has been saying to us that we must enter the 21st Century; we must move forward; it is a new PNM, a new government, a new way of doing things. Surely we are not saying now that we should not change because of tradition which, to me, is extremely strange. Be that as it may, even if we are talking about tradition, in fact, the United Kingdom which is the home of the tradition that we say we are entrenched in, has itself changed. So what happens to us? Are we stuck in a 19th century mode? Because that is when we were colonized by the United Kingdom. Why do we not advance with them if that is the argument?

My position with respect to the committee system is that there are many things which it is not possible for us to effectively debate in Parliament because of the nature of the system, whereas in committee it is much more possible for us to examine and scrutinize—to use the word that the moderators with respect to the

parliamentary system appear to have used—certain matters. It is clear that there are many issues which, as a Parliament, we should be addressing which we cannot because of our structure, and certainly the establishment of a committee system would very much enable us to do this.

With respect to the public hearings, it seems to me that this would have a great deal of merit. It does not mean that every item that one is discussing at a parliamentary committee need be aired to the public, so it is possible to have certain sessions which would be private and other sessions which would be public, but it seems to me that it would be very useful if we had public scrutiny of some of the matters which we need to address.

Indeed, it is this secrecy that has an atmosphere of continual suggestion that there is wrongdoing. I do not believe half of the things that are said about wrongdoing in government and other places in the country. But it is because of the secrecy that we have this constant suggestion that things are being done which should not be done. Certainly I disagree with the position that we should not have parliamentary committees.

With respect to the particular issue of the Public Accounts Committee—I have not been a member of this committee so I do not pretend to know whether it is working well or not. It seems to me that it must be severely handicapped in doing its job if many of the reports which we have been presented with are very much in arrears. I certainly agree with Sen. Ainsley Mark that the Auditor General's Department should be strengthened and nobody can quarrel with this. But why do we keep on talking about it and not doing it?

It is one thing to say that the PNM Government has established these very important institutions within our parliamentary system and all credit to them for having done so. But if they do not work, what is the point of establishing them? Certainly it is incumbent upon us to examine whether they are effective and I hope that Members of the Public Accounts Committee would tell us whether this one is working or not and if it is not, then let us do something about it.

Mr. President, to conclude, I would take the position that there is no harm and indeed a great deal of benefit to the establishment of parliamentary committees, for them to have public hearings where appropriate. If there is abuse of this system, then we should deal with it. If we need a Secrecy Act or Protection of the Person Act, then let us have the Act. If our Standing Orders do not give enough protection to individuals who appear before the committee, let us change our Standing Orders to give that protection. But that is no excuse for not moving forward in that direction.

Thank you very much, Mr. President.

**4.10 p.m.**

**Sen. Surendranath Capildeo:** Mr. President, if there ever was a time that I was provoked into speaking when I did not want to speak, this is the time. As I heard my good Friend, Sen. Ainsley Mark, praise the People's National Movement for bringing into being the Constitution and the various sections which set up the Public Accounts (Enterprises) Committee and the Public Accounts Committee, I became flabbergasted at the lack of understanding of PNM history that the hon. Senator has made.

You see, it was the PNM who promulgated, according to him, this Constitution, which says, and I quote section 119(8):

"The Public Accounts (Enterprises) Committee shall consider and report to the House of Representatives on—

- (a) the audited accounts, balance sheets and other financial statements of all enterprises that are owned or controlled by or on behalf of the State;"

Now this committee is in contradistinction to the Public Accounts Committee which is described in section 119(1). The reason for that is that the PNM Government of the day had decided it was going to invest in state enterprises, galore, and therefore, it had to include in the Constitution, this section to create the Public Accounts (Enterprises) Committee, to look at the accounts of the enterprises of the State. Yet it is this Government that is doing its level best with a fire sale to get rid of all the state enterprises.

So it seems to me that some kind of fraud is taking place on the poor people of this country. I will tell you why. I am quoting from a book called *Parliament* by Sir Ivor Jennings which is the constitutional authority. It is the second edition and was first published in 1939. In this book he gives the history of the Public Accounts Committee and how it came into being via Ewart Gladstone, the then Prime Minister in 1861. The crucial part of this is that under the English Public Accounts Committee from which we draw our inspiration, he says on page 336:

"The Select Committee on national expenditure in 1918 said:

It is recognized on all hands that the work of the Comptroller and Auditor-General and of the Public Accounts Committee...is highly efficient and useful..."

Unlike what every report of the Public Accounts Committee and the Public Accounts (Enterprises) Committee here says.

Then he goes on:

"Its most important result is the state of mind which it induces in the department. Mr. Speaker said in 1918..."

We are in 1995 in Trinidad and Tobago. It goes on:

"...that Government departments had a wholesome dread of the Public Accounts Committee. Knowing that they will be called to account not only by the Treasury but by the Comptroller and Auditor-General and the Public Accounts Committee, the departments are very careful to prevent irregularities."

This, in a country with a history of total and complete corruption, left, right and centre, where 1986 reports of the Auditor General are now coming in, in 1995.

He goes on:

"One example, quoted in 1946, will suffice. There had been misuse of army petrol for two years in succession. In the second year the allegation related to four tins of petrol. The chairman of the Public Accounts Committee (Sir A. M. Samuel) told the accounting officer for the War Office 'that if this occurred again, he would have the Commander-in-Chief of the Army before the Public Accounts Committee'."

That is how the English Public Accounts Committee is run. But I am not on that point. I am on the point that we introduced into our Constitution, a Public Accounts Committee and a Public Accounts (Enterprises) Committee without teeth, knowing full well they could not function, and knowing full well they could not carry out the kind of investigation that would have caused a Trinidad historian to write one day: They were in wholesome dread of the PAC and of the PA(E)C. In fact, they thumb their noses at the PA(E)C.

But the total and complete fraud is the kind of response to this report today. Because when you have a list—and I am going to read it out—of the Government's investment portfolio at which the PA(E)C is going to have to take a look—I am going to read them out:

Divestments completed:

Trinidad and Tobago Urea Company Limited;

Trinidad and Tobago Printing and Packaging Limited;

Farrell House (1975) Limited.

Investments being divested:

National Food Processors Limited;

Trinidad and Tobago Methanol Company Limited.

That gone already.

In progress:

Non Pareil Estates;

Trinidad and Tobago BWIA International Airways Corporation.

Well, God, we need an American-style committee now to investigate BWIA. We want to investigate Acker and Ed Wegel to find out who gave them the information to put to the Department of Transport that this Senate debated and passed that Bill a full week before it took place. We want that kind of openness; we want the American system to bring them before us, so somebody could go to jail for that. Because, as soon as the Bill was passed, there was a headline in the *Sunday Guardian*, February 5, 1995: "Big \$\$ for BWIA bosses—Acker to get \$1.5m, Wegel \$1.3m a year;" the same Wegel who did not properly inform the Department of Transport. The man who left the Senate and banged the door leaving it, is to get TT \$50,000 per month, which is US \$100,000 per annum. The Chief Financial Officer in BWIA—US \$200,000; John Greenfield, Marketing Manager in America—US \$120,000; as soon as the Bill is passed.

So I would tell Sen. Ainsley Mark, notwithstanding all his fears of persecution and slander of people who cannot defend themselves, the position with BWIA which took place last week justifies an American-style congressional committee to investigate the whole sale of BWIA and go further to investigate PRIDE—everything to do with our airport development. It screams out for that kind of thing.

Mr. President, I go on:

Iron and Steel Company of Trinidad and Tobago Limited.

That gone too. What is the PA(E)C going to investigate there? I go on:

The Trinidad and Tobago Solid Waste Management Company Limited.

That is still around.

National Flour Mills.

About to go:

Trinidad and Tobago Forest Products Limited.  
Initial stage, it says. The fraud is total.

Liquidation completed:

Food and Agriculture Corporation of Trinidad and Tobago;  
Forres Park Limited;  
International Marketing Corporation;  
School Nutrition Company Limited;  
Trinidad and Tobago Meat Processors Limited;  
Trinidad and Tobago Electronics Limited;  
National Hotel Company Limited.

They were all liquidated. What is the PA(E)C going to do, investigate a liquidated set of state companies?

I continue:

In Progress with liquidation:

The Shipping Corporation of Trinidad and Tobago Limited;  
Orange Grove National Company Limited.

Merged:

Trinidad and Tobago Television Company Limited.

We need congressional investigation into that. I go on:

National Broadcasting Service of Trinidad and Tobago Limited.

And we have Sen. Daly here who must have a whole ton-load of information on TTT. It goes on:

Trinidad and Tobago Petroleum Company Limited;  
Trinidad and Tobago Oil Company Limited.

Restructured:

Caroni (1975) Limited.

And now we come down to the ones to retain:

The National Gas Company of Trinidad and Tobago Limited.

That is the Amoco Gas contract that we cannot see yet.

**4.20 p.m.**

If the PA(E)C summons NGC, Sen. Barnes, and says, "We want to see the Amoco contract to know what price we are paying for natural gas," the committee would see it?

**Sen. Barnes:** Mr. President, it is my understanding that that is exactly what occurred.

**Sen. S. Capildeo:** I take that.

**Sen. Barnes:** I merely go on to say that my understanding is that the PA(E)C is charged with holding the confidentiality of certain information.

**Sen. S. Capildeo:** I see, so the PA(E)C has the confidentiality but the Senate could never have it! All right, I understand that.

**Sen. Hosein:** We did not see the contract.

**Sen. S. Capildeo:** You see, now we have a problem. The Chairman says he did not see the contract. I do not want to make a chicken and egg riddle out of the Minister, so he should not reply. I think he and the Chairman should speak, but the Senate has not seen the contract.

Mr. President, "Under Review":

National Quarries Limited;

National Petroleum Marketing Company Limited;

Trinidad and Tobago Export Credit Insurance Company Limited;

National Maintenance;

Training and Security Limited;

and so the list goes on, right down to First Holdings.

The point at issue is that the Senator got up and said in a proud boast that the PNM promulgated the Constitution which enabled the establishment of the PA(E)C and, therefore, we should adhere to the English principles to run PA(E)C. I think I have demonstrated by just reading two small lines from Jennings that there is no comparison with the manner in which we run our Public Accounts (Enterprises) Committee and our Public Accounts Committee, compared to the English Parliament; absolutely no comparison. The issue cries out for constitutional reform to give teeth to these committees so that we would be able to get the truth.

The reason for saying that we would be able to get the truth, is that when one reads that my Friend, Sen. Draper—I call him "Drucker"—wants 12 deputies as permanent secretaries. I mean, in the old PNM they had deputies galore; one was a little green-eyed Indian around the savannah, one had a date with a child, another one had a blonde in Washington; endless deputies. Sen. Draper wants taxpayers to pay 12 deputy permanent secretaries. Then, when one sees the permanent secretaries start to fight with the deputy permanent secretaries, we would then have to have a congressional committee to look into them.

Above all, Sir, the worst—I want to quote from page 1 of today's *Trinidad Guardian* to show why we need such committees because we need to find out what is happening in this country and why it is happening. I quote:

"In a mad rush to collect their bus tickets yesterday, three pensioners fainted and many others complained of illness as hundreds of them crammed into the Social Welfare Office on Prince Street, Port-of-Spain."

So I can come here and hear all kinds of constitutional language and nonsense but then go on to read:

"Those who fainted had to be carried from the office and given smelling salts to recover. One old lady was almost crushed at the counter by those pressing in from behind."

What are they rushing for, Sir?

**Sen. Merritt:** Ten bus tickets! Wicked!

**Sen. S. Capildeo:** Bus tickets!

"Another 85-year-old man from Belle Vue, waving his bus pass, said he had been there since 5.30 am, and was about to make his way back home empty-handed. Many said they would have to come back another day.

In the melee, an aged grey-haired woman with tears streaming down her face and barely able to stand said she wanted to get inside to collect her pension cheque."

Mr. President, this debate is an abomination! That we in the Senate will debate the report of the Public Accounts (Enterprises) Committee and this is taking place with our citizens, and there are learned arguments about the separation of powers and about justification for whether it should be an American-styled government or an English-styled one. I repeat:

"In the melee, an aged grey-haired woman with tears streaming down her face and barely able to stand said she wanted to get inside to collect her pension cheque."

The fraud on the population is total and complete. We have all form, no substance. All these committees we talk about and say we want to get into being; all the reform we talk about; everything that we are saying is form, and absolutely no substance. It is a measure of the barbarity of the civilization in which we live when our old age pensioners go through this. For what?

**Sen. W. Mark:** Ten tickets.

**Sen. S. Capildeo:** Ten bus tickets.

**Sen. W. Mark:** PNM took away their bus passes.

**Sen. S. Capildeo:** As I said, Sir, if ever I had to be provoked—I will continue after tea, Sir.

**Mr. President:** It is of grave concern, but I do not think it has too much relevance.

**Sen. S. Capildeo:** It has relevance from the point of view that if the Public Accounts Committee and/or the Public Accounts (Enterprises) Committee must investigate the activities of the State, this would come under investigation.

**Mr. President:** That would be under the Public Accounts Committee.

**Sen. S. Capildeo:** Mr. President, it would fall under the Auditor General's Report, and that would also fall under the Public Accounts Committee or Public Accounts (Enterprises) Committee.

**Mr. President:** The Auditor General's Report goes to both committees.

**Sen. S. Capildeo:** Yes, and this ministry would fall within that. Therefore, they will be entitled to look at it and be able to see it on—

**Mr. President:** The Public Accounts Committee, not the Public Accounts (Enterprises) Committee. That is why I am telling you that—

**Sen. S. Capildeo:** I take the point, I am not arguing with you, Mr. President.

The point I am making is that whatever the name of the committee, whether it is the Public Accounts Committee or the Public Accounts (Enterprises) Committee, the principle upon which it was adapted from the English Constitution and brought here, they are not working. Since they are not working, this kind of scandal could take place.

I assure you, Sir, that whatever committee comes in its present form, with absolutely no substance, without teeth, the mechanism, the manpower and the system, it will not work. Sen. Draper or "Drucker" would agree with me that we

need to reform the system to make these committees work. We need to make them work.

Therefore, when I listened to Sen. Ainsley Mark proudly boasting of what the PNM has done and how it brought all these things into being, I did not hear the other side of the coin—the state of the nation in spite of that; the state of all the reports of the PA(E)C over the years and why the committee is continuing in the manner Sen. Hosein has recited. Why every report—almost like every Chief Justice annual report calling for a better court and better Supreme Court facilities—never debated? If one reads Jennings one would see that it is debated.

This brings me to the point, Sen. Ainsley Mark, that the Constitution was very cleverly arranged by the PNM—it was the baby of the PNM. The Constitution says, at section 119:

"(6) The Chairman of the Public Accounts (Enterprises) Committee shall be one of the Senators, if any, and if willing to act, appointed under section 40(2)(b) in accordance with the advice of the Leader of the Opposition...

(7) Where the members of the Opposition in the Senate are unwilling to act...a member of the Opposition in the House of Representatives shall be appointed and where the members of the Opposition in the House of Representatives are unwilling so to act,..."

then the President will appoint one of his people to act. So that the Constitution was taking care of the position that we might one day have an Opposition that would say, "We are not wasting our time with this". So the force of the argument that the PNM wanted to have operational at all cost, a committee that was transparent and which would do its work with transparency, is diminished a little. If it wanted that, it would have said "the Chairman shall be a member of the Opposition". It would not have given the loophole.

**Mr. President:** We are aware of all that went before.

**Sen. S. Capildeo:** Mr. President, I am only responding to Sen. Ainsley Mark. *[Interruption]* No, I am not concluding now, I have much more to go with this.

**Mr. President:** If you are going to be much longer, I would take the tea break now.

**Sen. S. Capildeo:** Take the tea break, Sir.

**Mr. President:** The sitting is suspended for half of an hour. The Senate will resume at 5.00 p.m.

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

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

**Sen. S. Capildeo:** Mr. President, I understand that Sen. Ainsley Mark has caused mass confusion in this place. Everybody wants to talk now.

I will wind up now. I really did not mean to make a contribution in this debate but, I must refer to Sen. Dr. Saith's remark which he made off the record and with which I entirely agree. It is above board, he is a gentleman like myself.

Where is Sen. Ainsley Mark? I would like him to be here. Part of the fallacy of the argument put forward by Sen. Ainsley Mark lies in the fact that what is required is a bit more now than the people who are supposed to appear before the committee. As Sen. Dr. Saith has correctly pointed out, it is not the ministers who are called before the committee and interrogated. The ministers have absolutely nothing to do with that; it is the officers and they are named in this report: Assistant Auditor General and the Assistant Comptroller of Accounts. It is the technical officers who are to come and who must assist the committee in its deliberations. I take the point that it depends upon the chairman of the committee and if he is ferocious enough he will strike fear into the hearts of the people who come forward to give the evidence.

I believe the country has progressed a bit beyond the stage when Lionel Frank Suekeran and Simboonath Capildeo chaired such a committee. We have progressed beyond that to the point where—and as I say it is a non-partisan issue, it is an issue which must be discussed by the country—the time has come in this country not for the accounting officers alone to appear before these committees, but actually the ministers, because in our political culture which has developed of its own accord, the country looks to its ministers, and the Minister is the victim. In many instances, he does not even know what is going on in his ministry. For example, the Deputy Minister of Finance, he must pay the 'cake' for BWIA to come here and apologize despite the fact that he did not know what was going on over the years. In the political culture which has been developed over the years, people want the ministers to account and, therefore, we are seeing a change in the system, and if we are to keep these committees the ministers will have to appear before these committees in public to satisfy the natural born curiosity of the citizen as to what is taking place with his money and his life. That is essentially the fallacy in the argument made by Sen. Ainsley Mark in that we have already instituted in our Constitution these committees which can function *per se*, perfectly. I say that is not so.

I say that our culture has changed and since it has changed we must change the Constitution to give effect to what the people want; and what the people want is complete transparency and accountability and to get that you must give the committees the teeth, and the teeth will require chewing on the ministers.

With that Sir, I come to the end of my contribution to a debate in which I really did not want to take part.

I thank you.

#### ADJOURNMENT

**The Minister of Planning and Development (Sen. The Hon. Dr. Lenny Saith):** Mr. President, given the fact that the Leader of the Opposition has indicated that he wishes other Senators on this side to continue the debate, and given the fact that we want, in fact, to allow some of the motions on the adjournment to be debated, at this time I move that the Senate be now adjourned to Tuesday, 14 February, 1995 at 1.30 p.m.

**Mr. President:** Hon. Senators, before putting the question for the adjournment, leave has been granted for three matters to be raised on the Motion for the Adjournment. The first was by Sen. Barrack, but he is absent. The second matter was by Sen. Hosein, but I believe that the Minister of National Security is not present today. So, by a process of elimination the last shall be first.

Sen. Wade Mark has been granted leave to raise the following matter on the Motion for the Adjournment; the continued erosion of the value of pensions paid to pensioners in Trinidad and Tobago whose pension plans are the responsibility of the Minister of Finance.

I do not know if he would forego speaking today and ask the Minister to reply to what he said on the television last night. Sen. Mark you have 15 minutes and the Minister will have equal time to reply.

#### **Erosion of Pension Plans**

**Sen. Wade Mark:** Mr. President, the PNM's economic policy of rapidly removing state control, regulation and involvement in the economy and substituting market forces and private ownership and control is leading to grave social damage to many social sectors of the national community particularly, the elderly, the aged and the infirmed. Many are dependent on meagre retirement benefits from the Government and/or private pension schemes or plans.

Government's ultra free enterprise model of economic development has led to the deregulation of prices, the privatization of vital public utilities and state

enterprises, removal of subsidies and the increasing liberalization of foreign exchange management. The ultimate result of this path of development has been murderous increases in the cost of living, especially for basic essentials and a constant struggle by the nation's 60 years and over population who number about 98,000 persons to eke out a living on constantly eroding pensions.

Mr. President, there is no doubt that pensioners and government retirees have had the value of their meagre pensions consistently reduced over the years by successive devaluations with the most recent devaluation occurring in April 1993 by some 35 per cent, that is, the currency was devalued by some 35 per cent.

### **5.10 p.m.**

This has drastically reduced the domestic purchasing power of these pensioners, not to mention the rapid increases in the prices of basic goods and services. The truth is, that tens of thousands of pensioners and government retirees are struggling hard merely to stay alive. There has not been any increases in their pensions over the last few years, whilst the materials vital for their daily existence continue to rise astronomically.

Inflation as measured by the index of retail prices rose from 6.5 per cent in 1992 to 10.8 per cent in 1993, and stood at 10.1 per cent during the first nine months of 1994, and was expected to moderate to 8.3 per cent by the end of last year, according to the *Review of the Economy*. Pensioners have had to endure hefty increases in food prices, on commodities such as chicken, fish, citrus fruits, fresh vegetables, beef, powdered milk, cheese, hops bread and flour, among others.

Simply keeping alive has become a nightmare for our elderly and retirees. Some of these pensioners just cannot afford to purchase clothes; pay their electricity bills, pharmaceuticals; pay sewerage bills and telephone bills. In addition, many of our pensioners and retirees suffer from many physical handicaps and ailments which make life even more difficult and complicated. Physical ailments such as diabetes, prostate problems, poor vision, heart complaints, and respiratory problems such as asthma, continue to haunt and make life extremely difficult and costly for these senior citizens.

To compound matters, pensioners are being called upon to open their own bank accounts. Since the Treasury Department will no longer be cashing pension cheques, a service charge will obviously be preferred by the banks in question. Medicine for the aged and the retired is out of control. As an example, in 1993, a particular brand of tablets for diabetes which cost \$75.00, now costs over \$125.00. Their pensions are not adjusted.

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The truth is that many a pensioner is existing in a semi-vagrant state. WASA rates have been increased by 35 per cent, retroactive to October 1, 1994; electricity rates are bound to increase shortly; and food prices are certain to continue to escalate in the near future. The grey revolution is upon us. In 75 years, from 1950—2025, the world's elderly, that is those 60 years and over, will have increased from 200 million to 1.2 billion, or from 8 to 14 per cent of the total global population. In Trinidad and Tobago, persons 60 years and over now constitute 8.42 per cent or 98,000 persons of the entire population. By the year 2015, this percentage is expected to be about 10 per cent of the total population.

As such, Government has no choice but to adjust and redefine its policies and programmes to address the needs of the aging population in the areas of health, housing, education, welfare, employment and income security. To address the immediate problem of pensioners and retirees—

**Mr. Valley:** Mr. President, I wonder whether the Senator could just repeat that statement starting from: "As such, Government has no choice..." and continue.

**Sen. W. Mark:** I said: "As such, Government has no choice but to adjust and redefine its policies and programmes to address the needs of the aging population in the areas of health, housing, education, welfare, employment and income security." To address the immediate problems of pensioners and retirees, it is necessary to refer the Government to the ILO Convention No.102 titled, "Minimum Standards of Social Security" which the Government has failed to ratify to date.

Article 65 states:

"The rates of current periodical payments in respect of old age, employment injury, invalidity and death of breadwinner shall be reviewed following substantial changes in the general level of earnings where these result from substantial changes in the cost of living."

Clearly, there is a lack of any automatic mechanism to trigger increases in the rate of pension in line with upward movement in wages and/or prices. This is obviously a major flaw of the Retirement Benefit Scheme in Trinidad and Tobago. In the absence of such a scheme, very significant increases in current pension rates are required to compensate the pensioners and retirees for the loss of purchasing power which they have suffered over the years. Any pension scheme or social security scheme or system which does not adapt its benefits to changes in the value of money is not fulfilling its original purpose or mandate.

Cost of living adjustments are required to protect the purchasing power of pensioners in Trinidad and Tobago. This situation is compounded by the fact that

pensioners and/or retirees have to pay income tax on their meagre monthly earnings or pensions. They have to pay value added tax and forever increasing government taxes, including increases in tariffs for utilities, very regularly.

To immediately protect and safeguard the physical and mental well-being of pensioners and retirees, the following recommendations are advanced to the hon. Minister of Finance:

- (1) The upgrading of existing pension values to properly reflect the changes in the value of the dollar over the past few years;
- (2) The introduction of a system of indexation tied to the rate of inflation. This automatic mechanism would increase the rates of pension in line with upward increases in the cost of living as well as wages and salaries. This system exists in Canada today.
- (3) Pensions should become tax exempt if the Government refuses to index pensions to inflation.

This could be elaborated in further details later on, if the Minister wants:

- (4) Certain basic goods and services ought to be exempted from value added tax for pensioners and retirees or reduce as the PNM promised the overall rate of VAT in Trinidad and Tobago.

The World Summit for Social Development which takes place in Denmark, Copenhagen in March intends to consider among other matters:

"How to maintain and improve the participation of older people in social and economic activities. How to protect older people from poverty and how to adopt employment policies to the needs of the elderly."

### **5.20 p.m.**

The year 1999 has been designated by the United Nations General Assembly as the "International Year of Older Persons". Let us not wait until then to demonstrate respect and to promote social justice and income security for the aged and the infirmed in Trinidad and Tobago. The time to show concern is now, not when they have passed to the great beyond.

How much revenue will be foregone if pensioners do not pay income tax? Let the Government tell us. Retirees cannot wait on bonds either; they need liquid cash. Even Clarke and Battoo's funeral agency has shown some compassion to the retirees by offering 20 per cent off on funeral expenses. Pensioners are not so lucky under the VAT system, since they, too, are taxed to the point of death.

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We anxiously await the Minister's response to this vital, urgent and pressing matter which concerns 98,000 citizens of Trinidad and Tobago who are 60 years and over, and who are yearning and crying out for redress and justice in their pension schemes and plans.

Thank you very much, Mr. President.

**The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley):** Mr. President, Sen. Wade Mark, in moving this Motion, has touched on a key issue with respect to governance, and that is the allocation of scarce resources. In Sen. Wade Mark's words: "Given what is happening today, the Government has no choice but to adjust and redefine its priorities." I say that because from time to time, when the Government comes to the House to seek support for measures to do just that, it is opposed.

For example, there was a situation where our airline was costing us, on average, \$150 million per annum. To the extent that we are able to save on that by following certain policies, then we would have \$150 million available to provide for our retirees—public sector as well as the elderly—pension supplements and so forth. More than that, funding would then be available to do many other things in the economy.

I ask the Opposition, not simply Sen. Wade Mark, to appreciate the system in which we live. If we interfere with one part, there would be certain consequences, or, if we fail to correct certain inefficiencies in certain parts of the system, then our ability to do other things would be compromised. I want to make that general point in opening.

Specifically, the Motion addresses certain Government pensioners:

"The continued erosion of the value of pension paid to pensioners in Trinidad and Tobago whose pension plans are the responsibility of the Minister of Finance."

Mr. President, the pension payments which are the responsibility of the Minister of Finance are, first of all, those of retired public officers and then there are widows and orphans of public officers, as well as one statutory authority, namely, WASA. The Exchequer is also responsible for payment of pensions which fall under the jurisdiction of the Ministry of National Security, Ministry of Public Utilities and the Ministry of Works and Transport. These plans are all non-contributory.

Just to give Senators an idea concerning sums paid. In 1993, total pension and gratuity was \$410.8 million; in 1994, it was estimated at \$430.5 million. In 1993, there were 13,407 persons entitled to pension under various Government schemes; in 1994, it was estimated that 13,967 received pension.

Sen. Wade Mark's Motion addressed the concept of indexation and he pointed to Canada, which, as far as I know, has the only public service pension which is indexed, and this has caused serious problems. Quite simply, it places a burden on the working population, and especially in a country such as Canada where the population is aging, that burden becomes greater and greater.

What is the norm is a system in which from time to time one's pension is supplemented. In other words, while it is not indexed, one recognizes that persons who have contributed to the society may qualify for some type of supplemental benefit from time to time. The ability of any country to do that must be within the overall context of Government's finances. To the extent that Government can effect savings by reducing inefficiencies in state companies and so save on the exchequer, funds will be available to provide pension supplements.

For example, if one were to go to indexation, in the estimates for 1995, on a current cost basis, the pension expenditure is estimated to be \$450.6 million; on an indexed basis, it will be \$470.4 million. If we were to look at the year 2000, where on a current cost basis, the estimate is \$565.8 million, on an indexed basis, the cost would be \$684.8 million.

While we admit that given the contribution of our senior citizens, we would want to move as much as possible to take care of them in the twilight of their lives, one has to balance that with the ability of the economy to support that activity.

The Ministry of Finance continues to review, not only the Government pension, but the whole area of pension planning—private pensions also. Senators would know that there was this issue with respect to BWIA pension: To whom does the surplus in a defined benefit plan belong? Given that there has been some time since we have reviewed pension planning in Trinidad and Tobago, the Government is at this time looking at the whole area of pension and portability.

### **5.30 p.m.**

I want to close simply by commending to Senators on the Front Bench opposite, the concept that as we move forward into the 21st Century, Government has to redefine its role and get back to the things it does best: taking care of housing, health, poverty, education and so forth, and reducing its activity in the commercial sector. All Senators have a copy of that document, *Report on the Public Participation in Commercial and Industrial Sector*, and can see clearly the disaster that has been.

As a fact, it is Government's policy to maintain investment only in strategic areas and by so doing, the Government would reduce its expenditure, allowing for

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reduction in that taxation which was signalled in the 1995 budget. One expects that would continue as we move forward and that Government would also provide better housing, better education, better security for our retirees and the elderly, all these things that the Government is supposed to do; improving the standard of living of all our people.

**Sen. W. Mark:** Mr. President, could the Minister provide the Senate with any information as to what it would cost the Government if it were to forego taxes on pensions? Secondly, does the Government have any intention of reviewing VAT on an overall basis, or possibly looking at the exemption of certain basic goods and services that the elderly are subjected to in terms of harsh increases?

**Hon. K. Valley:** Mr. President, the position as outlined in the manifesto of the Government is that the Government would want to reduce the value added tax. As I said a while ago, the ability to do that is the function of our ability to remove some inefficiencies in the economy. That is the direction in which we are moving. Hon. Senators would know that basic foods as well as some basic drugs are already VAT exempted.

With respect to the first question, hon. Senators would know also that an individual does not pay tax if his chargeable income does not exceed \$16,000. The figures I have here suggest that in 1994, the average pension received by an individual was in the vicinity of \$31,000. It all depends on his deductions and so forth with respect to the level of taxation to which he would be subjected. I do not have the figures, but if, for example, Government were to move towards exempting this level from taxation, the cost to the Exchequer would be very high. I do not have the figure, I can get it but I can tell you that it is going to be extremely high if we said chargeable income under \$30,000 would be tax exempted.

*Question put and agreed to.*

*Senate adjourned accordingly.*

*Adjourned at 5.34 p.m.*