

Leave of Absence

Thursday, January 27, 2000

SENATE

Thursday, January 27, 2000

The Senate met at 1.30 p.m.

PRAYERS

[MR. PRESIDENT *in the Chair*]

LEAVE OF ABSENCE

Mr. President: Hon. Senators, leave of absence has been granted to Sen. Diana Mahabir-Wyatt from today's sitting; and to Sen. Phillip Marshall for the period January 27, 2000 to February 01, 2000.

PAPER LAID

Annual Report 1998 of the Controller, Intellectual Property Office [*The Minister of Public Administration (Sen. The Hon. Wade Mark)*]

ORAL ANSWER TO QUESTION

**Pageant Company/Tidco
Expenditure**

The following questions stood on the Order Paper in the name of Sen. Muhummad Shabazz:

6. A. Could the hon. Minister of Trade & Industry and Consumer Affairs state the amount of money the Pageant Company or Miss Universe Incorporation paid to the Copyright Organisation of Trinidad and Tobago for the Miss Universe competition and all other related events staged by them in Trinidad in May, 1999?
- B. (i) Could the hon. Minister state how much money TIDCO spent on or invested in:
 - (a) World Beat Festival
 - (b) Millennium Expo;
- (ii) Could the hon. Minister also state whether the two events realized profits? If the answer is in the affirmative, could the Minister state how much profit each event realized. If the answer is in the negative, could the Minister state the loss incurred?

- C. (i) Could the hon. Minister state how much money was spent or invested in 1999 by TIDCO in:
- (a) local projects and companies.
 - (b) foreign projects and companies.
- (ii) Could the Minister also state the names of the companies and the types of projects?

Millennium Concert

7. A. Could the hon. Minister of Tobago Affairs state:
- (i) What was the exact cost to the Trinidad and Tobago Government through the Tobago House of Assembly to stage the Millennium Concert in Tobago on December 31, 1999;
 - (ii) How were the moneys disbursed to companies and individuals;
 - (iii) The amount of money the Trinidad and Tobago Government through the Tobago House of Assembly paid to the Copyright Organization of Trinidad and Tobago.
- B. Could the Minister state whether Joseanne Lennard was ever employed with or was on contract with the Tobago House of Assembly. If the answer is in the affirmative, could the Minister state the terms and conditions of employment?

Questions, by leave, deferred.

GOVERNMENT SENATORS (INTENDED REMOVAL OF)

The Minister of Public Administration (Sen. The Hon. Wade Mark): Mr. President, as you would no doubt recall, the hon. Attorney General of the Republic of Trinidad and Tobago placed on the record of this honourable Senate the press release which exhibited the letter which His Excellency, President Arthur N.R. Robinson, wrote to the hon. Prime Minister in response to the hon. Prime Minister's request to His Excellency, for the revocation of appointments of two Government Senators and the appointment of two new Senators in their place.

You will recall, that in the letter which the hon. Prime Minister wrote to His Excellency, President A.N.R. Robinson, dated January 25, 2000 and which was laid in this honourable Senate, the hon. Prime Minister stated that he had attempted to meet with his Excellency, President A.N.R. Robinson, on Tuesday,

January 25, 2000, but was informed by the President's Secretary that he would not be available for the entire day and would therefore try again to meet with His Excellency, on Thursday, January 27, 2000.

Mr. President, I wish to inform this honourable Senate that the hon. Prime Minister did attempt to meet with His Excellency, as was requested in his letter dated Tuesday, January 25, 2000. However, the hon. Prime Minister received a message on Wednesday, January 26, 2000 at approximately 9.50 a.m. from the Office of His Excellency, requesting a postponement of the meeting scheduled for today, Thursday, January 27, 2000, because His Excellency wanted to prepare a written response to the hon. Prime Minister's letter of January 25, 2000.

The hon. Prime Minister immediately responded in writing to His Excellency. The hon. Prime Minister's letter, dated January 26, 2000 reads and I quote:

“January 25, 2000

His Excellency,
Mr. Arthur N. R. Robinson, T.C., O.C.C., S.C.,
President of the Republic of Trinidad and Tobago
Office of the President,
President's House
ST. ANN'S

Your Excellency,

I bow to Your Excellency's wish that the meeting which was scheduled for Thursday January 27, 2000 be postponed to your convenience.

Yours sincerely,

Basdeo Panday”

I also wish to circulate to Senators of this honourable Senate the handwritten note of the hon. Prime Minister which was prepared by him at the time of His Excellency's request for the said postponement on Wednesday, January 26, 2000. The note reads and I quote the Hon. Prime Minister:

“I received the following message from Mrs. Mary Barrow, acting Private Secretary to His Excellency, the President.

‘His Excellency, the President would like you to kindly postpone your visit for tomorrow, Thursday January 27, 2000, as His Excellency has to send you an answer in writing to your letter to His Excellency dated January 25, 2000.’

Government Senators (Intended Removal of)
[HON. W. MARK]

Thursday, January 27, 2000

Kindly indicate what response I should give to Mrs. Barrow. I bow to the wishes of His Excellency.

Basdeo Panday

26th January, 2000.”

This letter is dated January 26, 2000.

Mr. President, in light of the hon. Prime Minister's letter dated January 25, 2000, and the statement made in this honourable Senate, by the Attorney General of Trinidad and Tobago and the fact that His Excellency, has not as yet revoked the appointment of the two honourable Senators, and the Government's unswerving commitment to uphold the Constitution and the law, it has no alternative but to move for the adjournment of the Senate to Monday, January 31, 2000 at 10.00 a.m. in the hope that His Excellency the President, Arthur N. R. Robinson, will comply with the Constitution of our Republic nation state of Trinidad and Tobago.

Mr. President, I beg to move that this honourable Senate do now adjourn to Monday, January 31, 2000 at 10.00 a.m.

1.40 p.m.

Sen. Prof. Spence: Mr. President, would you allow me to comment on the date that we are to reconvene?

Mr. President: I would put it to the Senate and a vote would be taken.

Question put.

The Senate divided: Ayes 12 Noes 13

AYES

Mark, Hon. W.

Kuei Tung, Hon. B.

Baksh, Hon. S.

Phillips, Dr. The Hon. D.

Gangar, Hon. F.

Gillette, Hon. L.

Tota-Maharaj, Hon. V.

Cuffy Dowlat, Ms. C.

Baksh, N.

Hamel-Smith, P.

John, S.

Gray-Burke, Rev. B.

NOES

Mohammed, Miss N.

Montano, D.

Jagmohan, M.

Alfred, Miss C.

Shabazz, M.

Yuille-Williams, Mrs. J.

Spence, Prof. J.

Teelucksingh, Rev. D.

Daly, M.

St. Cyr, Prof. E.

Mc Kenzie, Dr. E.

Kenny, Prof. J.

Ramchand, Prof. K.

Mr. N. Moore and Mrs. A. Williams abstained.

Question negatived. [Desk thumping]

Sen. Daly: Would you like to consult us now behind the Chair, which you should have done?

FUNERAL HOMES BILL

Bill to provide for the establishment of the Funeral Directors and Embalmers Board of Trinidad and Tobago, the regulation of the practice of funeral directing and embalming, to amend the Public Health Ordinance, to provide for the licensing of funeral homes, and to provide for matters related thereto, [*The Minister of Health*]; read the first time.

PLANT PROTECTION (AMDT.) BILL

Bill to amend the Plant Protection Act, 1975, [*The Minister of Agriculture, Land and Marine Resources*]; read the first time.

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

ARRANGEMENT OF BUSINESS

The Minister of Public Administration (Sen. The Hon. Wade Mark): Mr. President, at this time we would want to deal with Bills Second Reading, Bill No. 1, before Motions.

Agreed to.

FINANCE (VARIATION OF APPROPRIATION) (1998/1999) BILL

Order for second reading read.

The Minister of Finance, Planning and Development (Sen. The Hon. Brian Kuei Tung): Mr. President, I beg to move,

That a Bill to supplement and vary the appropriation of the sum the issue of which was authorized by the Appropriation Act, 1998/1999 be now read a second time.

As you are aware, the House of Representatives met on Friday, January 21, 2000, and agreed to a number of proposals relating to the 1998/1999 accounts. These proposals included the variation of the 1998/1999 appropriation in the sum of \$204,889,158 under a number of heads of expenditure.

Mr. President, the variation of the 1998/1999 appropriation in that sum had been deemed necessary to bring to account the value of various non-cash mechanisms which had been utilized by public sector employees in order to offset arrears owed to them by the Government of Trinidad and Tobago.

The total value of the mechanisms accessed in 1999, which are to be brought to account, is \$522,244,000. The amount available in the 1998/1999 Estimates of Recurrent Expenditure to bring to account the value of these mechanisms is \$317,354,842 which comprises the original allocation of \$300 million and a virement in the sum of \$17,354,842.

Mr. President, given the nature of the transaction and the options, including non-cash mechanisms, which were available to public sector employees, it was not possible to make an accurate assessment of the value of bonds that would be

issued in 1998/1999. Therefore, the House of Representatives approved the transfer of the difference in the sum of \$204,889,158 as follows: an increase in Head 18, the Ministry of Finance, \$204,889,158 with a corresponding decrease of \$204,889,000 being transferred as follows:

MINISTRY/DEPARTMENT	DECREASE
Judiciary	\$4,579,158
Office of the Prime Minister	\$1.2 million
Pensions and Gratuities (Head 20)	\$16 million
Ministry of National Security	\$11,382,000
Ministry of Agriculture, Land and Marine Resources	\$20,820,000
Ministry of Education	\$35 million
Ministry of Health	\$17,805,000
Ministry of Housing and Settlements	\$7,331,000
Ministry of Local Government	\$3,435,000
Ministry of Works and Transport	\$46,903,000
Ministry of Public Utilities	\$23,234,000
Ministry of Tourism	\$9,566,000
Ministry of Information, Communications, Training and Distance Learning	\$7,634,000.

The main reasons for the savings were, one, the provisions for the payment of increments, Government's contribution to NIS and pensions and gratuities were more than were required to meet payments to employees; and secondly, the delay in the award of contracts hindered the implementation of a number of developmental projects. I would like to inform this honourable Senate, Mr. President, that explanations for the transfers have been circulated to Members of this House.

Let me, therefore, in closing, remind Senators that the Finance (Variation of Appropriation 1998/1999) Bill would not increase the 1998/1999 appropriation, which has already been approved by Parliament.

Mr. President, I beg to move.

Question proposed.

Sen. Danny Montano: Thank you. Mr. President, the Minister is, as usual, brief and I will attempt to be brief also. I have no difficulty in understanding the Bill in front of us, but I do have a difficulty with it.

The Minister indicated very clearly that the re-allocations of some \$205 million are coming from a host of different ministries being re-allocated to the Ministry of Finance in order to pay the arrears of public servants. He did indicate that it was to pay what he described as non-cash mechanisms; in essence, as I understand it, these are bonds that are issued and are effectively being brought to book in the accounts of the administration.

The issue I have difficulty with is that after I went through all the documents sent to us, it was very clear that all of the amounts that are being removed from the other ministries were payments that would have been paid in cash. We are now setting up a provision for \$205 million, approximately, in bonds to be issued. A bond is like an IOU, it says that I am going to give you a piece of paper now that says, in essence, we are going to pay you a total of \$205 million in two years from now, when the bond matures. That is what it is; it is not a cheque. It is not cash money that the Government is issuing.

In other words, what has really happened is that the Government has not spent money in certain areas, and they have all been detailed and expensed. They have not actually paid out some \$205 million because the Government's accounting is on a cash basis. The Government does not account, except for these mechanisms, on what is called an accrual basis; it is done on a cash basis. So the cash flows of the Government have been sheltered by some \$205 million in the different Heads because those expenses, as described, were not actually paid for, so there would have been, theoretically, a surplus of \$205 million in cash moneys, and the charge is being reallocated to the Ministry of Finance for some \$205 million in an IOU.

In a real sense, if the money was really there, the Government would have achieved a slight cash flow surplus that they could have used to do other things; that is the cash itself. The charge is being reallocated, but the money would have been available. If the money was not there at all and it is simply being used as a covering device in order to pick up the slack for the \$205 million, then it might, in fact, indicate that the Government had a real \$205 million cash shortfall in its revenues. That is the question, Mr. President, we do not know what the situation is. I have a serious question about that.

I have no difficulty over the issuance of the bonds. We had started that mechanism when my party was in government and, notwithstanding the

statements that this Government made when it was in Opposition that the public servants should be paid in cash, they have gone along with virtually the identical mechanisms at which we had arrived. We knew what we were talking about and quite clearly they did not at the time; now they have seen the wisdom of our ways. [Laughter] [Desk thumping]

It is vitally important that public servants be paid promptly and properly. Of course, going back to when the issue arose and the public servants' salaries were reduced by 10 per cent, that was completely wrong and the courts dealt with that, but it is still an issue today in our society that public servants must be properly paid.

I would give you a little example, Mr. President. Some time ago, the Salaries Review Commission made a report recommending that the salaries of a series of public servants, including government ministers and Members of Parliament as well as the councillors in local government bodies should be adjusted, but it affected many others.

1.55 p.m.

I will read an article from the *Independent*. It actually has tomorrow's date, but it was published yesterday. It says:

“Staff from the Solicitor General's Department say that in 1999 at least 10 experienced attorneys opted to change jobs...

Attorneys say despite several attempts to urge government to implement the recommendations of the 52nd Report of the Salaries Review Commission their clamouring seems to fall on deaf ears.”

Mr. President, that is a most serious issue and I have great difficulty with that because when one looks at page 15 of the explanations document, it indicates that approximately \$55.9 million was reallocated from the Ministry of Finance because approval was not obtained for the payment of increased salaries and allowances of office holders within the purview of the Salaries Review Commission.

If one looks at the transfers within subheads, one will see that approximately \$101 million of the total \$133 million is actually being reallocated from personnel expenditure to goods and services which could include contracted workers as well as for capital goods, purchases and so forth. In other words, \$101 million through a series of different ministries is being reallocated to other areas having not been spent on personnel, and there is a comment indicating that while there was a

Finance (Variation of Appropriation) Bill
[SEN. MONTANO]

Thursday, January 27, 2000

provision in the budget for the recommendations of the Salaries Reviews Commission, it was not implemented.

Mr. President, insofar as that is concerned, and the implementation of salaries for Members of Parliament and others in the political arena, it is not a question that the Government needs the authority, agreement, or the permission of the Opposition to do, that is an executive decision alone. It is for the Government alone to take a decision whether to implement or not to implement. Plain and simple. To make an issue that because the Opposition did not agree with the way that the thing is being done they are not going to implement it is nonsense. We do not agree with half of what they do, but they do it anyway, so why are they holding the public service to ransom simply because at the time we did not agree with some of the provisions they were proposing. That is grossly unfair and it leads one to a number of very serious questions.

Mr. President, there has been a report in the media to the effect that an American consultant is about to be hired by the party supporting the Government to the tune of some \$63 million. In the context of the general levels of salaries of Members of Parliament and other politicians in local government as well as these lawyers, it is a shocking indictment of the intentions of this administration. How is it and what could possibly justify a government and its party—the party which supports it—to invest \$63 million in one individual, not a whole team, just one person in order to take an \$8,000 job, because I think that is what a Government Minister earns.

Mr. President, how does that equate? We are reaching a point in the history of our country where things are becoming extremely dangerous and when a Government or its supporters feel that a \$63 million investment in one individual is worthwhile, it starts to raise the question: how can that be so worthwhile? What is the pay back for that kind of risk? That is the question, Mr. President. [*Desk thumping*] It becomes even more relevant if \$63 million does not do it, then what will? Will a bullet do it? That is exactly what is taking place. That is exactly what took place at Mayaro. The fact is that a politician became involved with elements who were insisting on—

Mr. President: No Senator, stay clear of that one.

Sen. D. Montano: Mr. President, the issue in my mind is if at the time we are having an election, if in the run-up to the election, it is quite clear that the \$63 million and whatever else that their party spends—it could cross \$100 million—is clearly not going to do it for them, then how imperative is it when they can justify

spending \$100 million when people are starving in the country? At what point does it become expedient to use a bullet? That is what frightens me, that is what terrifies me. That is what I find completely crazy. Whose money is that? Who is going to raise \$100 million to fight that election? Mr. President, I have questions. Is that coming from supporters of the party who would have paid income tax on that? Or is it money they have not declared to the Board of Inland Revenue? I will certainly like to know that the Board of Inland Revenue could trace the source of those funds.

Mr. President, I have much difficulty when the Government decides not to pay proper salaries to people who are deserving. In the logical consequences, what are you doing in the office? What are you doing there and what are we looking for? We have Sen. Gillette, the Minister in the Ministry of the Prime Minister who leaves a senior executive position in his own business to come and do what? Check on the colour of rice? He left that salary to take up that salary to check on rice? Mr. President, I find it difficult.

Mr. President: Senator, Senator, Senator. I do not think it is a fair statement to make and it borders on disparaging.

Sen. D. Montano: Mr. President, that is the difficulty. They took \$39 million from the Ministry of Works and Transport because the contract on the Solomon Hochoy Highway was cancelled. What did they do with it? This is where my first question comes from. If the cash were available, why did they not start the clover-leaf at the junction of the Churchill Roosevelt and the Solomon Hochoy Highway?

When we left office in 1995 the plans were ready, all they had to do was to implement it. They said they were going to redesign and so forth. Four years later, I have not even seen a wheelbarrow there. I have not seen anything at all. What is going on?

Over the Christmas holidays I had some relatives from Denmark, the chap who is actually my uncle, was the engineer who actually built the cement plant in 1953/1954. He married a local girl, a foreigner bought local, Mr. Minister, and he looked at the condition of the roads. He has been in and out for many years and he said he has never seen the roads in such a condition. He asked: what is going on, I thought you had significant oil revenues? I said: "We have the revenue, but we have a Government that does not know what to do with it." That was the only explanation I could make because I do not know why it did not spend the \$39 million to patch roads.

Finance (Variation of Appropriation) Bill
[SEN. MONTANO]

Thursday, January 27, 2000

In Maraval, at the corner of Saddle Road and Long Circular Road there are, what a friend of mine calls, recessed potholes. They are so deep that my car cannot go in and come out without damage, and there are about three of them there for months. But \$39 million which should have been spent in cash—I want to know what happened with the cash.

I seem to recall that the last time we were doing an issue with the arrears to the public servants that the Minister of Public Administration was saying that was the last tranche, that all had been fully settled. I was very surprised to see this again, so I would like to know if this is the last of it. Is there more, and if so, how much more is there?

Mr. President, in the first budget for 1999, the hon. Minister of Finance said he wanted to have a computer in every classroom. A very good objective, Mr. President, one I can wholeheartedly endorse, but at the end of the time, he has \$35 million which was unspent. Thirty five million at approximately \$10,000 per unit is three and a half thousand computers, and all they manage to get in was some three or four hundred.

Mr. President, did they not know up front that most of the schools did not have facilities that were secure and dust free for those units? They did not know that? Any school child would have known that. In any event, could they not have been purchased and set aside and then instruct the schools to make them ready? Again, it was cash money not used in place of an IOU.

Mr. President, the interest on the overdraft moved from \$5 million to \$60 million, that was a twelve-fold increase. Is that just sloppy budgeting or is it that the overdraft was 12 times what it was supposed to be and which overdraft, and where? I would like to know. What debt, and how did this overdraft come about? For what purpose? We have to be very careful because one of the things the NAR administration had started was what is called off balance sheet financing and they called it the design/finance/construct scheme. This is where you would build the project, but tell the builders or contractors to finance it themselves through Fincor or any one of the banks and when the building is finished they will take it out of their hands and take over the financing at the same time.

Mr. President, as you would know with the airport for instance, that some of these projects take many years to be completed. The library is another one which has been there for a number of years, but the liability on the financing for those two projects as an example is not reflected anywhere because they are being financed outside of the Government's resources so I am concerned here. Is it that

part of those loans are being brought to—exactly what is the situation? I really do not know. I cannot make any sense out of it.

Mr. President, those were the key matters I wanted to bring to the attention of this Chamber. With those few words, I leave it to the rest of my colleagues to deal with some of the other matters.

Thank you.

2.10 p.m.

Sen. Prof. John Spence: Mr. President, I suppose in a way, my comments would be similar to those of Sen. Montano, that is to raise some questions on some of the items that are set out in the documents before us. But first of all, I would like to thank the Minister of Finance, Planning and Development for once more providing us with documentation which allows us to easily follow exactly what has gone on with respect to transfers, savings and utilization of savings. Part of the problem, however, is that the fact that the Minister has done that, really just raises more questions and it would have been nice—and, perhaps, he can do it in winding up—if he had gone through some of the larger items perhaps, and given more detailed explanations than are given in the document. Each of us would be interested in different aspects of the change in allocations and in the change from one subhead to another, but I just want to comment on three items; the first being agriculture, the second being education and the third being health.

Now, a number of the items start—as does the one in agriculture—under personnel expenditure with this statement—savings were realized, as the provision for the payment of increments was more than sufficient to meet amounts due to eligible employees, as a result of non-fulfillment of vacant posts. Well, I could understand the non-fulfillment of vacant posts, although one must ask: why, in fact, were these posts not filled? But, I would have thought that the arithmetic was fairly straightforward with respect to eligibility for increments and it puzzles me, that there can be \$6 million difference in the arithmetic with respect to increments, and that sort of statement occurs, for example, in the Ministry of Health. The provision for the payment of increments was more than sufficient to meet amounts due to all eligible employees of \$17 million.

Mr. President, I would have thought that if one had that sort of error in the assessment of eligibility for increments and the costs thereof, I would hope that the Minister of Finance, Planning and Development came down rather heavily, on some technician, who was making such a large mistake. And, of course, if one

adds up all of the statements of that kind, one would see that the sum, probably, runs into about half of the total savings that were realized. So, what is happening with the technicians who assess personnel emoluments and the requirement for eligibility for increments and the costs thereof? I would certainly like to get a comment from the hon. Minister on that score because it does seem to be a rather large item.

Now, since we are told that there is a new mechanism—and I think it is a very good one—for transference between one subhead and another, and we are given on the second part of the document, a number of such transfers that were made, I think this is excellent, the control being still held at the centre by the Ministry of Finance. I would then like to ask: why, if the Ministry of Health had \$17 million savings or did not expend \$17,800,000 on increments, why was that not used as a transfer from one subhead in the Ministry of Health to another, in order to effect some of the very urgent needs of that ministry?

Mr. President, if one might be personal for a minute, as you are aware, over the Christmas holidays, I had to have a medical procedure at Mount Hope, and one of the assessments was an echocardiogram, and the young lady had told me, two years ago, when I had such a procedure done that the instrument was very old and, therefore, she could not get all that she would like to have got out of this instrument. Two years later, so I ask the question: have you got your new instrument yet? No! It is the same old instrument which was too old two years ago. So, certainly, as a patient—and a paying patient, at that, as you are at Mount Hope—it was most disconcerting to find that the assessment that was being made of how my heart was functioning, might not be as good as it might have been, because the funds were not available to replace the instrument, and here we have \$17,800,000 worth of savings within that Ministry.

Mr. President, why is it that Ministry did not re-allocate from one subhead to another? And, of course, that is just one example of shortfall in the Ministry of Health. We all know what happens at the hospitals such as, San Fernando and Port of Spain. We only have to listen to the comments made by a former head of the San Fernando Doctors' Association to know that things are not what they should be. So, I would certainly like to have the Minister of Finance explain to us, why these sums were put down as savings in the various ministries, rather than used for urgent matters within the ministry, matters which could have been then attended to with that sort of financing.

Mr. President, of course, that does raise the question as raised by Sen. Montano, and that is, were these savings really cash? Perhaps, the hon. Minister of Finance would explain to us whether, indeed, the fact that the \$204 million,

whatever it is, for the issue of bonds; whether it is just an accounting device that we are using here or whether there were, in fact, cash savings which could have been used for other items in the same Ministry. Of course, if the cash was not available then the comments that they should have been used for something else just do not apply. So, it would be very useful if the Minister could tell us that. And, of course, the same thing applies to the Ministry of Agriculture. We know that all Governments for the last 15 years have given very low priority to agriculture, and this one is no exception, so it is not surprising to find that there are \$20 million in savings in the Ministry of Agriculture which could not be re-utilized within that Ministry.

Mr. President, but I am concerned too about the situation in the Ministry of Education. As you know, I have been one who was urging the Minister of Finance to provide computers in schools and then congratulated him for the fact, that he had provided them. So, it comes as a great disappointment to find that there has been yet a further delay and, quite frankly, I do not see why—since we have had now, I think it must be two years to address this issue—we should still at this stage be saying that \$35 million was allocated and could not have been spent. And, certainly, this is again an issue in which I would hope that somebody got rapped very sharply across the knuckles, since in Trinidad and Tobago, we are a country that believes in corporal punishment—I do not myself—so, my rapping would be verbal rather than physical but nevertheless, I hope that at least there was some physical rapping across the knuckles for that situation.

Mr. President, with respect to the removal between subheads, the one which is most substantial and, I think again, I would like to get some explanation, because of the size of the re-allocation is that in the Ministry of Finance. Seventy-seven thousand-odd dollars have been re-allocated within the Ministry of Finance, and listen to the reasons why the savings were obtained:

- (1) Approval was not obtained for the payment of increased salaries through the Salaries Review Commission.

Well, all right that is clear that if Parliament did not agree, then nothing could happen—or the Government rather—not Parliament. It is the Government to agree to pay those salaries.

- (2) During the fiscal year, provision was made for increased national insurance employees' contribution for all ministries and Departments. However, most ministries and departments were able to facilitate this increase within their budgetary allocations.

Finance (Variation of Appropriation) Bill
[SEN. PROF. SPENCE]

Thursday, January 27, 2000

What does that mean? Again, does that mean bad arithmetic? I must call it arithmetic. Does it mean that somebody miscalculated what the national insurance contributions for most ministries and departments would be not only the Ministry of Finance? Could we have some explanation? Am I correct in assuming that somebody did bad arithmetic? Perhaps, the need for changing the curriculum in primary schools is emphasized by that sort of statement.

2.20 p.m.

Then, the redemption of shares held by the minority shareholders in the Agricultural Development Bank. Well, I suppose the Government has no control over that. Then, the reallocation of funds with the import/export bank. Well, that I am not clear on myself.

So, Mr. President, I am concerned about the fact that we need some fuller explanations to some of the savings. I am concerned that the urgent needs of many ministries have not been met by reallocations within the heads from one sub-head to another, which is now possible without too much difficulty, and I would be very glad to hear from the Minister of Finance, Planning and Development explanations for the points that I have raised with these few comments.

Thank you very much.

Sen. Martin Daly: Mr. President, I, too, am very troubled by page 15 of the explanations, that is the \$77.4 million transfer within the Ministry of Finance, Planning and Development.

First of all, may I just say in passing, in relation to the savings as alluded to by Sen. Prof. Spence, I know we have a lot of difficult constitutional problems in any one time, but I certainly think it is an inadequate understanding of the Constitution to suggest that approval was required in order to implement the Salaries Review Commission Report. That betrays a lack of understanding of how we do these things.

However, what disturbs me greatly, is that one of the many things I admire about this Minister of Finance, Planning and Development is the fact that he has always kept a very tight control on monetary matters—he is a good housekeeper—and one of the first things about which I spoke in this Senate in 1987, was the supine nature of the Central Bank, particularly in election years where the governments' overdrafts seem to get larger by coincidence.

The first facilitation for which this \$77.4 million was used was to supplement the amount required to meet interest payments on the overdraft at the Central Bank. Now, I assume that refers to the Government's overdraft at the Central

Bank and I am concerned to know why the amount which was put aside for interest needed to be supplemented. I certainly hope that this Minister is not going to fall prey to the temptations to raid the Central Bank in the fourth and fifth years of the life of a government. So, I would like to know why the interest payments needed supplementing.

Item (ii) appears to be another calculation problem—to meet the shortfall in interest payments to Fincor in respect of Caroni Limited debenture of \$100 million. I do not understand if you have a debenture of \$100 million and the interest has been calculated, unless there is some change in the interest rate, or some other variable, why that was necessary.

Item (iii) is even more baffling and it probably answers in participation a question I put down for the Minister in another session—to meet the shortfall of principal and interest to Republic Bank Limited in respect of the debt service requirements of Taurus Services Limited. Now, that is very worrying and requires some explanation.

I understand Taurus to be the company to which debts owed to the three banks that merged—First Citizens Bank, National Commercial Bank and the Co-operative Bank—were assigned, and I do not quite understand why there is any debt service arrangement between Taurus and another bank, and I would like to have that explained.

Sen. Prof. Spence: Mr. President, I would also mention that Taurus was used to transfer bad debts from the Agricultural Development Bank.

Sen. M. Daly: Oh! I am grateful to my colleague for reminding us of that. But, what is this link between Taurus and the Republic Bank? I do not understand it and I would like it explained.

It is not only a very large sum of money, Mr. President; it is full of temptation in the case of item (i), that is, the Central Bank overdraft. It also shows that all three items are debt items and I worry that the debts are so large that we need to make this kind of facilitation. I ask the Minister to give some explanation of the matter.

I may say that when I first raised this matter in 1987—the government's overdraft with the Central Bank—I did not become flavour of the month with the Central Bank officials and this might be an appropriate time—generally, the Minister always takes these questions that we raise with a good heart—to say, before I continue my contribution, how nice it is that we are having a working day in the Senate. [*Desk thumping*] It has been marred only by a certain lack of consultation about the dates for an adjournment and I believe the local expression

Finance (Variation of Appropriation) Bill
[SEN. DALY]

Thursday, January 27, 2000

is, “You do not take medicine for somebody else's fever”, so I hope that if Mr. Smith and Mr. Brown are not speaking, that does not prevent Sen. Mark, Sen. Mohammed and Sen. Prof. Spence from having their usual consultations. I do not believe they are at a fixed hour or on a fixed day of the week, but I believe they are quite frequent and usually work very well. I am sure if they are resumed before the tea break, we would not have any more difficulties today with dates.

May I raise one other matter, Mr. President, in relation to some expenditure on the Environmental Commission which appears at page 16. A sum of \$1.1 million was required to meet the cost of furniture and equipment and rental of suitable office accommodation for the newly established Environment Division. Well, Sen. Prof. Kenny and I have some difficulty with that, because as far as we know, the environment is now being policed by the Environmental Management Authority so we are not quite sure what is the function of this newly established Environment Division within the Ministry of Planning and Development.

Then, item (iii)—to meet the expenses of the Environmental Commission which became operational in 1999. Well, that is clearly a dream, because until pressure from the Independent Senators assisted the Government and the Opposition to get together and rectify the lack of constitutionality in the Environmental Management Act and, thereby give birth to the Environmental Commission—and I believe that happened quite late in 1999—it is difficult to see what expenses the Environmental Commission had to be met in 1999; certainly not to the tune of any substantial sum of money.

I may say in passing, just to underline the point, that was an occasion on which consultations and talks, which seemed to have been interrupted temporarily today, produced a magnificent result for the country. We corrected an error that was four years old. So, let us keep talking, Mr. President. Let us keep talking.

Thank you, Mr. President.

Sen. Rev. Daniel Teelucksingh: Mr. President, the explanatory note accompanying the Finance (Supplementation and Variation of Appropriation) (1998/1999) Bill identified certain ministries and departments where significant savings amounting to approximately \$204.8 million originated. I will restrict my attention to one of these ministries.

We say savings. It is good news that we have savings and everybody seems to be defining what is the meaning of savings in the Bill before us. It is good news that we have unspent funds, that is, savings which can be transferred elsewhere.

Gone are the days of the painful, burdensome adjustment of the International Monetary Fund; the anguish we experienced when we were forced to remove protective trade barriers and almost immediately witness the demise of several indigenous industries. Mr. President, the turnaround is good. An economic recovery is most welcome. At least we are on the road, Sir, to material well-being and today our hemispheric ratings are good with the presence of foreign investors and unprecedented industrial expansion.

With last week's nine-year high in oil prices at \$26 per barrel—promise for a bright tomorrow? I hope so. Our development projects are on stream and we have some measure of economic strength when compared with other smaller developing nations. But my concern is that the task of social reconstruction and political stability must continue in earnest.

Although much can be said about the various ministries and departments as identified in the Bill, I would restrict my comments to one, that is, the Ministry of National Security. Under Head 22, about \$11.3 million transferred elsewhere, and I would like to use the same interpretation used by Sen. Prof. Spence, asking why allocations for a particular ministry could not be shifted within that ministry—I hope I got him right. Why could allocations for a particular ministry not be shifted or moved around, as it were, within that ministry, rather than be moved out completely?

I use the same kind of interpretation in understanding the Bill in referring to Head 22 about \$11.3 million removed from the Ministry of National Security. I am concerned because the elusive demon of crime is creating a nightmare in this nation.

For example, a few years ago, Trinidad and Tobago was merely a conduit for narcotics being transferred from South America to the North, but we are now users. It seems as though there is leakage in the conduit and we are providing a market for these drugs and we need to talk about that a bit.

I am very worried at the large quantities of narcotics in circulation among us. Today, I think we need to stop to compliment the Organized Crime and Narcotics Unit. They must be complimented for their work. I just make reference to the fact that last month, December, two Venezuelans were charged with trafficking in drugs. They had 27 kilograms of cocaine worth over \$13 million. In January, a German national was caught smuggling out of Tobago, two kilos of cocaine with a street value of about a million dollars and on Tuesday of this week, an English woman appeared in a Tobago court charged with being in possession of 11 kilograms of liquid cocaine.

Finance (Variation of Appropriation) Bill
[SEN. REV. TEELUCKSINGH]

Thursday, January 27, 2000

Mr. President, we need to find money to beef up that Ministry rather than transfer and move out its funds. That is my argument. That is my contention. I am very concerned about weakening that Ministry. It is one of our most important ministries. In a society as ours where crime is a major threat to social stability, the Ministry of National Security should not be a victim of the transfer of any funds of the kind indicated in the Finance Bill before us.

2.35 p.m.

Mr. President, we need a more sophisticated, well-trained and properly equipped police service in terms of amenities and personnel. I speak like this about the weakening of the Ministry by the removal of funds, when these funds could have been circulated and shifted within the Ministry.

Why, in a small country as ours, with 92 murders in the year 1999, do 29 of these remain unsolved? Why do criminals remain ahead of our protective services? Will the murder of the Chairman of the Mayaro/Rio Claro Regional Corporation be another unsolved murder? Will the robbery of a Senator in Tobago a few weeks ago remain unsolved? I am very concerned about the threats this week to a Minister of Government. [*Desk thumping*]

Mr. President, my argument is that there are needs. We are convinced as a nation that there are needs in the Ministry of National Security that call for urgent attention. The year began, for example, with a Special Reserve Police officer using his service revolver to kill his girlfriend, her brother, and then to commit suicide. Are there more Darryl Williams in the service who need the kind of help that all disturbed and troubled people should be given? Are counselling facilities within the service enough to meet the needs of our national security personnel? Do not tell me that they had no need for this money, as referred to in the Bill before us.

Who will assist us to uphold the law more efficiently when once again a maxi taxi claims another victim, and this time, Trinidad and Tobago's most celebrated flagman, Gerald Lewis? Who will protect and defend school teachers and pupils from the kind of terrorists who recently invaded a classroom in the Diego Martin Junior Secondary School and robbed the teacher?

Mr. President, notwithstanding the various social groups that need to combine and unite in the war against crime, our people look to the police first for protection against perpetrators of criminal activity. We are far from efficiency to combat the spiral of crime in our society. I support every effort to make the Ministry of National Security more prepared than it is at present.

As I was saying, we could touch on almost all the ministries and ask why is it that we weaken the ministries. I just want to stop with this one, the Ministry of National Security, and share these concerns with you.

One last comment. Mr. President, I began my contribution by indicating how fortunate we are to see, at least, the dawn of a new economic day, but financial security—and this is very important—is not all. Money is not all that is needed for national prosperity and, certainly, not the panacea for all our ills. We are being reminded these days how invaluable and essential are political and social durability for the well-being of this nation. Therefore, with this main thesis that money is not all for national prosperity and stability, I would like to make a fervent appeal for reconciliation and restoration of harmonious relations between our ceremonial Head of State and our executive Head of State. I pray for that healing so vitally required at all times. Both estates of realm, though with different responsibilities, need to function together as models and symbols of social cohesion and national stability.

I thank you very much, Sir.

Sen. Joan Yuille-Williams: Mr. President, I take this opportunity to make my comments immediately after Sen. Teelucksingh. At one time when I came in here, I thought that I would have made my comments mainly on the Ministry of Health, but I think I will leave that for another time and go to another area in the Ministry of Education.

I wanted to ask the same questions that I think the Senators have asked. In the Ministry of Education, we see a decrease of \$35 million, if I am correct, and I am going to ask myself why education and why a decrease of \$35 million at a crucial time like this?

I wanted to just look at two areas in education on which I think we need to spend that money. That is why I took the opportunity after Sen. Teelucksingh, because one of them certainly would be security in our schools. Having spent the better time of my life in the classroom, I understand what it means to be in a secure classroom. Sen. Teelucksingh did refer to the incident at the Diego Martin Junior Secondary School some time recently when a criminal went into the school, brandished a weapon, stole a bag from a teacher and threatened the children, who I think have to go through some type of trauma treatment at this time. We do not know how many of our children could have been affected by this experience; the lifelong effect. At the end of it all, some of the teachers refused to work, and I support them in this. Recently, we heard the Minister of Education saying that more attention will now be paid to the school.

Just this morning, I heard where another criminal went into a school in the east. This time, he had a weapon sharpened at both ends, went into the school looking for a teacher, and I think the news did say what was his problem, why he wanted to see the teacher. I did not go through the reasons. That was not so important to me. He walked through the length and breadth of the school brandishing this weapon and then walked out. Again, I am going to tell you that there is going to be some trauma treatment needed for those children and teachers. In fact, a number of those children could have been attacked by this criminal, and I am wondering, therefore, whether or not every time something happens in a school, then we are going to move to do something for that particular school!

Mr. President, we almost brought a Motion here on urgent business in terms of the security of our schools. I remember last year when that was at the top of the agenda, what we had from the Ministry of Education was a priority listing of high-risk schools; I think 45 and another 45. I say today that all our schools are high-risk schools. [*Desk thumping*] There is going to be no piecemeal treatment. We need money urgently to attend to the security of the teachers and students in all of our schools. If we continue with this priority listing, if we continue with taking away \$35 million from education, which we could have spent on security, we are going to be saddened for it in the long run. This is a crisis, and we are not going to sit here doing the public's business and wait again until tomorrow morning when we listen to the radio and hear another school threatened, a number of teachers staying away and a number of students taken to the hospital traumatized.

I am going to ask the hon. Minister of Finance, Planning and Development to see what he can do, because I am saying that the safety of our teachers and students is threatened and we must do something about it urgently. That \$35 million could have been spent on education. That money could have been spent on security. In fact, the Trinidad and Tobago Unified Teachers Association (TTUTA) has asked that all schools be provided with security guards. All schools should have intercom systems so that one could get to the police as urgently as possible. I am quite sure that the Minister of National Security understands and I am quite sure they are not going to wait until there is a murder of a teacher or a student within the school to act. We have got to act now. This is a crisis and I, therefore, feel very saddened when 35 million of our dollars is taken away from education and we are still with a listing of priority schools.

There is one other thing at which I would like the Minister to look. There is need for the training of those guards who are placed in the schools. We can put as

many of them as we want, but if they are not properly trained to deal with what happens within the school system, we are not going to get the results that we want. In fact, I understand that in one school there were four of them. I do not know where they were and what they were doing, but that criminal was able to walk from one end of the school to the other end and left with the weapon. Of course, no teacher or child would try to stop him. In fact, everybody was just trying to hide and get out of his way.

There is much to be done in terms of the security in schools, and I would ask the Minister to put it as a priority. I know at this time, the hon. Minister would understand what I am saying because it has become so close to him. I was so shocked when I heard that report on how close he was to danger. I know he cares about children. Every time he stands here within this Parliament, he always includes a section where he looks after the young people. Therefore, I think that security is now close to the hon. Minister and that when he is trying to beef up the security for all of our parliamentarians and corporation people, he remembers that another priority will be our schools, the teachers and the students.

As we are talking about schools, teachers and students, I am going to really go back to the hon. Minister of Finance, Planning and Development. I am bringing another concern to his attention. I do not know if he is aware of another area in which the health of our students is threatened in terms of what is happening with a particular programme in the schools. That is the School Feeding Programme.

I remember during the budget debate, many of us talked about poverty, our social programmes and what we are doing; the social safety net. There was much desk thumping in here when, I think it was the hon. Minister—I may be wrong—talked about the increase in the number of students who are now provided with a daily lunch, as the case may be. Much desk thumping went on when we talked about the number of persons who were going to be provided with breakfast.

I am sure that the hon. Minister felt good to hear that, but I always tell this Minister that he has to look over his shoulders at what is being provided for him, because he stands there and, I suppose, he boasts about it. He feels quite comfortable when he hears his colleagues speak, but it is not always what they say. In reality, it is what happens. I want to just look at this one area, this whole business of school feeding. If we are into the safety net and thinking about the health of our children; if we are thinking about the nation at all, we have to look at this School Feeding Programme, because this is one part of that safety net. In fact, much money is being spent on the development programme, almost \$1 billion going to the airport and doing a whole lot of things, but what is really happening

Finance (Variation of Appropriation) Bill
[SEN. YUILLE-WILLIAMS]

Thursday, January 27, 2000

with this School Feeding Programme? I am going to talk about it from two points: from the standpoint of our children and from those who are involved as caterers.

When we rapped the desk and felt proud to hear the numbers who are involved in the School Feeding Programme, what I have noticed is that whereas previously a child might have been given a daily meal five times a week, do you know what actually happened? The Government cuts down on the number of days each child was fed and increased the number of children to be fed. That is how the increase in number was obtained! It was a numbers game that they played with the health of our children! *[Desk thumping]*

So, when they were getting lunch for five days a week, now we hear that a school is getting lunches on Mondays or Wednesdays or Fridays and another is getting two days, Tuesdays and Thursdays. In the Parliament, we are hearing an increase in the numbers. I feel it is very dishonest to take the minds and health of our young children to play that kind of draughts. I need to bring that to the hon. Minister's attention. We cannot do that! If we are increasing the numbers, then we do not decrease the number of days for some other persons, because if we say they are poor and they need that meal, then they need that meal. They were getting it five times per week. Therefore, giving them twice or three times per week and increasing the number, is just using the mathematics, playing the game.

Sen. Tota-Maharaj: That is misleading!

Sen. J. Yuille-Williams: When I come here with this, I come with the facts and I have researched it. You very well know that!

2.50 p.m.

Also, Mr. President, there is another area. I just want to tell you the gimmicks that are being played. Not all schools are involved in the Common Entrance Examination, and on that day, the schools are not getting lunches from the school feeding programmes. The day before they would be told by the caterers that no lunch would be served. Check it out! This is how the savings come in, but the children, therefore, are not benefiting.

What has happened to the breakfast programme? We had a pilot programme started, where is the breakfast programme? Some of us thumped so much—it is a good thing we have sturdy furniture in here—when we heard that breakfast was announced. But that was the end of it. A pilot programme was done. I would like to know how many are now being served breakfast? It is important that we know that. It is important that the hon. Minister of Finance understands what I am trying

to say. We have to be careful. The Government can do what it wants to do in other areas, but do not play with the health of the nation's children. [*Desk thumping*]

Sen. Shabazz: Thank you, talk on.

Sen. J. Yuille-Williams: Let me turn to the people who provide the meals; the caterers. I understand some of them have been in this business for several years. Thank God, some of them had retained earnings and they have been kept on. They cannot come, and they will not go out, and say what is happening to them. They will be called to a meeting, 10 minutes into the meeting, the Chairman would use a cellular phone, and they would be asked to leave; but they cannot say anything. They dare not come out in public because they fear victimization. That is why I am using the Parliament today. That is not the only set who fear victimization. We have become a country now where many people fear victimization.

Someone from the Couva/Tabaquite/Talparo Regional Corporation, a daily-paid worker, called me yesterday and said she was told by the Chief Executive Officer to go to the grounds of, I think it was Kent House, last week. She had to go. She went, but she was told she had to go. She is a daily-paid worker, do not think it is only URP workers who went. She had to go, because she was told that she must go there last week. [*Interruption*] Therefore, I want to tell you—whether it is a casual, whatever it is—some people, in this country now, are doing things under duress. Some of them are afraid to talk. That is why I am going to talk for these caterers.

The caterers are saying that they must have money for the provision of food for, at least, six weeks. Since last November a number of them had not been paid, and children are being fed by them every day. They have overdrafts in the banks. The banks understand their plight. They had been taking overdrafts. They had to pay VAT. One told me she had to pay VAT last week. We came here on Tuesday. That day her VAT was due, so she had to pay her VAT. They are under real financial strain because of the fact that the money is not forthcoming.

That is not all. They are not getting the money from Government and therefore, their ability to purchase, or to get items from certain sources is being denied because, the way this thing is organized, the caterers have to buy their products from particular contractors. I was given this example, something called chili mix, which they used to produce themselves, someone from Central now produces the chili mix for \$10, I do not know what quantity it is and they all have

to buy that chili mix from that person in Central. That is how it is organized. They are not getting the money. They cannot produce it themselves in order to help with their savings and now have to purchase from a given contractor.

Here is another example; something like cassava. I asked this question, I said “cassava”? He said yes, there are contractors in Central and South who are producing cassava. I asked him if cassava is on the menu, could he not produce it in his backyard himself? He said “no”; he has to buy that particular vegetable from the contractor in Central or South. Not only that, the contractor calls the caterers the day before or on the morning and tells her, “You need so many pounds of cassava, which I am supplying.” They are told, and they have to buy.

It is not to say that they can get away with producing anything sub-standard because each day the kitchens are visited. Therefore, one can see whether or not the caterers are providing what they are told to provide. The way things are organized; it is almost like a concentration camp. They cannot speak because they will lose the contract. These people have invested a lot of money into the contract.

They have their kitchens which must be set up in a certain way. One caterer told me that in the last three years she had to do extensive renovation to the same kitchen. In three years, twice, extensive renovation was done. Once it was renovated and approved, then the authorities returned and said: “No, this is not the design.” She had to go again and do extensive renovations. There is something called “Hazard Analysis at Critical Control Points” (HACCP). That is the layout of the whole design for the kitchen which, probably, has its merits, but she seems to say that they do not know what they are doing, because after the caterer has gone through all of that, they would return and it had to be done all over again. If they did not do it, no contract. They have invested so much: money had to be borrowed from the bank to do that and they are not even getting paid for what they did. These are some of the things that are really worrying.

Let me give you another example of the kinds of hardships that these people undergo. We should not be talking about URP inside this Parliament today at all. I should not be talking about URP—how the URP affects the school feeding programme. Yes, at some point in time each caterer was asked to employ two persons from the URP.

Sen. Daly: Who ask them?

Sen. J. Yuille-Williams: The Government was paying half the wages and the caterer the other half. One would have thought the Government was paying the full wages for these persons. I do not know what comes back to the ministry; what

salary comes back to the ministry: whether the ministry's book showed that the URP paid full salary for the person. But the caterer must have employed those two persons for a period of six months.

After all, one is trying to survive in this system and yet, one would make all this boast, but we have to go to the individual areas and see the underhand things the Government is doing. People out there are suffering and they dare not say anything. This has been going on and we, in the Parliament, are only thumping our desks at every budget and every presentation and all the fine statements, but this is what people are undergoing.

If that is not bad, if there is a day when there is no school and the caterer had known the day before they could cater for it. If they prepared the meals and school is closed on the very day, the losses are theirs; the caterer's. The caterer has to absorb the losses.

Therefore, the Minister of Finance, Planning and Development needs to attend to this whole system of school feeding; from a point of view of the children who are there, who are not getting what they should get, and from the way the whole system operates. There is a particular grocer, out in the East, with whom I spoke, he told me one caterer owed him \$35,000. Because that caterer had been dealing with him for a number of years, he did not stop the credit, because as soon as he stops that caterer would go through. The persons who supply the juices; they owe all of them. They are now in sympathy with those caterers.

3.00 p.m.

Therefore, when you see \$35 million taken off from education and when you look at what goes to social welfare, somehow or the other there must be some money that you could use, find the money somewhere, because this is a serious problem. The whole system stinks; as you would say, it is corrupt.

The point remains, there is so much politics going through that system, this is all politics. I am standing here today to speak on behalf of two groups: those young people in the schools, whom I think we need to look at very closely. I know those in social development will understand clearly what I mean. I am saying it also closely affects their education. Because if we have children who are not being properly fed and we are saying that they are properly fed, then we are doing them an injustice. At the same time, we talk about small business people, people are struggling in this country to get through, money is being spent to do all sorts of things, but they continue to suffer because they cannot speak for themselves. I am using the Parliament today to do it.

Finance (Variation of Appropriation) Bill
[SEN. YUILLE-WILLIAMS]

Thursday, January 27, 2000

So, I want the hon. Minister to look at the security, I think it should be a priority. I know you were threatened and I do not know what you do with people who make threats, you know. I am still trying to understand. *[Desk thumping]* *[Laughter]* I do not know what happens when someone makes a threat, what you do, whether it is orally or in writing, what you do with people who make threats, but my sympathy goes out to the Minister. I was glad to see you using both hands today.

Putting that aside, my concern for the young people, whom I know you are concerned about as well, and my concern for groups—you are a businessman yourself—and your concern for those people who are now struggling within this system to do that. I do not know if, probably, in terms of your financial arrangement, whether something could be done so at least people do not always have to face the banks to get the money they need to support their business because the bank interest is very high. I do not know if small business or any one of the other areas could facilitate these caterers. I think we need to look at it. I do not know if they qualify but I think you need to look at that other area of it. Because they are businessmen too, and therefore they need to get some kind of facility to keep them going.

As far as their payments are concerned, I do not know if, in fact, money is not available, but I think money is available, especially for the nation's health, money has to be available. I will end with these comments. I am directly putting it to the Minister of Finance, who I know is very much interested in the young people and in these small business people.

Thank you very much, Mr. President.

Sen. Dr. Eric St. Cyr: Mr. President, I join with Sen. Prof. John Spence in thanking the hon. Minister for the detailed information supportive of the changes that he has made. I want to make two minor comments and then ask some questions on two major issues.

My first minor comment is that it comes over that the personnel planning function is very poorly executed and that point has already been made. Since it did not seem to have been done this way in previous years, perhaps there was wisdom in the error. We must improve that personnel planning function and get it right.

My second comment is that when this very competent Minister took over the reins, we had a promise from him that more of our resources would have been shifted to the development programme. What I am seeing in a number of cases here is for the good old reason of “falling down in implementation”, so many of

the development projects did not come on stream, thereby releasing funds which are being used in, I suppose, recurrent expenditure. So that, I think that we are going in the wrong direction on this matter. I worried whether some of those development projects that I saw were going to be funded out of World Bank grants, how those funds could become available to be used in recurrent expenditure. If the hon. Minister would explain to me I would be very happy.

The comments I want to make which are of a more substantial nature, I would start on the expenditure side. Effectively, what I have seen is that you needed \$204 million to meet an election promise to pay the arrears. Could we speak very openly and plainly? I think this is what I am seeing here. My first question is, “Does this mean that all the arrears of public sector emoluments would now have been settled with this move?” In other words, “Are we putting this 1987 matter finally to bed?” I would like the hon. Minister to tell us what is happening there.

If that is so, the candour with which some of the comments have been made really amazes me. On page 16 of the quarto notes, right at the very bottom, we see that the purchase of some vehicles for the Ministry of National Security was deferred to facilitate—I would think that should have said to create—savings which could be transferred to meet what must be an expenditure of a higher political imperative. So, I would really appreciate the hon. Minister’s discussion of the settlement of the public sector arrears.

My second comment relates to the interest payments on overdraft at the Central Bank, which Sen. Prof. John Spence raised, that is at the top of page 15 of the note. There has been a debate going on in the Public Accounts Committee to the effect that there is no overdraft given to the Government, and it is revealing here that we are making provision to pay interest on an overdraft. So I am taking it that there is an overdraft in existence. I would like, please, to ask the hon. Minister whether he would discuss the whole mechanism by which the Government finances shortfalls through overdraft facilities with the Central Bank, and the implications of such financing for macro economic policy.

Mr. President, with those remarks, I do understand that this measure is a tidying up measure of the nation’s accounts for the last financial year and really, does not warrant a great deal of policy debate.

Thank you, Sir.

Sen. Mahadeo Jagmohan: Mr. President, I thank you very much, Sir for the recognition and the opportunity to speak on the matter before the Senate.

Finance (Variation of Appropriation) Bill
[SEN. JAGMOHAN]

Thursday, January 27, 2000

Sir, a few years aback in the Senate I made it a point of duty and my business to closely monitor and follow the issues of housing, labour and social matters. Presently, I have my focus on the Ministries of Local Government, Works and Transport, Public Utilities, Tourism, the Environment and, of course, the URP somewhat. I am largely concerned about the URP question.

Mr. President, I am glad for the opportunity to look at the documents before us. I am aware that in the Ministry of Local Government there are many problems in the area of protective gear and clothing for the daily-paid workers. These problems have come about because the allocations at the disposal of the Ministry of Local Government are not adequate to meet the required demand of protective clothing and gear to daily-paid workers, who are more important than, perhaps, so many other workers.

On the question of equipment in local government, I say this against the background that I see a reduction of \$3,435,000. This sum, perhaps, would be needed by one regional corporation in order to meet some of the problems they are experiencing. What I am saying, Mr. President, to the honourable Senate, is the hon. Minister of Finance should take a look at this reduction and reallocate this sum back to the regional corporation and possibly additional sums should be allocated in order to have the effective functioning of regional corporations.

I say this against the background that I am aware that very important vehicles that are used in the day-to-day operations of the sanitation department, as well as in the construction department—roads and other kinds of construction—in local government, are at the present time in a state of disrepair and the staff, personnel, administrators, however we refer to them, are willing to put this right, but they are presently hamstrung because of the lack of adequate funding.

So my appeal is that we pay attention to this area. In the present setting, I am wondering whether these matters would have the focus and attention of the hon. Minister of Local Government; that remains to be seen.

3.15 p.m.

I go a bit further and this is the big one. Why so large a reduction of the original allocations of the Ministry of Works and Transport? What was operating in the minds of the officers under the Minister of Finance who were dealing with this? I am wondering from where the directions came. Presently, there are several districts in the Ministry of Works where there is a concentration of vehicles, road repairs, maintenance of buildings and all other aspects of the operations of the Ministry of Works and Transport. There is an urgent need to update the condition

of vehicles; there is an urgent need to adequately supply materials to carry out repairs of the smaller roads—I am not talking about the big highways yet—under the Ministry of Works and Transport that really service the poor people of the country in areas where agricultural operations take place. Some of these roads could do well with immediate repairs. So our concern is why such a large reduction—because they are taken from different subheads and so forth, and may be lumped together to make this sum.

More than a year ago we had workers who were affected by layoffs in the Highways Division of the Ministry of Works and Transport and maybe other sections and divisions, as well. This came about as a result of Government policy: whenever there is a challenge for officers or the Ministry to face, the first set of people who are affected are employees, daily-paid workers and we are wondering what is the position, if this money or part of these millions could not have been used to stabilize the workforce of the Ministry of Works and Transport. Perhaps if the hon. Minister of Works and Transport speaks on this matter we may get an explanation.

Right now, flooding is a perennial problem in Trinidad and Tobago. It has not ceased. So many people get worried—well, let alone landslides; so many people get very worried when they see the clouds set up before it rains, as to what would happen to the rivers and drains in their area. One would have hoped that there would be a special programme in some of the areas where agricultural holdings are in danger. We do not know whether all these grounds were covered; whether the research was done; or whether the Minister was advised; or it is the instruction of the Minister to go this route. We are wondering why this situation of such a large reduction. Would the Minister kindly have a reviewal take place? Or, if he is meeting constitutional deadlines and so forth, then perhaps today is the day.

Mr. President, I would concentrate on a small area of the Ministry of Public Utilities. There are so many areas where the infrastructure exists for a regular supply of potable water or drinking water for mostly the very poor people, but sometimes days and weeks pass and we have read reports that some people experience it for months, where there is no water but there is a reduction of \$23,234,000. We are urging the hon. Minister to ask, again, for advice, direction or clarification from the Minister of Public Utilities with respect to this situation.

Mr. President, we are all concerned, we all support measures with respect to tourism in Trinidad and Tobago; perhaps tourism is the cause for a certain big, big

problem presently. Mr. President, many people do not know this in Trinidad while so many of us know. There is a particular kind of mechanism where, on some of the beaches, many people go for sea-bathing and so forth. There is an original plan to have an effective presence of lifeguards so that bathers will be given protection by the lifeguards; and they have done a very good job over the years. I am in a position to say—again, as I said before—that the recognized majority union for lifeguards has been on a weekly basis knocking at the door of the Permanent Secretary in the Ministry of Tourism, pleading for an increase of lifeguards for the protection of all bathers; be they tourists or locals. This matter has not been adequately addressed. You see, Mr. President, had this matter been properly studied or adequate advice given, we would not have had that sizeable reduction. It has now placed the tourism department into difficulties.

If I may just, briefly, make an observation on page 6 of the Schedule—the Minister calls it—where we see a statement and figures with respect to personnel under service commissions. This is very serious. These departments must have adequate staff and when we see reductions taking place in the original allocations it creates some difficulty.

Again, on page 9, under Personnel Expenditure, a reduction of \$905,000. What does this mean? That increments would not be paid there, or does it mean that perhaps non-permanent monthly-paid staff will soon be sent home? It sends all kinds of messages.

On page 10, under Ministry of Finance, that is the department of the hon. Minister, there is a decrease of \$28 million and another decrease of \$27 million. Granted, that in the Explanatory Note we have been taken through an exercise to understand why this has come about. Some of us think in a particular way; there is an original in-built thing in our heads when these reductions take place: Are we going to have layoffs or redundancy? Mr. President, an explanation is needed.

3.25 p.m.

Mr. President, will the Minister be explaining some of these things? I do not think I would get the courtesy of any big set of explanations, I do not know why that is so, but I leave that now, I would not deal with it.

I can deal with a whole lot of these aspects here, but on page 14 where this document addresses pensions and gratuities we see a decrease of \$16 million. What does this mean? Does this mean that there was an actuarial review in that department which showed that no one has retired for a while now?

Mr. President, there is good news on page 16. We see a small increase, \$785,000, in the Ministry of Planning and Development. If this means that additional persons would be employed either to do some census, survey or whatever, we laud that action, we applaud the Government for that, if that is so; honestly.

I had a small look at the decrease that has taken place under the heading of “Vacant Posts, Salaries and COLA” in the Ministry of Local Government and this needs to be explained. If the sum of \$2,858,000 has been decreased under the heading “Payment of Increments and Salaries” it is worrisome. In “Vacant Posts, Salaries and COLA”, that is the sub-item, there is a decrease of \$3,437,700, which is also a very serious concern at this time. What does it mean? The posts that were vacant, are they being abolished or are they being left vacant further? These are questions we must address and get some kind of explanation on them.

What is so very encouraging and, perhaps, the Minister might be happy about this, is that arrears to public servants will be paid by some kind of mechanism and so be it. Let them be paid; we wish that they be paid as soon as the payments could be made.

So much was said about the report of the Salaries Review Commission with respect to increases for a number of public servants and Members of Parliament, including ministers. I merely wish to be on the record as stating that that aspect of the Salaries Review Commission should be implemented immediately, particularly, for the sake of the public servants who are, in effect, running this country.

I thank you, Mr. President.

Sen. Prof. Kenneth Ramchand: Thank you. Mr. President, I had not planned to speak in this debate, but several matters have come up on which I feel I would like to express an opinion. Let me begin by joining Sen. Dr. St. Cyr in thanking the Minister for providing these notes. Although they are not handwritten, we take some comfort from the fact that he has been *intacta* enough to provide them. [Laughter]

Mr. President, I had not planned to speak because I sort of saw the Bill as a bookkeeping exercise. It is wonderful that the Minister needed \$204,889,158 and by sheer chance he got exactly \$204,889,158. [Laughter] What yogic balance! Perhaps I should adapt a joke I heard and call him “Balan Singh”. [Laughter]

Finance (Variation of Appropriation) Bill
[SEN. PROF. RAMCHAND]

Thursday, January 27, 2000

I did not plan to speak, again, because it seems to me to be after the event; this is last year's money. There is a saying, "What's done cannot be undone", which is not true. When I go on my computer there is "undo typing" and you can undo some of the things you have done. But nowhere on the computer have I been able to undo an undo, to do back what has been undone; what is undone is lost, and no Norton utilities can get it back for you. [*Laughter*] So what is unspent is unspent, and although I am complaining about it, it is lost, the Minister of Finance, Planning and Development has grabbed it up.

I think that we have been using the terms "taken away" or "reduced". I want to know why we are not saying that this is money that ministries have failed to spend and why is it that we are not asking for the reason they have failed to spend it? It is a problem of implementation. I am not trying to be critical after the event, the money has not been spent, but I am talking about the future. I wonder whether we can find some way to make sure that in the future ministries keep in tune with what money they have and they should have the freedom to spend that money either as allocated, or for new purposes for which they should, as a mere formality, seek permission.

I am really appalled that there should be so much unspent money in the Ministry of Education, \$35 million; in the Ministry of Works and Transport, \$47 million; in the Ministry of Agriculture, Land and Marine Resources, \$27.5 million; in the Ministry of Health, \$17.75 million. Nobody can say that the money was not needed by and in those ministries.

Mr. President, let us take the Ministry of Works and Transport, \$47 million. Recently, I spent a lot of money to buy a new car and my car is being damaged by potholes everywhere I go. Now, many roads have been resurfaced and repaired, but within a week the holes reappear. Yesterday, I found out that one of the reasons for this is that we have never had a machine, I think they call it a milling machine, which peels off the layers of asphalt and then allows you to relay the road. What we have been doing is piling asphalt upon asphalt and some of these things are eight inches and more off the ground. What do you expect?

Apparently, thank God, one contractor who failed to deliver had such a machine and we have seized it. I do not know if the Minister can throw some light on whether there is such a machine called a milling machine, now owned by the Government and why, seeing what has happened to our roads, some of this \$47 million could not have been used to buy another milling machine. I can think of many uses for money in the various ministries and little things that would make our lives safer and more comfortable.

Mr. President, you probably have a chauffeur so you do not see or get all the suffering that we, the people who have to drive, get. But I am driving along and I see pedestrians boldly standing at traffic lights waving down taxis and I see taxis boldly stopping on the green light. I look around for a policeman to charge the pedestrians for inducing the taxi driver to commit a crime and to charge the taxi driver for committing a crime. But when I look around, there is no sign saying, "Do not stop and pick up passengers at traffic lights" or "Do not solicit taxis at traffic lights". Now that is a little thing, but some money could be spent to put up signs. There should be a policeman at every traffic light.

Mr. President, I have counted at every single traffic light that I have stood at, three cars travel on the red light; a minimum of three cars go through on the red, and I look around for a policeman and I do not see one. The one or two times that I travel on the Priority Bus Route without my pass, about five policemen appear and they do not even charge me for not wearing my seat belt. We really need some of this money to be spent.

I do not want to labour the point, I am just saying that ministries really need their money and we need to develop some kind of monitoring system and some list of priorities. When I was head of a department, I knew how much money I had at the start of the year and what the priorities were. There were the priorities of teaching equipment, stationery, communications, but I used to bear in mind that I have lecturers there who are living in offices that are very badly furnished and I would note, if I get money I would buy a chair for him, I will carpet hers, I would buy a new desk for him and so forth; and I am monitoring the money.

If the university had not allocated money for a particular thing that I wanted to do, in many cases I could vire, but if virement was not possible I then would seek special permission to spend the money to facilitate the workings of the department. I do not know whether—I am really asking this as a genuine question—ministries have the power to vire from one head to another, but if some issue comes up where they have to spend money for which no money was allocated, what sort of power do they have to spend the money? If they do not have the power, can they write to the Minister and explain what they want to do and say, "Well, it is within our budget and we would like to do it"? I really do not want to go too far or too much further; I just want to say that it really hurts me to see \$35 million unspent in the Ministry of Education.

I want to know whether it has been taken away, or reduced or it was unspent as I think it is, and I want to complain that if it is unspent there really is a lack of

imagination, creativity, vigilance and responsiveness to needs. Everybody knows that all these schools lack equipment. There are people who have to bring their own paper and pencils to schools. There are people who have to pay for typing outside the schools. There are people who cannot get materials xeroxed. There are schools where you cannot use the telephone because the principal says that the Ministry only gives them a certain amount for phone calls. There are teachers sadly underpaid. There are schools without any kind of security. There are places where there are inadequate toilets; not only not enough, but not working properly. There are no library facilities. So how can the Ministry of Education not spend \$35 million?

I am just making a very simple point. I am not trying to blame anybody. I am just saying, let us not cover it up by saying that money has been reduced or taken away. Let us face the fact that this is money unspent, that this is a failure of implementation and maybe even worse. I am wondering whether the difficulty lies in the kind of power that ministries have to spend money; maybe the Minister can clear that up for me. If ministries are not allowed to vire or, on presentation of a reasonable case, to spend moneys on needs that arose, but which had not been allocated, then something should be done to give them that kind of power. Maybe every ministry needs a financial manager, who can regularly consult with the Minister to let him know how much money he has, and so we might try to get around this problem of the country not being properly served even after money has been allocated for certain kinds of services.

Thank you.

3.40 p.m.

Sen. Muhummad Shabazz: Mr. President, I have been here for three budget presentations and at every presentation, somebody, or a number of persons tell this Minister that when he presents his figures that he seems to be padding and hiding money somewhere. When I look at what is happening today and what continues to happen, somehow I am starting to believe that money is put in places so if the Minister has any problem, he could take that money and use it how he wants. I seem to believe that moreso coming here today.

Secondly, why is money shifted away from ministries when there are problems in those ministries where the money could be used? I looked at this Bill from a certain angle. There were three reasons money was moved from one ministry to another. The three main reasons were either programmes were delayed, the increment money was not paid and was saved, or delay in award of contracts.

There were eight programme delays: there was a delay in finalizing the scope of the project and the processing of loan. There were programme delays in the Ministry of Agriculture, Land and Marine Resources; savings were realized as the staff for the project only came on board in June 1999, and the required legislation was not passed. There was another programme delay in agriculture where the start-up of the programme was delayed as negotiation between the Government and the Inter-American Development Bank had not been completed.

A programme was delayed in the Ministry of Local Government; savings were realized as the construction activities were not completed to fully implement the upgrade to the main building at Kent House; in the roads rehabilitation programme there was a delay because the programme had to be stopped. There was a delay in the Ministry of Public Utilities and savings were realized as the proposed loan from the loan bank did not materialize; there was a programme delay in the tourism development, again savings were realized due to the delay in the implementation of projects. There were eight cases where programmes were delayed. The Government is not doing the negotiations in the proper way and in the manner in which they are supposed to be done.

Again, it comes back to the incompetence of the Ministers and as long as the Minister and the ministries are incompetent, the Government would be incompetent which is something we are seeing and which is happening daily as we go along—a Government that is an incompetent one. [*Desk thumping*]

Last year we showed them that they could not implement certain programmes. There are about seven times where programmes were not implemented, and besides delays, things happened that caused them not to be implemented. We were right because when we looked at it last year—and I say this with all due respect—a Minister was brought in to ensure that programmes were implemented so we hope that in the next year if they have to read another budget, they would budget properly so there would not be this kind of thing we are seeing here. Most likely they may not be here to present the next budget, the way things are looking.

On the subject of increments, savings were realized from the Office of the Prime Minister because the payment of increment was more than adequate to meet payment to all eligible employees. Again, in the Ministry of Agriculture, Land and Marine Resources savings were realized as the provisions for the payment of increment was more than sufficient to meet the amounts due to eligible employees and as a result of the non-filling of vacant positions. That one seems rather ridiculous and untrue to me, because as far as we are concerned

Finance (Variation of Appropriation) Bill
[SEN. SHABAZZ]

Thursday, January 27, 2000

Caroni (1975) Limited belongs to the Ministry of Agriculture, Land and Marine Resources and they keep calling for money all the time. The Government has to look for money for them, but it has \$20,820,000 because of not paying increments. Something seems to be wrong. That seems not to be true. As a matter of fact, when I picked up the newspaper today and saw the words “A blatant untruth” on today’s newspaper, I feel that is what this Government is riddled with. Untruths, untruths, untruths, blatant untruths. Constantly they feel they could tell us what they want, fool us, make us believe what they are saying. Though we tell them otherwise, they say they have it correct and six or seven months after it shows what we had said to them was correct. Blatant untruths.

There was \$61 million saved because of programme delays. What is happening in these ministries? There was \$40-plus million in the Ministry of Works and Transport and all this Government is famous for is building bridges and roads. Bridges, bridges, it boasts of the number of bridges it built. When I heard Sen. Prof. Ramchand talk about “Balan Singh”, I want to tell the hon. Minister of Works and Transport that he is now referred to as “Sadiq Bridgelal Baksh” because all he talks about is building bridges as if that is what his whole ministry is about. He talks about how many bridges he has built. I tell him that with all due respect.

Mr. President, besides these hidden funds, why are funds shifting from place to place? Why is so much money moving from the Ministry of Health to go to another place when there are so many problems in the Ministry of Health? It probably went to the Ministry of Finance for whatever reason. I do not know. If there is money shifting from the ministries when there are so many other things to be done—it is the same as running your household budget. You budget for the year to build cupboards but you did not build the cupboards, you spent the money somewhere else when your toilet bowl needed fixing. That cannot work. You need to take that money and spend it in the same place to improve the conditions in that place. All we try to tell this Government that, it seems not to understand. As long as it is going to do its work so inefficiently, it will always be riddled with problems. [*Desk thumping*]

The problems would not only come from this side, you know, they will start to come from among themselves as has already started to happen. The Government is having real problems because when we try to show them how to implement, and make sure that things are done properly, the first stand it takes is one that is confrontational. It is like if you are opposing them and if you are opposing them, you know what they say: “If the lion comes up against me, the lion has to run.”

They are trying to run the lion all the time when the lion is trying to make peace with them and to be friendly with them. This is what we on this side are doing. We are trying to show them that we are running this thing—although you are the Government, we are the Parliament, we are a part of this thing. We do not have to come on your side to give you advice or to show you an idea. If we are on the other side trying to point out something, try to understand that, and do not feel it is a fight we are looking for, because we are not. We talk to them without malice.

When the hon. Minister told us he was going to put a computer in every school, we told him it could not be done. We told him he was joking. How could he put a computer in every school and every school is not ready to take a computer? If one intends to put a computer in every school, the first step is that there are a number of schools that would have to be built, a number of schools to be put right, a number of schools to be secured in order to put computers in the schools. What is a computer to take from a school when people are now robbing whole classes and schools? We told them that. They laughed at us, they said we were negative and we were prophets of doom and gloom and so forth. Today, they are telling us that approximately \$40 million has been saved because the computer project was not implemented in schools. We feel that money was put there to play games with us. All we are asking is not to play games that you seem to want to continually play with the Parliament. Do not do that. Do not play games with all other things you try to play games with in this country because it is going to return to haunt you in such a way that you would not even understand what you did.

Sen. Prof. Spence. I wonder if the hon. Senator could tell us if the PNM's policy is to have computers in schools or not.

Sen. M. Shabazz: Mr. President, I am willing to answer him, but this is not the forum at this point. I do not want to do that now. I would deal with that question, but I get a funny vibration about it, and the reason it was asked. I am saying that I will answer the hon. Senator at another time. If all schools should have computers and we say we are going to do that, when we say we are going to put computers in schools we are going to take all other things into consideration and do a far better job than what has been done by this Government.

There is one other thing on which I would like to touch in support of Sen. Montano. A budget, as we have always told the Minister, is serious business. You just do not present a budget as a public relations exercise to make yourself look good. You present a budget because you intend to run the country in a certain way. How money is spent, what is done with the money, leaves a certain kind of

Finance (Variation of Appropriation) Bill
[SEN. SHABAZZ]

Thursday, January 27, 2000

impression to the wider community, how you would move on, and how they will feel about assisting in the programmes you want to do.

Before I sit, I would touch on the \$63 million for someone to shape up and make the image of the Government look good. That seems to be an immoral kind of situation, it borders on something ridiculous to spend \$63 million to make a Government look good. As a matter of fact, a man leaving with \$63 million could return to America and build a castle, it may not be a "Royal Castle", but at least he can build a castle back home. Why is the Government going to spend \$63 million to make itself look good? In truth and in fact, it is a panic button pressed. It is frightened, scared, and there is something causing it to take \$63 million of our money to do that.

As a matter of fact, most times when this Government spends that kind of money, it is for public relations. It spent approximately \$70 million for Chaguaramas, and every time it spends large sums of money it is for public relations. When we look at it from the wider community, it really looks like a panic situation by this Government. I hope it will get a proper work permit for this gentleman to whom it is giving this \$63 million. We are looking forward to that. Do not bring him in just like that.

Mr. President, having said all these things, the main points are: Why are you not shifting the money in the ministry to do the things that ought to be done? Secondly, we need to see the three main reasons which are: programme delays, increments and the delay in the award of contracts are situations that the money has really been saved by ineffectiveness rather than by being an effective Government. We need to look at that. In places like agriculture from where you are moving this kind of money, I make the point that a Government that professes to be one that would have taken care of agriculture, this is a sad indictment against it. A Government which said that it would deal with crime and if you do the crime, you do the time, to see the kind of money moving out of the Ministry of National Security, again, it is a sad indictment against this Government.

I ask this Government that for the next few months it would be in office, to shape up or it would be shipped out much earlier than it thinks.

Thank you, Mr. President.

3.55 p.m.

Mr. President: I wanted to say Senator, that when another Senator poses a question to you, you are not obliged to answer it, but if you attempt, you should not impute improper motives.

Sen. M. Shabazz: Mr. President, with all due respect, Sir.

Sen. Dr. Eastlyn Mc Kenzie: Mr. President, I just want to ask a question and I am not going to say anything at all about Tobago, I promise you. *[Laughter]* Mr. President, I do not know why it sounds, in my ear, very unfair, or as if I am not getting it right. I do not feel that we are being fair to the ministries, because every contribution has given the impression that the ministries had a certain amount of money to spend for different matters, and somewhere along the line, they did not spend the money to implement their programmes.

I want to ask the hon. Minister of Finance, Planning and Development, whether it is that these funds were released to these ministries and they did not spend the funds, or whether the funds were never released to the ministries and, as a consequence, you had the money in your bag and never gave it to the ministries, so how could they spend it? I want to ask the hon. Minister of Finance, Planning and Development to give me an honest answer when he is winding up. Thank you Sir, that is my question. *[Desk thumping]*

Sen. Cynthia Alfred: Mr. President, I do not think this Government has ever prided itself on its efficiency, and that is just as well, at least, it has not insulted the intelligence of the population with a statement that would be palpably untrue. I say this because when you look at the figures presented, of the \$204,889,158; the sum of \$103,314,000 has been unused because of contracts not being awarded. Now, I consider that a very serious state of affairs. Here we have under various ministries—I take first the Ministry of Agriculture:

“Agriculture Sector Technical Assistance Programme \$9,945,000:” And part of it says:

“As a result of the delay in the award of contracts, expenditure has not been significant and savings have, therefore, been realized.”

Mr. President, if we go down, under the Ministry of Education it says:

“A survey of 486 primary schools was conducted and contracts were awarded for the provision of computers in 35 schools. Savings were realized as a result of the delay in the award of these contracts.”

And then we go down to Ministry of Housing and Settlements and the same thing:

“Savings were realized due to the delay in the award of contracts...” And it goes on.

Finance (Variation of Appropriation) Bill
[SEN. ALFRED]

Thursday, January 27, 2000

Mr. President, the Ministry of Agriculture, Land and Marine Resources. Agriculture is something that is very close to my heart and when I see under agriculture:

“Strengthening of Land Administration—Land Tenure Rationalization \$2,300,000: This project relates to the land strengthening of the Lands and Surveys Division. The programme of institutional strengthening involved the award of a number of consultancy contracts. Savings were realized due to the delay in the award of contracts.”

So, it is like a recurring decimal. Savings—such and such were not done because of a delay in the award of contracts.

Mr. President, everyone knows, or I believe most people do, that the Lands and Surveys Division is one of those divisions or perhaps, departments, where there always seems to be a paucity of staff, and here you come in an area, where there was the intention to strengthen the land section of it and there was a delay in the award of contracts.

Then we come to the Ministry of Works and Transport. It talks about the Solomon Hochoy Highway and then it says:

“A new contractor is to be engaged.”

But it says:

“Savings were realized...”

And I am talking here in the sum of over \$38 million-plus.

“Savings were realized due to the delay in the implementation of the project.”

The Ministry of Tourism—Tourism Action Programme again, the same thing:

“The delay in the award of contracts for the studies resulted in savings during the fiscal year.”

And the same thing when we come to the Tourism Development Support Programme, \$4,310,000: We all know how important tourism is to this country.

“This programme provides for the development of community-based tourism.”

Something that everybody agrees would be a great thing but:

“Savings were realized due to the delay in the implementation of the projects.”

Mr. President, this Government has to get serious. When the Ministry or department would put its estimates for the succeeding year, that ministry or department would know up front that it would need “x” amount of dollars to do “x” amount of projects, and that ministry or department would know that some of those projects have to be contracted projects. Therefore, why is it that there is always this delay in the award of contracts? I do know that there are times when contracts are awarded very, very quickly. So, if this Government wants to run its business efficiently, one of the areas that must be looked at is, the area of contracts, or more specifically, non-awarding of contracts or delay in the award of contracts. We know that this is something that has passed but we have to look to the future. We cannot afford to have this Government, or any government, keeping the progress of the nation—well, stagnating the progress of the nation—by not awarding useful contracts that will help to improve the quality of life of the people.

Mr. President, I ask the question, and this is to the Minister of Finance, Planning and Development, what would have happened if all the contracts—in this case, more than half the allocation—had been fulfilled and if all the savings were not there, what would the Ministry of Finance have done? I really want an answer because here it is we have figures balancing, as was said, \$204,889,158—I hope I am saying it right—on the increase and also on the decrease. So, what would the Ministry of Finance have done, if all the obligations had been fulfilled? Where then would the Ministry of Finance have looked for moneys to do its balancing act?

One other question I want to ask. I am a lay person when it comes to finance, but I thought it somewhat strange that interest payments on loans needed to be augmented. Perhaps, the Minister will be able to explain. I would have thought that interest payments would have been something that was fixed, but here it is we see that quite large sums have been put to augment interest payments and, perhaps, the Minister would be able to explain.

4.05 p.m.

To wind up, Mr. President, I would like this Government, on the question of award of contracts, to ensure that at the very outset, one knows because one puts these things in the estimates; one knows that contracts have to be awarded, so why wait until close to the end of the financial year to either give the money or, perhaps, not give the money and say, “Listen, you cannot implement this programme because we have not had time to award the contracts.” So, Mr. President, we want greater efficiency in the Government and greater efficiency in the country.

Finance (Variation of Appropriation) Bill
[SEN. ALFRED]

Thursday, January 27, 2000

I am sure that public servants—and I know because I was a public servant for 25 years. I know the frustration when you look forward to the beginning of the financial year, when you look to see what you got in your vote, and for some of the things you put in—nothing.

I remember there was the question of putting steelbands in schools and every year, from the time that was mooted, in the Division of Culture, I would give all the details for the supplying of pans, personnel, *et cetera*, for steelbands in schools and every year when I looked at the estimates, there was nothing for the implementation. That is another thing. There is no point, as far I as I am concerned, to say that we are going to do this, that and the other; you pass it in the Parliament, and then when the time comes for implementation, nothing.

The final thing I noticed is that the Ministry of Tobago Affairs has been given new residence in Trinidad—I am talking about the Trinidad aspect—and I noticed that of the sum of money voted, some of it was not used because: “Savings were available as vacant posts for which funds were provided were not filled as anticipated.” That is another area. Year after year, ministries, departments and the Tobago House of Assembly would put in for the filling of vacant posts. Here it is in this particular instance, they have moved the Ministry from “X” place to “Y” place. I am sure the premises are bigger because there was not really a ministry as such, it was a ministry within the Prime Minister's office. But you have moved the ministry so to speak and, yet, you have not put in place the required number of staff. So, how could the Ministry of Tobago Affairs be run properly? Why can this Government not do things in a sort of concerted fashion?

If you are going to have a new ministry, in this case, the Ministry of Tobago Affairs, you know that you must put the physical requirements in place and you know that you must put the proper staff in place so that the Ministry can operate properly. These are things that disturb me and others greatly, because we want to see efficiency in the country.

Finally, if this Government really and truly wants to show that it is a good and efficient government, then let it start to put things, systems, personnel and physical arrangements in place, so that the public servants would be able to do their jobs better and the general population would be able to benefit more significantly.

I thank you, Mr. President. [*Desk thumping*]

Sen. Nafeesa Mohammed: Mr. President, if I may take a cue from where my colleague just left off when she talked about putting things in place, I think at this point in time in the history of our country, the only thing that will really help us now is to have a good government headed by the People's National Movement. [*Desk thumping*]

Mr. President, since we have been in this Parliament, every year we have this exercise which is almost like a ritual, but it is an exercise that I usually enjoy in terms of having to speak on these variations of the Appropriation Act. It is obvious to all of us in this Chamber that at this point in time, there is a certain sense of tension in the atmosphere; not just in this Chamber but, moreso, outside the Chamber.

I intend to speak very briefly on this Bill that is before us this afternoon. I simply say that it was Confucius who said that rotten wood is unfit for carving. When we look at the attempt in this Finance (Variation of Appropriation) (1998/1999) Bill, 2000, we heard the hon. Minister talk about using savings from various ministries and applying them towards the debt that is owed to public servants.

Now, the application of these moneys towards the payment of this debt, certainly that is something with which we have no quarrel, but when you look at the various savings about which the hon. Minister spoke, it is of concern to us because, as my other colleagues have pointed out, as you go through the document that seeks to explain the various savings under the various ministries, you would see in the explanations the reasons for these savings, the delays and what have you. This simply highlights the bungling incompetence of this Government and the way it is running the affairs of this country. It is an admission of its inability to govern properly. It highlights the hopeless performance as a government, notwithstanding millions of dollars being spent on public relations. It is there for all to see. After more than four years in government, this country is falling apart under this UNC/whatever government that they call themselves. God alone knows what is the name.

I am saying this because as we go through this exercise, I am not an accountant, but we have heard about savings of over \$204 million being used to pay this debt. Now, many of the references here in this document are to savings coming from overpayments for increments and what have you in various ministries.

They said here, for example, under the Ministry of National Security, savings of over \$11 million—the provisions for the payment of Government's

Finance (Variation of Appropriation) Bill
[SEN. MOHAMMED]

Thursday, January 27, 2000

contribution to NIS and increments were more than were required to meet the commitment of the Ministry.

When this Government came into power late in 1995, in the very first budget presentation—I think it was in early 1996 in the month of January—I remember the contributions made in the other place with respect to some of the measures in that particular budget. One of the big areas discussed during that debate was in relation to the public service reform programme that the previous PNM administration had put in place to deal with reform in our public service.

I make mention of this because of the fact that if you are talking about increments and non-filling of vacant posts and so forth, it has to do with the status of this reform programme. We would really like to know what is happening with that programme because I remember one component of that programme, apart from the thrust in decentralization, was in terms of a performance appraisal system. The hon. Minister of Public Administration is here and we certainly would like to know: if this was fully in place, then would these savings being spoken about coming from increments, still have arisen? Then, you talk about vacant posts and I will make mention of that in a while again.

Let us move on briefly to page 3 of this document that seeks to explain the savings. My colleague has already made mention of some aspects under the Ministry of Agriculture, Land and Marine Resources, but here it is for the last three years, in the documents provided by this Government whenever we have a budget debate—such as the Review of the Economy and so forth—is shown that the agricultural sector is in a state of decline. Yet, here it is you are talking about taking away moneys from the Ministry of Agriculture, Land and Marine Resources.

Mr. President, looking at the explanations we read of negotiations under the Ministry of Agriculture, Land and Marine Resources between the Government and the Inter-American Development Bank not being completed. From the very first budget debate in which we took part in this Chamber, I remember reference being made at length to what was known as the agricultural sector loan. That was a loan which was negotiated by the previous PNM government and it was signed in July of 1996 by this UNC coalition, whatever it is called, Government.

The fact of the matter is that with respect to this loan, we have to wonder about what is happening with this loan and to what extent they have been able to access funds from this loan, and what really is the cost of it at this point in time, if it is that we have not been accessing the funds as we are supposed to do. The

documents pertaining to this loan were laid in the Parliament here sometime ago, I think it was in 1996, and in this document between the Inter-American Development Bank and the Government of Trinidad and Tobago, it talks about a credit fee and penalties being payable if it is that the moneys are not accessed; penalties in the form of interest payments and a credit fee.

We would like to know how far the Government has reached insofar as the accessing of this loan is concerned because we know for a fact that there are certain conditionalities that are attached to the loan, and it is there for all to see. It is blatant that it is because of the politics they are playing that they have been unable to take this loan forward, because I am sure the second tranche of the loan has not been accessed.

One of the conditionalities to be met has been making Caroni (1975) Limited economically viable. What is the status of the transformation of Caroni (1975) Limited? Every day we read in the newspapers where more money is being asked for and more and more money is being pumped into Caroni (1975) Limited, yet they go into their constituencies in Caroni and misrepresent our position when it comes to Caroni (1975) Limited, and the reality is that they are still, to this date, unable to do what is required to be done, in order to access the funds that are necessary. They are quick to misrepresent our position and give the impression that we are against Caroni (1975) Limited. That is furthest from the truth.

We were on stream as a government. The People's National Movement was seeking to implement the tripartite report, an agreement made among the company, the workers and the government. It was signed by no less a person than the hon. Basdeo Panday. They have derailed that entire process involving Caroni (1975) Limited and now this is an election year and we can expect that they will just be dragging their feet.

One of the things they were supposed to implement is the agricultural smallholdings legislation. We know it has been laid in Parliament but, because of the politics of the situation, we can expect that they will be delaying this process as time goes by.

When we talked about them intending to sell out Caroni (1975) Limited, I wonder what is happening now when we read the advertisements in the newspapers about a particular bank inviting some kind of offers with respect to three of the most lucrative parts of Caroni (1975) Limited. We will hear more about that as we go on, Mr. President.

Finance (Variation of Appropriation) Bill
[SEN. MOHAMMED]

Thursday, January 27, 2000

4.20 p.m.

Mr. President, under the Ministry of Housing and Settlements, on page 5 of this document that seeks to provide some explanation, they talk here about strengthening of land administration, land tenure rationalization and some savings from that area. This project relates to the land strengthening of the Lands and Surveys Division. The programme of institutional strengthening involves the award of a number of consultancy contracts.

Under this administration, we have seen where they have shifted the Lands and Surveys Division to the Ministry of Housing and Settlements. As an attorney-at-law, I am sure I speak on behalf of all other attorneys who have dealings with this particular department of Government. One writes a letter today and one may not get a response until two or three years after, if one is so fortunate to get a response.

We know that there are problems associated with that and there is need to rationalize the situation and to bring about some changes but, Mr. President, what we are hearing about is that in this process of reform, by bringing the Lands and Surveys Division under the Ministry of Housing and Settlements—and this is not just with Lands and Surveys, but in several other departments that are now coming under the Ministry of Housing and Settlements, we are experiencing a situation where consultants are being hired and paid and there are people who are trained—technical officers and other competent members of staff—who are just by the wayside, unable to move up in the system. Yet, money is being spent. Instead of filling vacant posts, moneys are being spent as though it is a blank cheque on the Treasury, and all sorts of consultants are being brought in from all over the place to do some of the work. We have to wonder about what is really happening. That is why I asked the question about the status of public service reform in the country.

Mr. President, under the heading of Tourism, there is a savings of over \$9 million. This is such a laughable situation, after there was \$8 million going down the drain on the World Beat event, \$40 million being spent elsewhere, and then there is the Miss Universe Pageant. This week we were privy to some information. We are still waiting on the final figures on the cost of this pageant to this country, and we want to know the benefits that have been brought to this country since the hosting of the Miss Universe Pageant. Money is just going down the drain, Mr. President! And they are here to boast about savings of \$9.5 million under the heading of Tourism. They have saved \$9 million and two Senators are being lost!

Mr. President, there is another issue that we are hearing about: the plight of our local travel agents, and I am sure that is an issue which will crop up again. I hope the Government is tuning into it and will be willing to intervene and do something.

I move on to page 17 of this document under the heading, Ministry of the Attorney General. There is a transfer of funds amounting to \$1.5 million within the Ministry itself, and it says here that additional funds were required to meet payment to foreign attorneys for the preparation of briefs on constitutional motions and other related matters, and that savings were available, as vacant posts for which funds were provided were not filled as anticipated.

Mr. President, earlier this afternoon, my colleague, Sen. Montano, referred to the clipping from today's *Daily Express* about the exodus of attorneys from the Solicitor General's Department. We know that this department is one of the most important legal departments that come under the Ministry of the Attorney General. There is a situation where several of the key attorneys from this department have left the service. They cannot find the funds to deal properly with the department and to make their staff happy, but they are finding so much money to be paid to foreign attorneys for the preparation of briefs on constitutional motions.

More than that, this afternoon when we came into this Chamber, we were provided with a very expensive looking folder, if I may say so, which contains the Attorney General's speech which he delivered here on Tuesday. I wonder how much money this folder must have cost, and it is headed "Ministry of the Attorney General". Money is being wasted on public relations in these various ministries. [*Desk thumping*] It is a wonder the Leader of Government Business did not provide us with a similar folder from his Ministry! This is a wanton waste of money. Public relations! Millions of dollars going down the drain! They are so obsessed! But as I said before, Confucius once said that rotten wood is unfit for carving, and no matter how much they try to carve a new image for themselves, the people of this country will not allow themselves to be fooled. [*Desk thumping*]

I wanted to end my contribution, but when I look at page 19 that deals with the Ministry of Local Government and the transfer of funds to deal with the expenses of the Unemployment Relief Programme to the end of September 1999, as a result of the shortfall in revenue under the unemployment fund, we are hoping that the reports that are coming out—that those who were gathered in a certain place earlier this week in support of a certain Minister of Government—

Finance (Variation of Appropriation) Bill
[SEN. MOHAMMED]

Thursday, January 27, 2000

are not true, that the URP money is being used to get those people assembled in support of the particular Minister.

Tomorrow is Friday and we are hearing of another massive demonstration in Port of Spain. If that is how they are using our public funds, we call on this Government to stop this bad governance. They should try, in their few days left in office, to redeem themselves as a government. There is so much corruption and immorality that is taking place at all various levels. We are calling upon them. There is so much tension in the society. We want our country to be a peaceful country and we are calling upon them to please sober themselves up. They need to really sober themselves and come to terms with the realities and try to pour cold water on the situation now rather than add fuel to the fire.

Mr. President, I thank you. [*Desk thumping*]

Mr. President: Even though we are at teatime, I feel we can complete this part.

The Minister of Finance, Planning and Development (Sen. The Hon. Brian Kuei Tung): Mr. President, it seems that you will have to tolerate me a little more before you get your tea. [*Laughter*] As I was listening to the debate this afternoon, it reminded me of a story I hear on the ground. If a UNC man earns a dollar, he spends 90 cents and saves 10 cents. If a PNM man earns a dollar, he spends two. Do you know why? He is very efficient at spending. So much so, he spends more than he earns. That is precisely the kind of thread that is coming through from what I am hearing on the Front Bench opposite. Why did you not spend? Why are you so inefficient at spending? I am not too sure.

Let me take them back to the beginning of 1998/1999. I presented a budget around September for the year 1998/1999, and even before the ink on the budget document had dried, the oil price dipped. I wonder if they remember that. I produced an oil price of \$14, and even though the PNM pundits said I had got to be crazy, it dropped to \$9. That is the period for which this document I talk about is dealing with.

I have today given them documents that are really two parts. The first half is to help me close the books, and I will talk a little about that in a while. The other part is to talk about the virements that actually took place. I hope they did not confuse one with the other. The second half of the document, from page 8 marked "Appendix" has nothing to do with the Bill today, except it has to do with the information that I am required to provide them.

Under law, every virement which is given to me as delegated authority has to be reported to Parliament. I came to them and said that in each of these cases, virements being within the Ministry—and I hope that they did not confuse the virements that I gave between Ministries with the savings that I identified in the first half of the document.

I had to be efficient at saving, because even before I began the year 1998/1999, I was faced with a shortage in revenue. I am sure they remember that. I had to use mechanisms and techniques that would allow the country to be run as efficiently as I can without impairing our financial objectives, the first being financial discipline. I have said time and again that this country has to learn to live within its means. [*Desk thumping*] Now I am hearing today, “How are you so efficient at delaying contracts?”

I have asked for some of these contracts to be delayed. I have asked for some of these expenditures to be pushed later into the year because it was one of the mechanisms available to me to ensure that I live within my means. So, if it were necessary and I did not have those revenues—as I did not have in the period 1998/1999—I had to find the wherewithal to live within my means, and if I end up being very inefficient because I did not spend the money, then I plead guilty to them.

I had no choice but to ensure that from month to month I managed our expenses to the best of my ability. So, yes, it seems almost as a recurring decimal, as one person said. Am I right, Sen. Alfred? Savings here, savings there, savings anywhere. I have no difficulty with savings anywhere because I had to develop a course of action that would ensure it would not impair our fiscal and financial objectives.

What happened with the purpose of the Bill, more than anything else, is that by the end of the year, having anticipated that we would have to spend about \$300 million in what I call the various mechanisms which had been offered to the public servants with respect to the liability for the arrears that took place from 1987 action, is that we could start squaring away this liability as best as we can.

Let me say right now that our worst estimate is that we would not have to spend more than another \$100 million to close this out once and for all. The reason being that we have now taken a decision that anybody who has a balance of \$500 and less can now access that in cash, basically, so there is that bit hanging out that we have to finalize.

In the main, every one of the public servants has taken the bulk of the liability in whatever means were necessary, and this last one, because it was coming to a close at the end of December 1999, everyone rushed to complete theirs, and that is

why I ended up with a bit of a higher variance than anticipated. So, the actual total value of mechanisms that had been applied for came up to \$504 million.

I have to apologize, too, by saying that to some measure, this is nothing more than an accounting exercise. It is not a real cash outlay exercise. Sen. Montano is correct. Let me talk a little about savings. I have always found the word “savings” to be dumb. It is almost an ambiguous word. We do not know really what is the meaning of the word “savings” as used by public service accounting. It certainly is not used in private sector accounting. We know savings to be hard cash. When we talk about savings, it is money in the bank. When we talk about savings in a private sector environment, we have revenue and do not spend it, that is savings. We have expenses, cut back the expenses; but earned money, it is savings in the bank.

In government accounting, they treat it a little differently, and the word “savings” has been misused so that it has been extended to mean, “Guess what, you have not used a particular expenditure. You have savings, spend it, even though you may not have had the revenues”! Sen. Montano was partly right. In many cases, I did not have the revenues and, therefore, I really did not have the savings, to be quite frank.

This may be nothing more than a bookkeeping exercise, because I cannot allocate expenditure to the Ministry of Finance far greater than what the Parliament has approved. So, I have, by necessity, to come to ask them to give me it, but I never had moneys saved. I have unspent expenditure—I do not call it savings—in a host of other ministries. I only need \$204 million, therefore, one will find that I have found savings exactly coming up to \$204, because I do not need more than that. It is asking them to transfer more money than is necessary other than the amount that I need for the purposes of this exercise.

There is only basically one item of expenditure that has gone overboard, and that is the question of the liability we are paying to the public servants for the year 1998/1999. That is why I am here, and that is why I have said that we have identified a number of savings, and I want to make one comment that will address all of them. As a deliberate action, I asked the ministries to push many of their expenditures.

I am committed to computers in schools, and I feel that even if I got one computer in one school, I am ahead of the game, rather than having no computers in any of the schools. I have said before that as far as I am concerned, we have a whole generation who will lose.

4.35 p.m.

The whole world is driven by computers today. If we do not prepare our kids to understand where computers and information technology is going to take them, we will end up in the boondocks. There is no choice in that matter. If we can save one kid, in my view, we have at least one chance in being able to go forward. That is why I say this. Unfortunately, by the time they put the mechanisms in place and awarded the contract, they had only spent \$15 million. I have explained why.

I know I can be criticized for claiming that I have not spent money in health and national security where these are urgent priorities. There comes a time, sometime, when some of these priorities have to be reprioritized in any case. In terms of the documents at the back, from page 8 onwards, that is, basically, not my decision. The ministers are responsible as they go along—because they realize that they are changing priorities, could very well come to me—in the case of the Ministry of National Security—and say: “I have money for vehicles, but I do not want more vehicles now, I need to start paying down on some more equipment that I need to ensure the efficiency of the E-999.” The Minister could come to me and say: “I want to vire the money from this and put it on that.” I would agree with it. So it is not that he does not need more motor vehicles, it is just that, in his mind, because he has a particular priority, he has reprioritized, he wanted to pay down on the equipment instead of spending the money to buy the vehicles. *[Interruption]* Less Cherokees.

I can go on and on and explain all of this. I hope, with that kind of explanation, it will address many of the concerns—*[Interruption]*

Sen. Prof. Spence: Mr. President, we would save a lot of time if the hon. Minister, in his introduction, told us it was forced savings rather than real savings. However, I do not think what the Minister has said explains the repeated statement in this document; that the provision for the payment of increment was more than sufficient to meet the amounts due. In other words, repeatedly, it says here, we budgeted a certain amount of money, but much less than we budgeted was adequate. How does the Minister explain that?

Sen. The Hon. B. Kuei Tung: Let me give you an example to answer that one. When the Government did the budget, it knew that it was going to review national insurance. As a result of that review, I was going to have to meet an increased expense. Did you remember that we increased contributions very substantially? Therefore, that is a very significant number, because we knew it was going to come off. Well, we were hoping that it would come off.

You would also recall that we had to shift the date because the private sector said that their computer systems were not quite ready. We moved the date from February 01, to June 01, or something like that. There were immediate savings of two or three months national insurance contributions. The largest employer, certainly, in Trinidad and Tobago, is the Government. One would find that the national insurance contributions that had to be made by Government would have been very significant.

In the case of increments, I am not too sure. I think we were hoping to pay increments. In many cases the increments were not due. In many cases we had budgeted—[*Interruption*] Not really, because in many cases—We have a situation now where we have agreed with the Public Services Association (PSA) that they will quantify the amount of these increments and that is what is holding up the whole exercise. We thought we would have been able to finalize this and square it away.

One of the unfortunate circumstances which I find myself in is, I have to budget something, and at the same time ask the minister to negotiate without exposing what my ultimate position is going to be in the budget. There is always a need for us to be a bit cloudy, because if I telegraph, clearly, what exactly I am going to say, then I have *sine die* the minister from negotiating any form of final numbers. You will expect that there is always some—it may be under or over, depending on how well he negotiates.

I hope I have answered the general comments. Let me just address one or two of the individual comments or questions that were asked. The question of Fincor and Caroni (1975) Limited. As you must have heard, in an attempt to bring Caroni (1975) Limited's finances into check, we have restructured the entire set of bank debts that Caroni (1975) Limited had. Therefore, we had a particular bond of \$100 million which we were hoping would have been finalized with accrued interest, instead we have stopped it at exactly \$100 million and we have paid off the interest so you found that we needed some more funds for the increased interest of approximately \$3.3 million.

With respect to Taurus, that was a very interesting one—Four years into office, I am still cleaning up some of the things that the PNM did. Four years into office. [*Interruption*] When the PNM had restructured a number of the state enterprises that they divested, they left the moneys on the books without saying what is to be done with it. In this strange case, they put some of the unsecured debts that were owing to Republic Bank—do you remember National Fisheries?

National Fisheries' debt ended up in Republic Bank with Taurus. The debt that was owed to Republic Bank, in Taurus. Did you know that Sen. Prof. Spence? You thought that it was only farmers had bad debts. The PNM put National Fisheries. They put some of BWIA's debts there too. They just park it up and said: "When we come back we would see if we could clean it up." Of course they did not come back. So I have to be in—[*Laughter*] When Sen. Daly asked me—I do not know! I have to go and ask them; "Where this come from?" And all of a sudden all sorts of things start to come up. You are right, rotten wood cannot take carvng. [*Desk thumping*]

Sen. Mark: I like that one.

Sen. The Hon. B. Kuei Tung: I am glad you are quoting my ancestors because then I could say it with pride.

I am sorry; I did not really want to. That is precisely what happened there. Again, I have to go and rationalize this. This is money that is owed by Taurus. One of the things I would tell you that I take very seriously is, I try my best to ensure that we meet all our liabilities fairly and squarely. I have a lot of debts that had been floating around. The maximum security prison has to be brought to book. It has been there for many years, I have no choice. I know the PNM is going to come and ask me: "How it got so high?" Well, I do not know how it got so high; it is the PNM who left it there. [*Interruption*] By Royal Bank. It is a Royal Bank deal. In this case, inadequate provision had been made and I had to find some more money for it. So there you have that particular one.

Let me talk a little about—I did run into an overdraft last year, Sen. Daly. I came here and explained that. I had to; the revenues just were not there. I had to be scrambling to make sure that I meet—I could have gone and raised some more money and—yes I had an overdraft at the Central Bank. I give this assurance, as a matter of fact I have already given the assurance; I am not going to run an overdraft in the Central Bank just for election purposes. There is no way, as Minister of Finance, I am going to throw financial discipline through the window, for whatever reason.

4.45 p.m.

I do not know where that \$63 million came from, but it is a nice interesting number. I keep hearing this \$63 million coming up. I do not know where it turned up from, but it sounds nice. [*Laughter*] So that, I then have to pay an overdraft.

I asked the Director of Budgets to give me a figure and at this point I have a positive balance of \$900 million. I will tell you why. I have said before, I have

Finance (Variation of Appropriation) Bill
[HON. B. KUEI TUNG]

Thursday, January 27, 2000

gone so bold in the budget to say that any excess—remember that—that I get over and above \$16 on the actual oil price, I am going to sterilize as a price stabilization fund. What does that mean? That is money in the bank. That is surplus. And that is a bold move in an election year. I am sure you will agree with that. *[Laughter]*

I am bringing legislation here and I have some concepts, maybe I can share with you quickly. I am going to come with legislation that that money has to be sterilized, it has to be invested offshore, it has to be kept offshore, because I do not want it to co-mingle with our local funds. If it is, the temptation is going to be that you spend it. We are thinking of saying that in any one year where the oil price drops below budget, you cannot spend more than 25 per cent of the fund. That means whenever that fund starts it will last at least four years—well you know under 25 per cent it decreases in value—it will last much longer than that. Not even succeeding governments—well, I suppose they could come and change the law. What I am thinking of is making it legislation. So I am going to be bringing that very soon, sometime during the course of this year, to ensure that that money remains untouchable.

Sen. Daly: Bring it Tuesday, we will dish it up. *[Laughter]*

Sen. The Hon. B. Kuei Tung: Well you see, I have to be assured that we have the required majority. *[Laughter]* I would hate to come here and find that my great plans are being turned down.

Sen. Dr. St. Cyr: Unanimous.

Sen. The Hon. B. Kuei Tung: So, I do share with you very much and I am going to raise that question of the school feeding programme. I am not aware that the releases are being held back. I am very surprised to hear that. When I go back I am going to find out why the people are not being paid. As you know, they are not paid directly by the Ministry of Finance, we have to make the release to the Ministry of Education, which in turn does what is necessary. I heard your comments. I agree with you. I do not think, and the intent was never to have more children and less meals, I do not think that was ever the intent. We are going to look at that, Senator.

Sen. Yuille-Williams: Thank you.

Sen. The Hon. B. Kuei Tung: I do share your concern about security at schools. I guess after yesterday's experience more so than ever. *[Laughter]* With these few words, I hope I have addressed everyone.

I beg to move that the Finance (Variation of Appropriation) (1998/1999) Bill be now read a second time.

Question put and agreed to.

Bill accordingly read a second time.

The Minister of Finance, Planning and Development (Sen. The Hon. Brian Kuei Tung): Mr. President, in accordance with Standing Order 63, I beg to move that the Bill not be committed to a committee of the whole Senate.

Question put and agreed to.

Question proposed, That the Bill be read a third time and passed.

Bill accordingly read a third time and passed.

ADJOURNMENT

The Minister of Public Administration (Sen. The Hon. Wade Mark): Mr. President, I am sure I have the support of everyone now. *[Laughter]*

Mr. President, before moving to adjourn this honourable Senate, I want to just serve notice that I have spoken with Sen. Prof. Spence and I did not speak to Sen. Nafeesa Mohammed—sorry about that—but we did, in fact, skip Private Members' Day last Tuesday. We are therefore proposing that at the next sitting of the Senate, Tuesday, February 01, 2000, at 1.30 in the afternoon, we will deal with Private Members' Business.

I therefore beg to move that this Senate do now adjourn to Tuesday, February 01, 2000 at 1.30 p.m.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 4.50 p.m.