

**THE
PARLIAMENTARY DEBATES**

OFFICIAL REPORT

IN THE FIFTH SESSION OF THE EIGHTH PARLIAMENT OF THE REPUBLIC OF TRINIDAD
AND TOBAGO WHICH OPENED ON OCTOBER 17, 2002

SESSION 2006—2007

VOLUME 17

SENATE

Tuesday, February 13, 2007

The Senate met at 1.30 p.m.

PRAYERS

[MADAM PRESIDENT *in the Chair*]

LEAVE OF ABSENCE

Madam President: Hon. Senators, I have granted leave of absence from today's sitting to Sen. The Hon. Arnold Piggott who is out of the country.

SENATOR'S APPOINTMENT

Madam President: Hon. Senators, I have received the following correspondence from His Excellency the President, Professor George Maxwell Richards, T.C., C.M.T., Ph.D.

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By His Excellency, Professor GEORGE MAXWELL
RICHARDS, T.C., C.M.T., Ph.D., President and
Commander-in-Chief of the Republic of
Trinidad and Tobago.

/s/ G. Richards
President.

TO: MRS. MAGNA WILLIAMS-SMITH

WHEREAS Senator Arnold Piggott is incapable of performing his duties as a Senator by reason of his absence from Trinidad and Tobago:

NOW, THEREFORE, I, GEORGE MAXWELL RICHARDS, President as aforesaid, acting in accordance with the advice of the Prime Minister, in exercise of the

Senator's Appointment
[MADAM PRESIDENT]

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power vested in me by section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, MAGNA WILLIAMS-SMITH, to be temporarily a Member of the Senate, with effect from 13th February, 2007 and continuing during the absence from Trinidad and Tobago of the said Senator Arnold Piggott.

Given under my Hand and the Seal of the
President of the Republic of Trinidad and
Tobago at the Office of the President, St.
Ann's, this 9th day of February, 2007.”

OATH OF ALLEGIANCE

Senator Magna Williams-Smith took and subscribed the Oath of Allegiance as required by law.

**JOINT SELECT COMMITTEE
(APPOINTMENT OF)**

Madam President: Hon. Senators, I have received the following correspondence from the Speaker of the House of Representatives.

“February 12, 2007

Senator The Hon. Dr. Linda Baboolal
President of the Senate
Office of the President of the Senate
Parliament
The Red House
Abercromby Street
Port of Spain.
Honourable Madam President,

Appointment of a Joint Select Committee

At a Sitting of the House of Representatives held on Friday February 09, 2007, the following Resolution was approved:

‘BE IT RESOLVED that a Bill entitled, ‘An Act to repeal and replace the Deoxyribonucleic Acid (DNA) Identification Act, 2000’, be referred to a Joint Select Committee for consideration and report and, provided that the Senate concurs, that the Committee comprise the following five (5) Members of the House with an equal number from the Senate:

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Mr. Colm Imbert, MP

Mr. Fitzgerald Hinds, MP

Mr. Hedwige Bereaux, MP

Dr. Adesh Nanan, MP

Ms. Gillian Lucky, MP

And that this Committee be empowered to consider the general merits of the Bill along with its details and report by Wednesday February 28, 2007.'

I shall be grateful if the decision of the House of Representatives is brought to the attention of the Senate.

Yours respectfully,

Hon. Barendra Sinanan. MP

Speaker of the House"

The Minister of Public Administration and Information and Minister of Energy and Energy Industries (Sen. The Hon. Dr. Lenny Saith): Madam President, I beg to inform the Senate that the Motion to give effect to the matters referred to in the correspondence to the hon. President, would be dealt with later in the proceedings under item No. 14 on the Order Paper.

PAPERS LAID

1. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Cipriani Labour College (now the Cipriani College of Labour and Cooperative Studies) for the year ended December 31, 1987. [*The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill)*]
2. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Cipriani Labour College (now the Cipriani College of Labour and Cooperative Studies) for the year ended December 31, 1988. [*Sen. The Hon. C. Enill*]
3. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Cipriani Labour College (now the Cipriani College of Labour and Cooperative Studies) for the year ended December 31, 1989. [*Sen. The Hon. C. Enill*]

4. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the National Institute of Higher Education (Research, Science and Technology) for the year ended December 31, 2002. [*Sen. The Hon. C. Enill*]
5. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Government Employees' Provident Fund for the financial year ended September 30, 2005. [*Sen. The Hon. C. Enill*]
6. The annual report and annual audited financial statements of the National Insurance Board for the year ended June 30, 2006. [*Sen. The Hon. C. Enill*]
7. The Civil Aviation [(No. 1) General Application and Personnel Licensing] (Amendment) Regulations, 2007. [*The Minister of Works and Transport (Hon. Colm Imbert)*]
8. The Civil Aviation [(No. 2) Operations] (Amendment) Regulations, 2007. [*Hon. C. Imbert*]
9. The Civil Aviation [(No. 3) Air Operator Certification and Administration] (Amendment) Regulations, 2007. [*Hon. C. Imbert*]
10. The Civil Aviation [(No. 5) Airworthiness] (Amendment) Regulations, 2007. [*Hon. C. Imbert*]
11. The Civil Aviation [(No. 6) Approved Maintenance Organization] (Amendment) Regulations, 2007. [*Hon. C. Imbert*]
12. The Civil Aviation [(No. 7) Instruments and Equipment] (Amendment) Regulations, 2007. [*Hon. C. Imbert*]
13. The Civil Aviation [(No. 12) Aerodrome Licensing] (Amendment) Regulations, 2007. [*Hon. C. Imbert*]
14. The Civil Aviation [(No. 16) Compounding of Offences] (Pecuniary Penalties) Regulations, 2007. [*Hon. C. Imbert*]

Civil Aviation (Amdt.) Regulations 2007

Hon. C. Imbert: Madam President, may I also advise that the Statutory Instruments Committee considered the Civil Aviation (Amdt.) Regulations 2007 and found that there was nothing to which the attention of the Senate should be specially brought. The Minutes of the committee were circulated to Members.

ORAL ANSWERS TO QUESTIONS

The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill):
Madam President, I wish to advise that the answers to questions Nos. 25, 26 and 27 are not yet available and will be available, I believe, in two weeks.

The following questions stood on the Order Paper in the name of Sen. Wade Mark:

**BWIA
(Restructuring Report)**

- 25.** With respect to the restructuring report which addressed the various options and concerns in regard to the future of BWIA, could the hon. Minister in the Ministry of Finance provide the Senate with:
- (i) the name of the firm or group of consultants that produced the said report;
 - (ii) the cost to the Government of Trinidad and Tobago for producing the report; and
 - (iii) copies of the report?

**Caribbean Airlines
(Information concerning)**

- 26.** With respect to the new company known as Caribbean Airlines, could the hon. Minister in the Ministry of Finance advise this Senate of:
- (i) the date of its incorporation;
 - (ii) the names of the Chairman and Directors;
 - (iii) the qualifications of the Chairman and Directors;
 - (iv) the number of employees; and
 - (v) the value of Government's capital injection into the new airline?

**Caribbean Airlines
(Trade Union Policy)**

- 27.** With respect to the new entity known as Caribbean Airlines, could the hon. Minister in the Ministry of Finance inform the Senate:
- (i) what is Government's policy position with regard to Trade Union involvement and participation in the Airline;

- (ii) why were the existing unions in the industry not provided with a successorship plan; and
- (iii) why were the new employees placed on contract and directed by management not to join trade unions?

Questions, by leave, deferred.

**DEOXYRIBONUCLEIC ACID (DNA) BILL
(JOINT SELECT COMMITTEE)**

The Minister of Public Administration and Information and Minister of Energy and Energy Industries (Sen. The Hon. Dr. Lenny Saith): Madam President, I beg to move the following Motion:

Be it resolved that the following five (5) Senators be appointed to serve with an equal number of Members appointed by the House of Representatives on a Joint Select Committee established to consider and report on a Bill entitled the Deoxyribonucleic Acid (DNA) Bill:

Mr. John Jeremie, S.C.

Mr. Martin Joseph

Ms. Christine Kangaloo

Dr. Tim Gopeesingh

Mrs. Angela Cropper

Question put and agreed to.

AIRPORTS AUTHORITY (AMDT.) BILL

Order for second reading read.

The Minister of Works and Transport (Hon. Colm Imbert): Madam President, I beg to move,

That a Bill to amend the Airports Authority Act, Chap. 49:02, be now read a second time.

I hesitate to say that this is a simple Bill. [*Laughter*] I pleaded with Sen. Mark to ease me up today, so let us see if there is a spirit of Christian kindness in him. [*Laughter*] And I had witnesses. [*Laughter*]

The purpose of the Bill before the Senate today is, essentially, to alter the composition of the Board of the Airports Authority of Trinidad and Tobago. The board as presently constituted is really a very cumbersome construction. If I go to the parent Act itself, section 3, Chap. 49:02 which defines the current board, it is comprised as follows:

“There is hereby established a body corporate to be known as the Airports Authority consisting of the following members appointed by the President:

- (a) a Chairman;
- (b) not less than two and not more than three persons appointed on the advice of the Minister;
- (c) a person appointed on the advice of the member of the Cabinet responsible for National Security;
- (d) the Commissioner of Police;
- (e) the Director of Civil Aviation;
- (f) the Comptroller of Customs and Excise;
- (g) the Chief Immigration Officer; and
- (h) a medical officer appointed by the Minister of Health.”

Over the years, this has proven to be quite an unworkable arrangement.

You would realize that it is quite difficult to get these three persons, the Commissioner of Police, the Comptroller of Customs and the Chief Immigration Officer in the same room, on the same day, at the same time. In fact, it has proven difficult. Over the years, successive governments have grappled with this problem, because of the very inflexible nature of the composition of the board.

This type of composition is not normal and as I will indicate to the Senate in my very brief presentation, airport authorities all over the world have long moved away from this. I will go straight to the Airports Authority of India Act No. 55 of 1994—some 12 years ago. The composition of the board of the Airports Authority of India is a chairperson appointed by the government; the director general of civil aviation and not less than eight nor more than 14 members to be appointed by central government. They enacted that in September 1994; no qualifications at all.

If we go to the Caribbean, coming closer to home, and take a look at the Jamaican model, it has very similar provisions. In their Airports Authority Act, No. 36 of 1974 the composition of the board is as follows:

“There shall be a Board of Directors of the Authority which shall be responsible for the policy and general administration of the affairs of the Authority. The Board shall consist of such number of directors not being less than five nor more than nine, as the Minister may appoint from time to time

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from persons appearing to the Minister to have ability and experience in matters relating to air transportation, finance, economics, engineering, accountancy, law, industrial relations or commerce.”

I want to repeat that this is Act No. 36 of 1974; that was 33 years ago in Jamaica. They enacted an airports authority with a very flexible composition.

In Singapore we have a similar situation; the Civil Aviation Authority of Singapore:

“The Authority shall consist of a Chairman and not less than six nor more than ten other members, as the Minister may from time to time determine.”

As examples, I am using Singapore, Jamaica and India.

Let us now go to England, the United Kingdom, where the British Airports Authority is, in fact, a privatized operation. The board of directors all come from industry. When you look at the curriculum vitae of the members of the board of the British Airports Authority—I will just give some examples, they are all Spanish names: Nicolas Jimenez, currently a director of—*[Spanish spoken]* Spanish is not my strong suit; Jose Maria Perez, Director and legal counsel of—*[Spanish spoken]*; Juan Ochoa, director of—*[Spanish spoken]* and so on. This is the British Airports Authority; they are all from the private sector: Gizland Gutierrez, currently a director of Gas Metro and Majital, director of Altitude Assets PLC and so on. In Britain they recognized the need years ago to move towards a management approach in terms of the board of the British Airports Authority.

If you look at all the successful airport authorities around the world, you will see that the move is to streamline their management functions. If you look at our Act, however, the Commissioner of Police, the Comptroller of Customs, the Chief Immigration Officer have no specialist management qualifications or experience. They simply would rise through the ranks in their respective areas and if they have degrees in management and so on, that is simply a bonus. But the Commissioner of Police, the Comptroller of Customs and the Chief Immigration Officer would be required to specialize in law enforcement, immigration and customs matters; nothing to do with the management and administration of an airport; so we are certainly behind times.

If you look at our Port Authority Act dating back to the 1960s, you would see that the composition of the board of the port authority is almost identical to the composition of the board of the Airports Authority of Jamaica, where in the Port Authority Act, the board is required to be comprised of persons with experience in engineering, finance, management and so forth. That is what we have in our

current Port Authority Act. The port authority deals with the movement of cargo and the loading and offloading of goods. The customs function at the port authority is equal to the customs function at the airport, if not more serious. The demands on immigration at the port authority may not be as severe as the airports authority, but they are dealing with the same things. They are dealing with the movement of persons and the carriage of goods. In my view, it really was a mistake to have hamstrung the Airports Authority board in this way, because it simply has not worked.

We want to move and be in step with the rest of the world, with India, Singapore and Jamaica. The Barbados Airports Authority is also quite similar. I have a document on Barbados; the board is very similar to what we are trying to achieve, where we want to have persons with certain qualifications. We are seeking, by way of this legislation, to amend section 3, which deals with the composition of the board, and put in certain qualifications.

“There is hereby established a body corporate to be known as the Airports Authority of Trinidad and Tobago, hereinafter called ‘the Authority’, the Board of which shall consist of not more than ten and no fewer than six members.”

Almost identical to some of the other statutes that I read out:

“(1A) The members of the Board shall be appointed by the Minister from among persons who are suitably qualified in the following disciplines:

- (a) engineering;
- (b) aviation;
- (c) law;
- (d) accounting and finance;
- (e) economics and business management; and
- (f) security.”

I wish to point out that we are retaining the security committee in the current Airports Authority legislation; we are not changing that. So for members who may have some concerns about security, section 4 of the parent Act shall remain as follows:

“There is hereby established a Security Committee which shall consist of the following members:

- (a) a Chairman to be appointed by the Chairman of the National Security Council;

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- (b) the Chairman of the Authority;
- (c) the Chief of Defence staff;
- (d) the Commanding Officer of the Regiment;
- (e) the Commissioner of Police;
- (f) the Chief Firer Officer; and
- (g) a senior officer appointed by the Chairman of the National Security Council.”

Which we know is the Prime Minister. When you go to clause 5 it is made crystal clear that the Security Committee is responsible for the maintenance of security at all airports and is accountable directly to the Prime Minister and, in his absence, the Minister responsible for national security. We are leaving the entire responsibility for security of our airports to the Security Committee, which is essentially comprised of persons involved in law enforcement and the protective services. It will take its directions from the National Security Council, the Minister of National Security and the Prime Minister.

The other change that we are seeking to make is, ironically, to undo a change that I made in 1993, when at that time, in a previous incarnation, we were seeking to restructure the Airports Authority to allow private investors to hold shares, to form joint ventures and obtain ownership of the estate at Piarco Airport. At that time in 1983 it was considered prudent to make this change. It was actually in Act No. 28 of 1993, where we removed the existing provision with respect to the instructions that the Minister could give to the board and replaced it with the following clause:

“In the performance of its function, the Authority shall be guided by general policy directions set out by the Minister.”

What was there before is what I am seeking, with the leave of the Senate, to put back, which is:

“(4) In the performance of its functions and in the exercise of its powers, the Authority shall act in accordance with any special or general directions given by the Minister.”

That was there before and that is in the Port Authority Act and in many different pieces of legislation in Trinidad and Tobago, at this point in time.

Governments have discovered to their horror that when you have vague and ambiguous provisions in legislation that do not define the relationship between the board and the line minister, the authority of the minister and also the board

and the power of the Executive to direct the particular authority, you end up in mass confusion. There are many examples in recent times of authorities indicating to the Government that according to the legislation they do not have to take any directions whatsoever from the Government, which is nonsense. We, therefore, felt it was necessary to revert to what was there before.

I remember Sen. Mark grilling me a couple weeks ago about a matter at the airport. The Chairman of the Airports Authority was not standing here, it was me in my capacity as the Minister with responsibility for aviation. I was the one that had to come to the Parliament and answer for the actions of the Airports Authority. I am the one who has to account to the Parliament for the actions of the Airports Authority. Therefore, in these circumstances, we are of the view that we need to be as clear as possible and put this clause back to what it was, that is:

“In the performance of its functions and in the exercise of its powers, the Authority shall act in accordance with any special or general directions given by the Minister.”

[Interruption]

Sen. Mark: May I crave your indulgence?

Hon. C. Imbert: Certainly.

Sen. Mark: I wonder if the hon. Minister could tell us if there is, in fact, in existence at this time a board governing the Airports Authority and if he would volunteer the names of the members of the board?

Hon. C. Imbert: The term of the current board is going to be extended to March, with the approval of Cabinet, of course, to cater for this matter that we are doing now; so there will be transition provisions. Give us until the end of March to make any changes that may be required. That matter is going to be before Cabinet very, very shortly.

Sen. Mark: The names of the members.

Hon. C. Imbert: The current members of the board? I can tell you who the Chairman is, Mr. Linus Rogers. Before I wind up today I will send a note to my office to get the names of the other members. Let me go back to the parent Act for the benefit of Sen. Mark. The Chairman is Linus Rogers; I will get the information about the other three persons for you. The other members are the Commissioner of Police; Trevor Paul; the Director of Civil Aviation, now the Director General, Mr. Lutchmedial; the Comptroller of Customs, Mr. Fitzroy John; the Chief Immigration Officer, Mr. Herman Brown. I think Dr. Ramroop is the medical officer appointed by the Minister of Health, as far as I can recall. I will get that information for the Senator before we complete our deliberations here today.

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I believe, whether naively or not, that this is a very simple matter and I have outlined to hon. Senators exactly what we are trying to achieve.

With those few words, I beg to move.

Question proposed.

Sen. Wade Mark: Madam President, I know that tomorrow is Valentine's Day. [*Laughter*] I extend to you, Madam President, [*Laughter*] Valentine's greetings, in the first instance, because you are a lady very close to my heart. I also extend to all the other female Senators—Christine, my dear, particularly, [*Laughter*] all my female colleagues on the Government Benches, the Opposition Benches and the Independent Benches, Happy Valentine's Day. We will not be here tomorrow to send and greet directly. [*Desk thumping*]

The Bill we have before us has nothing to do with love. [*Laughter*] It seems like it is pure control; complete unadulterated control. So we make that dichotomy here to delineate the love for our colleagues from the level of our colleague who is moving this particular Bill today.

I refer you to an amendment, Act No. 28 of 1993. Section 6 of this Act was an amendment to the parent Act. The particular amendment 12(1) outlined the main functions of the Authority. It states:

“The main function of the Authority is to develop and manage the business of the airports, including the development, maintenance or improvement of their facilities in a cost effective manner, so as to ensure the availability of efficient, secure and safe aviation services to the public at all times as well as to ensure commercial viability.”

We are told in the legislation that was the purpose and main function of the Airports Authority.

This body came into existence some time in 1979. The then Minister of Works and Transport, Mr. Hugh Francis, submitted the following argument to justify some of the provisions in the legislation, particularly, if you go to the parent legislation, to section 3(1) which deals with the establishment and composition of the Airports Authority. The Minister outlined its composition a short while ago for us. Here is what Hugh Francis said on Tuesday, 18 December, 1979:

“I should say that clause 3...now makes provision for the port health officer to be a member of the Airports Authority. The intention here is to attempt to bring into one organization all the disciplines that are involved in the management of airport facilities...”

He made reference to Customs, the Director of Civil Aviation, the Chief Immigration Officer and the port health officer, as distinct from the regulatory functions, which would remain the responsibility of the Director of Civil Aviation and his staff.

So at the time of introducing this particular Bill, the thinking was to bring under one umbrella, under one organization, all these disciplines in an effort to ensure that we had proper management of the airport facilities. We are being told by the hon. Minister that, apparently, this has not worked and the management question is now up in the air, insofar as he was concerned.

Let us go to what my honourable colleague, the then Minister himself said back in 1993. I am referring to the hon. Minister of Works and Transport at that time who piloted an amendment to the Airports Authority Act on Tuesday, November 30, 1993. He was referring to a contribution made by Sen. Mansoor.

“Sen. Mansoor expressed some concern about the Airports Authority Board being comprised mainly of public officers and saw a basic contradiction in that public officers are not necessarily profit oriented, and since one of the objectives of the Bill was to move the Airports Authority into a profit orientation, that there was a bit of conflict there. As the Attorney General pointed out...”

That was the hon. Keith Sobion at the time:

“however, the Airports Authority is responsible for much of the security matters at the airport—It facilitates Customs...”

That is what the Minister said in 1993:

“immigration, air traffic control and public health—so it is necessary to have the Comptroller of Customs...”

Today, the Minister is saying that it is not necessary; so he has changed his tune; flip-flop.

The then minister was justifying in 1993 why we must have Customs, and the chief immigration officer.

“so it is necessary to have the Comptroller of Customs, the Chief Immigration Officer, the Commissioner of Police on the board to deal with these matters. They will set overall policy together with the nominated members, who one would expect would come from a more private sector orientation.”

So in 1993 my hon. colleague defended very stoutly the Commissioner of Police, the Chief Immigration Officer, the Comptroller of Customs and the doctor, more or less, at the time.

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What would have changed between 1993 when the Minister was in charge of Project Pride and Pegasus and all the corruption that surrounded that project? [Crosstalk] Well, you were in charge of Project Pride in 1993. In fact, you explained at length what Project Pride meant, but that is another matter which I will deal with as we proceed.

What has happened? Why has the Minister changed his tune at this time? All we were told was that the arrangement was unworkable. He said that the gentlemen who comprise the board at this time and those directors of the board, he specifically referred to the Commissioner of Police, the Comptroller of Customs, the Chief Immigration Officer, the medical officer appointed by the Minister of Health and the Director of Civil Aviation. All of a sudden these public officers are virtually hamstringing the operations of that organization called the Airports Authority.

To bring it more in line with modern managerial practices as exist now, he quoted India, Jamaica, Singapore and the United Kingdom. He advanced that we should reconfigure the board of directors governing the Airports Authority. He has not provided this Senate with one shred of evidence. You want to remove the Commissioner of Police from the board of the Airports Authority; you said that the gentleman was too busy. I do not know what he is busy doing, but we will come to that later. I do not know what he is doing, because up to now we “eh” discover Vindra Naipaul-Coolman. I ask the Minister of National Security whether they have called off the search on that particular individual who has been missing for over 56 days. I will come back to that one later, too.

Tomorrow is Valentine’s Day and he beseeched me to give him five minutes. We do not operate like that here. You have witnesses you say? We do not operate like that. I told him in return that we will be here until maybe 5.30 p.m.; that is a reasonable time, Madam President.

Sen. Montano: You are going to waste a whole hour to say nothing as usual?

Sen. W. Mark: You know, Madam President, it is around Carnival time. When you see persons behaving like that, it could be a hangover; [Laughter] so we have to excuse him. It is a hangover, because I understand last night was the PNM fete, so a lot of them kind of half drunk today, because “dey drink plenty”.

Madam President: Sen. Mark!

Sen. W. Mark: Sorry. Madam President, I will address you alone, and no interruptions.

I was going so smoothly, because Valentine’s Day is tomorrow. I am pure love today; exuding love. [Laughter]

Why is the hon. Minister seeking to leave out these very important office-holders? We have not gotten from him any justification. In fact, I take strong umbrage to the Minister referring to these critical office-holders as persons who just came through the ranks and have arrived at their position on the basis of seniority and if they do have a degree, that is just some bonus they got later. I do not understand how you could describe the Commissioner of Police, who I understand has a Masters degree in business administration, as having a bonus. I understand that he got that at the Institute of Business. I do not know, I could be wrong.

Sen. Joseph: You are mixing him up with the Chief Immigration Officer.

Sen. W. Mark: He has the Masters? Thank you.

The Chief Immigration Officer, Mr. Herman Brown, is a qualified managerial expert. He has experience, theoretically and he is a practical leader and manager at the helm of the immigration office. This gentleman is qualified. I am surprised that the hon. Minister in the Ministry of Finance, Sen. The Hon. Enill, did not rise in defence of his colleague, whom he pushed very hard for and eventually got to be the Comptroller of Customs; Fitzroy John. [*Crosstalk*] He is a qualified attorney-at-law. How could your colleague say that was bonus points? The Comptroller of Customs and Excise is a qualified attorney-at-law. [*Desk thumping*] How could we get from the Minister today that these people are not worth being reappointed to the board and he wanted to get rid of them? I do not understand the justification for that.

This board has been in existence since 1979, so we are talking about 28 years. Madam President, the Minister made a fatal error; it was a flaw. He said that successive administrations had difficulty with this particular board, or words to that effect. We were there for six years and we worked with the Airports Authority Board. We never had problems with them; maybe the PNM had problems with them. [*Crosstalk*]

Hon. Imbert: You had a real problem.

Sen. W. Mark: Speak for yourself. The PNM had problems with them. [*Crosstalk*]

After 28 years, we were told today, in a very flippant manner, that the Minister wants to get rid of the Commissioner of Police; he wants to get rid of the Chief Immigration Officer and the Director of Civil Aviation. Why? There is no justification for that particular position. We are not convinced that the Minister has made a case.

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Could the Minister supply us with the board Minutes of the Airports Authority for the last five years? Let us see how many occasions the police commissioner was absent. Let us see how many times the officer in charge of immigration was absent. Do you know how often they meet, in accordance with the law? Once a month, or if they deem it necessary they could meet more than once a month; but the law says once per month. I would like to know: Have these particular office-holders who are public officers been delinquent on the job? Have they been performing or underperforming? What is the evidence before us? Last week we dealt with the Evidence (Amdt.) Bill. "Bring hearsay evidence, nuh." [Laughter] If you do not want to bring the real evidence, bring hearsay evidence for us to let us know what is the justification for removing the Commissioner of Police.

We have not been made privy to any arguments, logical or otherwise, to convince us that the Minister has made a case. Why are you so eager to rid the Minister of National Security of his Commissioner of Police on the board? Is the Minister in agreement with getting rid of the Commissioner of Police? [Crosstalk] I do not know. No arguments have been advanced to at least clarify for us justification. Do you know what the objective is? Total control. This Minister has a habit of wanting total control; that is what he is about. [Crosstalk]

Not you; you are on your way out. [Laughter] Forget you; you are gone. [Sen. Mark points at Sen. Joseph] Imbert fighting for Diego Martin East right now, because Manning wants to replace him.

Sen. Joseph: Stop pointing at me. [Crosstalk]

Sen. W. Mark: You asked me; so "ah" telling you.

Madam President, let me concentrate on you. Valentine's Day is tomorrow and there is only pure love on this side today. We are only on pure love today. [Laughter] Hazel, happy Valentine's Day; pure love.

Madam President, let me address you and forget Sen. Joseph, who is a hapless Minister on the way out. [Laughter]

Let us see the democracy that exists now within the Airports Authority and the dictatorial tendencies that the Minister is trying to invoke in order to entrench his rule. It is like a disease that they have in that Government right now. It starts from the top and it seeps right down. [Interruption] [Sen. Montano rises]

Sen. Montano: Madam President, with all due respect; "dictatorial tendencies", come on. This is the Senate; behave yourself, "nuh".

Madam President: Both of you are standing again. You all have to learn that when one gets up, the other automatically sits.

Minister, be a little more careful—

Sen. Mark: I know you are anticipating me; I am coming back on that. You called me Minister, you know. [*Laughter*]

Madam President: I said Minister?

Sen. W. Mark: Yes.

Madam President: I am talking to that Minister. [*Laughter*] Senator, please be a little more careful in your language. You cannot refer to ministers as being dictatorial and that sort of thing.

Sen. W. Mark: I will leave that for the hustings. We have so many things to say about Danny Montano on the hustings; plenty, plenty things. In fact, I have a file on him right now; it is building. I will show it to you later. [*Crosstalk*]

Let us go to section 3(3) of the parent Act. Do you know how the Deputy Chairman is appointed? By his peers; that is democracy at work. We meet as a committee, Dr. Saith, and we say, “We want Dr. Lenny Saith to be our Deputy Chairman.” [*Crosstalk*] But the Minister wants to delete that, and do what? Give him and the Cabinet the power. At least right now the President, which is the Cabinet, through the Minister, does not appoint the Deputy Chairman. The Deputy Chairman is appointed by his peers. Why do you want to take away that right of the Airports Authority to appoint its own deputy chairman? You see the style here, it is control; they want total control; blind loyalty.

Madam President, it is here in clause 3(1B):

“The Minister shall appoint the Chairman and the Deputy Chairman of the Board.”

He wants control. We do not understand why he wants it. The Minister must tell this Parliament why he does not want the board, even in its new incarnation as proposed, to appoint its Deputy Chairman. He has not justified that at all to us.

If you go to clause 4—again, they want control; let me read clause 3(a)(iv) for:

“(4) A member of the Authority, may at any time resign his office by instrument in writing addressed to the Minister.”

So if I am a member of the Airports Authority and I wish to tender my resignation, and you are the chairperson, Madam President, I could come to you and tender my resignation via letter to you. However, if you wished to resign, you must direct your instrument in writing addressed to the hon. Minister. Do you know what the Minister wants now? He wants to change that. The Chairman has

no power to accept resignations from members of the board. In clause 3(a)(iv), he is saying that any member of the Authority may at any time resign his office, but by instrument in writing addressed to him.

Whereas now I can go through the Chairman, submit my resignation and the Chairman would inform the Minister, the Minister wants to be in complete charge. It is total and absolute and unadulterated control that the Minister is after at the moment. He did not justify to this Parliament why he is seeking to torpedo and overthrow this provision. Why are you trying to delete that provision? Why are you trying to get rid of this provision that is highly democratic? Why do you want total control? The hon. Minister has not provided us with any justification as to why this provision is necessary. We do not support it in its current form; you have to justify why you want it in this current form. [*Crosstalk*]

The Minister said, on the one hand, that the board shall consist of not more than 10 and no fewer than six, so if you have a board of six, in the first instance, or you go to a board of 10, in the final instance, hear what the Minister is seeking to have us agree to:

“(4) The quorum shall be constituted by at least half the number of members appointed to the Board.”

So if he has six, he is saying that three members could constitute the board or if there are 10, five would be the quorum. Let us see how that would work.

Before I go to the next point, because this is a juicy one—you know, I went to the library earlier on and I was looking for reports of the accounts of the Airports Authority, Minister of Works and Transport, the last report I was able to obtain was from 1997. [*Crosstalk*] We are in 2007, so we are talking about 10 years ago. Before the Minister comes to this Parliament to give us an explanation for this huge and long period of inactivity on the part of the Airports Authority in getting the accounts to the Parliament of Trinidad and Tobago, he does not say a word on that.

If you go to the parent Act, you would see under section 20:

“The accounts of the Authority shall be audited annually by the Auditor General...”

Apart from the accounts:

“The Authority shall not later than the 30th day of June in each year submit to the Minister a report of its operations during the previous financial year, together with financial statements in respect of that year and the Auditor General’s report on those statements.

- (2) The report shall give particulars of any directions of the Minister given to the Board with respect to the exercise of its functions...
- (4) As soon as it is practicable after the report and financial statements of the Authority, together with the report of the Auditor General are received by him, the Minister shall cause them to be laid before the Senate and the House of Representatives.”

2.30 p.m.

Madam President, here it is for almost 10 years we are without a report on the operations of the Airports Authority. It is supposed to send two reports to the Minister; one dealing with the operations giving particulars of any directions which the Minister would have given to the board with respect to the exercise of its functions, and also a report of its operations during the previous financial year.

So we are supposed to get a report on its operations, one dealing with whatever directions the Minister may have given the Airports Authority for that period, and the financial audited accounts of the Airports Authority. The hon. Minister has failed miserably to provide us with any kind of account for this particular dilemma and virtual failure of the authority.

I know he has not been there that long because he was recently elevated back to his old post—it is one that he enjoys a lot—he was there during the Pegasus and Project Pride scandals and he is now back. I would like him to tell this Parliament what accounts for this contempt of the Parliament by the Airports Authority for failing to submit to this Parliament for 10 years financial audited accounts and reports on its operations. [*Interruption*]

Sen. Dr. Saith: [*Inaudible*]

Sen. W. Mark: No you are getting tied up, we are no longer there, you are in charge and you must put that situation right.

Madam President, I want to refer now to section 12(4) of the original parent Act. It reads as follows:

- “(4) In the performance of its functions and in the exercise of its powers the Authority shall act in accordance with any special or general directions given by the Minister.”

Madam President, this was in the law in the parent Act. The Minister, when they embarked on an adventure in trying to build an airport which we were able to build in five years, this Minister and his Government went in search of US \$80 million investment from Pegasus, a subsidiary of American Airlines and Hughes

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International, those were the two major players the Government was seeking to attract some US \$80 million from in 1993 to fulfil a promise it had made in 1981 to build a new terminal building at the airport.

The old terminal building that you and I know very well, where when you come off the aircraft, if rain is falling you put up your umbrella to get to your destination point. We all know about that experience. They built that structure in 1962 and for over 31 years, up to 1993, nothing was done to restructure and rebuild a new terminal building and bring other accessories up to standard. Then they came up with this bright idea that they were going to invite some foreign, private investors to get involved in this exercise known as Project Pride. I noticed today you are very quiet; you did not want to say Project Pride.

Madam President, when the hon. Minister brought this Bill to the Parliament in 1993 I looked at his delivery and throughout his presentation it was littered with the term “Project Pride”. I think Project Pride really was “Project Shame”; I honestly believe that so I want the Minister to account today because we understand that he spent over 250 million of taxpayers’ dollars, and there are no accounts to date on how much money was spent.

Hon. Imbert: Would the hon. Senator give way? I thank the Senator for giving way. That information is incorrect.

Sen. W. Mark: How much money was spent?

Hon. Imbert: The money spent at the Piarco site was used to divert the river on which the new terminal building stands, the amount was in the sum of TT \$45 million.

Sen. W. Mark: We are now being told after all those years—he never denied it before. In the other place when somebody said it was \$350 million, he is on record as saying it was \$200 million, now he comes to the Senate and says it is \$45 million.

Hon. Imbert: Madam President, I thank the Senator for giving way, but that is entirely untrue I said no such thing, and please quote me correctly.

Sen. W. Mark: Okay, I will bring the record for you. Madam President, \$45 million or \$45.00, there is no accountability for the \$45 million he spent on Project Pride.

[Hon. Imbert stands]

“Nah, you would get a chance to talk, you ain’t go interrupt me all the time.”

Madam President: Is it on a point of order?

Sen. W. Mark: No, he is trying to clarify. He has time; he has the whole evening with us.

Sen. Montano: He is misleading the Senate again. [*Interruption*]

Sen. W. Mark: No, no, no. “Once yuh give me injury time, I go stop.”

Madam President, the Minister must account to this Parliament, in his winding up, let him give this Parliament an account for the \$45 million which was spent on Project Pride which was “Project Shame” and a failed experiment.

Madam President: Get back to the Airports Authority, please.

Sen. W. Mark: Yes, I am coming back to it because it is linked to it and I will show you how it is linked.

Madam President, let me take you on a journey. On page 5 of the Bill you will see where the Minister is seeking to have us support an amendment which reads as follows:

“In the performance of its functions and in the exercise of its powers, the Authority shall act in accordance with any special or general directions given by the Minister.”

Hon. Senator: It is amended to “specific directions”.

Sen. W. Mark: Oh, I have the old Bill, Madam President. There is a new one which says “specific directions”. So he is saying specific or general directions, but that was in the parent Act, he removed it and put—this is Act No. 28 of 1993 when he was piloting and promoting Project Pride at that time, when he ran a newspaper journalist out of his office, a woman called Natalie Williams. “He would know about Natalie Williams, he ran de woman out de office.”

Madam President: Sen. Mark!

Sen. W. Mark: Madam President, Valentine's Day, and a woman? I find that was totally unacceptable conduct and behaviour, but we will say more about that in Diego Martin East when we deal with him.

Sen. Dr. Saith: [*Inaudible*]

Sen. W. Mark: “Ah done tell yuh if you continue to terrorize me, ah have a file on you that I will expose and I want to warn yuh if you cyar take de heat, get out of de kitchen.” “Madam President, he is a fella who knows about something,

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if I tell you today, yuh heart collapse yuh know.” “It have murderers in de country, and it have murderers in this Parliament, but ah won’t say more about that.”

Madam President: Senator!

Sen. W. Mark: Sorry about that.

Madam President: Withdraw that please!

Sen. W. Mark: I withdraw. But we will talk about that at the appropriate time. I have a file on Sen. Dr. Lenny Saith.

Sen. Dr. Saith: I have one on you too.

Sen. W. Mark: Let me go on. Tell him do not provoke me. When I am speaking he must be quiet.

Madam President, may I continue—Valentine, let me deal with peace and love. What was advanced by the hon. Minister then was in the performance of its functions and in the exercise of its powers the Authority shall be guided by any general policy directions set out by the Minister. This was the change that took place in 1993, the Minister came to this Parliament, I was a Member, and he justified why he was removing specific from the particular provision that was contained in the parent legislation because the private sector investors told him they would take no direction from him if they invest their US \$80 million. So he had to humble himself and come to this Parliament to beg for an amendment. Now they have gotten rid of these elements, he is now bathing and virtually drowning in money. So after 66 years BWIA is closed down; \$2 billion to close and open up a new airline.

Sen. Dr. Gopeesingh: Same thing, but new name.

Sen. W. Mark: I want Sen. Dr. Saith to tell us about CNMG when he gets a chance. “I understand he has invested about \$200 million in that outfit, yuh close down NBN, we want to get information on that.” I do not know if at the appropriate time he can give us?

Sen. Dr. Saith: [*Inaudible*]

Sen. W. Mark: All right, give us an account.

Madam President: Senator, will you sit please?

Sen. W. Mark: No, no only if it is on a point of order, but I will give him on a point of clarification.

Madam President: All right, well sit down now.

Sen. W. Mark: Is it on a point of clarification?

Madam President: It is becoming a very bad habit with you, Sen. Mark, that when somebody stands, at your request, very often you do not give way.

Sen. W. Mark: No, I do not request them to stand. Never.

Madam President: Will you give way to Sen. Dr. Saith?

Sen. W. Mark: I will give way to my colleague.

Sen. Dr. Saith: Madam President, I am rising on a point of relevance because the question he is asking is not relevant to this Bill and, therefore, in making my contribution I will not be able to answer it. He is irrelevant, and because he is, if he wants to know how much he can ask a question, I will get the information and provide it to him. What I do not wish is to have figures thrown out as he is wont to do; throw out figures and leave them floating around. Ask the question and you will get the answer.

Madam President: All right Senator, I totally agree it is irrelevant and, therefore, if you need answers, you can pose your questions under the appropriate Standing Orders.

Sen. W. Mark: So I can ask him how much money was invested in the CNMG outfit? My figure is \$200 million which I understand is wrong, so I will pose the question to my honourable colleague and he can clear the air for the population.

Sen. Dr. Saith: I am saving you—

Sen. W. Mark: You cannot save me from myself, I am already saved. I am a born again. I am like the Prime Minister, I am a born again Christian, the only difference is that I am a good Christian—

Madam President: Senator!

Sen. W. Mark: I am talking about “Pastor Manning”, the ungrateful Pastor.

Madam President: Hon. Senators, the speaking time of the hon. Senator has expired.

Motion made, That the hon. Senator's speaking time be extended by 15 minutes. [*Sen. Dr. T. Gopeesingh*]

Question put and agreed to.

Sen. W. Mark: Madam President, so the honourable Minister made a *faux pas* in 1993 and he is now coming in 2007 to correct it, so he wants us to agree to give him the power to instruct this new board what they must or must not do. He says there had been confusion in the past where boards had refused to carry out his directions or other ministerial orders or directives and he wants to put an end to that so the hon. Minister has told us he wants to get back that power he has lost.

Madam President, he can get it back you know, but there is a provision in the Telecommunications Act which says how it can be done. Members of boards cannot be bulldozed into carrying out policies that are inimical to the national interest. You cannot ask someone to waive a passport to allow an immigrant to come in free to vote on Election Day. I am not saying that the Minister is going to do that, but I am saying when one wants specific power to direct a member of the board to do a certain kind of work, or carry out a certain type of task, I suggest to the hon. Minister to go to section 19 of the Telecommunications Act of 2001 which says that the Minister may give written directions; not just come to a meeting and tell people to do this and do that. He must put it in writing so there can be no doubt or equivocation as to what a member of the board is told to do.

We are proposing an amendment for his consideration. We want it to be written, specific and general directions. So I will like him to write, or talk, both. You may say, I am reading for you my written instruction, so you are talking and you have it written, but you see this question of a Minister wanting to do his own thing in a period where there is no transparency, accountability and good principles of governance, that is a no-no in this round.

We want to advise the hon. Minister—because he will not be there for long again—that he would not want the person who replaces him to have that kind of power. It could be me, but I am not an engineer, I might bring Danny as my junior Minister, otherwise he might be floating in the Atlantic.

Sen. Montano: I cannot be junior to you boy.

Sen. W. Mark: Madam President, for the first time I saw a statement in the newspapers and my heart lifted. I saw the “cassava gentleman”, the hon. Minister of Labour, Small and Micro Enterprise Development made a statement and for the first time I realized that he had grounded. He told the country in an editorial that 76 per cent of the workers of Trinidad and Tobago worked for between \$2,000 and \$3,000 per month and he went on to say to have a nutritional meal on a monthly basis, each family would need \$1,700 and a CEPEP worker, or a worker on minimum wage cannot support a family because they are getting just about \$1,700 or under and I thought that was so realistic of him to understand.

Madam President: Leave the Minister alone and come back to the Bill please.

Sen. W. Mark: I realize as the time comes closer to a general election they wake up from their deep slumber. I am very happy to see that.

Sen. Montano: Is that the cassava clause?

Sen. W. Mark: That is a clause dealing with performance here, your performance. Madam President, you hear how he is egging me on? He is asking me if it is a “cassava clause”. “I never tell de man he is a ‘cassava Minister’ eh, he is asking me if it is the cassava clause.” No, no, it is not the cassava clause, it is the dasheen clause.

Madam President, we feel very happy to know that what the PNM could not have done from 1962 when it built that cow shed—the one we had to go through and were discomfited by its conditions—it took a UNC government to build and they were so jealous of it. Do you know that last year Trinidad and Tobago was voted as the top Caribbean airport for customer satisfaction and operation in the entire Western hemisphere?

Sen. Dumas: What does that have to do with UNC?

Sen. W. Mark: Madam President, any ABC elementary person who understands public administration and transformation would know and Sen. Dr. Saith would be aware of that because he has succeeded me—and I know he has failed in his effort—but nevertheless, I will take over shortly again.

Madam President, to have proper customer service, you must have the environment, accommodation and infrastructure, otherwise how can workers perform? Sen. Dr. Saith is the one who has been saying that we have to build campuses because we want to put our public servants into a 21st Century mode. Here it is it costs this country, according to the Government, \$1.6 million to construct the airport and it is such a beautiful construction; so beautiful—Sen. Manning, when you are going through that airport you really feel great—Madam President, it compares with any international airport in the world and you know what is nice about it? *[Interruption]* At least we are being advertised and promoted by the Minister of Trade and Industry and my good friend, the hon. Minister of Tourism. Oh my God, words cannot describe the beauty of this particular construction we have established at Piarco. They boast all over the world about the Piarco International Airport. It cost the taxpayers \$1.6 billion according to the Government, but at least we got something; there is an international airport.

Sen. Dumas: Indefensible.

Sen. W. Mark: We do not have an export centre for grass or white stones. We spent \$1.6 billion as at the end of this financial year on a programme called CEPEP and you cannot see “not ten” in return. We built an airport for \$1.6 billion and I can see my colleague, the Minister of Local Government, when he is going to the Tobago terminal goes to the lounge in air-conditioned comfort. Real good man.

Sen. Dumas: Getting my feet wet.

Sen. W. Mark: Madam President, I want to tell you that is one area that they could never—they can jump high, they can jump low, they have to see it every time they go to the airport. They have to crash their car and kill themselves; otherwise it is the airport they are seeing. That is the airport that we built, they could not do it. So all they talk about, you just have to look.

A new passenger terminal with upper floor providing extra space for users, it is said the cost per square foot is the cheapest of all airports built in the last 15 years whether in Europe, London, United States of America or Singapore.

Madam President, we have a new cargo handling complex—

Madam President: Senator, are you quoting?

Sen. W. Mark: No, I am not quoting. I am just remembering these things because they are real.

Sen. Dumas: You are embarrassing your colleagues.

Sen. W. Mark: Madam President, we have a parallel runway, the floor area is almost 40,000 square metres; scores of ticket counters; 14 loading gates for international flights; tunnel to improve baggage handling; the works but you know what, you all are jealous.

The poor, hapless Minister of Works and Transport tried in 1993 to construct a new airport and failed miserably. We know he failed; he diverted a river instead of building a terminal building. That is what he did for \$45 million. So whilst we are dealing with the airport we have to recognize that you must give credit where it is due. There are so many matters I would like the hon. Attorney General to investigate but he is not here. He is my friend and I know he is a very fearless person; he has a file on every Minister in the Government. Do you know that?

Sen. Dumas: As he should.

Sen. W. Mark: Madam President, I want the Attorney General—who likes to investigate—to investigate CEPEP and where the \$1.6 billion has gone.

Madam President, can you imagine we are building the Tarouba Stadium for \$1 billion and a carnival entertainment centre for \$500 million? What is the Attorney General doing about these wasteful expenditures? We need investigations into these things.

Hon. Senator: Stick to the Bill.

Sen. W. Mark: Of course, I am sticking to the Bill.

The final point I would like to make is that as we prepare for carnival I was shocked to read—Madam President, I am staying right here, I will die in my country, I am fighting the PNM until I move them.

Madam President, can you imagine citizens are fleeing their country for carnival? I saw in the *Trinidad Express* this morning that 55,000 citizens are leaving this country because they do not want to be part of this. Do you know why? It is because of crime.

Sen. Dumas: They are going to enjoy their income.

Sen. W. Mark: I want to ask the Minister in closing, what steps is he taking in accordance with clause 3(2)(d) to establish or operate at its option an efficient bus service, or where feasible grant a contract for the operation of a bus service to and from the international airport?

Madam President, he was supposed to be doing that so when you or a visitor come to the airport, rather than taking a private car and being held up by bandits on your way from the airport to your destination point, I would like the Minister to consider establishing an efficiently run bus service either on contract or otherwise.

In closing, there are some areas we would need clarification. We need elaboration on these areas and more justification from the hon. Minister and I am certain when he is winding up, he will provide us with the clarification so our minds will be clear as to the real reason for these amendments.

I thank you, and once again Madam President, you are very close to my heart, Happy Valentine.

3.00 p.m.

Sen. Basharat Ali: Madam President, I really came unprepared for this Bill because on the Order Paper this was Bill No. 2 to be discussed and I came prepared, really, to do the Heritage and Stabilization Fund Bill. Fortunately, when

the hon. Minister presented this Bill in the Lower House, I had seen his presentation on the Parliamentary Broadcasting Network so I have an idea, and I have read through, very quickly, the amendments to the Bill in the context of the Act as it stands now, the Airports Authority Act, Chap. 49:02.

Let me say that I have no serious problem with the change of the board whereby you choose people of a certain discipline or of various disciplines in order to formulate the board. I would have been happier to see that they were appointed by the President still, because that is another—

Hon. Imbert: In this particular formulation, “President” means “Cabinet”. It does not mean “President of the Republic in his discretion.” And in any event, to appoint the board the Minister would have to go to Cabinet and get Cabinet approval. So it is more or less the same.

Sen. B. Ali: Thank you, Minister. I realize that that is so, but it looks like a formality when you have it here, but I think you would have someone else to look at it. The President may look at it because he might be familiar with the names that are presented to him and it gives, at least, an appearance, if nothing else, of impartiality or independence. I would have preferred it to remain that way, but making room for the various disciplines which the hon. Minister has identified in the Bill. That is one comment I have.

The second one relates to the change to clause 12A(2). There, I am afraid I differ with the Minister. I feel that we should retain the position where the hon. Minister can give general policy directions to the board and not specific directions. I am of the very strong view that as soon as a Minister starts having to give specific directions then you are promoting micro-management. I see it happening in certain instances within the Ministry of Works and Transport, if I may say so. I am subject to correction and I think the Minister might not be very pleased. Is it not micro-management taking place with Nidco on a couple of their projects? They do not have the skills or the capability to do a number of things and they are depending on the Ministry of Works and Transport, through the Minister, to do all of these things. So there must be a lot of specific instructions going to the Nidco board. As far as I can see, Nidco does not even have at this stage an internal auditor. Look in today’s newspaper you will see an advertisement for an internal auditor for that organization which is supposed to be managing a large amount of our resources.

So on that basis, I am not happy that we are reverting to the specific policy, which is really going back to what was there before, as the Minister said in his presentation in the other place—and he has said so today—to what he, in fact, changed in 1993. Those are my views on that particular matter.

I would like to ask the Minister in his wrapping up or whenever, he has related the situation of boards in Jamaica, in Singapore, et cetera, but could the Minister, when he is winding up, say what is reflected with respect to the Minister's position for advice to Jamaica? I understand in Jamaica it is with consultation of the chairman of the Authority. I understand in Antigua and Barbuda it is also the same thing. I do not know whether Barbados has an Authority or whether it is now a third party.

So I would like the Minister to speak of that for those others in our own jurisdiction. We are supposed, in many respects, to be a single jurisdiction, certainly for cricket, and the Airports Authority becomes a part of that. So because of my limited exposure to the Bill and to the amendments, I have those comments to seek answers from the hon. Minister.

Thank you. [*Desk thumping*]

Sen. Raziah Ahmed: Madam President, my first question on the Bill before us, really, is: Why alter the composition? The immediate answer out of the document—the Bill seeks to make the number of directors a number between 10 and six and to make the quorum between five and three. It is very clear that it attempts to ensure that the Minister controls the leadership of the board and that he alone selects the chairman of the board as well as the deputy-chairman. Those are two key people out of the quorum of three and I find that disturbing.

The Bill also seeks to ensure that “Authority” in clause 3(c)—is to ensure the overseeing of the airport, that the board is compelled by the use of the word “shall” to act in accordance with specific or general directions from the Minister. And like the previous contributor said, specific is worrisome. Of course, in his presentation, the Minister attempted to justify this change in the composition because the existing formula does not work. But we have seen how the arguments of my colleague on this side, Sen. Mark, showed how the argument is a kind of flip-flop logic. But I will not go into that because that was dealt with at length.

The question is: How do we get a formula that works? Do we really look to Jamaica, Barbados and India, and as a developed country, as mouthed in the 2020 vision, look to neighbours who might very well have a currency situation that correlates with some kind of economic situation that is worse than ours? And how really should a developed country, if that is what we want to become in the short term within the spectacle of this vision, conduct its affairs?

According to the Bill, it appears to me that the Minister alone or maybe by extension, the Cabinet as well, handpicks ten to six persons and then literally, in the words coined in the Bill itself, tells them to act in accordance with “my

specific instructions”, or “my general instructions”. This is, in fact, a reversion to what existed before in a system that was deemed at the time to be ineffective.

This ability of a Minister, whether it has been the practice in the past, whether it is being practised elsewhere, to give general and specific instructions according to the nature outlined in this document, reminds me of a kind of parent/child relationship, where the parent makes the rules, commands the child, and when the child is old enough to ask why, is rebuffed with a typical parent’s response, which is: “Because I say so.” There is absolutely no justification for the changing of the composition of the board.

I stand here because some of the things that we have done in the past did not work and we are going back to the past. But the situation in which we live is so dynamic; the fact of change is so spontaneous. It used to be when we were younger, there was a generation gap. Now, even though they say we are in the information age, there is a huge information gap between the things that people our age can see and want and between the things the future generations will see and want. Therefore, never mind how things were done in the past, the onus is on us, the members of this era; the Members of this Senate, who must, of necessity, look deeper, with surgical scrutiny into the things that were done in the past that have failed and have prevented us from reaching developed country status today, in spite of the huge revenues that we have.

We have to reflect on the fact that we have made errors in the past. Project Pride was mentioned before as a classical case of a mistake and we must understand these errors must not be repeated. That is primary to our role in the Senate, therefore our need for extreme vigilance.

So the re-composition of the board is a cause for careful scrutiny. I will not go into all the details that my Senator colleague went into because that would be repetition and I do not wish to repeat. Up until now our airport is user-friendly; it is a well-appointed facility that stands up in the international arena as a First World and first class facility and we are extremely proud of that. But as we have been using the airport for this past year or two, we recognize that in spite of all the consumer reports, there are problems of lack of maintenance. In addition, there are problems of, what appears to be, excess staff.

Piarco is the only airport in the world where I land; I walk through the airport and I see people standing around, many times in uniform. I wonder why, in other airports—Heathrow, Miami, Jeddah, all international airports—there are no people standing around; everybody is busy at work. I raise these points because the board that

this Bill seeks to appoint is where the buck stops and it remains ultimately responsible for the mismanagement, for the overstaffing, for the fact that there are too many members in uniform who appear to be standing around looking at people because there appears to be no work to do.

The work of the members of the board is critical in a time when we have just made legislation in light of the World Cup Cricket, never mind that it is sunset legislation. But in anticipation of the traffic flows that we will be having beginning next month and in anticipation of the fact that we know about the baggage belts shortfall, and so on, it is extremely important that we are trained to handle situations in a polite manner, especially in such a way that we are not embarrassed in the coming sporting events.

It is a known fact that certain countries like Pakistan, Bangladesh, Sri Lanka, have been singled out and have possibly been labelled and stigmatized. And mind you, Pakistan is a popular contender in World Cup Cricket and they have been singled out, and the Airports Authority board is really where the buck stops. Therefore, there is need for vigilance to ensure that policy implementation is swift and that there is efficacy in the manner in which the new regulations have been put in and implemented in the immediate few weeks that are coming before us, because the board is the authority that enforces implementation policy and regulations. Remember that I said we are living in very dynamic times. The changes are happening hard and fast and at this point in time we are in the process of changing the composition of the board that is going to oversee what goes on at the airport.

My point is that we cannot continue to do things the same away. We cannot go back to old things that did not work and expect them to work now. Boards cannot be Minister-appointed. We cannot continue to appoint boards—whether they are State or statutory authorities—by a Minister, because it is an inherent human tendency that if we belong to a party, the board that we appoint would be a PNM board. That is an inherent human tendency, because we love to appoint the people that are close to us. This particular board is too important in our international security arrangements to have a situation where the checks and balances might be absent, which is what happens when we have a party-appointed board.

Of course, this is not to impute improper motives to any of our distinguished Cabinet Members, but it is to recognize the nature of the human condition and ensure that safeguards are put in place so that the mistakes of the past, like Project Pride, and so on, will never be repeated. So I protest the way that these laws are

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being written that allow a ruling party to exploit the loopholes and to appoint persons who might be party cronies, whether it is all of our authorities or some of them. I also protest the fact that we continue to do the things that we have done which we know are not the best formula for ensuring transparency.

There has been a lot of talk about when the UNC was in power what they did, and what they did when they were in power, but we have to move beyond that. We have to recognize that the laws that we make must hold, regardless of which party is in power and that transparency must be maintained. I think it is a travesty of justice; I think we will be failing our young people who inherit these laws if we continue to have boards being appointed by Ministers who belong to Cabinets, who are parties in power under the present Constitution.

The fact of the matter is that, yes, we require the appointees to be qualified in terms of law, aviation or security, et cetera, and that these recommendations stem from historical behaviour and some precedence that was set before, but there is a need for transparency; there is a need for what we do to be crystal clear in a system and that there has to be change. So to come to this honourable Senate and to say we are going back to what we were doing 15 or 16 years ago because the present formula does not work, because the people who are in the present formula, apparently or allegedly, cannot meet, is insufficient. Therefore, if we fail to move out of that syndrome; if we fail to innovate and develop a new direction in the way we do things in this country, we will, in fact, commit ourselves to repeat the errors of the past and we will, in fact, fail to walk the new talk that is being touted about, of transparency and equal opportunity. So clause 3(1A) of the Bill ought not to remain in this piece of legislation if we are adamant on doing things right from here on.

With those few words, I rest my case. Thank you. [*Desk thumping*]

Sen. Mary King: Madam President, I have got just a few issues that I wanted to be sure we have covered when we are looking at the Airports Authority. I have no objection to—as a matter of fact, I welcome the board having such disciplines, because it is very well-balanced: engineering, law, accounting, economics, business management and security. The only question I have is when you are looking at aviation. Are you actually being specific and you mean civil aviation? What exactly are we talking about? I think we need to be specific because there is a major link between civil aviation and the Airports Authority.

The power of the Minister, I think I agree with my colleagues who had suggested that specific instructions should be in writing. This is not only to protect the Minister but to protect the board, so that instructions which are given

are not just fly-by-night, for the moment, something which would convenience the Minister but not really be something in the national interest. So I think we need to have that in writing.

The other issue I wanted the Minister to discuss with us in his winding up is the whole issue of security and safety. We have Parts IV and V of the Bill. When you look through the clauses of the Bill, there is a very major part of the Bill relating to the safety of aircraft, security of aircraft, security of the airport and security of the people using the airport. Now we have changed the whole structure of the board and although we do have a security person on that board, I am not too sure of the directives given or the responsibilities of that security committee which is mentioned in section 4 of the parent Act.

Hon. Imbert: Could I deal with that now?

Sen. M. King: Of course. Thank you.

Hon. Imbert: I thank Sen. King for giving way. The committee has absolute authority. If you read section 5 of the parent Act, it reads as follows:

“The Security Committee is responsible for the maintenance of security at all airports.

(2) The Security Committee is accountable directly to the Prime Minister and in his absence to the Minister responsible for National Security.”

So they have complete authority.

Sen. M. King: I hope the Minister has not assumed that I have not read section 5 of the Act. Of course, I have. What I am asking is: Does that security committee have within its structure, within its operational capacity, all the necessary equipment, the electronic monitoring of aircraft in and out? Is that master command room properly equipped with equipment and staff which are specially trained, capable of reading and analyzing the equipment? I would like the Minister to describe for us, in his winding up, what exactly the security committee does; how often do they meet and how often do they report to the Prime Minister.

This is not information that we would have that would make us feel that everything is totally under control. In today's world where we have such terrorist activity, are we prepared? What is the disaster plan at the airport for this kind of activity? Is the security committee sufficiently equipped, or should we also be strengthening that part of the Act?

Those are my questions and I do not want any flippant answer like like: “Read section 5.”

Sen. Ato Boldon: Madam President, I promise to keep my contribution brief because I know we have another Bill to debate this afternoon. Aviation is a subject which is quite dear to my heart because as a young man if you asked me what I wanted to do as a profession, I wanted to be a pilot.

Sen. Dr. Saith: Like everyone else.

Sen. A. Boldon: Like everyone else. It seems to be a very popular choice for young Caribbean men and women. I think it is because of the pretty blue skies that we have.

So when I got the opportunity, I went and became a pilot and one of the things on my life’s to-do list was, to take off and land an airplane at the Piarco Airport. So a year and a half ago I got the opportunity and went out and rented a plane and did a little tour. We have read about the issues that we had with that runway and I do not think that anyone can really get a good sense of how poor a job was done on that runway until they have actually been on it. We know about being in a car on an uneven road and how uncomfortable it is to hold on to a steering wheel when wheels are going over an uneven surface. I can tell you that it is the first and last time I have ever landed there, because it simply was a case of—I thought it was a little too dangerous for me as an inexperienced pilot.

It relates directly to this Bill and I am beseeching the hon. Minister to address some of this in his wrapping up. When I look at what, to me, appears to be a sort of grab for more power for this board in terms of the Government wanting to have absolute control, as my colleague, Sen. Mark said, as to who gets put there, that, in and of itself is a problem for me, but here is my bigger problem. In doing my research on how the runway ended up in this position, obviously everyone in this honourable Senate will be well aware of the fact that Jusamco was given the initial contract and they, apparently, botched the job terribly. So now we have a company that has not successfully completed one runway paving and now, we realize that they are being given a chance to do another.

My contention is that I have heard in here, many different Senators talking about the public perception of the work we do in here and how that seems to be getting worse and worse, and I would just like to ask the Minister if it is possible that this can represent some sort of a new direction. Sen. Ahmed made the point of a “new way of thinking”.

3.30 p.m.

I know that I am new to this and somewhat naive. Here is the thing that I can never wrap my mind totally around. In this country, why is it when someone does a job poorly he does not then lose his job? I can never understand that. It seems to me that we almost have a culture of well, you have totally wasted the public purse and time; inconvenienced the public and now that the end result has been total and abject failure, we would move you somewhere else or we would let that simmer for a while and bring you back.

Sen. Abdul-Hamid: Why you do not move Panday?

Sen. A. Boldon: In talking about Jusamco and going through my research on how we got to this point with having a runway that is totally unacceptable, the FAA looked at that runway and there is something called the Boeing bump criteria which essentially means that you do not want to put a plane filled with 400 passengers on a surface that is not even. In a country like Trinidad and Tobago with a tendency for much rainfall it would become a dangerous situation. I can tell you that as an aviator I am extremely proud of the safety record that this country has in aviation. Even the now defunct BWIA—everyone will tell you that one of the things we are most proud about is that we never had a fatal accident. There is a way to keep that going.

When I did some research on how we got to this point, I realized that in 2004—of course, this hon. Minister was not yet the Minister of Works and Transport, it was Mr. Franklin Khan. There is a company based in Florida called Hot In Place Paving (HIPP) that was trying to get in touch with the Government. I quote from the *Trinidad Guardian* dated October 05, 2004.

We can redo the botched \$27 million Piarco International Airport runway in about three weeks at half the cost.

At that time half of \$27 million if my math is correct would be about \$13 million. They acknowledged that they were trying to get in touch with the Minister of Works and Transport.

Hon. Senator: \$13 million

Sen. A. Boldon: Sorry. You know math, \$13 million. Thank you.

The vice president of that company said that he contacted the Ministry of Works and Transport and there was no response. He said that their system would recycle the existing asphalt; go over it; heat it three inches; recycle it and bring it

back to specification right there. He invented and patented this system which at the time seemed like it would have fixed the problem. They totally ignored that company.

Now the process is starting over and lo and behold Jusamco has the project again for \$137 million. When we stand in the Senate and address you and talk about the public having a worsening view of what happens, when the money is flowing and oil reserves are vast it does not seem like this is a big deal. I guarantee that if that oil disappears tomorrow, all of a sudden we would look back at something like this and we would say, wait a minute, this could have been done for a lot less than \$137 million. There is no guarantee that they would get it right this time because so far, this company has done zero correct paving of an airport runway.

My request of the Minister is that in his wrapping up he give me a little confidence that when this board is put in place, it would be held accountable to the taxpayers of this country such that, when things go wrong I think it is high time in this country that we be honest and say, you are incapable of doing the job and let us find someone who can. Let us get rid of these days where people do things wrong and they are shifted, moved and brought back. It is high time that while we are enjoying these days of plenty and the reserves are vast that we start to become miserly from now with our money. We cannot continue to spend money at the rate that we are and expect that it would always be there.

I wish that the Minister would address this issue that I have brought and explain to me why no other company besides one that has already failed at paving this runway, could not be found to complete this project.

Thank you.

Madam President: Before I recognize anybody else let me say that I allowed Sen. Boldon some liberty. It was very irrelevant but because of his aviator experience and Valentine's Day, I allowed it. I would not do it with anybody else so please stick to the Bill.

Sen. Dr. Tim Gopeesingh: Madam President, there are a few important questions that need to be addressed by the hon. Minister in his winding up. The questions will not be of any lengthy duration. My contribution will be short but they are very important considerations for the Minister to address. The first question is that we cannot understand the rationale for him asking for the composition of this board to be changed and then indicate that you need people in

engineering, aviation, law, accounting and finance, economics, business management and security. This is the essence of what he is asking for in the consideration of this Bill.

The members of the board shall be appointed by the Minister from among persons who are suitably qualified in the following areas. He has the opportunity under the Act of 1979 in section 3(i):

“There is hereby established a body corporate to be known as the Airports Authority consisting of the following members appointed by the President:”

The Cabinet tells the President to appoint:

“(a) a Chairman;

(b) not less than two and not more than three persons appointed on the advice of the Minister,”

If you want people on aviation, the Director of Civil Aviation must remain. Why do you want to remove that individual? That person is there already. Who will determine all the aviation criteria and expertise needed in that area? Why do you want to remove that person, but you have that the members of the board shall be appointed in the following disciplines and you have aviation again? What is the rationale for moving the director of aviation and putting under the new thing, somebody qualified in aviation? Is the director of aviation not qualified in aviation? Why do you need this new amendment to bring aviation here? It is foolhardy. We cannot understand the rationale.

You have the opportunity to have three persons appointed. If you want people, one of those three could be in engineering; one in accounting and finance and one in economics and business management. We do not see the rationale for asking for this Bill to say that you must appoint people from among these, when he already has the capacity and ability to do that in his appointment under the old Act of not less than two and not more than three persons appointed on the advice of the Minister. Hon. Minister, you are a very sensible and bright young man. I worked with you on a number of committees and I appreciate your work. A number of my colleagues in the Lower House do not agree with your approach towards the politics. “Ah give you a lil backhand there. Right?” You should know that there is no rationale in asking for these new positions in a new Bill when they exist and you have the capability and capacity to appoint them. We do not see any reasoning for it.

The second point is that under the old Act section 3(3) says:

“The Authority at its first meeting shall select from among its members, other than *ex officio* members a Deputy Chairman whose name shall be submitted to the Minister for his approval.”

Under this new Bill the Minister must justify why he wants to appoint the deputy chairman. Why the board cannot appoint the deputy chairman? Among the members of the board they will have the competence and capability to understand that they have a chairman and someone among the rest can act as the deputy chairman. Why does the minister want to appoint the deputy chairman? There must be some rationale in his thinking for wanting to do that. As far as we are concerned it is not clear. The board can appoint a deputy chairman.

The third is that under the old Act subsection (4) says:

“A member of the Authority may at any time resign his office by instrument in writing addressed to the Chairman who shall forthwith cause it to be forwarded to the Minister; and the Chairman may resign his office by instrument in writing addressed to the Minister.”

Under this Bill clause 3(a)(iv) says:

“(4) A member of the Authority, may at any time resign his office by instrument in writing addressed to the Minister.”

Whereas previously a member of the board who wants to resign will address it to—

Sen. Abdul-Hamid: “Wade say dat already.”

Sen. Dr. T. Gopeesingh: What are you getting on with? Madam President, he is so irrational at times we tend to forget him. I will speak to you. I think that when we talk about airport and security he gets a little jittery because you will remember he was supposed to go in the coup to the airport to take over the airport and he went to hide in Patna Village for two weeks. “Every time we talk about airport he know he was in the coup—he should be in jail by now, Madam President.” Okay. [*Crosstalk*]

Madam President: Senator, withdraw that please.

Sen. Dr. T. Gopeesingh: I am sorry about that. I withdraw that. “Every time we talk about airport he get frighten. He think security forces coming for him one time.”

Sen. Mark: He was part of the coup, this “fella”.

Sen. Abdul-Hamid: I never get no charge. You fix the car yet?

Sen. Dr. T. Gopeesingh: Hon. Minister, why does a member of the board have to resign directly to you? Why can he not resign through the chairman? Why do you want that responsibility? Are you taking on responsibility that should not be there? Why are you wasting the time of 31 parliamentarians to come with something so superfluous? You should not come with this type of thing to waste people's time in Parliament. We have about 110 statutory authorities, state authorities and state enterprises in Trinidad and Tobago. If we come to each one of those and change it to say that everybody has to resign through the Minister and not the board what would happen to the 110 statutory authorities? It does not make sense. [*Crosstalk*] Have some patience. They are important considerations. You do not think so. “Joan I think you want to go to some Carnival fete, yuh know.”

The fourth important point is that in this new Bill:

“(4) In the performance of its functions and in the exercise of its powers the Authority shall act in accordance with any specific or general written directions given by the Minister.”

Why do you want general or specific directions whereas the one in 1993 said for the purpose of performing his functions under this Act the authority shall be guided by any general policy directions set out by the Minister? You will set some policy directions, the board may be guided by it, but they do not necessarily have to take your instructions. Suppose he gives specific instructions, I do not want you to consider passports for Jamaicans coming to the country or any foreigners, the board has to take specific direction from him. As it exists they are guided only by what he has to say and they do not necessarily have to carry it out. You are asking for absolute authority. You will have to defend that. We want to know if there is anything hidden in your desire to give specific directions.

There are a few other considerations which are important to the national population. My colleague raised the fact that we have not had audited statements from the Airports Authority for over 10 or 11 years. Over 300,000 persons in Trinidad and Tobago travel through the airports on a yearly basis. The Airports Authority collects a fee. The fee was raised to \$100 or whatever it is now. The national population does not have any idea of what the Airports Authority has collected on an annual basis in terms of departure fees; how much they collect in terms of rental and the considerations for their expenditures.

Under the Act you know that is a responsibility for the Airports Authority. The main function of the authority is to develop and manage the business of the airports including the development, maintenance and improvement of the facilities in a cost effective manner. We do not know how much money is collected by the Airports Authority; their expenditure; plan of action; vision and objectives. A number of things are missing at the airport and they need to be improved. If the Minister came with a Bill and told us that he wants people to assist him in rehabilitating the Airports Authority to do these things, they could be contracted out. They must not necessarily have the skills he is asking for and he has the ability to nominate them.

Why is it when people park their cars in the parking lots and it is raining they cannot get to the entrance? When they park their vehicles they have to come back to the terminal with their baggage. If it is raining what mechanism is there to facilitate people coming to the airport? That is part of the business management of the Airports Authority. Why is something not being done despite the fact that the Airports Authority is going on for years? You need to have a mechanism with a vehicle moving around. *[Interruption]* Madam President, he thinks that I am wasting time. Do not worry with him. He never has anything important to say in any case. He wastes time.

The last question is: What has happened to the Tobago terminal? We have not heard anything. There was supposed to be an expansion of the Tobago terminal which was supposed to be over \$130 million. That was botched as well. We are only talking about the runway at Piarco Airport, but the Tobago terminal is fraught with corruption issues as well. Where is that in today's scenario in terms of Airports Authority and the whole aviation industry? We want to know what has happened with the Tobago terminal fiasco. Where is it at the moment? Nobody has told the population that work is going on at the moment. What has happened to the whole corrupt issue of over \$130 million in the Tobago terminal?

The hon. Minister has to answer a number of questions. At the moment we cannot support his desire to change this because there is no necessity to it. Everybody understands the rationale for our argument. There is no need to change so many areas that he wants to change.

Thank you.

Sen. Dr. Jennifer Kernahan: Madam President, thanks for the opportunity to make a few comments on the Airports Authority (Amdt.) Bill before us. The Minister purported to convince us of the necessity for changing the composition

of the Airports Authority Board. There is an old saying, “If it aint broke, don’t fix it.” It seems to us on this side that you are saying that there is a problem and the measure you are taking would fix it, without giving us any idea of the problem and how the measure you are proposing to take, would fix the problem that you might be alluding to.

It is not surprising because in all the Bills that have come before the Senate, all the Ministers who have come in the Senate have a general attitude of disregard for what we think. They have a built-in majority and in any case the Bill would be passed so it does not matter what we think and they do not have to give us any explanation. They can come with superficial explanations with big smiles on their faces; say what they have to do and go ahead and do it regardless of what we think. They should be more cognizant of the fact that this is an election year and people are looking at the Government. People are concerned about transparency and accountability. The feeling out there is that you have to account. You have to respect the Parliament, the Opposition and the Members of the Independent Benches and give a proper rationale for why you want to do what you want to do. Do not smile and say that it is a simple measure and we would do it anyhow. At least this Minister recognized the error of his ways and he hesitated to say that it was a simple Bill. I believe that they are coming around to understanding the gravity of their position in the next few months before the general election.

The Minister alleged that the current members of the board have no management training. I was flabbergasted, according to saintly grandmother. If this is the problem and a deficiency, that members of the Airports Authority Board have no managerial training, that is a case for correcting that situation not abolishing the original or existing composition of the board. You have to ensure there is a possibility and there are opportunities that members of the board who need more training in managerial skills access them. These are important people in their right who come from different organizations and they should have that kind of training. They should have that kind of competence. Do not tell me that they do not have that training and competence so you would move them off the board. They are heads of important organizations. It does not make sense whichever way you look at it. That argument does not hold water. It is totally unacceptable. It means that many important institutions in the country are headed by people who do not have competence in managing their organizations. This is what the Minister is implying whether or not he realizes it. The option is to ensure that the members of the board have access and opportunities to increase their competence and knowledge and improve their managerial skills.

We are talking about the Commissioner of Police, the Director of Civil Aviation, the Comptroller of Customs and Excise, the Chief Immigration Officer and a medical officer appointed by the Minister of Health. These are extremely important people in their right. How can you dismiss them so lightly and say that you do not want them on your board because they do not have the kind of training that you need?

The second point is a quote from *Hansard* when the then hon. Minister introduced the question of establishing the Airports Authority. He said in the establishment of the Airports Authority, the rationale for having these particular individuals on the board is that you put all the agencies that have some responsibility for the airports under the Airports Authority charged with the management of the facility, so that there would be a better coordination between customs, immigration and in terms of the maintenance of the facilities at Piarco and Crown Point.

Is the Minister saying to us that there is no longer any need for this coordination in an important institution as the Airports Authority? If there is no longer the need for this coordination, why? The functions of the Airports Authority have not changed. The rationale for being on the board is based on what the authority was mandated to do. The functions of the Airports Authority have not changed and the people who were originally conceived as being best to manage the Airports Authority so, how suddenly, these people have no relevance? I do not understand that. If this coordination is no longer important and these people are no longer important to the Airports Authority, is the Minister saying that the Airports Authority and the airport would be more efficiently run without this level of coordination? I would have expected that the level of coordination given by the specific individuals we have mentioned would be important in the airport where you have hundreds of thousands of people passing through the airport. These people would have had hands-on experience on the job to coordinate and look at the overall and efficient running of the airport. Why is it no longer relevant? I do not understand.

Should boards necessarily have managerial skills per se? Their function is policy direction but the managerial skills are fulfilled by other people. Section 8 of the Airports Authority Act says:

“(1) The Authority may appoint, . . . a General Manager, a Secretary and such other officers and employees as it considers necessary or appropriate for the efficient performance of its functions.”

The board is not necessarily managerial per se. The board sets policy and has the general oversight. Members of the board have all the skills in the different areas for the running of the airport. The actual managerial skills are delegated to other persons who are employed by the board.

4.00 p.m.

If the Minister talks about the board not having managerial skills, that argument does not hold water because the board does not have the hands-on everyday responsibility for actually running the Airports Authority. They employ people to do that. Their function is the overall view, the specialist skills, the knowledge and experience in customs, immigration, in security most of all, especially in this day and age. I do not know why one would not want to have the Commissioner of Police with his knowledge and security and intelligence as a member of that board, as that would be so necessary for important policy decisions of the board.

Madam President, the managerial skills and the hands-on everyday affairs of the authority would be delegated to the actual people, the secretary and the general managers who actually run the Authority. I would like the Minister to elucidate when he comes to wind up what are the problems being experienced at the airport in terms of the functioning of the Airports Authority. The functions of the Authority as stated in section 12 of the Act are:

“...to manage the airports and in so doing maintain, improve and repair the facilities so as to ensure the provision of efficient, secure and safe aviation services.”

I am asking: What problems are we experiencing? What problems does the Minister see in the airport right now in terms of maintenance, in terms of improvement, in terms of management that would cause him to come to this Parliament and bring a Bill to abolish the present composition of the board and have a new composition, which he claims would be better suited to run the Airports Authority; people who are qualified in engineering, aviation, law, accounting, finance, economics, business management and security? If he wants to change the composition to bring in people with different skills set, that means there are serious problems in the running of the Airports Authority, in the functions that I have mentioned that are not being addressed. It would be logical to assume that. We have to assume that there are problems that are not being addressed by the present board and by the management structure who presently run the Authority. What are the problems? This is what we want to know. What are the problems that this board and its management team have not been able to address, and this is the crux of the matter?

If you cannot tell us what the problems are, why has the board in its original composition not been able to address the problems, we do not know how to respond to them. We cannot say we can support this Bill. It could be, if we get the

answers, we could say maybe, it is not a problem of the board; it is a problem that they do not have proper managerial systems in place. The people whom you put to actually manage are not managing as well as they should and, maybe, you are thinking it is the board, but it is the management personnel. But if you do not tell us what the problems are, we cannot understand if the board is the problem, if management is the problem, if you have to change the board, if you have to change the management. Madam President, we are at a loss here. We need more information to make a more informed conclusion either to support the Minister's request or to reject the Minister's request. We have absolutely no information on which to do that.

The Minister mentioned that other countries have a similar structure to what he is proposing this afternoon in clause 3 of this Bill. He mentioned India and another country as if it were a big selling point. That is not a selling point. The fact that these other countries have this particular structure has come out of their experience. The structure that we want to have will come out of our experience and what we feel is right for Trinidad and Tobago. The fact that India has a similar structure is not a big selling point for us! We have to look at our problems to see how we can fix them, how we can correct them, if the board is the problem, if the management is the problem, if the Minister is the problem, if it is the Government. We have to look at that. Given the information we have, we do not know if the Minister is the problem.

Telling us about India and Singapore does not do anything much for us on this side. We do not have a clue what their experiences are, we know what our experiences are, and we know that over the years we have had this particular board with this particular composition. The Minister has not explained to us why it is not working, what the problems are and, therefore, we will stick with that until we get a better explanation.

Madam President, with respect to the Minister's ineffectual argument for us to support him in changing the composition of this board, is the fact that he made the point that it is so difficult to get all these important people together in one room on the same day, time and place. Madam President, please, what is so difficult about that? The President of the United States, I will expect is one of the busiest and most important persons in the world and he has to attend national security meetings, he has to do his job. [*Desk thumping*] When you have a job to do you have to do your job. None of these people here are Presidents or Prime Ministers, or are the leaders of 10 million people and 10 billion people. They are ordinary civil servants who have a job to do, and if you are a member of a board, you are a

member of the Airports Authority Board, and you have to meet once a month in a board meeting to decide on certain matters that concern the Airports Authority, you have to go. What is your problem? You are being paid and you are expected as a member of the board to do your job, you have to go there and do your job.

So this flimflam excuse that it is so difficult to get all those important people together in one room—Madam President, you have important work to do; all of us here have important work to do. Sen. Dr. Gopeesingh has an important practice, everybody here has important things to do, and we are here every Tuesday afternoon at 1.00 p.m. to do our jobs, and this is what is expected of us, and this is what we expect of all members of this society who have jobs to do. That excuse does not hold water, it does not wash, it makes no sense, as many of the things the PNM say and do make absolutely no sense. But they are coming to the end of their tenure. They have lost vision for this country; they have lost hope; they are very depressed. Everything is falling around their ears. So I am not surprised that they come with these half-baked excuses this afternoon to say why they want to change the board.

I am in total agreement with my colleagues who have analyzed the problem as my colleague, Wade Mark has analyzed it. They want total control. That is all it is. They do not want to have specific people appointed from different parts of the civil and the national services to come to a board because they do not know who they would get. They do not know who would be head of this and head of that, and at any particular point they want to have total control of who is there. They mash up a whole board, they mash up something that has been working for so many years to say, well, people are too important to come to meetings, so we will bring these other persons.

What is the guarantee that these people they are going to bring are not going to be too important to go to their meetings? Is there any guarantee? These are engineers and people who have important jobs or otherwise. Are they not going to be too busy to come to these meetings? That is infantile to say the least, to bring this sort of argument to the Parliament and expect us to swallow it. We have passed that stage. We feel very much insulted by these sorts of arguments when they come to us. The people of Trinidad and Tobago feel insulted, and you are going to know that when the next general election is called and you lose, and you have to find six of you to sit on this side.

Madam President, the Minister has given us no reason to support this Bill. His arguments are very weak, very puerile, and very infantile; they hold no water and, therefore, we cannot support this Bill. I thank you.

The Minister of Works and Transport (Hon. Colm Imbert): Madam President, thank you, and I have been asked not to—there are a number of important points made by hon. Senators opposite, but only on the Back Bench opposite. Let me deal with some issues raised by the Senators on the Front Bench opposite who shall remain on the Front Bench opposite me, if they have the good graces of the leader of their party, whichever party forms the Opposition on the next occasion.

Madam President, I really have to find a new definition for the phrase “brass faced.” The last time an audit of the Airports Authority was done by that administration was in 1997. They were in power up to 2001. They did nothing in 1998, nothing in 1999, nothing in 2000, nothing in 2001 and do you know why, Madam President? They were too busy raiding the Treasury at Piarco. That is why they could not audit the accounts. [*Desk thumping*]

I ask myself if Senators opposite on the Front Bench live in this country. I had to hear Sen. Mark talk—I will have to use the word, nonsense—about the Piarco Airport Development Project as if that project which is aptly described as “project shame” is something to be proud of. For the last three months—[*Crosstalk*]

Madam President: Sen. Wade Mark and Sen. Dr. Gopeesingh, you both had your turns to speak. You asked questions, you made comments, which were not very nice and I am now giving the Minister an opportunity to reply. Sen. Mark, allow the Minister to speak. [*Crosstalk*]

Hon. C. Imbert: For the last three months in this country, every other week—[*Crosstalk*]

Madam President: Senator, if you all continue I will have to ask you to leave the Senate. [*Crosstalk*]

Sen. Mark: Yes, we will leave because we are not listening to that Minister. He is a guest. [*Crosstalk*] He cannot talk here. [*Crosstalk*]

Madam President: Sen. Mark, I am waiting on some silence! You cannot tell the Minister he cannot speak here. He has permission to speak here and you will give him the time and the hearing to speak, please. Thank you. Go ahead Minister.

Hon. C. Imbert: For the last week we had to read in the papers about confessions, of bid rigging, of corruption, of collusion, of outright “tiefing” on the Piarco Airport Development project. People are going to jail!

Madam President: Mr. Minister, just be careful of your parliamentary language.

Hon. C. Imbert: Madam President, I am talking about Eduardo Hillman, Raul Gutierrez who have accepted reduced sentences as a result of a plea bargain. They are going to jail for years because they have admitted that in the Piarco Airport Development Project they were engaged in rampant corruption. [*Crosstalk*]

Madam President: [*Pounds gavel*] This has gone too far. Sen. Mark! If you all do not stop this I am going to suspend right now. Sen. Mark, as far as I understand, you brought up the question [*Crosstalk*] Sen. Mark, are you listening to me?

Sen. Mark: Yes, Madam President.

Madam President: You brought up the question of Project Pride and the Minister is trying to reply. Will you give him an opportunity to reply? He has a right to clear the issues that have been brought up. [*Crosstalk*]

All right, I am suspending the sitting right now. Minister, you want to make a comment?

Sen. Dr. L. Saith: Madam President, the hon. Senators on that side— [*Crosstalk*]

Madam President: Sen. Mark and Sen. Dr. Gopeesingh, if I do not suspend the Sitting, I am going to put the two of you out.

Sen. Dr. Saith: Madam President, Senators on the other side asked a number of questions about Project Pride. They made allegations about Project Pride; they also indicated how clean the activities were in the project. The Minister is merely repeating information that is in the public domain. The Minister said and called the names— [*Interruption*]

Madam President: Sen. Mark!

Sen. Dr. Gopeesingh: Madam President, we respect you and we are guided.

Madam President: Well, you are not respecting me right now because I have asked you on a number of occasions to please stop that “ol’ talk”. Minister, go ahead.

Hon. C. Imbert: Madam President, I am simply astonished. I have heard this foolishness about Project Pride for the last 12 years and the Senators opposite— [*Interruption*] [*Crosstalk*]

Madam President: Sit down, sit down, Sen. Mark! Sen. Mark, the Minister did not say that you were speaking foolishness. He said there has been a lot of foolishness spoken about Project Pride. He did not say that you said it. It is similar to something that happened recently with you yourself in which I had to defend you, that you did not say the person actually said something. Just listen carefully and you will understand the difference. Minister, just be careful with some of the words you are using.

Hon. C. Imbert: Madam President, I do not know why the Senators opposite are so jumpy. It is a feature of propaganda that if you keep repeating something, and there is no response that eventually it goes into the system and people accept it to be correct. It was Francis Bacon who said “silence is the virtue of fools”. And I intend to respond to comments made by the Senators opposite.

Madam President, I have been hearing this foolishness about money spent on Project Pride for more than 12 years. The fact of the matter is they were in power for six years, they had every opportunity to audit every cent spent at Piarco but do you know why they could only make innuendos, wild allegations without any substance, it is because the very Piarco Airport “Project shame”, that they were responsible for was built on the infrastructure works spent by the PNM administration during the 1991—1995 period.

Madam President, the former PNM administration upgraded all electrical infrastructure at Piarco; it upgraded the high voltage system; it upgraded the water supply systems. As I indicated previously, we diverted the main river that ran right through the Piarco Estate. There was a river there before. The terminal building sits on the allocation where there was a large river running through the Piarco Estate. What the previous administration did, was it laid the foundation through the installation of modern infrastructure at Piarco by upgrading all the systems and the basic infrastructure at the estate to allow the new terminal to be constructed.

I have had to listen for 12 years to this nonsense because the Senators opposite, when they got into Government, the first thing they did was to look to see what they could find. For six years they could find nothing. The audited accounts of the Airports Authority—the hon. Senator said that there were audited accounts up to 1997. The expenditure at Piarco was done in the 1994 and 1995 period and would have appeared in the audited accounts done in 1995—1997. So they know exactly what the money was spent on and they are aware that if the money was not spent by this PNM administration on upgrading the infrastructure at Piarco, they could never have built that “shed of shame” at Piarco. And let us go to audited accounts.

When the new Airports Authority came in 2002, the last audited financial statement it found was for the year 1997. Between 2002 and 2005, the Airports Authority, under the PNM, completed seven audits covering the years December 31, 1998 to 2005, and the Authority under the PNM has complied with its statutory requirements with respect to audited financial statements.

Madam President, would you believe it fell to us to unravel that nightmare at Piarco to prepare audited statements for 1998 and 1999, 2000, 2001, while persons associated with that airport were “tiefing” like black is white. We had to unravel that mess and prepare audited financial accounts for the Airports Authority, for the years 1998—2001.

I wish to repeat that the current Airports Authority has completed seven financial audits from 1998—2005, so that deals with audit business. They are just provoking me.

Imagine when the PNM came in, there had not been an audit of the Airports Authority for four years and we had to do those four years, and we have done all the years up to 2005.

Let me deal with the award for best airport. [*Crosstalk*] Madam President, it is a matter of public knowledge that the award won by the Piarco Airport was based on customer service, operational efficiency and product offerings. It had nothing to do with the “shed of shame”. In fact, in spite of the used equipment that they invoiced for new equipment, in spite of the baggage conveyors that looked like they came from some municipal airport in some “hick town” in southern United States—

Madam President: This sitting is now suspended for tea and we will return at 5.00 p.m.

4.25 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

Madam President: I am going to give a stern warning to all Members before we start. Any more of the behaviour that went on before tea, Members will be asked to leave the Chamber without any hesitation. Minister, continue.

Hon. C. Imbert: Thank you, Madam President. Let me deal with an issue that was raised by Sen. Mark just before we broke up. I overheard Sen. Mark saying that no stranger will come in this Senate and give him talk. I would just

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[HON. C. IMBERT]

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like Sen. Mark to be aware, through you, Madam President, that the Standing Orders of the Senate allow any Minister who has portfolio responsibility for a department of Government to speak in both Houses of Parliament.

I would also like to tell Sen. Mark that this Minister faced the polls five times and won five elections. [*Desk thumping*] and on the last occasion received 10,000 votes. [*Desk thumping*] I do not think Sen. Mark's record is as distinguished as that. [*Laughter*] In fact, I recall beating him to a frazzle in the 1991 election. [*Interruption*] 1991. No, we as part of the PNM team. I remember we beat him to a frazzle; I think he ran for the Barataria seat and we retired him as a candidate in general elections in that election.

Sen. Mark: I do not hide that, Colm. I do not hide that. It is the President who did that; I have no problem with that. [*Laughter*] I have no problem with that. [*Laughter*]

Hon. C. Imbert: Thanks for reminding me. Madam President, if you will allow me, you beat him to a frazzle in 1991.

Madam President: Mr. Minister, it was not you who beat him; it was I. [*Laughter*]

Hon. C. Imbert: I deeply apologize, Madam President. It was you who beat him to a frazzle in 1991.

Let me just deal with the question of expenditure on Project Pride and the astonishing statement made by Sen. Mark, that the cost of the Piarco Airport development project was the cheapest in the world. I want to read into the record something that might make that statement appear to be a reckless statement.

"Hon. Attorney General

John Jeremie

Republic of Trinidad and Tobago

Dear Attorney General Jeremie

I write to you of my own free will and without inducement of any kind, to express my sincere remorse and to make an apology with regard to the Piarco Airport construction fraud, in which I was involved..."

Sen. Mark: That is a matter before the court.

Hon. C. Imbert: No, no no; that is no longer before the courts. It says:

"I am aware that the Government of Trinidad and Tobago..."

Sen. Mark: It is coming before the court. Madam President, that is a matter before the court. [*Interruption*] It is coming before the court.

Sen. Jeremie S.C.: Madam President, it is not a matter before the court.

Sen. Mark: Madam President, he knows as the Attorney General, that there are matters pending in the courts and those same persons are either going to come here to testify; he knows that. And therefore to come and read a statement—

Sen. Dr. Gopeesingh: Is wrong.

Sen. Mark:—is wrong, because he knows the matter is before the courts; it is sub judice, Ma'am; sub judice.

Sen. Jeremie S.C.: Ma'am, if I am not mistaken, the letter—

Madam President: Senator, will you please give me a chance!

Sen. Jeremie S.C.:—which the Minister proposes to read is a letter by a Mr. Viagas. Mr. Viagas is not charged before our courts; he is not before the courts on any matter. He was sentenced in the United States and that matter is now spent. So the matter is a matter of public record.

Sen. Dr. Gopeesingh: Madam President, that matter is related to the present matter that was before the Miami courts and it is before the Trinidad courts. They are all tied together, and if the Attorney General who once misled the Appeal Court and wants to mislead, it is totally unsatisfactory, Madam President. The Attorney General must have the responsibility to know that what he is doing is wrong. He is allowing one of his colleagues to take part in something that is wrong.

Madam President: All right, Senator, thank you. If the Attorney General says that this matter was spent; that it has nothing to do with the cases before the court here now—

Sen. Mark: Madam President, do not believe him you know; he does mislead the court.

Madam President: Sen. Mark! Then I will let you continue; let me hear how far it goes.

Sen. Mark: Madam President, we object. We say on a point of order, Madam President. The matter is now sub judice and we are saying that the Attorney General is misleading you.

Sen. Dr. Gopeesingh: Let him pass the letter to her.

Sen. Mark: Madam President, read it first and then you come to a conclusion.

Madam President: I said I will continue to listen; let me hear what else is said and if I think it is sub judice I will stop it. [*Crosstalk*]

Hon. C. Imbert: Thank you, Madam President. As I indicated I am dealing with the astonishing statement made by the hon. Sen. Mark, that the price paid for the Piarco Airport was the cheapest in the world. Let me put back into the record now some information which might make that statement seem reckless.

"I write you of my own free will..."

Sen. Mark: Madam President, could he identify this letter; who wrote this letter; the date of the letter; what are the contents of the letter?

Madam President: Okay, Sen. Mark! Okay, Sen. Mark!

Sen. Mark: You cannot come just so and say that. [*Crosstalk*]

Hon. C. Imbert: Thank you, Madam President. The letter was written by Rene Diaz de Viligas.

Sen. Mark: Who is he?

Hon. C. Imbert: Madam President, may I continue?

Madam President: Yes.

Hon. C. Imbert: Thank you.

Sen. Mark: No, no, no, Madam President, we do not know where that letter came from. It could be manufactured.

Madam President: Senator! Sen. Mark! Sen. Mark, I made a ruling that I will listen to the letter. Please continue.

Hon. C. Imbert: For the avoidance of doubt, Madam President, this letter was given to me by the Attorney General; it is written to the Attorney General; it is signed; it is not anonymous and I am of the view that it has not been manufactured. [*Crosstalk*]

"I write to you of my own free will and without inducement of any kind to express my sincere remorse and to make an apology with regard to the Piarco Airport construction fraud, in which I was involved."

Sen. Mark: Madam President, on a point of order. He is talking about a Piarco fraud; this matter is before the courts of Trinidad and Tobago. I would ask him to withdraw that matter. He said it is airport fraud, Madam President. Ask him to withdraw that letter.

Sen. Dr. Gopeesingh: You are wicked. You are wicked. You are taking the—*[Inaudible]*

Madam President: Sen. Dr. Gopeesingh, that is the last time; if you raise your voice again you will leave this Chamber, all right? Minister, could you sum up what is in the letter without reading it? Thanks.

Hon. C. Imbert: I shall go to the second paragraph:

"The effect of this improper and illegal conduct resulted in Calmaquip improperly..."

Sen. Mark: Madam President, you asked him to summarize.

Hon. C. Imbert: I am summarizing.

Sen. Mark: No, no, no, Madam President, he is not summarizing; he is reading. Madam President, you were specific *[Crosstalk]* that he should summarize.

Madam President: Is that second chapter going to give us the facts of what you are trying to tell us, Minister?

Hon. C. Imbert: Yes.

Madam President: Then, all right, go ahead.

Sen. Mark: He cannot read. *[Inaudible]* *[Crosstalk]*

Madam President: I am trying to listen.

Hon. C. Imbert: And so is the rest of the country. It says:

"The effect of this improper and illegal conduct resulted in Calmaquip improperly and illegally obtaining a US \$15 million overcharge on special equipment..."

Sen. Mark: Madam President, on a point of order; this is a matter before the courts of Trinidad and Tobago and he is reading; he is not summarizing.

Hon. C. Imbert: "and a maintenance contract at the airport in the amount of US \$15 million.

Sen. Mark: So, I beg you to intervene and to ask him to withdraw that matter and to strike it from the record.

Hon. C. Imbert: “I did not know about the [*Inaudible*] at the time...”
[*Inaudible*]

Madam President: Minister! [*Madam President knocks gavel*]

Sen. Mark: —cannot allow him to come here and do that.

Madam President: Sen. Mark, you asked certain questions in this Senate today!

Sen. Mark: Forget about that!

Hon. C. Imbert: What! [*Laughter*]

Sen. Mark: I did not ask him about that!

Madam President: You brought up the whole issue of the cost of the project. You brought up the issue of Project Pride and you are not giving—

Sen. Mark: Yes, but Madam President, the issue is before the court.

Sen. Dr. Gopeesingh: [*Inaudible*] about Calmaquip.

Madam President: It is not, because the person who wrote the letter is not before the court of this country!

Sen. Mark: But Madam President, the issue is before the courts! [*Crosstalk*]

Madam President: All right, okay.

Sen. Dr. Gopeesingh: "Doh" worry with the AG; he is trying to mislead—

Madam President: Minister, you have some figures there you want to give us? You want to just give us the figures and no names, no anything, please!

Hon. C. Imbert: Thank you, Madam President, that is what I was saying this letter indicates that in one contract, just one, the effect of their illegal conduct was an overcharge on the special equipment at Piarco in the sum of US \$15 million or TT \$90 million and a maintenance contract in the amount of US \$15 million or TT—

Sen. Mark: Madam President, on a point of order! He indicated to us—
Madam President, on a point of order!

Sen. Dr. Gopeesingh: Sit down "nah".

Sen. Mark: Madam President, you are there; he said that I said that the cheapest airport was Piarco. I thought he was going to give us what is the cost of a similar airport in Antigua. He is talking about cost overruns, Madam President. [*Crosstalk*]

Madam President: I know, Senator. Please sit down. Please continue, Minister.

Hon. C. Imbert: Thank you, Madam President. I do not know why my hon. colleague opposite—if he will allow me to call him that—is getting so excited. Statements were made about the conduct the last PNM administration, with respect to Project Pride, and statements were made about the conduct of the last UNC administration—definitely the last one—about the construction and cost of the airport and I am simply putting into the record what the facts are.

The facts do not support the assertions made by Sen. Mark, that \$250 million was spent by the PNM on Project Pride; that is an outright untruth; approximately \$45 million was spent and it was money well spent because it was spent upgrading the infrastructure. The facts do not support the allegation made by Sen. Mark that the cost of the Piarco Airport project that they did, was the cheapest in the world; that is not supported by the facts. The confessions by persons associated with that project indicate that hundreds of millions of dollars were siphoned out of that project.

Sen. Mark: [*Inaudible*] [*Crosstalk*—a similar project in Chicago or Singapore. You are letting the AG mislead you.

Madam President: Sen. Mark.

Sen. Mark: Sorry, Ma'am.

Madam President: I do not want to hear sorry another time. [*Laughter*]

Hon. C. Imbert: Apart from those outlandish statements made by Sen. Mark, I am not sure what else the Senator said that was of any great significance. In fact, as I said, the points that were of importance that were made in this debate were made by the Members on the Back Benches.

Sen. Seetahal S.C: Back!

Hon. C. Imbert: The Independent Bench. Let me try and deal with the issues raised by Independent Senators. Sen. Ali was a bit concerned about the requirement for specific and general directions. Now, I indicated that that wording finds itself in many pieces of legislation in Trinidad and Tobago. Let me go to the Regional Health Authorities legislation, the RHA Act, No. 5 of 1994. Section 5 of the Regional Health Authorities Act reads as follows:

"Subject to subsection (2)..."

Which is with respect to the board of directors,

"a board shall exercise its powers and functions in accordance with such specific or general directions as may be given to it by the Minister."

In the other place we, in fact, had the word "special". That clause was intended to be read as "special and general directions". It was the Member of Parliament for Caroni Central, Dr. Rafeeq, who suggested at the Committee stage in the Parliament, understanding perfectly well the need for the Minister to give specific and general directions to a board with the responsibility to manage something as important as an airport, which has national security implications. It was the Member of Parliament, Dr. Rafeeq who suggested that we take the wording out of the Regional Health Authorities Act. You know, that brings me to Sen. Dr. Gopeesingh.

I can understand why Sen. Dr. Gopeesingh would not want to have this kind of wording in legislation, because throughout Sen. Dr. Gopeesingh's tenure as chairman of the North West Regional Health Authority, he challenged the authority of the then Minister of Health, Dr. Rafeeq. In fact, in meetings where the Minister was present—

Sen. Dr. Gopeesingh: Madam President, I stand on—

Hon. C. Imbert: On what?

Sen. Dr. Gopeesingh: Order. He is misleading the Senate. How does he know that I had challenged the Minister? I have never challenged the Minister on anything. He has no proof. Let him put proof to the Senate that I challenged him. I cannot sit—Standing Order 35(5), he is imputing improper motives. [*Laughter*] So go on, continue with your improper motives.

Madam President: Minister, I have to uphold that. Unless you could come and say on such and such a day, he did it, then you would need to be a little careful.

Hon. C. Imbert: Madam President, in a previous incarnation I was a Minister of Health [*Desk thumping*] and I had the opportunity to read the minutes of the meetings of the North West Regional Health Authority board. [*Crosstalk*]

Sen. Mark: Quote the minutes.

Sen. Dr. Gopeesingh: Quote the minutes.

Hon. Senators: That is not hearsay.

Hon. C. Imbert: Not only is it in the minutes of the board meetings; it was also in the public domain. It was in the public domain that Sen. Dr. Gopeesingh took instructions only from the Prime Minister.

Sen. Mark: Madam President, on a point of order 35(5):

"No Senator shall impute improper motives to any Member."

He is assuming; he has nothing to prove and I ask you to get him back on course. Madam President, Standing Order 35(5); I ask you to rule. [*Crosstalk*]

Madam President: Yes, I am looking for 35(5); I am going to read it; I want to be sure of what you are saying. The Minister has said that he got his information from minutes that he read.

Sen. Mark: Where are the minutes?

Sen. Dr. Gopeesingh: Where are the minutes? [*Crosstalk*] That is hearsay evidence.

Madam President: It is hearsay evidence. [*Crosstalk*]

Sen. Mark: [*Inaudible*] dangerous!

Madam President: Mr. Minister, get back to the Bill.

Sen. Dr. Gopeesingh: What is the relevance of that?

Hon. C. Imbert: Madam President, Sen. Dr. Gopeesingh is asking what is the relevance. It is precisely his behaviour as chairman of the North West Regional Health Authority that requires clarity in legislation of this nature. When you have an errant chairman of a board—

Sen. Mark: Madam President, on a point of order!

Hon. C. Imbert: What is the point of order? [*Laughter*]

Sen. Mark: Madam President, on a point of order. Order 35(5)! Again, Madam President, the Minister is imputing improper motives; I ask you to rule on this here.

Sen. Dr. Gopeesingh: What errant behaviour you are talking about?

Madam President: All right; sit down, sit down!

Sen. Mark: I will defend you. You do not have to rise. I will rise on this side.

Madam President: Minister, you are not in a position to qualify with an adjective the behaviour of the Member, so please.

Hon. C. Imbert: Madam President, I was not referring to his behaviour as he sits in the Senate today. I was referring to his behaviour when he was not a Senator and he was chairman of a board of a statutory authority. I am not referring to present day time. So, I am not imputing any improper motives to Sen. Dr. Gopeesingh as a Senator. [*Crosstalk*]

Hon. Senator: They cannot take any heat, you know.

Hon. C. Imbert: Madam President, you know they could give but they cannot take. [*Desk thumping*] [*Crosstalk*]

Madam President: Continue, Minister.

Hon. Senator: Exactly!

Sen. Mark: I cannot take? We could take!

Hon. C. Imbert: You know it is precisely because there needs to be clarity that I accept wholeheartedly the recommendation coming from Sen. Mary King that the instructions be in writing; I accept that wholeheartedly. But you are talking about a national security installation and you cannot have ambiguity in terms of policy, in terms of direction coming from the line Minister, with responsibility for something as important as the country's major airport. You cannot have ambiguity, you need clarity.

In order to ensure that a Minister would not give a verbal instruction, then retract it, and indicate that they never gave any such instruction, the recommendation from Sen. Mary King makes eminent sense and I will move an amendment—

Sen. Mark: I raised that. I raised that.

Hon. C. Imbert: It came from Sen. Mary King; I am not recognizing you; I did not hear you. [*Laughter*] [*Crosstalk*] I heard Sen. King. Madam President, if Sen. Mark made it, it got lost in the noise. When Sen. Mary King made the recommendation, it made eminent sense to me and I think it provides the balance that you need, giving the Minister the ability to give instructions, but also forcing the Minister to record in writing what he said. So the Minister would think twice before giving an instruction that could be challenged by way of judicial review and be subject to a test of irrationality or rationality as the case may be.

Sen. Mark: You are studying law or something?

Hon. C. Imbert: Yes, I am. That is a recommendation coming from the Independent Bench that we will accept on this side.

Sen. Mark: And the Opposition Bench.

Hon. C. Imbert: You did not make any recommendation. Now, let me move on. When you look at other jurisdictions, Sen. Ali, it is variable. Some speak about instructions, like Singapore for example; let me read the Singapore formulation for you.

"The Minister may after consultation with the Authority give such directions not inconsistent with the provisions of this Act to the Authority as to the exercise and performance by the Authority of its functions and power..."

And this adds something that we do not have.

"and the Authority shall give effect to any such directions."

That is the Singapore model.

Sen. Ali: Hon. Minister, I had asked for specific areas in the Caricom. In Jamaica, I understand it is consultation with the chairman of the company before giving direction of a general nature. That is what I was asking because my information is, in Jamaica that is how it is; and you started off by telling us what the Jamaican Bill was.

Secondly, I asked for Antigua and Barbuda, where apparently once again it is after consultation with the chairman that the Minister can give policy direction. I may not be right, but that is the information I have.

Hon. C. Imbert: Sen. Ali, through you, Madam President, I was coming to that. I was just giving an example of Singapore. Jamaica does have the—

Madam President: If you all will really allow the Minister to finish saying what he is saying before everybody jumping to conclusions.

Hon. C. Imbert: Yes, exactly; I was coming to that. It is a fact that in the Jamaican legislation they speak about policy directions. That is a fact, nobody is disputing that, but I was giving you an example out of Singapore. In the United Kingdom there is no Minister at all. The United Kingdom airport is totally privatized; there is nothing. I am giving you the experience around the world and I am simply saying with respect to a threat of terrorism, which is real; it is not imaginary.

Sen. King, I am afraid I cannot give you details of the meetings of the security committee; how often they meet and all that sort of thing, because that is confidential matter. But I will say that I have seen some of the reports done by the security committee, that are sent to Prime Minister and they do consider very

serious matters including the possibility of terrorist threats on the airport. It is in the context of terrorism and in the context of the heightened possibility of terrorism, and for national security reasons, that I would ask Members of the Independent Bench to allow us to proceed with the formulation of specific and general, but with the caveat of it being in writing. This is not a company like NIDCO, for example. NIDCO is an infrastructure company and there are no real security implications there, but I think an airport is a special creature, so I would crave the indulgence of Members. I hope I am not being too sweetie, sweetie for you, Sen. Kangaloo. I crave the indulgence of Members on the Independent Bench with respect to that matter.

The points made by the Independent Bench, Sen. King suggested that we put in civil aviation; I have no problem with that. We can change that because this has to go back to the House anyhow, since we are putting in the change in writing; written instructions as the case may be. We can make that change as well; so rather than aviation in the qualifications, we can make it civil aviation. But rest assured that the security committee at the airport is very active and it reports directly to the Prime Minister and they take action frequently. That is about all I can tell you at this point in time. I really cannot go into any more details than that. In fact, we have had some situations in the last 12 months where action has been taken to avoid a potential problem.

With respect to the comments of Sen. Ahmed, I am afraid that is a bit unrealistic; a bit idealistic. You cannot elect a Government by the ballot and then tell that Government that they have no authority to appoint persons to organizations that are creatures of statute. These are statutory authorities. These are statutory authorities; they perform functions of the State; it flows from the State. You cannot appoint a Government by way of the ballot and then tell them that organizations that perform state functions should not be subject to the control of the State.

There is a disconnect there and while it may sound nice—and no disrespect intended—and it might work in a perfect world; it cannot work in a situation where citizens are demanding accountability from elected representatives and persons who are being appointed to serve in a government and that brings me back to my point. You cannot disconnect a board from a Minister and a Government. It is the Minister who has the responsibility, as I indicated earlier, to come into this Parliament and answer an account for the actions of these state authorities.

Sen. Boldon, I shall excuse you for being out of the country, because Sen. Mark brought a Motion on the Adjournment about the failed runway paving project and we had a full exchange of views on it, and within the short time available, there was disclosure with respect to the findings of the FAA, with respect to the surface irregularities, the bumps and all that sort of thing and the poor workmanship and so on of the contractor.

There is something that you need to understand. It is easy—again, I mean no disrespect—it sounds nice to say why is it in this country when someone does a bad job that we give them more work and so on. It is easy, it sounds nice, but in this land of judicial review, you have to be careful. You cannot just disqualify somebody. Somebody may have done a bad job on a particular project, you cannot extrapolate that to the next project and say that they would do a bad job on the next project, unless you can produce evidence of that. [*Crosstalk*]

Sen. Boldon: I landed on the evidence.

Hon. C. Imbert: You cannot; you cannot. In the case of the Piarco runway paving project, I was very careful to make the point that that project suffered from poor workmanship and poor supervision. The poor supervision by the consultants and poor workmanship by the contractor. The contractor had an obligation under the contract to do remedial work, which he did. He had an obligation under the contract to improve his resources and improve the skills available to him, which he did.

So, when you come now to re-tender the project you cannot tell that contractor that because you did a bad job on the last project, I am going to disqualify you from tendering on the next project; you will be facing judicial review, because if we did that in this country, then every contractor in this country would be disqualified from tendering on jobs at some point in time. You cannot be irrational.

In that particular case, because we knew that the contractor had not done a good job, and this is no secret; you are not "bussing" a mark; everybody knows that, we were very, very concerned about the capability of the contractor to do the job.

Madam President: May I ask for silence please.

Hon. C. Imbert: I want to repeat this, you were not here. Nine tenderers picked up the tender documents and only one bid. The only company that submitted a bid for the project was Jusamco; the only bid. It was a single bid and we were faced with the dilemma, do we re-tender and thus lose the opportunity to

do the work in the dry season, which is very important, because you cannot pave a runway in the rainy season, because it is a working runway and you are going to be milling out sections of the runway at night; then you are going to be resealing that, levelling it and jointing it back with the existing runway, you cannot do that in the rainy season, you have to do it in the dry season.

5.30 p.m.

So we were faced with a dilemma because we got the same contractor again; the contractor that had done bad work, what do we do? Do we re-tender and lose a whole year or do we examine the tender; do we examine it for price; do we examine the resources of the contractor; and do we put strict compliance conditions in, to ensure that the mistakes that were made on the previous contract, the potential for mistakes is minimized? Which is exactly what we did.

We have required the contractor to bring in specialist expertise from the United Kingdom and United States in asphalt paving of runways, in the operation of the asphalt machines and also in terms of quality control and quality assurance. That is how we have dealt with the contractor. We have severe penalties in the contract now for non-performance and in terms of the Airports Authority, we have beefed-up the Airports Authority capability by bringing in a specialist firm of airport consultants out of the United States, Roy D. McQueen and Associates who have significant experience in the supervision of the paving of runways.

Madam President: Hon. Members, the speaking time of the hon. Minister has expired.

Motion made, That the hon. Minister's speaking time be extended by 15 minutes. [Hon. Dr. L. Saith]

Question put and agreed to.

Hon. C. Imbert: Thank you, Madam President. Now we have quality control and quality assurance both at the level of the contractor and at the level of the consultants. We have planned this job properly; we have taken a long time to plan it and it is being undertaken in the 2007 dry season.

The risk elements in the project have been reduced. You can never eliminate risk and with an installation as important as the Piarco International Airport, for all sorts of reasons, for commerce, for national security, and basic transportation, it is not something that you have a large range of options available to you. So, on balance, we have decided to go with the single bid that we had and put sufficient

safeguards, checks and balances in place in order to minimize the possibility of a recurrence of the problem before. Now, that in my view, is the correct thing to do. The wrong thing to do would be to say that Junior Sammy—[*Interruption*]

Madam President: Minister, are you going to give way?

Hon. C. Imbert: Just let me finish with that—is banned for life from work in Trinidad and Tobago. Because that is the sense I am getting from Sen. Boldon. Yes, Sen. Prof. Ramchand.

Sen. Prof. Ramchand: Madam President, I am a little disturbed. This is the second time the Minister has said that the contract had to be awarded because we wanted it done in the dry season. So are we the only country that has those kinds of constraints? What about all those other countries that have snow, rain and irregular weather, do they have to suffer the same kind of constraints when they are building runways?

Hon. C. Imbert: Sen. Prof. Ramchand, with due respect, you would not be paving a runway in the snow; they will be doing it in summer. So, yes, all countries that have seasons that are adverse, whether it is winter, whether it is monsoon, whether it is rain, all countries that have these problems make their best effort to plan and organize the paving of a runway, in particular, the main country airport runway, during the dry season or the summer as the case may be. They try to minimize risk. Because, what is the point of jumping into something where your risk profile is already high; where the weather conditions are adverse? That only complicates the issue and creates the opportunity for the contactor to make mistakes and for the supervising consultants to make mistakes.

Sen. Seetahal S.C.: Thank you very much. I have been waiting to ask this, through you, Madam President. The Minister was making the statement that if it were that you banned someone from every tendering, then you will be subject to judicial review. I do not think anyone here was talking about banning Junior Sammy or anyone else from ever tendering. He could tender, but the point is that the law, if we are talking and bandying about judicial review, you do not have to accept or you can use the fact that somebody did a bad job as a reason to disqualify them from consideration in the first place and there can be no judicial review of that or if there is, it would not be unreasonable. So the fact of the matter is, it was not correct—if I may say so—to say that you had to consider that tender.

My question however is, I am not sure that the public, and certainly I speak for myself when I say, understand why it was absolutely necessary to start in this dry season and not wait to probably have other tenders, whether it is from the

Caribbean. You may have said it, Mr. Minister, but I am not sure that I understood it was absolutely necessary to have it done this year so we had to take Junior Sammy and all of the possible problems that would arise having regard to past experience. That is one. And two, in terms of—I know you have some minutes left—other tenders abroad, you said you had nine tenders, anyone from abroad or they were all from here? Thank you.

Hon. C. Imbert: Madam President, it is a pity we do not have opportunities for injury time, but I will try to deal with these issues very quickly because the main points in terms of the legislation, I think we have covered most of them. It is not correct to say in my opinion that you can simply disqualify someone, it depends on the liability and who was at fault. As I indicated, in this particular case, there was shared responsibility for the poor workmanship; there was poor workmanship on the part of the contractor and poor supervision on the part of the consultants. So you get yourself into a very grey area there in terms of trying to disqualify a contractor. And it is simply not an adventure that I am prepared to engage in, Madam President, to simply disqualify a contractor willy-nilly and then find myself before the courts having to pay large sums of money in legal fees to lawyers.

Madam President, let me move on. There were international tenderers, they declined to bid, and in fact, the very one that Sen. Boldon spoke about—and you see, I have forgiven him, but not for long because he has been here long enough and he has to get his facts straight. This company called, Hot in Place Asphalt (HIP) or whatever they call it, did indicate that they could do the job in three weeks at half the price. But talk is cheap, people say all sorts of things. When we called upon that contractor to tender on the job, he did not submit a bid.

In fact, we encouraged that contractor from the United States to collect the tender documents and put in a tender for the project. If in fact, he could do it in three weeks and at half the price, that would have been wonderful. He never submitted a tender and when we questioned the contractor, we said, “What is this all about? You make all these bold statements in the newspaper, leading people to believe you can do this thing at a fraction of the cost, in a fraction of the time, why did you not bid?” Then you start to get the answers. They did not want to compete; they wanted to be in a sole selective environment; they just said that, but there are some issues about the runway now, they have a better understanding of the complexity of the job and the scope of the works; so perhaps they may not be able to do it in the space of time and at the price that they indicated.

You know, people say all sorts of things. And Sen. Mark will be the first person if I reacted to an unsolicited offer from an American contractor to come to Trinidad and be given a sole selective award to do the runway paving, to say corruption. Corruption! We went through a competitive tendering process; an open, transparent, competitive tendering process and this contractor from the United States simply did not bid; could not handle the competition.

Sen. Seetahal S.C: Why this year and not next year?

Hon. C. Imbert: Why this year? Because the runway is deteriorating rapidly and Sen. Seetahal S.C, through you, Madam President, asphalt deteriorates over time, you get evaporation of what is called the light oils in the asphaltic concrete and the asphaltic concrete as it is called, becomes brittle and loses its flexibility. Asphalt is a flexible pavement as opposed to reinforced concrete which is a rigid pavement. The runway is designed to absorb the shock from these very heavy planes and as the asphalt deteriorates, and the light oils evaporate out of the mix, it becomes brittle and the effect of an impact of a large wide bodied aircraft becomes far more severe.

Based on all the technical information available to us, we could not wait any longer. We had to do it in this dry season, otherwise we would have been faced with a major catastrophe at Piarco and we might in fact have lost our category one status and the airport might have been downgraded. So these are very, very serious matters. When we take these decisions we do not do it on frivolous grounds. I am not saying you implied that Sen. Seetahal S.C., but the people need to understand it is a very, very serious matter.

With respect to the other points made, does a board have to have managerial skills? Well, I do not know what is considered unparliamentary in here, but that is nonsense. Of course a board of management, by definition, it is a board of management and in this day and age, in the 21st Century, to hear Sen. Dr. Kernahan querying whether a board of management should have management skills, what are they teaching in the schools nowadays, Madam President? *[Laughter]* What are they teaching? It is no wonder we have such a high failure rate in basic comprehension, if that is the kind of thing we have to hear in this Senate. *[Interruption]* I am not giving way.

Sen. Dr. Kernahan: Can I clarify?

Hon. C. Imbert: Madam President, I am not giving way.

Sen Dr. Kernahan: Well, you want to deceive Parliament.

Hon. C. Imbert: I am not giving way.

Madam President: If the Minister will not give way, I cannot force him to, you know that.

Hon. C. Imbert: If you look at Singapore, Sen. Dr. Kernahan, in her adventure as to why a board of management should have management skills, said that I used the example of Singapore Airport as an example of a country where a board is comprised along the lines proposed and that meant nothing to her. Singapore, if Sen. Dr. Kernahan would only read, watch television—*[Interruption]*

Sen. Dr. Saith: Open your eyes wider than that.

Hon. C. Imbert:—open your eyes, Singapore is the most successful airport in the whole of Asia. It is world renowned. Singapore Airport is a hub for civil aviation in the whole of Asia and it is because the members of the board of Singapore Airport have management skills that Singapore Airport has been so successful.

Madam President: Minister, you have four minutes.

Hon. C. Imbert: Thank you very much. I am amazed. When you are looking for examples of successful port or airport authorities in the world, you want to look at a successful port authority; you look at the port of Hong Kong. Everybody knows that, that the port of Hong Kong is one of the most successful ports in the world. Again if you look at the management of the port of Hong Kong, when you look at the persons, they all have management training and experience. The airport in Singapore is one of the most successful airports in the world. And I gave the example of the British Airport Authority; all the members on that board have vast experience and qualifications in management.

Madam President, going back to the Bill, as I said, the Independent Bench raised certain points and I accept Sen. King's recommendation that we put written into the clause with respect to instructions. Sen. Ali raised the issue of what is happening in the Caribbean and I as indicted to you, it is a fact that in other Caribbean countries, some of them, not all of them, there is the Minister giving policy directions and in some it is specific and general and I think for security reasons, we would like to keep it specific and general in this case.

The other points to me, the one about civil aviation, very relevant, but all the points raised by the Opposition Bench were of no merit whatsoever. No merit whatsoever. Sad to say of no merit; just gallery, gran' charge and complete pie in the sky.

So I thank the Independent Bench of this Senate; I thank the Independent Bench for once again raising the level and tenor of this debate and making sensible points; and asking sensible questions, like the questions asked by Sen. Seetahal S.C., I thank the Independent Bench for that and I hope that one day the Members of the Opposition will learn from the Members on the Independent Bench and talk sense and make sense.

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

Question put and agreed to.

Bill accordingly read a second time.

Bill committed to a committee of the whole Senate.

Senate in committee.

Clauses 1 and 2 ordered to stand part of the Bill.

Clause 3.

Question proposed, That clause 3 stand part of the Bill.

Mr. Imbert: Madam Chairman, may I propose an amendment to clause 3 in keeping with the excellent suggestion from Sen. King, that instead of "aviation" in 3(a)(i) (1A)(b), we insert the word "civil" before the word "aviation".

Sen. Seetahal S.C.: In relation to the Minister's suggestion based on Sen. King's suggestion, the words civil aviation, now there is a Civil Aviation "C" and "A" Director, but does the term civil aviation—I was looking for a definition of it. Is there a definition or a—[*Interruption*]

Mr. Imbert: Yes, it means non-military.

Sen. Seetahal S.C.: Yes, but is it somewhere?

Mr. Imbert: Yes.

Sen. Seetahal S.C.: Where?

Mr. Imbert: It is in the parent Act.

Sen. Seetahal S.C.: It is not in the Airports Authority Act.

Mr. Imbert: No? Have you looked in it?

Sen. Seetahal S.C.: I have it here and it is not there. So that is why I wanted to make sure that it was defined somewhere or maybe we should say, civil aviation as defined in the Civil Aviation Act or something. I do know because it is not in the Airports Authority Act, at least in the original one that we have here.

Mr. Imbert: According to the Act that created the Civil Aviation Authority, that is the parent Act I am referring to.

Sen. Seetahal S.C.: Well, I think we should say as defined in somewhere, right?

Mr. Imbert: Okay, can we just take a second and see what is in the Civil Aviation Authority Act?

Sen. Seetahal S.C.: Yes, because it needs to be defined. And while we are at it—*[Interruption]*

Mr. Imbert: Do you want to defer this and we could move on?

Madam Chairman: We will come back to this. Something else, Senator?

Sen. Seetahal S.C.: Actually, Madam Chairman, I apologize, but in clause 2 since we are waiting, the name of the Act is really the Airports Authority Act, but when I look here I see Airports Authority of Trinidad and Tobago Act. I checked with the Act and it is the Airports Authority Act. There is no Airports Authority of Trinidad and Tobago Act. It is just Airports Authority Act, unless it was amended somewhere else and I did not have the amendments.

Mr. Imbert: We are checking the 1993 amendments.

Sen. Seetahal S.C.: Okay, maybe it was changed, that is what I am saying. In the original one we have here, so she is saying as amended.

Mr. Imbert: What the CPC is telling me is that the official consolidation taken from the Ministry of Legal Affairs website refers to it as the Airports Authority of Trinidad and Tobago Act.

Sen. Seetahal S.C.: Well good, because we are looking at the last consolidation. We do not have the new one as yet.

Mr. Imbert: No problem. That is acceptable to you?

Sen. Seetahal S.C.: That is fine; that was just a question.

Madam Chairman: Sen. Mark, you have—*[Interruption]*

Sen. Mark: Madam Chairman, we have advanced the need to delete this whole clause, 3(a)(1A) and (1B) because we see no justification for this radical departure and the Minister is yet to convince us as to the rationale for this kind of change. So we are suggesting that we go with the status quo as obtains, and therefore, all these proposed changes to the Act, we are asking that they be deleted.

Sen. Dr. Gopeesingh: And left in its original form as 3(1).

Sen. Mark: That is our position.

Mr. Imbert: Well, Madam Chairman, that will virtually negative the Bill, there is no way I can accept that.

Sen. Dr. Gopeesingh: We do not see any necessity for change except if you could convince us.

Madam Chairman: Sen. Mark, your second amendment is the same thing as Sen. King's, is it not?

Sen. Mark: No, my second amendment is a different amendment, Madam Chairman. You see, we are moving from guidance where the authority shall be guided by any specific or written decision, but they are not compelled to accept the instruction.

Madam Chairman: That is your own.

Sen. Mark: Yes that is ours.

Madam Chairman: And Minister your amendment according to Sen.—
[*Interruption*]

Mr. Imbert: My amendment would be to insert the word "written" after the word "general" and before "directions". So in clause 3(c), it will be "with any specific or general written directions given by the Minister". Okay, CPC has sent to the library for further clarification on civil aviation. But I think it is a term of art. I do not think there will be any dispute as to the fact that civil aviation is non-military. I am pretty certain that is the general meaning of it.

Sen. Seetahal S.C.: That may be so, but too many times we have had Bills and have problems of definition and then—we might have a Minister who is not you and might want to appoint a private person—

Madam Chairman: Members, let us take the amendments as proposed by Sen. Mark, to delete 1A, 1B(a)(iv).

Question, on amendment [Sen. W. Mark] put and negatived.

Madam Chairman: And the second amendment is 3(a) and 3(c), to delete and replace what you have written there—let me just read it:

"In the performance of its functions and in the exercise of its powers, the Authority shall be guided by any specific or general written policy directions set out by the Minister".

You wanted to say something before I put it to the vote?

Sen. Mark: Before you put it. Madam Chairman, whereas in the past, the Minister could issue directions and the board would consider them, what the Minister is seeking to do now, is to order these people to carry out his instructions, otherwise they will be fired. That is the consequence. Madam Chairman, what I am saying is that in the Act of 1993, the Minister was very specific in 1993, in seeking to guide the board in carrying out his specific and/or general directions. So we ask the question and we are yet to be convinced, why is he seeking to instruct the board at the risk of the sanction being imposed on the board members?

Madam Chairman: So Members, you have the amendment and you have the explanation.

Sen. Prof. Ramchand: Madam Chairman, before you go, maybe it means nothing, but if I were running things, I would say my general directions do not have to be written because they have to be in line with a policy, but I will want specific instructions. Would it not be putting a great difficulty on the Minister if you asked him to write out general directions?

Mr. Imbert: I agree with you, but Sen. King, what is your view? Are you okay with that, specific written or general; or specific or general written?

Sen. King: No, normally the policy is there and the guidelines are there. This is for a particular instance, I think where the Minister has a particular issue and he wants to issue written specific or general directions.

Sen. Seetahal S.C.: I think it should be applicable to both because general would have been in writing in any case.

Mr. Imbert: I have no problem with it going, with both. Thank you, Sen. Prof. Ramchand, but it is okay. I think it should be for both.

Madam Chairman: Let me put this amendment now, first of all, the one that has been submitted by Sen. Mark which I just read out.

Sen. Dr. Gopeesingh: Madam Chairman, I had asked for this point to be raised under 3(a)(iv), deleting subsection (4) and substituting the following, "A Member of the Authority—"

Madam Chairman: I did that part already. I did 3(1A) (1B) and (iv). We did that; we did all.

Sen. Dr. Gopeesingh: Nobody raised it again; "at any time resign his office by instrument in writing addressed to the Minister." We said, "addressed to the chairman", why the Minister? A member just has to address it to the chairman.

Madam Chairman: Well, I read your amendments here and I put that to the Senate and that is what was voted on a while ago.

Sen. Dr. Gopeesingh: We have to accept it because majority is law.

Madam Chairman: Did you—maybe not because you did not spell it out, I simply put these amendments. So Members we have that amendment before us, submitted by Sen. Mark.

Question, on amendment, [Sen. W. Mark] put and negatived.

Madam Chairman: Then we have now the same clause 3(c), page 5, we have the amendment submitted by Mr. Imbert and that one we are simply inserting the word "written" after "general", so it will read "in accordance with any specific or general written directions given by the Minister."

Question, on amendment, [Mr. Imbert] put and agreed to.

Madam Chairman: We are still waiting on a definition of "civil aviation".

Sen. Seetahal S.C.: There is a 2001 Act. I wonder if they are looking in the wrong place.

6.00 p.m.

Mr. Imbert: Sen. Seetahal, if we put it in common letters, common "c" and common "a"?

Sen. Seetahal S.C.: It is in common letters. There is a known civil aviation director post established in the regulations.

Mr. Imbert: There is a director general of Civil Aviation, because the director of civil aviation went out when they created the Civil Aviation Authority. They abandoned that position and replaced it with a director general of civil aviation.

Sen. Seetahal S.C.: But then anywhere you have "director of civil aviation", you would read the new thing. There is that term which is established somewhere, but the words "civil aviation" I do not know that they are anywhere. I thought it would be in the Airports Authority Act. It should be in the Civil Aviation Act; if it is, I think we should say that.

Madam Chairman: It is not in this one here.

Sen. Seetahal S.C.: The 2001 Act? It is not in the definition section?

Madam Chairman: We have it, but there is no definition. *[Interruption]* It is not in this Act.

Sen. Seetahal S.C.: You have the 2000?

Madam Chairman: Yes. [*Interruption*]

Mr. Imbert: Sen. Seetahal, when you look in the Civil Aviation Authority Act—

Sen. Seetahal S.C.: We do not all have it.

Mr. Imbert: I am going to read it:

“The functions of the Authority are to maintain a standard of safety and efficiency in the civil aviation system...”

So although there is no definition of it—

Sen. Seetahal S.C.: There is an acknowledgment that there is that.

Mr. Imbert: It is a term of art.

Sen. Seetahal S.C.: If there is an acknowledgement in that Act, then I would be prepared to accept it.

Madam Chairman: We are looking at clause 3(1A)(b), inserting the word “civil” before the word “aviation”.

Question put and agreed to.

Clause 3, as amended, ordered to stand part of the Bill.

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

Senate resumed.

Bill reported, with amendment, read the third time and passed.

Sen. Mark: Madam President, just to crave your indulgence. The hon. Minister did indicate to this Parliament that before he wound up he would provide us with the names of the members of the Board of the Airports Authority. It might have slipped him. I do not know if he got the names, so he could just tell us.

Hon. Imbert: I will circulate it.

HERITAGE AND STABILISATION FUND (NO. 2) BILL

Order for second reading read.

The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill): Madam President, I beg to move,

That a Bill to provide for the establishment and management of the Heritage and Stabilisation Fund and for matters related thereto, be now read a second time.

The economy of Trinidad and Tobago will grow by 12 per cent in 2006, up from 8 per cent in 2005. This is driven by increased activity in the energy sector, which is forecasted to grow by 20.6 per cent and will account for 41.2 per cent of total gross domestic product (GDP). Driving this growth in the energy sector is a 16.9 per cent increase in the exploration and production of oil and natural gas and 37.4 per cent increase in the refining of these products, based on the first full year of production from Atlantic Train 4.

The non-energy sector growth is expected to remain at 6.5 per cent in 2006, with the subsectors of finance, insurance and real estate contributing 7.5 per cent; distribution and restaurants 3.2 per cent; construction and quarrying, 14.5 per cent and transport, storage and communication, 4.0 per cent. The manufacturing sector is expected to maintain a strong expansionary trend with a growth rate of 11.8 per cent. All the subsectors of this group are expected to grow; especially food, beverages and tobacco. Notwithstanding these positive statistics, there are challenges faced by our economy and it will be necessary for all to participate in this process of nation building.

One such challenge that this country faces is how we ensure that future generations can benefit from non-renewable resource wealth, notwithstanding the depletable nature of our resources. Another challenge revolves around how much should be spent today and how much saved for future generations or for uncertainties regarding future energy prices. Historical and cross country experiences indicate that, more often than not, resourced wealth has been mismanaged.

For example, in the aftermath of the oil booms of the 1970s and the 1980s, a number of countries experienced the disruptive effect of overly expansionary and unsustainable fiscal policies during the boom, which resulted in their non-energy tradable sectors becoming uncompetitive and rendered their economies vulnerable to shocks, such as the sharp drop in oil prices that began in 1981/1982. There were two exceptions to this: Norway and Indonesia. Drawing from those experiences, and the experiences of the past, it is clear to us that in order to mitigate the effects of energy price volatility, the stabilization mechanism must be created.

What we have learned, however, from our investigations, is that this is not sufficient, because it is also necessary to ensure that we save some of our revenue and create a stream of financial assets that can earn for us sufficient income over time, to provide an alternative source of revenue from these investments, thereby reducing the risks associated with a depleting asset.

Heritage and Stabilisation Bill
[SEN. THE HON. C. ENILL]

Tuesday, February 13, 2007

Our fortunes from hydrocarbons resources over the past three decades have been mixed and, therefore, this administration believes it is an appropriate time to formulate a mechanism to manage and eventually reduce this risk. This is to be achieved by a number of strategies, including the diversification within the energy sector by introducing downstream industries and by focusing on the structured development of selected industries in the non-energy sector. While this is occurring, the Government is controlling its expenditure by saving some of its revenue.

It is well established that in the 1970s and 1980s, a number of countries experienced the disruptive effects of policies which resulted in their sectors being non-competitive. This Government, by the introduction of this Bill, is formalizing an arrangement which essentially saves for a rainy day. The Bill before this Senate seeks to establish the Heritage and Stabilisation Fund as a response of the Government in recognition that our petroleum and gas resources are, by their nature, limited and, inevitably, will be depleted.

Madam President, the Interim Revenue Stabilization Fund introduced by those who preceded us was established under the provision of section 43(2) of the Exchequer and Audit Act, Chap. 69:01. Its function was primarily stabilization; that is, to deal with price shocks and to ensure that there was a mechanism to provide for that eventuality. Since its establishment, however, this Government has been keeping its commitment to the population by making appropriate deposits to the fund.

At the end of September of last year, the amount standing to the credit of the Interim Revenue Stabilization Fund, including interest and other earnings, was TT \$8.6 billion or US \$1.365 billion. Upon the enactment of this Bill, the Interim Revenue Stabilization Fund will be retired under the relevant provisions of the Exchequer and Audit Act and the proceeds in that Fund will be transferred to the Heritage and Stabilization Fund.

The operational and management framework of the legislation before this Senate seeks to ensure that a portion of our oil and gas resources will be used for saving, to ensure that when the prices of these commodities decrease there should be resources available to the people of Trinidad and Tobago for maintaining a reasonable standard of living while we reorder priorities and respond appropriately. This objective supports our drive to achieve developed country status by the year 2020, if not before. The challenge for many resource endowed countries, including Trinidad and Tobago, whether they are oil and gas producing, as in our case, copper producing or even diamond producing, is the adequate economic and fiscal management of these resources.

We have also noted that many other resource endowed countries like Trinidad and Tobago have been able to adapt and adopt a sustainable and sound fiscal policy framework which ensures that the country invests in developing social infrastructure to improve the quality of life for its citizens, but also saves a substantial amount of its earnings from these resources. This is necessary to finance education, health, housing, social services, national security and infrastructure, which are critical in delivering sound and sustainable economic growth, improved employment opportunities and reliable and affordable public social services.

For this reason, the Government has pursued a long-term fiscal strategy in the formulation of our economic and social agenda. Our fiscal objective is to ensure that our budget is always in approximate balance or in surplus. Our expenditure has, therefore, taken this into account and we ensure that it is based on a conservative projection of revenue. This Bill is further evidence of our intention. We are convinced of the need to now institutionalize this level of saving in Trinidad and Tobago and to develop a model to be used in the utilization of the resources that are being gathered for the enhanced protection of the nation; we now need the legal mechanism. In other words, we who now have the authority given by the people, to pursue the development of Trinidad and Tobago, are prepared to exercise this restraint by putting aside some of the current resources to ensure the security of this country.

The Government, after extensive dialogue with a number of academics, policymakers and officials of international institutions, and following a careful review of the objectives and practices of similar funds, such as the ones in Abu Dhabi, Alaska, Alberta, Azerbaijan, Kazakhstan, Kuwait, Norway and Oman, is of the view that in Trinidad and Tobago it is appropriate to establish this fund.

The establishment of the Heritage and Stabilisation Fund follows the practice adopted by many resource endowed countries which have put in place oil and copper funds with similar objectives and similar modalities. The intention is to retire the Interim Revenue Stabilization Fund under the relevant provision of the Exchequer and Audit Act and through this legislation to establish the Heritage and Stabilisation Fund and its operational modalities.

We have had the benefit of the implementation experience of other countries with such funds. We have participated in a forum on commodity funds jointly hosted by the Central Bank of Trinidad and Tobago and the World Bank, which was also attended by members of both sides of the political divide, including Members of the Opposition. We have looked at how countries have managed

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some of these funds; the one that came out ahead of most was really the Norway fund. We have used heavily, elements of the Norway model in the establishment of this fund.

In designing the fund, however, we were confronted with two major issues. The first was related to the finite nature of the nonrenewable resource; the question was, therefore, raised as to how much oil and gas income should be spent on the present generation and how much should be saved for future generations. The second issue was related to the uncertainty of the revenue flows from oil and gas. The question was raised as to how Government should adjust its spending to cushion the domestic economy from the impact of volatile oil revenue due to sharp and unpredictable changes in oil prices.

While we are doing this particular exercise, it is important to place on record a study done by the International Monetary Fund (IMF), Trinidad and Tobago Energy Boom and some Proposals for a Sustainable Fiscal Policy at page 6, some information. It basically says:

“As of the end 2003...”

Which was the information used at the time:

“total proven oil and gas reserves were estimated at 4,500 million barrels of oil equivalent. Of this, oil accounts for about 760 million barrels, 17 per cent of total, and gas for the remainder of 3,750 million barrels of oil equivalent. If however probable and possible reserves are also included, oil and gas reserves amount to almost 9,000 million barrels of oil equivalent.

At the current rates of extraction, which are 140,000 barrels per day for oil and about 510,000 barrels of oil equivalent per day for gas, proven energy reserves are expected to be exhausted in about 20 years and proven, probable and possible reserves are expected to last for about 40 years.”

The technical aspects of these issues, as it relates to what we are attempting to do, could be reasonably overcome—[*Interruption*]

Madam President: Minister, could you wait, please.

PROCEDURAL MOTION

The Minister of Community Development, Culture and Gender Affairs (Sen. The Hon. Joan Yuille-Williams): Madam President, I beg to move that the Senate continue to sit until the conclusion of debate on this Bill.

Question put and agreed to. [Crosstalk]

HERITAGE AND STABILISATION FUND (NO. 2) BILL

Sen. The Hon. C. Enill: The difficulty of determining in this environment a long-run equilibrium oil price and predicting whether price swings were temporary or permanent, certainly posed substantial operational and practical challenges. In our design of this fund, we have overcome these challenges and intend to put in place a fund which will be foreign currency denominated—most of the energy dollars that we get are in US dollars—to save and invest prudently, surplus petroleum revenue.

The fund has three principal aims. Firstly, to have an economic stabilisation function by cushioning the impact on or sustaining public expenditure capacity during periods of revenue downturn, whether caused by a fall in prices of crude oil or natural gas. So the first issue is a price issue. Secondly, to generate an alternate stream of income, so as to support public expenditure capacity as a result of revenue downturn caused by depletion of nonrenewable petroleum resources; a production issue. Thirdly, to provide savings for future generations.

This is protected in the Bill at clause 15, which basically places a \$1 billion amount that will be preserved at all times in the fund. That is the limit by which stabilisation money can be taken out and the \$1 billion basically remains as heritage.

The fund will consist of productive and performing assets whose earnings will be available to Trinidad and Tobago as revenue from the investment of financial assets, rather than revenue from gas and oil savings. In order to ensure that the management of the fund meets the best international practice, the fund shall be managed by the Central Bank of Trinidad and Tobago, on behalf of the Ministry of Finance, in accordance with the established norms to meet budgetary commitment and liquidity needs.

On the issue of the governance structure, the fund will be managed by a board of governors, which will comprise a chairman and four other members appointed by the President on the advice of the Minister of Finance. Two members will be officers of the State, the Central Bank of Trinidad and Tobago being one and the Ministry of Finance the other. The other members of the board will be individuals of proven competence in matters of finance, economics, business management and law. These members will be appointed for a term of three years and be eligible for reappointment. A quorum of three will be the quorum for the board and it will be only satisfied if either the representative of the Central Bank or the representative of the Ministry of Finance is present.

Madam President, the fund implementation responsibilities—the board of governors will determine the operational and investment procedures and guidelines for the fund, but shall delegate its day-to-day management to the Central Bank of Trinidad and Tobago by way of a management contract.

That contract will set out the terms and conditions for management of the fund, including fees, the policies and strategies of the fund, the benchmark portfolio against which performance will be measured, the levels of liquidity required, the quality of financial assets and the target levels of return.

For reasons of accountability and transparency, the board will submit an annual report on the fund to the Minister of Finance; furthermore, within four months of the end of the financial year, the financial statement of the fund which would be prepared in accordance with generally accepted accounting principles will be laid in the Parliament. In addition, the board will submit to the Minister of Finance a quarterly investment report, an annual investment report and, at the request of the Minister, a report on the operation and performance of the fund which should be provided within one month of the request.

The fund will be a public account fund for the purposes of section 116 of the Constitution and will be audited annually by the Auditor General or by an auditor authorized by the Auditor General in writing for that purpose. On completion of any audit of the fund, the Auditor General or such authorized auditor will immediately draw to the attention of the Minister of Finance and the board any irregularity disclosed by the audit which in the opinion of the Auditor General or the designated auditor is of sufficient importance to justify doing so.

The Auditor General will submit the audited financial statements and a report on its audit to the Minister of Finance immediately following the completion of the audit. All board members will be subject to strict confidentiality conditions and a breach of such condition will result in a fine of \$500,000 and two years imprisonment.

Deposits to this fund—upon the enactment of this legislation, the Interim Revenue Stabilization Fund established under the Exchequer and Audit Act will cease to exist. The resources standing to its credit will be transferred to the Heritage and Stabilisation Fund. Subsequently, a minimum of 60 per cent of the difference of oil and gas revenues received over the budgeted amounts will be deposited into the fund during a financial year, but will be done on a quarterly basis. The quarterly time frame process would facilitate a more accurate calculation of surplus oil and gas revenues. As such, these deposits will coincide with the quarters pertinent to the Board of Inland Revenue receipts.

Surplus oil and gas revenues will consist of supplemental petroleum tax and petroleum profit tax payable under the Petroleum Taxes Act and royalties payable under the Petroleum Act. Resources of the fund will also consist of assets acquired and earned from investments. Those deposits to the fund will not require an appropriation since under the legislation the transfer of these deposits will be a charge on the Consolidated Fund. The requirements to make deposits must meet the benchmark of petroleum revenues collected in each quarter exceeding by at least 10 per cent the estimated petroleum revenues. If that benchmark is not met, the Minister of Finance will make a decision as to whether all or part of the excess revenue would be deposited to the fund.

The investment of this fund—The deposits in the Heritage and Stabilisation Fund will be invested in a wide spectrum of high quality international investment instruments, including highly liquid fixed income securities as well as in bonds and equities. Foreign denominated investments will also ensure that the value of such investments will be insulated from changes in domestic, economic and financial conditions.

Withdrawals from the fund may be made on an annual basis whenever petroleum revenues collected in any financial year fall before the estimated petroleum revenues for that year by at least 10 per cent, indicating that there would be a requirement to introduce a measure of adjustment in the context of a moderate fall in petroleum revenues. The formula for the withdrawal would be the lesser of 60 per cent of the shortfall of petroleum revenues of the relevant quarter or 25 per cent of the balance standing to the credit of the fund at the beginning of the relevant quarter. This would be for stabilization purposes and will include expenditure reducing measures and the need for sustainability.

The annual budget price and estimated petroleum revenues budgeted oil and gas revenue would be determined on the basis of a long-term price per barrel of crude oil, as well as gas prices quoted by Henry Hub. The way this will work is as follow: The price will be calculated on the basis of a unit price for petroleum derived from an 11-year moving average for prices at which crude and natural gas were disposed of in a current financial year. Five years immediately prior to that current financial year together with the prices projected for the disposal of such crude oil and natural gas for the five years immediately following the current financial year.

In other words, in order to determine the price for this year, we would take this year's price, go five years back, project five years into the future and that would become the average price at which we would benchmark our trigger to allocate into the fund.

The other mechanism is that by legislation we are putting in place a review mechanism; that is to say the Government will undertake a review of the provisions of this Act every five years and the Minister shall submit a report to the Parliament. One of the challenges that the Government faces as it moves into this particular piece of legislation is that at this time the fund is primarily small and there are a number of discussions as to whether we should have one fund, two funds, three funds or four funds. In order to deal with that, the Government proposes to let it run for a period of five years and at the end of that particular period do a review and submit a report of that review to the Parliament. If changes are then required we will seek to do it at that time.

We are convinced that with the suggested rules and regulations, the fund will be managed in an effective and transparent manner and will add to the economic and social stability of Trinidad and Tobago in an increasingly interdependent and fiercely competitive world. We are doing quite well as we continue to benefit from increased foreign trade, including exports and from an impressive flow of foreign direct investment into the economy. The last five years, for example, we have seen an average annual inflow of \$1 billion of foreign direct investment into this country. In fact, we are of the view that our economy today is stronger than it has ever been in our nation's entire history.

Under our watch, it has been growing at an average of 8.4 per cent per year and it is projected to grow by 12 per cent by the end of fiscal 2006. This year the gross domestic product (GDP) is expected to reach \$114.5 billion, which means as we have already indicated and which bears repeating that the size of the economy has more than doubled since 2001 when we on this side assumed management of the nation's affairs.

We are not just quoting macroeconomic statistics, the economy is producing jobs. We have created almost 48,000 new jobs since we took office in 2001. We reduced unemployment from 12 per cent to a historic low of 8 per cent in 2005 and the average for this year so far is 6.9 per cent and falling. We are now close to full employment for the first time in the history of Trinidad and Tobago. This is nothing short of historic and is already recorded for the inspiration of future generations that will assess our performance clinically and dispassionately. They will also see the present strength of our economic growth in other important ways.

Our foreign reserves have grown from US \$1.5 billion in 2001 to the point where it is expected to be in excess of US \$6.5 billion at the end of this year. This represents about 10 months of import cover. Additionally, we have been reducing the country's debt and our ratings are today among the highest in Latin America

and the Caribbean. We accept the fact that the present rate of inflation has been a cause for concern. We acknowledge that development expenditure in both the public and private sectors has contributed to the situation.

[MR. VICE-PRESIDENT *in the Chair*]

We have put in place a number of measures, Mr. Vice-President, and it is our intention to have this reduced, as we have said before, to a level of 7 per cent by the end of the new fiscal year, with our ultimate goal being 5 per cent in the medium term. Today we can report that it is trending downwards from 10 per cent to 9 per cent after the first quarter of this year.

We are extremely proud of our management of the nation's economy. This Bill that we are doing today is rooted in the philosophy of responsible fiscal management, spending for growth, but saving for the future. While we modernize our physical and social infrastructure for domestic development and improved international viability, we are establishing the Heritage and Stabilisation Fund to further strengthen our economic foundations and make more secure the sustainable development of our nation. In other words, we continue our march towards transforming Trinidad and Tobago into a developed nation of which a significant characteristic will be the ability to be equal to all challenges presented by the unpredictability of life.

The Heritage and Stabilisation Fund will definitely contribute to making the future of Trinidad and Tobago more certain. I therefore ask hon. Senators to support the legislation now before the Senate.

Mr. Vice-President, I beg to move.

Question proposed.

Sen. Harry Persad Mungalsingh: Mr. Vice-President, let me start my contribution by first recognizing the individuals in the public gallery. I think this is the first time in my sitting in the Senate that I have seen such a large audience in the public gallery. [*Desk thumping*]

I start immediately by rebutting the hon. Minister, by indicating to this Senate, the members of the public gallery, as well as the viewing audience that this growth he spoke about is not driven by ingenuity or creativity, but by government-led expenditure. The effects of that was shown in the 1980s. Manufacturing capacity and manufacturing exports are not increasing. There is real growth in the oil- and gas-based industry and government-based construction. This boom that we are experiencing right now is identical and is a mirror reflection of the boom of 1973 to 1980.

I gently chide the hon. Minister that somehow this Government should escape from the bubble and see that very few steps are being taken to not make the same mistakes that we made in the period 1973 to 1980. I just want to point out to the Minister, and it is a well-known fact in economic theory—in fact, it is in 101-Economics taught at the University of the West Indies—that growth itself is not a measure of the well-being of an economy. Growth must be linked to the productive capacity of the economy. A definition of productive capacity of an economy is that it is production based; it is warehousing based; it is distribution based and, most importantly, it is based in research and development.

A second point the Minister made was that the Government's fiscal policy was quite prudent. I point the hon. Minister to the domestic fiscal budget deficit which is, in fact, driving inflation. The third point the hon. Minister stressed on was the statistics of the economy. I would like to point out to this honourable Senate, the viewing gallery, as well as to our television viewers, that my humble opinion is the statistics were fudged especially as they relate to inflation. While it is quite understandable that we must show the public a low rate of inflation, especially with wage negotiations being conducted, the large number of government-based workers and the necessity to demonstrate a low inflation rate in those negotiations, it is my view that whereas they are quoting an inflation rate in the vicinity of 10 per cent, I feel it is about 8 per cent more, in the vicinity of 18 to 22 per cent.

Let me move to the Bill. After reviewing this Bill, two thoughts came to my mind. The first thought that came to my mind was that this Bill has as much to do with national savings as it has to do with power. The second point that came to my mind was: What would Lloyd Best have to say on this Bill? With respect to power few people, including those at UWI, have a clear concept that power is a financial commodity that can be traded as gold, iron or even stock options; there is no difference. The more this commodity of power is broken up, just like a stock market, the greater the democratization of a society.

Mr. Vice-President, under our current weak electoral and governance model, power is concentrated, not in a political party, but in the hands of a Prime Minister, regardless of whether this is PNM, UNC or NAR. Since 1961, this has led to the abuse and fixing of the biases of the electoral and governance models through race-built communities, the source of this nation's greatest discomfort and challenge. It is important that researchers at UWI direct their efforts, attention and writing in this direction in the search for truth and, thus, solutions.

Let us now turn to Lloyd Best. Having read nearly everything he has written in the newspapers, his publications and book, I feel I know this man. I sense that he started dying intellectually the day he returned to Trinidad from Cambridge, the same way I too started to die the day I returned from Yale. Way back in 1986, he pulled out of the alliance knowing that the society was race built, nasty and small minded and because of this the alliance would not last. Even up to last week in a public interview, he called for the dismantling of the race-built police service and the creation of a new one.

This Bill pertains to the savings of everyone in the society. Like myself, his vision for the uniting of all races and interests in Trinidad and Tobago is one where there is a sharing of economic space, in terms of opportunities, education, land and access to financial resources. Very few understand this; certainly not the Downtown Merchants Association (DOMA) or the Chamber of Commerce; no wonder they have never invited him to speak at any of their breakfast meetings.

Like myself, he fully understood that in 1961 trust was destroyed between the two major political groups who will inherit this fund, in the main. He understood that trust was destroyed between the two major groups forming this society and that special interests would play one against the other and continue to dominate the mathematical wealth matrix. Who wants to listen to that in today's society, where the constants are the love of money and the lust for power and domination?

This takes me directly to this Bill. I commend the Minister of Finance for setting aside US \$1 billion in perpetuity in savings for this nation. My job is to look at the weaknesses of the Bill in the interest of making better policy; so let me do my job.

Firstly, let us examine how this Bill will work; let me try to put it as simply as possible so that those who do not have access or have not taken the time to read the Bill can understand it in simple language. Firstly the Minister appoints a board of five; one from the Ministry, one from the Central Bank and three from the private sector, who no doubt and practically speaking would be directors of banks and insurance companies. He then transfers money from the Consolidated Fund into this fund according to a formula; that is step two.

These directors then hand these funds to the Central Bank, where it is currently reposed and is invested from anyway, according to Central Bank guidelines. So these directors hand these funds to the Central Bank and then tell the Central Bank to manage the funds according to its procedures. That is what the Bill says. The Minister then withdraws the funds directly according to a

formula. That is different to the way funds under a trusteeship operate. The way it is outlined in this Bill is different to the way pension funds are presently managed by, let us say, Republic Bank Trust, Royal Bank Trust or First Citizens' Bank Trust. In fact, there are three major players in the trusteeship market: Colonial Life Insurance, the Royal Bank Trust and Republic Bank Trust. The way it is outlined in this Bill is different to the way trust funds are managed by these entities.

I recommend to the Minister a number of different parameters. Instead of the phrase "Board of Governors" I would like to see the phrase "Board of Trustees". Secondly, I would like to see a larger number of trustees, say 10 to 12, for a policy as important as this. My suggestion would be two from the Ministry of Finance, two from the Central Bank, three from the banks, three from insurance companies and two from reputable international consulting investment agencies.

I agree that the rules which govern the fund should be exactly the investment rules of the Central Bank, as determined from time to time. The fund should be managed by the Central Bank and accounted for as funds under trust administration. In other words, let us keep these funds outside of the Government and the Central Bank, but have the investment guidelines exactly as that of the Central Bank by way of this Bill.

I would not like to have an open ended definition of public expenditure as this Bill indicates. I would like budgeting to be based on a five-year historical moving average of oil prices for each present fiscal year; this way, sustainable social welfare and capital development programmes could be developed; otherwise we are talking about boom and bust, high inflation and a non-sustainable high growth rate. I want to point out again, especially to the Senate, the public gallery and the viewing audience, that growth in itself is not a measure of—[*Interruption*]

Mr. Vice-President: Sen. Mungalsingh, it is the second time that you spoke about the viewing audience and the public gallery. I share your feelings that we should welcome the members of the public gallery. I am very sure that you know that you are in the living room of each member of the viewing public. Whereas this is the case, the public gallery is not part of the House. That is an observer area. I prefer if you confine your address to the Chair, please; and that is for everybody. Please, do not do it.

Sen. H. Mungalsingh: Thank you, Mr. Vice-President. I appreciate your advice.

Before you interceded, I was pointing out again that high growth rates in itself was not a measure of good economic management.

The board should not define its own rules to regulate its procedures; this is stated in the Bill. The procedures of this board should be guided by this Bill and by those rules that govern trustees.

Let us look at the formula for transferring funds from the Consolidated Fund. Oil prices are extremely hard to forecast. Forecasts vary by more than 20 per cent. You just have to look at the graphs for each year of forecasted quarterly prices as against actual. So if you take a one year, two year, three year, four year or five year forecast and you take the actual prices on a historical basis and demonstrate them against those prices, you would see that the disparity increases as the year goes out. As the year moves outwards, the disparity becomes more gross and statistically not viable.

For instance, oil companies do not go out more than three years in using forecasted oil prices for developing their capital allocation programmes. Just as for budgeting purposes, the formula for estimated petroleum revenues should not be based on five-year historical moving averages. Clause 15 lacks philosophy. I will try to put some philosophy to the clause. Let us put a 10-year life to the disbursement of this fund up to US \$1 billion in the absolute worst case.

Let us, therefore, delete clause 15(a) and amend 15(b) by changing 25 per cent to 10 per cent. I am not sure and, perhaps, the Minister will explain how he got the 60 per cent and how he got the 25 per cent. Perhaps he saw the fund having a useful life of just four years or he linked four years to a period of any government being in power. That is why I linked the Bill to being about two things: As much about power as a financial commodity, as it is about national savings. By giving the fund a life of, say, 10 years in the absolute worst case, up to a US \$1 billion base, this would be a much better way to handle the nation's savings.

Mr. Vice-President, I would like to see the accounting for the fund by a firm of accountants appointed by the trustee and the audit done by the Auditor General; just as with any other pension fund or any fund under administration. I would also like to see the unaudited accounts published quarterly indicating investment returns, deposits and withdrawals. This is public money and the public savings and, therefore, the public ought not to wait every 16 months to know the status of their savings.

I therefore hope that the Minister would take note of some of these comments and make the appropriate changes.

Thank you.

Sen. Basharat Ali: Mr. Vice-President, I join this debate on this most important Bill. I start by saying that I had a query as to whether this was really a money bill. I think technically it is a money bill, because it is a charge on the consolidated account. I consider it more a policy bill rather than a money transfer bill or a charge on the public purse. In my contribution I am going to address this Bill as if certain items could be amended or reconsidered. I being an engineer dealing with nuts and bolts, my comments will in the long run be primarily related to the nuts and bolts issues, and that is clause 13 of the Bill.

Let me mention at the start that the Bill as it has come to us has a number of amendments made in the other place, so I do not have too many problems with the improvements of its contents, as it relates to the establishment of the fund, the appointment of the board of governors, the functions of the board and delegation of the fund's management to the Central Bank.

7.00 p.m.

I gather from looking at the tele-broadcast that much of this has come about because of the meeting of the minds of Government representatives and at least certain Opposition representatives and I commend both sides for coming to a consensus on some of these items which are mainly of an administrative nature. The work that has been done down there is indicated by the amount of bold prints in the revised Bill, and I really think they have done a good job, and I am hoping that in future, that is what is going to happen, that when something like this comes before the Parliament, the minds meet and approach it on the basis that it is to the common good of all.

Mr. Vice-President, let me start by going to what I would look at in this Bill and the first item I would like to look at is petroleum revenues as defined in clause 2 of the Bill in the definitions clause. Petroleum revenues are divided into three categories in the second definition on page 7: Supplemental petroleum tax, petroleum profit tax and royalties but not including unemployment levy and oil and signature bonuses.

On the question of petroleum profit tax, I believe we could make it more explicit that it is for the production business. If we go to Part I of the Petroleum Taxes Act and read it, one would see that the petroleum profit tax applies to both the production and refining businesses. You can only infer that the refining business is not included by reading the purpose of the fund which is to save surplus derived from the production business. So I would like to see it more explicitly stated.

From the same part of the Income Tax Act, the question of impost is treated there as a petroleum profit tax and here we say quite explicitly that the impost is oil impost, and it is excluded. So this is an amendment which I think would help to clarify the position because when I first read this Bill and I went back to the Petroleum Taxes Act, I said well surely refining business is not included in the taxation. It is just a comment.

Sen. Enill: I thank the Senator for giving way. The intention here is to look at total revenues which would, in the normal cost of the budgeting exercise, be really total petroleum revenues. It does not make the distinction between refining at the level of the tax take.

What is being proposed is simply the total amount derived from a particular company being used, and, as a result of price issues, anything above that goes into the fund. So the distinction you are talking about was not contemplated because this is at the global level, it is at the level of the revenues received from the companies at a particular point in time.

Sen. B. Ali: Thank you, Mr. Vice-President, but I am still unclear because there is only one company involved in refining and it is also in the production business and I will refer later on to the fact that quite a bit of revenue from natural gas does not come under the net of the Revenue and Stabilisation Fund then and the Heritage and Stabilisation Fund now. So I still maintain my position that it is really a nicety, and it makes life easier for those who are not lawyers.

The second item refers to something I have not seen in the listing here and that is, the share of profits from production sharing contracts. That is a line item for revenue which is in the budget estimates for this year, 2007. In going back to income estimates for 2007, we will see under property income, there is \$250 million of revenue which is said to be share of profits from production sharing contracts. I have not seen that included in the stream of petroleum revenues because this—certainly from the older production sharing contracts—would be what is left behind after the Ministry of Energy and Energy Industries pays to the Government all the taxations and royalties and whatever else the companies get tax certificates for.

So I would ask the Minister to please check that and if necessary, it should be added because it is an important stream. Last year, the figure under that was \$430 million in the estimates for fiscal 2006, so it is not peanuts, it is a fairly large number and as far as I can see it is not there.

On the subject of royalty, we all know that royalty on all licences is TT 1.5 cents per million btu or per mcf as we choose to call it, and in the 2005/2006 Budget Statement, I think the hon. Prime Minister and Minister of Finance gave the renegotiated position with respect to bpTT, which is a licensee and they would normally have only the TT 1.5 cents per mcf royalty payment. As a result of this renegotiation, the hon. Prime Minister and Minister of Finance in the 2006 Budget Statement, referring to that royalty said:

“I am happy to announce that my Government has secured agreement with the company to a volume equivalent to 10 per cent of gas sold to LNG. This royalty will be implemented in a phased manner beginning in 2005 and be fully effective by 2008.”

That was the statement with respect to natural gas from bpTT, but it only applies to natural gas sold for LNG manufacture, so it is only part of bpTT’s gas production.

In that same budget debate, a former Minister of Energy and Energy Industries gave some numbers to what the build-up to the 10 per cent was going to be such as 50 million cubic feet per day in the years 2005 and 2006; 100 million in this current year, 2007; and a figure of 185 million cubic feet per day in 2008 based on the expected input to LNG by bpTT of 1.85 billion cubic feet per day. So those are the numbers for natural gas going as royalty.

This royalty presumably, could be taken in kind. In fact, it may be possible for the Government to put that into LNG and fetch the downstream benefits of it. Alternatively though, the royalty number could be taken in kind and I would like the hon. Minister of Energy and Energy Industries to confirm that even if we take this royalty in kind, when it comes to computation, the price or value of that royalty will be treated as income and calculated at well-head price based on the net back value of LNG. So even if you take that 1.85 million cubic feet of gas per day which bpTT puts into an LNG plant and give it to smelters, it will still go in the books as gas at the Henry Hub minus all these numbers. Some people say if the Government gives the natural gas to a smelter at \$1.00 per mcf it is not a subsidy.

I would like to remind Senators that royalty is partly a cost to the Government because when a company pays its royalty, it is a tax deductible item for them and since petroleum profits tax is 50 per cent, then the Government and people of Trinidad and Tobago automatically have a cost of 50 per cent of that gas value associated with it. So I would like to place this before the hon. Minister for confirmation and answering when the time comes.

Mr. Vice-President, I believe that the most important clause in this Bill before us is clause 13 and specifically clause 13(3). I will read it for those who may not have done so and then I will speak to it as I go along. Clause 13(3) which is on page 12 of the Bill says:

“13(3) For the purposes of this section the estimated petroleum revenues, other than royalties, shall be calculated on the basis of a unit price for petroleum derived from an eleven-year moving average for prices at which crude oil and natural gas were disposed of in a current financial year, such eleven years being five years immediately prior to that current financial year together with the prices projected for the disposal of such crude oil and natural gas for the five years immediately following the current financial year.”

So there are three price elements which are used in the arrival of that moving average; there is a historical five years, then the actual current financial year, which I presume in later years would be the budget figure. It may not be, it is a number proposed for that year, and then the final five years which are the projected numbers and there is where we start crystal-balling a little.

I have questions as to how we are going to arrive at the projected numbers for the five forward years. Is it going to be by employing a consultant who will be doing projections on an annual basis, for the next five years—companies like Petroleum Industries Research Associates (PIRA)? Are we going to use multi-client studies or client specific studies, or are we just going to do an estimate? That is where I see a difficulty because that average number there is a number which determines what excess revenues are going to be, and it can go up and down depending on what you choose. You can reach a situation where the Board of Governors has little to do because there is nothing to be transferred to the Heritage and Stabilisation Fund and that is a concern to me. I would like the Minister to spell out what those particular numbers are, the methodology, I should say.

I heard him speak of Henry Hub for the unit price of gas and that, as we know, is only for LNG from which all these costs are backed out in order to arrive at the well-head cost. In natural gas, there is also about 50 per cent of it going into the local manufacturing industry and that is not related to Henry Hub at all, it is related to what is negotiated with all the production companies by the National Gas Company which is basically the only company that is buying and reselling

natural gas and transportation, of course. So 50 per cent of that is not a clear figure. I do not know if we ever know what that figure is, unlike when we say that Henry Hub is \$3.50 it means that the benchmark calculated for gas based on Henry Hub is \$3.50 which means we start at \$7.00 or whatever and subtract our least numbers to get at that figure.

This is going to be a little more difficult as we go along each year. For example, we have a new regime of gas going to be bought, three new tranches of gas to be bought from companies; National Gas Company has signed an agreement with British Gas for 220 million cubic feet per day starting from January 01, 2009 for 15 years. So there you have a new tranche of gas, what the price is, I do not know. Each year I am sure there is an escalated clause of some kind in these gas contracts. That is how it is unless it has changed since I used to do that work.

BHP Billiton has signed an agreement for 220 million cubic feet per day from 2009—2010 from what I understand and EOG resources 110 million cubic feet per day in the same period 2009—2010 presumably for 15 years. So we have 550 million cubic feet of gas per day coming on stream in 2009—2010. I do not know the price, but I am sure it is going to be changing each year.

So when one looks at that element of the gas which as I said with four trains is about 50 per cent of the total gas production, one will have a mix of all these contracts to which NGC has entered apart from the gas that is going into LNG. So that is a big exercise on the side of gas.

Mr. Vice-President, my concern about the moving averages is a very strong one and I took the step of trying to test it. I am sure the hon. Minister has tested the formula already, but I, in a very simplified way did the same thing by looking at the historical price for five years, the current 2007 price, and what I thought may be the best figures I could think of for the further five years.

I will read the numbers slowly so you can digest them a bit. All the prices are given in US dollars per barrel and it is West Texas Intermediate Crude Oil published by the Energy Information Administration (EIA) of the US Department of Energy for about six or seven years.

In 2002 the US dollar per barrel figure, US \$26.18; 2003, US \$31.08; 2004, US \$41.51; 2005, US \$56.64; 2006, US \$66.02. Those were the five historical years. The current year 2007, US \$59.08 and then there are the projected years. In 2008, US \$62.58; 2009, my educated guess is US \$61.00; 2010, US \$60.00; 2011, US

\$59.00; 2012, US \$58.00. Those, as I say, are an educated guess because I looked at the EIA 30-year projection which is based on 2005 dollars and I just used those purely for an illustrative purpose, so I hope nobody would say those are not the figures.

[MADAM PRESIDENT *in the Chair*]

I come here and when I do the 11-year arithmetic average on that I come to \$52.80. As soon as this Bill is assented to, this Act commences.

Madam President: Sen. Ali, speak to me.

Sen. B. Ali: I am sorry, Madam President, I am speaking to you. As soon as this Bill is assented to, then it becomes operational, there is no proclamation, the commencement date is presumably the date of assent. As I said, the moving 11-year average I worked out was \$52.80 for the current fiscal year, but the budgeted figure from petroleum revenue for this year was based on US \$45.00 per barrel so I have to ask the hon. Minister what is going to happen in 2007 particularly, because there is no transition written into the Bill. I can only assume that the budgeted number of US \$45.00 per barrel is what will be used and that will be the number against which the actual petroleum revenue will be measured. The actual petroleum revenue is whatever it comes out at, the current price over the fiscal year plus the gas, and that is what would determine what is available to be transferred from the Consolidated Fund into the Heritage and Stabilisation Fund.

So Madam President, through you, I ask the hon. Minister to please clarify what is going to happen for this year. Presumably from next year, there will be a different way of doing it because by then we would have worked out the average in dollars per barrel and that would be the target number we would have to look at. I would like that to be spelt out because it is so critical that we must all know especially those of us who may still be here. I do not know who will be here, but it should go into the record when the next budget is being made as to how they arrive at the historical, plus current, plus projection prices to arrive at the 11-year average figure.

That is an extremely critical part of the Bill and I think we must get the answers to that because it is so critical we cannot leave it to chance. It is critical because we want to make sure that we get the maximum amount based on these formulations into the Heritage and Stabilisation Fund.

On the question of the Heritage and Stabilisation Fund also and the revenue, I have a question once again to the hon. Minister which relates to petroleum production levy. I presume that on its own it is a revenue stream which is based

on the subsidy to petroleum products and I believe there is a cap of 4 per cent of petroleum or oil revenues from those companies that produce oil. Is that going to appear as part of the stream and the subsidy picked up as expenditure? I would like to know.

I believe the hon. Minister might confirm with me that last year, in fiscal 2006, the subsidy was supposed to be \$1.3 billion, and I am not sure whether that excludes the amount collected as petroleum production levy.

For 2007, the estimate for the shortfall for subsidy is \$563 million. That is a huge amount of money and I continue to be very concerned as to the amount of subsidy there is, and one of the first things when the rainy day comes is that we would be looking at it. I would like to see how much we are foregoing always highlighted, because basically this is what we are doing. We are foregoing revenue to put it into subsidy for the people who drive motor cars, buses, et cetera.

The other subsidy—we have preferred prices for the Trinidad and Tobago Electricity Commission (T&TEC) for example. That is also a subsidy, so we have a lot of hidden subsidies. I think some day we may have to stop looking and start thinking we are not in a fool's paradise. I know the hon. Minister has always had concerns about subsidies and I think that one way of preserving conservation is by looking at that and raising the price of gasoline. I know it is a very unpopular thing to say but gasoline is a fuel that is there and that is where the major subsidy goes in, but if we walk more from one place to another, we will save fuel and, therefore, if we save fuel, we will have more to put into our Revenue and Stabilisation Fund.

Madam President, I am appealing to everybody that we need to really look at this. I know there is a strong view that there should be two funds; one that we can dip into and the other one which becomes basically a sterilization fund. In a way we are sterilizing \$1 billion into the Heritage and Stabilisation Fund, but it may be that we really should be looking at it each year and sterilizing further and further funds that go in do not come out again and are kept for the next generation.

Madam President, that is as much as I would like to say, except there is one clause and this I would probably raise in committee if we reach to that stage and that is clause 22 which speaks to a review every five years. When I read it, I do not see that in the way it is stated, so maybe it is an editorial or cosmetic thing but clause 22, on page 15 says:

“22. The provisions of this Act shall be subject to a review by the Minister who shall submit a report to the Parliament every five years.”

It does not say it is a five-year review, it says the Minister has to send a report every five years. Just to clean up some language will say that the review will take place every five years and the Minister will report to the Parliament.

Those are the observations that I have. So I am hoping that we get through this Bill and get into the Heritage and Stabilisation Fund and make provision for the rainy day and our future generations.

Thank you, Madam President.

Sen. Raziah Ahmed: Madam President, in listening to the Minister's presentation, I could not help but remember the opening lines of Charles Dickens' *Tale of Two Cities*, and in my mind I began to repeat these opening lines and to say myself that it was the best of times, it was the worst of times. It was the age of wisdom; it was the age of foolishness. It was the epoch of belief; it was the epoch of incredulity. It was the season of light; it was the season of darkness. It was a spring of hope; it was the winter of despair. We had everything before us; we had nothing before us. We were all going direct to heaven; we were all going direct the other way.

And so, Madam President, at first, I have to admit that I was somewhat enamoured by the new insertion of the word “heritage” by the present regime into the Interim Stabilisation Fund established by the visionary UNC government when oil was a mere \$16.00 a barrel six years ago; when at that time it was envisioned that oil prices would soar and we knew we were dealing with a diminishing natural resource.

As spelt out in clause 3(2)(c) of the Bill, as it implied that something would be put away for our grandchildren and their grandchildren and so I was admittedly enamoured. As I perused the Bill from the perspective of economic Stabilisation policy, there was nothing new or innovative that was added to the concept of setting aside money for our future generations as originally subscribed to by the fathers of the Stabilisation fund, the United National Congress.

7.30 p.m.

Then I had to return to the new word, “heritage”, and I had to seek clarity on the *raison d'être* for its insertion. In that search it became clear to me that what was weaved into the construct of the insertion is that implicit in the word “heritage” is a serious and far-reaching implication that something is being lost forever.

So, as the Minister said, maybe the word was inserted because the oil and natural gas are depleting faster than ever before and generations to come would remain with a memory of the times when oil and gas were the mainstay of GDP and our economy, and that non-energy resources would have assumed levels of dominance in a well-managed economy. So I was still very excited. But in perusing the Schedule and the measures of the Bill, I became convinced that there was really a lack of insightful measures and mechanisms for the operation and management of the fund as set out in the Bill before us and I began to wonder if it was just a matter of renaming the Interim Stabilization Fund.

A closer examination of clause 4(1) and (4) leaves a multitude of concerns in my mind. The first one was broached in some form or fashion earlier, but it was very clear in clause 4(1) and (4) that the Minister alone—perhaps implied in this is the Cabinet as well—advises the President to appoint a five-member board. The single comfort for me in the composition of that board is that officer from the Central Bank. I still believe that Central Bank will remain an oversight authority within the structure, with the levels of integrity that are desirable and essential. However, the other four members of this board charged with the responsibility of maintaining a fund in perpetuity, are all partisan. Is it not so? The Ministry's appointee is a subordinate of the Minister. Is he not? The chairman, as named, is selected again by the Minister who advises the President. Is that not right? And a quorum consists of three persons.

The National Insurance Board that oversees our pensions and so on, consists of 11 members and here we have this massive fund in excess of \$8.6 billion—perhaps at this time, and anticipated to acquire another \$1 billion-odd again this year—is being managed by a quorum of three persons. Is that really proper? Can we leave the birthright of our great, great grandchildren in the hands of a board of governors appointed by a political figure or figurehead? Of course, I make a huge assumption that there will be money left over by the time the great, great grandchildren are born. But I will resume that thought later.

More immediately in clause 10 of the Bill we read about the delegation of the fund manager and we are told that the fund manager is the Central Bank. So the board determines the investment guidelines with a quorum of three persons and the Central Bank employee, together with the Minister's appointee, together with the Minister's selection of chairman, can sit together—three of them—decide on the investment rules, the risk tolerance that we will adopt; and who reports to whom? Is that not himself managing himself? And is that not the first thing that fund managers avoid?

The IMF, in its recommendation to us with respect to the Stabilization Fund, suggested that for the State to truly maximize its earnings it must follow best practices, plus fashion its new fund after the Norwegian model. So the Minister referenced that such a model was, indeed, looked at. In particular, the IMF recommends that we model the Norwegian Petroleum Fund, now called the Government Pension Fund of Norway—because it was renamed last year—in terms of operational aspects, asset management and transparency standards.

So what is instructive about that fund is, this fund was established in Norway in 1990 in anticipation of the same kind of scenario: income decline as a result of a diminishing natural resource. Their fund is now at US \$266 billion and their population is approximately three times ours. When we look at clause 18 of our Bill, we get some idea as to how our fund, the HSCF, will be managed. We see that, in effect, the operation is top secret. We will depend on the Auditor General to perform the routine audit as outlined in clause 16(1) and clause 20, but only the Minister receives the investment report and the Minister submits a report to Parliament every five years.

I wondered if I read that wrong. Clause 22 states:

“The provisions of this Act shall be subject to review by the Minister who shall submit a report to the Parliament every five years.

Sen. Enill: Thank you, Madam President. Yes, it is the review of the Act, not the report. The report is annually. The section that deals with that report; there are two pieces. One is the review of the Act and the other one is reporting annually. But review of the Act to change issues would be every five years.

Sen. R. Ahmed: Thank you for that clarification. I am glad to hear that so that, in fact, we would be reported to more frequently.

So let us look at the Norway experience. In 1998, the fund managers at the Norway Central Bank allowed a decision to invest 50 per cent of the petroleum fund on the international stock market. In our case, if that happens, it may very well remain top secret. However, the Minister did say that some 60 per cent of our funds will be invested in highly liquid, fixed income assets as well as bonds and equity. The Norway experience was that the fund managers invested in certain highly controversial companies, for example, companies that manufactured nuclear missiles for planes and submarines and companies that operated simulation exercises for nuclear explosions, as well as tobacco companies and other companies that manufacture ammunition for war. So two years ago an

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advisory council on ethics was set up in Norway to monitor the operations of the fund along ethical guidelines. I would like to hear from the Minister that we, too, have provisions that would be made public with respect to controversial companies.

Every mutual fund, which is one of the first places that people think about when they think about fund managers, typically declares upfront exactly what percentage of the portfolio will be invested to high-risk instruments, medium-risk instruments or low-risk instruments, and that declaration is usually designed to assist the people who participate in the fund so that there will be some form of balance with respect to the investment of their money.

We are told that the reports will go to the Minister. We are not certain that as constituents—the entire population of Trinidad and Tobago falls under the heading of constituents; we are not told how often we will get that report and we are saying a minimum of quarterly is an acceptable time frame. If we fail to do that it may be possible that the heritage we speak about will be invested in such a way that certain minority groups within our society will never be able to have access to those funds.

Let me give you an example of what that means. Currently, the National Lotteries Board—and for a number of years—has been making contributions to various social groups for social works; to various cultural groups in order to secure a cultural identity, et cetera. However, because there are certain minority groups in the society who believe that gambling is an abomination, such groups have never been able to access that kind of funding in order to do the social work that such groups are designed to perform. Therefore, I am asking, through you, that the hon. Minister recognize that this is a peculiarity within the system and a right enshrined in the Constitution for people to practise these traditional beliefs that ought to be protected, and we should be told upfront that the fund is being safeguarded against investments in those companies that are involved in things like alcohol production, gambling and maybe other kinds of non-acceptable and prohibited industries, with respect to the religious beliefs of certain minority groups.

That is extremely important, because we will not be around when the great, great, great grandchildren may not be able to have access to the fund in perpetuity because the fund managers had probably invested in alcohol or gambling companies. So it is extremely critical that this be inserted immediately.

There is another concern that we have with respect to the management of the fund. The Alaska Permanent Fund is another fund that was set up along similar lines. The Alaska Permanent Fund was also based on excess oil revenues. The

experience, however, in Alaska, was that there was a perception that politicians were using the fund in what was described as certain out-of-control spending jaunts. So we need to have safeguards with respect to what really triggers access into the fund.

Can we accept that a simple budgetary shortfall is sufficient to access what is now re-branded as a Heritage and Stabilisation Fund? Are we to accept that a mere US \$1 billion in perpetuity is sufficient? Do we have guidelines, for example, as to what we do with the earnings of the fund, separate and apart from the deposits into the fund? If these funds are invested prudently and they generate huge returns, there must be specific guidelines as to what we do with the earnings, because with the Alaska Permanent Fund experience, there was a tendency to use earnings, creamed off the top of the fund for the pet projects of politicians.

It is instructive that in the Alaska Permanent Fund the literature says it was set up as an inviolate trust, meaning that the investment was to last into perpetuity. Yet we have concerns by outside parties about how the money is really being spent. With respect to the Norway Fund, we have evidence in the business literature that the moneys were actually used and invested in non-desirable types of businesses. The question we must answer is whether we want our children to maintain their ethnic, cultural and religious identities and whether we can do anything to support that, or whether the future of this country is a huge melting pot, as envisaged by some.

I would like some explanation as to what the Minister meant when he said that the investments would be insulated from changes in the domestic scenario—

Sen. Enill: We invest it abroad.

Sen. R. Ahmed:—and what will be the scenario when there are currency fluctuations in the United States dollar as against the TT dollar, and whether all of it is in US dollars or not. If we are going to be doing international investments, what would be the relationship if the US dollar continues to slide, as it has been sliding for the last couple of years against the Euro dollar?

Another concern that I have with respect to the Bill is in the Schedule where the Central Bank is essentially—paragraph B states:

“The Central Bank as Manager of the Fund shall not be liable for any error of judgment or for any act or omission or any loss suffered in connection with the matters to which the delegation relates, except for loss resulting from

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gross negligence or wilful misconduct in the performance of its obligations under the delegation nor for any loss incurred by reason of any act or omission of the custodian, external managers or any third party.”

So the Central Bank gets off scot-free except for gross negligence or wilful misconduct.

If we invested some of our moneys in a prostitution business in Las Vegas, or in a hotel chain that was involved in some kind of fancy trade that goes under exotic names these days, is that gross negligence or wilful misconduct? If it happened, it would mean automatically that certain minority groups will never be able to access a cent from the Heritage Fund. So we need extreme clarity with respect to this, because, quite frankly, there is a perception among the minority groups that there is no need on the part of politicians to understand their concerns.

On that note, I thank this honourable Senate for this opportunity to speak on this Bill. [*Desk thumping*]

Sen. Dr. Tim Gopeesingh: Madam President, this Heritage and Stabilisation Fund Bill that is before us took five years in coming since the United National Congress started this Interim Stabilization Fund in 2001. When the bust and the boom of the 1970s and the 1980s started, we realized in about 2000 that there was the necessity for us to come together to provide some sort of adequate stabilization for the economy in terms of savings when we have increased income from oil revenue and from natural gas.

We, in the United National Congress, began depositing money into the fund when the budgeted price of oil was starting at \$16 in 1999/2000. Our stated purpose for that fund was to provide exactly what the Minister of Finance is now saying that this Bill is going to do. We started that in 2000/2001. We did that to provide a cushion against an unexpected drop in oil prices and to strengthen public sector savings. That promise was made in the United National Congress budget of 1999/2000 and the UNC kept its promise in fiscal 1999/2000.

The oil revenues were higher than it was estimated and as a result of that increased oil price and production, we formed the Interim Revenue Stabilization Fund. By March of 2000 the petroleum revenues, which included the supplemental petroleum tax and which included the petroleum profit taxation (PPT) and royalties, had reached up to by the end of December 1999, \$27.8 million in excess of the budgeted revenue and \$17 million more for the quarter ended March 31.

So the excess petroleum revenue by the end of March 2000 was in the vicinity of \$48.8 million. With that in mind, the UNC Cabinet considered proposals and took decisions with respect to the setting up of this Interim Revenue Stabilization Fund, and on May 10, 2000, the UNC Cabinet agreed to the establishment of this fund to be set up under section 43(2) of the Exchequer and Audit Act, Chap. 69:01 of the laws of Trinidad and Tobago. We transferred the sum of \$415.27 million into the fund for our first fiscal year, 1999/2000, and again, just before the end of fiscal year 2000/2001, when the revenues exceeded the budget estimated amounts for that fiscal year, we transferred a further sum of TT \$600 million into the Revenue Stabilization Fund.

This means that when the UNC demitted office, we had seen within that period for the Interim Revenue Stabilization Fund just over \$1.15 billion. Over the period between 1973 and 1982, the country benefited from very sharp increases in prices, and during that time the Government took no steps to diversify the economy—as is happening now during these boom years—and the manufacturing and agricultural sectors were eroded. Between 1983 and 1993 we saw a drop and a deep recession and persistently low oil prices pushed our economy in a decade-long recession which resulted in the emergence of a fundamental economic imbalance. So it was a period of bust.

What happened over the last six years since this Government came into existence, we have been witnessing some degree of fiscal mismanagement. If we are trying to establish a Heritage and Stabilisation Fund to save money and in that account there is \$8.1 billion, what is the use of trying to save when our fiscal policies are out of context with our monetary policies and the Central Bank Governor is telling us on a daily basis that the fiscal policies are not in keeping with his monetary policies of the Central Bank; they are out of sync and they are counter-cyclical to prudent financial management?

What we are experiencing now during the last five or six years of this administration has been a massive over-spending by this Government. In 2002/2003, the total budget expenditure was \$1.8933 billion; 2003/2004, \$17.846 billion; 2004/2005, \$25.502 billion and in 2005/2006, \$37.978 billion. I believe that this is coming up to \$135 billion being spent by this administration over the last five or six years. What have you seen? There has been massive overspending; we do not know where the spending is taking place and we have nothing to show for it. On one hand we are saying we will try to put money in the Heritage and Stabilisation Fund and we are saving \$8.1 billion but on the other hand we are spending over \$135 billion in a five-year period. Does that make sense? Fiscal mismanagement.

8.00 p.m.

In this country we have over 110 statutory boards, similar bodies and state enterprises. If we are to examine almost each of them there seems to be massive overspending and the country is unable to determine where the money is going and what expenditure is taking place. If we are to examine the statutory boards, similar bodies and state enterprises and determine the spending that is taking place we would see evidence of massive corruption and lack of transparency and accountability. The Office of the Attorney General as one of the statutory boards, we have a corruption bureau and an anti-corruption squad. We do not know what is happening there; to whom they are responsible and report to? Is the Commissioner of Police responsible for them? Are they responsible to the Commissioner of Police? We do not know what expenditure is taking place there.

We have expenditure in the Ministry of Community Development, Culture and Gender Affairs and the National Carnival Commission of Trinidad and Tobago. We want to save money in the Heritage and Stabilisation Fund but it would seem that for two days we are putting up a temporary building around the Queen's Park Savannah for \$20 million and one in south for two or three days of Carnival for another \$20 million. If that \$20 million and \$20 million were added to this Heritage and Stabilisation Fund and saved properly rather than overspending and bad expenditure, it means that we would be doing the work better for the people of Trinidad and Tobago.

Sen. Yuille-Williams: Madam President, I would like to know from where the hon. Senator gets his figures. Sometimes they just talk to say things so the public would listen. That is being very reckless at this time. You have no evidence of that. I had it already from your friend a long time ago about large sums of money and you are starting with this thing about large sums of money. You have no evidence of anything costing \$20 million. What is the Parliament doing now? You are just making the thing look so ridiculous. We are here for serious talk.

Sen. Dr. T. Gopeesingh: Let her tell us. [*Crosstalk*]

Madam President: Senators, although you have privilege of free speech in Parliament there are times when you are too reckless in the way and the figures that you bring. Because you have freedom of speech you cannot be upbraided about it. You need to have proof and be able to prove what you are saying. You cannot throw figures off the—you say \$20 million somebody else will get up and say \$30 million. Unless you have your figures correct, if the Minister comes with the right figures you would be proved wrong and you would have proved to have told an untruth to the Senate.

Sen. Dr. T. Gopeesingh: Madam President, I believe that this is the figure. I have heard it being said. It is an opportune time for the Minister of Community Development, Culture and Gender Affairs to indicate to us the amount of money. Unless stated otherwise, we are to believe that this is the amount of money spent by the Ministry of Community Development, Culture and Gender Affairs. I am trying to draw examples of the fiscal expenditure, waste and mismanagement as far as this administration is concerned in a number of statutory authorities and state boards that come under various ministries. The country is left in a quagmire as to where this money is being spent and what is happening.

The National Commission for Self-Help is one of the state enterprises that come under the Ministry of Community Development, Culture and Gender Affairs.

Sen. Dr. Saith: Madam President, earlier in this Sitting we had a similar situation where numbers were thrown out and when the Minister of Works and Transport began to respond to it, he was shouted down; screamed at and all the rest. We are heading into a similar situation. I wish the same thing that you did to the Minister—tell us the letter; who wrote it and give us the facts—is applied now. If the hon. Senator says \$20 million, let him quote it. If not, let him ask the question. [*Crosstalk*]

Madam President: [*Gavel being pounded*] Senators, the problem is that you are going to state those figures and if the Minister starts denying it, then you would get annoyed about it. It happens all the time. Senators, please be careful of what you are saying. You are going now to another ministry. Just be careful of what you are stating. Sen. Dr. Gopeesingh, you are getting as reckless.

Sen. Dr. T. Gopeesingh: Madam President, this Minister is responsible for the National Carnival Commission.

Sen. Yuille-Williams: If you want to know ask a question.

Sen. Dr. T. Gopeesingh: Madam President, we asked the question for the Minister to tell us how much is being spent by the National Carnival Commission and the National Commission for Self-Help. These are two state enterprises and statutory authorities that we have tremendous difficulty as far as the expenditure is concerned.

The Minister of Finance has the National Insurance Board as one of the major statutory boards and state enterprises. We understand that the National Insurance Board has almost \$10 billion to \$12 billion under its portfolio. The pension system in Trinidad and Tobago is going haywire and about 20 years lagging behind. Where is this money going?

Sen. Dr. Saith: Madam President, on a point of order. If he wants that information the National Insurance Board has a report. Come and say in the report of the National Insurance Board last year, it had \$12 billion. If he does not have that information, do not call any figure.

Sen. Mark: Who are you? You will tell us what to do?

Madam President: On a point of order of what? Irrelevance?

Sen. Dr. Saith: Yes.

Madam President: Then, I have to uphold that. Sen. Dr. Gopeesingh, come with the facts. There is a report that is put out by the NIB as the Minister says. Do not come here and throw out a figure. I am tired of that happening now. One Senator after the other does that.

Sen. Mark: You are talking about that but when you heard and Danny Montano said his son hacked into the system in the bank and saw \$10 million, what did you say? “He son died and he was lying.” Sorry.

Sen. Dr. T. Gopeesingh: Madam President, we are asking the question about the expenditures in these areas. The country has serious questions.

Madam President: Senator, the Minister wants to answer your question.

Sen. Dr. T. Gopeesingh: Yes. Answer the question on NIB. How much money does NIB have?

Madam President: All right, I am on my feet now. [*Crosstalk*] Please do not tell anybody to shut their mouth. Go ahead.

Sen. Enill: Madam President, the Senator asked a question and I think that it is a relevant question.

In terms of the \$13 billion that he is querying it is made up as follows:

Items	Sums (\$ million)
Fixed assets	82
Investments in properties	116
Employee benefit assets	241
Investment in subsidiary companies	32
Investments, held to maturity	6 (billion)
Mortgage advances	108

The fact of the matter is that I laid this here this afternoon. This document came to the Ministry and it has every dollar spent by the National Insurance Board; where it is; what bank it is; on what basis it was determined; where the head office is and how many actuaries there are. All that information is here. If the Senator has a question about this information I will answer it. The information that he asked for is contained—as much as we want to say what we want to say, we did it this afternoon.

Sen. Dr. T. Gopeesingh: We are yet to see detailed analyses of expenditure and income of some of these statutory authorities, state enterprises and boards. The Joint Select Committees of Parliament can only look into three or four per year and almost 100 of them are left without analysis year by year. We do not know what is happening with Government's expenditure. It is not put in the budgets in terms of how these state enterprises are functioning. When we say that we want money to be saved for the Heritage and Stabilisation Fund, are we wasting money like that? It is unacceptable. Fiscal mismanagement is taking place and we are going to save in the Heritage and Stabilisation Fund. We could go on and on with all the state enterprises.

In the National Lotteries Control Board there is total mismanagement and corruption in terms of the award of moneys being given by the board. The National Enterprises Limited was taken from under the Freedom of Information Act and 10 or 11 state enterprises were taken off including the Central Bank, NEDCO and First Citizens Holding. People cannot get information. We are in a quandary as to where all these state enterprises are moving with the wastage of money and fiscal mismanagement on a daily basis.

Another one is the National Maintenance Training and Security Company Limited gone bust and we do not know what is happening. Who is responsible? We spent \$2 billion on BWIA to change the name to Caribbean Airlines. We gave up the hangers in Heathrow and the other countries for \$5 million. The people who made the recommendations to change BWIA to Caribbean Airlines are on the board of the new Caribbean Airlines. Massive corruption, nepotism and cronyism are going on in this country while we talk about saving in the Heritage and Stabilisation Fund.

Sen. Mark: The whole pension plan was transferred to Lok Jack, Guardian Holdings.

Sen. Dr. T. Gopeesingh: All these state enterprises as the National Housing Authority where at one time almost \$100 million could not be accounted for—You now have the Housing Development Corporation that is now spending

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about \$2 billion in housing. We do not know where the money is obtained from; how the money is spent; who is getting contracts to build houses and on what basis they are being tendered. This country is asking millions of questions on a daily basis on what is going on in these state enterprises.

The National Emergency Management Agency (NEMA) of the Ministry of National Security is something that you cannot even ask about. NEMA does not seem to exist.

Sen. Joseph: NEMA does not exist.

Madam President: The Minister said there is no NEMA.

Sen. Joseph: Thank you very much, Madam President.

Sen. Dr. T. Gopeesingh: Is it a matter of clarification?

Sen. Joseph: Yes, a clarification.

Sen. Dr. T. Gopeesingh: No. I am not giving way to him.

Sen. Joseph: He asked about NEMA. He is misleading the Senate. There is no NEMA.

Madam President: Both of you sit, please. You said NEMA. The Minister is saying there is no NEMA. He wants to tell you and I think that you should give way. Please.

Hon. Senator: Where are you reading from?

Sen. Dr. T. Gopeesingh: Madam President, I am quoting from the June 2004, Joint Select Committee of Parliament, Eighth Parliament 2003—2004.

Madam President: It is 2007.

Sen. Dr. T. Gopeesingh: If it has changed he can tell us that it has changed.

Madam President: Give him a chance.

Sen. Dr. T. Gopeesingh: He will have his chance. They have to respond.

The Ministry of Public Administration and Information—the Telecommunications Authority of Trinidad and Tobago. What is the hon. Minister doing about opening the telecommunication industry? Digicel is quarrelling everyday about the unfair game that is going on with TSTT that is blocking Digicel from getting any sort of

connection. Digicel has to work on its own. I am not saying that anything is wrong against TSTT trying to have the larger market, but it is unfair practices. While TSTT is making money the people are suffering because bmobile is not working efficiently as it should. It comes under the Ministry of Public Administration and Information.

What has he done with the National Broadcasting Network (NBN)? They closed down TTT. They talk about heritage. TTT was there for years and years. Since Independence, for about 38 to 44 years we know about TTT. Now you bring NBN and we understand that there is massive expenditure to bring on NBN. Why is this happening in Trinidad and Tobago? State enterprise after state enterprise, waste and mismanagement. This administration only wants to change name. They changed BWIA to Caribbean Airlines for \$2 billion; they changed TTT to NBN, for how much money? You have to tell us how much money.

Madam President: I am trying to decide the relevance of all that to this Bill. I have not heard you refer to one clause in this Bill. The debate is about the clauses of this Bill.

Sen. Mark: Heritage.

Madam President: Senator, you are not talking about heritage.

Sen. Dr. T. Gopeesingh: Yes. NBN and TTT are heritage.

Madam President: Senator, you are arguing with me.

Sen. Dr. T. Gopeesingh: I am not arguing with you. I am telling you the facts.

Madam President: I do not consider that to be heritage. Please come to the Bill. You have not spoken on the Bill. Unlike the other Senators who spoke on the Bill, you have not done so as yet.

Sen. Dr. T. Gopeesingh: Madam President, this Bill is about a money issue. It is about putting money into a Heritage and Stabilisation Fund in the context of fiscal management. The hon. Minister of Finance in his presentation of the Bill spoke about all these areas. If I can find it now I would tell you what he said, so therefore, I cannot be ruled irrelevant based on the Minister's presentation.

Madam President: Are you telling me that I cannot rule you irrelevant?

Sen. Dr. T. Gopeesingh: No I am not telling you.

Madam President: Senator, I am on my feet. Are you telling me that I cannot rule you irrelevant?

Sen. Dr. T. Gopeesingh: No.

Madam President: Okay. I hope so.

Sen. Dr. T. Gopeesingh: I will find what the Minister raised in his presentation. Let me get back to it now.

Sen. Mark: “You all doh have ah fete to go to?”

Sen. Dr. T. Gopeesingh: He spoke about this:

“...we ensure that future generations can benefit from non renewable resource wealth...”

I am speaking about wealth that is expended on state enterprises.

“notwithstanding the depletable nature of our resources.”

He spoke about sound fiscal policy framework. I am talking about fiscal policy framework.

I am talking about expenditure in state enterprises. That is fiscal policy of government. He said:

“...sound fiscal policy framework which ensures that the country invests in developing social infrastructure to improve the quality of life for its citizens.”

These state enterprises and statutory authorities improve the lives of citizens of Trinidad and Tobago. If the Minister of Finance could speak about this, why I cannot speak about it, Madam President? I am responding to him. He also said he also saved a substantial amount of earning from those resources.

“This is necessary to finance education, health, housing, social services, national security and infrastructure, which are critical in delivering sound and sustainable economic growth, improved employment opportunities and reliable and affordable public social services.”

I am quoting what the Minister said. I am responding to what the Minister said by indicating the expenditure in some of these state enterprises that goes towards these social infrastructure programmes.

The Trinidad and Tobago Electricity Commission is part of the social policy programme necessary to finance social services. We understand that a total of about \$6 million to \$7 million has been spent on the Street Lighting Programme. Who has accounted for that? Who has been the agent to bring all the street lights

in Trinidad and Tobago? Where has the money been spent by T&TEC? Where did they get the money from? There are so many questions left to be answered in the context of what the Minister indicated about sound fiscal policy necessary to finance health, education, housing and social services. I am responding to that.

In the Ministry of Science, Technology and Tertiary Education we know about the fiasco with COSTAATT. I am responding to the hon. Minister.

Madam President: You are not, Senator.

Sen. Dr. T. Gopeesingh: The sum of almost \$500 million was spent recently by the University of Trinidad and Tobago (UTT) without any sort of accountability and transparency in terms of developing education. Plipdeco had some massive corruption with the purchase of cranes. We spoke about BWIA and National Flour Mills. Almost 100 to 110 of the state enterprises under this administration have massive overspending, corruption, cronyism, nepotism and massive waste. We are saving \$8 billion in the Heritage and Stabilisation Fund but we are wasting billions and billions more; \$135 billion spent by this Government in four to five years.

I want to compare the prices of oil that this administration has had under its wings from 2001—2006. In 1996, the Government revenue from oil was \$3.1 billion, when the average West Texas intermediate oil price was US \$21.2. In 1997, the Government's revenue from oil was \$2 billion under our regime and the price was US \$20.61. In 1998, our revenue from oil was \$1.2 billion and the average West Texas intermediate oil price was US \$14.42. In 1999, revenue was \$2 billion and in 2000, US \$4.4 billion. Under our regime our revenue from oil was \$12.5 billion and the average prices of oil were \$22, \$20, \$14, \$19 and \$30. In 2001, at \$3.5 billion we were able to put \$1.1 billion in the Interim Revenue Stabilisation Fund. In 2002, this administration received the following in revenue from oil:

Year	Amount (\$ billion)
2002	3.7
2003	6.9
2004	8.1
2005	11.1
2006	18.5

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Almost \$50 billion they received in revenue from oil from 2002—2006 and they only put in \$7 billion in the Interim Revenue Stabilisation Fund. Year after year the UNC had been speaking about this Interim Revenue Stabilisation Fund and it took five years before they could enact the legislation. Hear the prices of oil under their regime:

Years	Prices per barrel (\$)
2006	74
2005	56
2004	41
2003	31
2002	26

They get money and waste it. As soon as the money comes they have big budget and they throw away the money. They put \$7 billion into the Heritage and Stabilisation Fund. Transparency and accountability with this regime are minimum.

I want to go to each clause in the Bill before us. The first area is to hereby establish the Heritage and Stabilisation Fund to be dominated in the currency of the United States of America. We had an interim Stabilisation fund and we do not understand the rationale for the heritage aspect of it. Heritage seems to indicate that there is some intergenerational type of equity so that the depletable resources if they are used from now, the savings from that should go towards taking care of future generations. Heritage does not necessarily mean just saving money alone.

Many of my colleagues speak about the Norway experience. Heritage in these countries does not necessarily mean providing intergenerational equity. It means preserving of the heritages. We have a number of heritages in Trinidad and Tobago which we are finding difficult to protect. In terms of what this Government is putting here, heritage does not necessarily mean heritage in the raw sense. We cannot understand why this term. They just wanted a name change so they put this name heritage but there is no heritage in it. I mentioned BWIA, TSTT, TTT and Caroni. Those are the heritages for the people of Trinidad and Tobago and they are not doing anything about it.

They said that the purpose of the fund is to save and invest surplus petroleum revenues derived from production; to cushion the impact of sustained public expenditure capacity during periods of revenue downturn whether caused by a fall

in prices of crude oil or natural gas. In the next five years we do not know what would happen to the prices of crude oil or natural gas. We know for sure that the Prime Minister indicated recently that there is a fall in production. Based on the budget for 2006—2007 it was reduced because the Prime Minister said that there would be a shortfall in the production of oil and gas. The budget was reduced by about \$3 billion. We have also seen the oil well called Ibis that was supposed to be drilled at 19,000 feet went without finding any oil. As a result, the sum of \$500 million that was spent was written off against the taxes that we were supposed to get.

The Minister of Public Administration and Information made a comment of a number of production wells that would take place in 2007, 2008 and 2009. We do not know what the expectations and what our reserves would be. The country is at a loss to know our situation with particular reference to how much oil is available. I heard the Minister indicate some values. We are not comfortable with those values he has indicated. The country seems to be lost as to the real reserves of natural oil and gas. How long will it last? Based on the downstream industries that they are coming with, we do not know the real situation. We may find ourselves putting money for another year or two and based on this having to withdraw the money.

On the appointment of the board of governors for this fund we feel that the sum of \$8 billion is much money to put in the hands of five people appointed by the Minister. We do not feel comfortable with that situation where the Minister has the ability to appoint five persons to manage a fund of \$8 billion. We see in UDeCOTT, the sum of \$2.5 billion to \$3 billion is managed by one individual and managing two other state enterprises and the population is screaming about it. We see UDeCOTT is a haven for all sorts of irregularities.

8.30 p.m.

We believe that the appointment of members of the board should be done in consultation with the Leader of the Opposition, and then it goes to the President and the President refers it for Parliament vetting. This is too large a sum of money for the Minister to make an appointment of five individuals.

We were just discussing clause 6 in another Bill a while ago that the chairman would resign from his office by letter addressed to the President and a member may resign his office by letter addressed to the President, through the chairman. In this Bill, a member is resigning through the President but we just debated a Bill

and they did not want to accept the fact that, that member could resign by submitting his resignation through the chairman and then send it to the President. There are anomalous situations. In one Bill you have the resignation method in one way and in another Bill the other way. And, we cannot see the rationale for these differences.

Madam President, functions of the board.

“The Board shall—

- (a) determine by resolution, the governance structure and the operational and investment guidelines of the Fund...; based on prudential standards used by the Central Bank for investments of a similar nature;
- (b) be responsible for the management of the Fund; and
- (d) perform such other related duties as may be necessary to carry out the purposes of the Fund.”

Madam President, this is an important aspect of finance, national money and patrimony. Eight billion dollars, and it may go to \$10 billion, it may go to \$12 billion. Which standards are we using? Central Bank standards for investments. We have a difficulty in terms of understanding what Central Bank’s standards are because they are taken away from the Freedom of Information Act. So, Central Bank may be doing something the population does not know of, but the management of this fund should be a very transparent and accountable process. If we use the Central Bank’s standards, we may find that the management of this fund is hidden and there would be no ability to determine how this fund is being managed.

The board shall delegate its responsibility for the management of the fund to the Central Bank. We are not comfortable with that. Withdrawals of the fund— clause 15:

“Subject to subsections (2) and (3), where petroleum revenues collected in any financial year fall below the estimated petroleum revenues for that financial year by at least ten per cent, withdrawals may be made from the Fund as follows, whichever is the lesser amount:”

Madam President, there should be no withdrawals on this fund whatsoever unless that issue is brought to the Parliament. This Bill allows withdrawals having up to \$1 billion left in the fund. So the Government can come next year when the price of oil is less than the projected revenue by greater than 10 per cent, and say they

want to withdraw \$7 billion to leave only \$1 billion in the account. No government should have that capability whether it is the PNM or the UNC. No government should be allowed to withdraw money just like that which could be to the tune of some \$7 billion, \$8 billion or \$10 billion from the Heritage and Stabilisation Fund without accounting to the people. If this is a Heritage and Stabilisation Fund and it is supposed to be for generations to come because of the depletable resources of oil and natural gas, the people must have a say in it and, therefore, the Parliament should take part, discuss and debate whether this fund should be reduced or not and whether withdrawals should take place from it.

Madam President, we have no problem with the income of the fund being exempt from taxation. That is fine, and the confidentiality area and the disclosure of interest; we have no difficulty with whatsoever. People who have pecuniary interest must, of course, declare their interest.

Board to report to the Minister, clause 20. The board should report to the Minister, we agree but, we would like to see some reporting on a quarterly basis. We would like to encourage the reporting on a quarterly basis to the Minister and by virtue of transparency and accountability, the country must know what is happening to this fund. It should not be left one month after the financial year ends for us to understand what has been happening with the Heritage and Stabilisation fund. We would like the financial statements to be laid on a quarterly basis in the Parliament.

Madam President: Hon. Senators, the speaking time of the hon. Senator has expired.

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

Question put and agreed to.

Sen. Dr. T. Gopeesingh: Madam President, this review mechanism of this fund is five years. We believe that it should be a shorter period of time to review what is happening to the fund. Basically, we should not allow the fund to move for five years and then to check what is happening with it. It should be a shorter period. This fund is going to be managed obviously by the Central Bank which will give it the day-to-day management or investment equity.

We suggest that this question of the investment equity be given to an international team that is tremendously experienced in international finance and that has an AA rating internationally and worldwide, so that we can get the best

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investment for our money. How are we then to guarantee, Madam President, through you, to the hon. Minister, who the Central Bank would allow to do the investment for this Heritage and Stabilisation Fund? It leaves some degree of discomfort to us in terms of the investment of the \$8 billion, \$10 billion or \$12 billion.

Many of my colleagues quoted best practices in the operation of the fund and the management of the fund, the asset management and the transparency and accountability. Many of my colleagues quoted the paper done in Trinidad in 2004 at the forum where the Minister spoke about the International Monetary fund. The International Monetary fund paper spoke about the Norwegian experience where they are adopting best practices. They are managing almost US \$160 billion. We understand from this Bill that there are only three out of the 13 best practices that are suggested in this paper that are being adopted on this. And, therefore, it leaves a lot of room for improvement in terms of the operational aspect of it particularly, the coherent integration within the national budget and the relationship between the funding and the national budget. The paper that the hon. Minister spoke on, gave many illustrations of the relationship between this Heritage and Stabilisation funding and the savings and the national budget. It is in this context I made the comments about the fiscal management and fiscal mismanagement. Therefore, when we have national budgets, it must reflect some degree of strong fiscal management in tandem with monetary policies of the Central Bank so that we can receive the maximum benefits in terms of savings from oil and natural gas.

We are having some difficulties in terms of this Bill and it not being able to put forward its best practice in terms of the operation and management of this Fund and the asset management. We would like to see some degree of comfort in terms of the heritages of Trinidad and Tobago. I touched on the point earlier that heritage basically has a number of aspects to it. There are social, cultural, economic, political and financial aspects. What we are seeing here basically is only a financial aspect.

Madam President, this Heritage and Stabilisation Fund is something that we started in 2001 with the hope that it would have continued and done very well, but it took this administration five years to bring the legislation. We saw that they received about \$55 billion over a period of five years in revenues from oil and natural gas, and they have only been able to deposit \$7 billion. We saw that over the last five years they spent over \$134 billion in the national economy and we have seen the massive waste, mismanagement and corruption that have taken

place in almost every one of these state enterprises. And, we have to talk about savings at a national level when there is the national budget. We do not only save with the Heritage and Stabilisation Fund but, we do not have massive expenditures like a Tarouba Stadium of \$1 billion, massive expenditure. [*Interruption*] That is in the newspaper, \$950 billion.

Hon. Senator: Which newspaper?

Sen. Dr. T. Gopeesingh: I do not have it here with me.

Sen. Dr. Saith: Do not quote it.

Sen. Dr. T. Gopeesingh: All right, do not quote it. We believe that it is \$950 billion for the expenditure of the Tarouba Stadium which we have seen in the newspaper.

Sen. Dr. Saith: Madam President, again, I am drawing the attention to the fact that in a debate when people are quoting information, we ask them to quote the document from which they are providing this information. If the Senator has no documents then he cannot quote a figure. He is preparing his debate so it would be easy for him to get the newspaper clipping and bring it here. [*Crosstalk*]

Madam President: Senator, I am tired of getting up today and repeating myself. You cannot just get up here and throw figures out. As Minister Saith rightly said, in your preparation, please get the right figures. I am tired of this.

Sen. Dr. T. Gopeesingh: Madam President, I have the right figures for this one if they are questioning the other one. Madam President, Caroni (1975) limited is an area where there has been a heritage of over 150 to 200 years of people working in the sugarcane industry. The heritage of Caroni (1975) Limited lives on and there is massive corruption going on by the Estate Management Development Company in Caroni. I have with me figures if one wants to deny them.

There is an expenditure of almost \$1.2 billion in the preparation of Caroni lands for agricultural purposes and for building developments. VSEP residential holdings, 22 sites, and VSEP agricultural holdings, 17 sites and do you know what the costs are? This was received under the Freedom of Information Act. The cost of development for the small business unit sites: \$20 million for the cost of development just a few acres. The cost of development for commercial sites, VSEP residential sites, 22—\$719 million and do you know what that is? Consultants design and supervision for these lots, \$25 million. Surveyors, \$2 million; construction, \$692 million. Cost of development for VSEP agricultural sites, parcel clearing for

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17 sites—surveying and design, \$37 million for clearing land of Caroni (1975) Limited which is flat land. I have the figures now. It is \$52 million construction for just VSEP agricultural sites, \$454 million, a total of \$544 million for just clearing the sites for agriculture, and not one person has a piece of paper in their hands saying this two acres that was cleared for them belongs to them now. They cannot go to the bank. They said you give them a letter of comfort.

Recently, the Prime Minister said a letter of comfort is nothing. So you gave them a letter of comfort and the Prime Minister said it is nothing.

There is one person, Uthara Rao with three other people on the board of the EMBD managing \$1.2 million. We do not know the transparency in the accountability in terms of who is obtaining the contracts, on what basis and under what tendering.

They say they are going to give them a plot, a lot of land but do you know what that is going to cost at the end? It is going to be about \$100,000 in costs for these people, and their moneys would be finished, therefore they will not be able to own a plot of land in Caroni. Could you imagine what is happening and what this Government is doing?

Sen. Sahadeo: Madam President, we have made a public statement regarding these lots which are priced at \$20,000, \$25,000 and \$30,000 a lot based on the location. And the Government has agreed to absorb all the infrastructure development costs. I thought the record should be clear on that.

Sen. Dr. T. Gopeesingh: Madam President, I want the record to show the massive waste of money by this administration. \$1.2 billion to clear sites, a few acres of lots and they are grading sites that are flat. The sugarcane sites are there already for people.

When we speak about massive waste, mismanagement and massive corruption by this administration, I gave you enough examples to show in every one of the state boards of state enterprises and statutory authorities there is massive corruption. Let them deny that. Their time will come and we will show them more and more that there is waste in everything.

The Minister of Community Development, Culture and Gender Affairs has not been able to say what the cost of putting up the one around the savannah and the arts theatre in the South is. Who is coming to build it? They are saying Government to Government relations. The Chinese are coming in and there are Chinese leaving. There is massive expenditure and massive mismanagement all

over. They do not like to hear that. And billions and billions of dollars are being spent and one cannot show anything for it. It is my duty to point out to the national population that this Government has had over \$134 billion to spend and they cannot show anything for it. They have had \$52 billion dollars in revenue from oil and they have shown nothing for it. It is worth repeating.

Madam President, as far as this Heritage and Stabilisation Fund is concerned, we do not expect that much money will be put into it because this Government is not going to be honest about what it is doing as far as the prices of oil and gas are concerned. We do not trust them as far as the withdrawal of money from this Fund. The withdrawal of money from the Fund must come to the Parliament and the Parliament must determine when this money has to be removed or to be withdrawn. Thank you very much.

Sen. Mary King: Before I start, let me explain the glitch in the speaking a while ago. We understood that the debate was going to continue into another day, possibly Ash Wednesday, and that this evening, given the time we started the debate, that we would probably have one from each side. And, therefore, we assumed probably wrongly, that we would not be finishing the debate today. We certainly have no objections to completing the Bill today.

Sen. Mark: Madam President, I was informed by the Sen. Dr. Eastlyn Mc Kenzie—I was not in the Chamber at the time—that Sen. Dr. Lenny Saith gave an undertaking that we will stop at 9.00 p.m. and we shall resume the debate on Ash Wednesday morning. She is expecting to come back here on Ash Wednesday morning to deliver her contribution.

I am getting the impression from the honourable Acting Leader of Government Business, Sen. Joan Yuille-Williams that the Government intends to go through the entire evening dealing with this matter. I find this to be very dishonest in terms of what they had indicated to Sen. Dr. Mc Kenzie.

Sen. Dr. Saith: Madam President, I indicated to Sen. Dr. Mc Kenzie that if we were not finished around 9.00 p.m. we would adjourn. At 7.50 p.m. was not the time I was going to adjourn and at that time nobody was getting up to speak. And that is why we had the little glitch. I still plan to terminate close to 9.00 p.m. as is possible. It is 8.50 p.m. now. Let one speaker again speak, and then we will close. It was never the intention not to adjourn but if we say as I did that we will close around 9.00 p.m., at 7.50 I cannot move an adjournment.

I am sorry Sen. Mark. All you have to do is walk behind the Chair and you would be told that.

Sen. M. King: Thank you for the explanation but we were told one from each Bench, and that was our problem. However, it gives me great pleasure to have this Bill before us today, and also to see that the point I raised many moons ago, that the fund be denominated in a foreign currency has come to pass, because I see that we have maintained that it will be denominated in US dollars.

I do not think this means, at least, I hope it does not mean that the fund will be solely invested in US funds, US stock market or US bearing assets only. One knows that one does not put all one's eggs in one basket and history has shown us that asset allocation can mean the difference between a loss in some cases or a very small return and very, very satisfactory returns if we get the asset allocation correct in the beginning. The Minister, I am sure is aware of this, from his own experience in the financial sector. Also, relating to the management of the fund, I suggest that we include in the Bill that these five members of the board should be registered fund managers and be registered with the SEC so that we are comfortable that these people know what they are doing. I think that would make many of us feel very comfortable.

Madam President, clause 3 of the Bill tells us in some way the purposes of this fund. There are three purposes named in the Bill and two of them have to do with revenue stabilization. The first one is going to cushion the impact or sustain public expenditure capacity during periods where there is a revenue downturn caused, of course, in this case by a fall in oil or gas prices. Also, to generate the alternative stream of income as they told us, to support public expenditure as a result of depletion of petroleum resources. This, I assume, is the return on the investment and will be used to support public expenditure as our resources decline. The third purpose of the fund is to provide the heritage fund for future generations of citizens of Trinidad and Tobago by savings and by investment income which we will derive from these excess petroleum revenues.

Those are the three main purposes of the Bill. The rest of the Bill goes on to deal solely with the procedures for the establishment and the use of the fund with respect to revenue stabilization. But it is very explicitly silent on that aspect which interests many of us. It is: How are we going to use the heritage aspect of the fund? I hope it is not as has been suggested by somebody, a cheque in the mail every month to children in institutions, something which is totally incomprehensible. This cheque in the mail business will encourage what we are suffering from for many years, this dependency syndrome that has been engrained in our society.

I hope that is not what we are thinking about when we talk about future generations, and the heritage fund. What brings this very clearly to us is the trouble that the HDC is having at this moment trying to get back arrears of rent which it is

due. The dependency syndrome, why should we have to pay? We have to begin to break that bad habit in our society that when the Government supplies us with something it is free forever.

Also, on the heritage aspect of the fund, the Bill is silent on when exactly this Heritage Fund will kick in. Which generation will start receiving dividends from the fund and besides, how will we get it? When are we going to start looking at the development of the Heritage fund and what does the Minister mean by the heritage aspect of the fund?

Madam President, in clause 3(2), I see an implied conflict and I would like either we fix it or the Minister explain to us what exactly he means. It states that the fund will be used to generate an alternative stream of income so as to support public expenditure capacity. This seems to suggest that income and interest and so forth, derived from the fund can be used in income stabilisation. But look again at clause 3(2), it also allocates the savings and investment income derived from this fund to the Heritage fund for future generations. To me, that is a conflict which we need to have explained to us.

I see that we have one fund and we also know that the intermingling of resources from fundamentally different purposes on one account or in this case, one fund is something accountants do not normally like. It is abhorrent to accountants. This is also the reason I believe that some people are suggesting that we have two or even three separate funds with different rules for investments and contributions to the fund.

In my case, I am ambivalent to whether we have one fund or three funds, but the investment and disbursement from that fund must be governed by some kind of memorandum of agreement which we do allow in the accounting world. You can have one fund but there are strict rules as to how we are going to operate the funds, and I think we need to have built into the Bill a memorandum of agreement as to how we go forward, how we manage, how we disburse funds from it for the three different aspects that are mentioned.

9.00 p.m.

So this works like the separation of the fund into its two component parts and it governs for example, the investment procedures; it will examine the risk profile, but it is really one fund; it is not really a separation into separate accounts. What I am saying, I think, is that the fund must include a clear separation of those activities and the procedures into heritage and into stabilisation, with associated deposit withdrawal and

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investment procedures, because the investment for heritage will be totally different from the investment for stabilisation; one is short term and one is long term. I think the Bill is deficient in that it does not include this necessary memorandum.

If we look at clause 15(3) you could tell me yes, there is a separation, but there is a very fuzzy separation of the fund in clause 15, which states that no withdrawal may be made from the fund in any year, where the balance standing to the credit of the fund would fall below US \$1 billion, if such a withdrawal were made. That is too fuzzy to be a distinct organized memorandum of agreement.

What this suggests is that the minimum value in the fund, and it could also be its maximum value in the fund, could be US \$1 billion. Now if we look at the fund today, its value is scarcely more than US \$1 billion; it is TT \$8 billion. When one considers that the annual budget is of the order of around US \$6 billion, then this implied memorandum is very restrictive. So if we are not to have separate distinct funds, I think a more definitive memorandum is required to manage our surpluses in one fund with three different objectives.

I want to come back later to the heritage aspect of the fund, so I will at this time look at clause 13, which is a very important part of the Bill and I also see some conflicts there in clause 13 of the Bill.

The deposits to the fund which is dealt with in clause 3, tells us that quarterly deposits would be made into the fund from the Consolidated fund. The Consolidated Fund is the repository of all revenues of Government. And the conditions under which these funds will be put into the fund is if either—and we see at clause 13(1)(a), the petroleum revenues collected in that quarter exceed the estimated petroleum revenue for that quarter by more than 10 per cent. This excess which is anything over 110 per cent will be deposited into the fund. The other condition, clause 13(b) tells us, even if they do not exceed the estimated revenue from that quarter by 10 per cent, the Minister may direct that the US dollar equivalent of all or part of the excess will be deposited into the fund.

Then Madam President, we go on and we combine both these subclauses and we link them to clause 14(1). So both over 110 per cent of the Fund will go into the deposit and anything less than 10 per cent, the Minister may direct that it goes into the fund. We have then linked that to clause 14(1), which tells us of a minimum of 60 per cent of the excess revenues being deposited into the fund in any one financial year.

There is a distinct conflict there, because in clause 13(1), we can be very explicit. We are being very explicit in the Bill that all of the excess, that is the difference in revenue and anything over 110 per cent of the estimated revenue

must be placed in the fund; that is what that says in clause 13(a). [*Interruption*] Well, what I am reading—you can explain to us obviously where we are, where we are going off, but what it says here is that where petroleum revenues collected in each quarter exceed the estimated petroleum revenues for that quarter by more than ten per cent, the currency of the US equivalent of the excess shall be withdrawn and deposited into the Fund; so that is explicit.

Sen. Enill: In accordance with 14(1).

Sen. M. King: So clause 14(1) imposes no restriction whatsoever on clause 13(1)(a). Clause 14(1) says, a minimum of 60 per cent of the aggregate shall be deposited to the fund during a financial year. So we cannot have 13(1)(a) and 14(1); that is a conflict that I see and perhaps Minister, you can explain to us later. Because it says in 14(1) that at least 60 per cent of the aggregate excess over the year goes into the fund, after 13(a) is satisfied.

Madam President, clause 12 tells us that the resources of the fund shall consist of all moneys from the funds, petroleum revenues deposited into the fund under clause 13, and any assets required and earned from the investments. I presume these are the investments of the fund; any dividends or interest that may accrue to us. Petroleum revenues are defined in clause 2 of the Bill as:

“the aggregate of the supplemental petroleum tax, petroleum profit tax and royalties but does not include unemployment levy, the oil impost under signature bonuses;”

There is a view in the country that the revenues that should be targeted should be those earned from the whole energy sector and should include, for example, corporation tax, which is earned by Government from companies that use natural gas as inputs into their processes such as LNG, methanol and so on.

I certainly do not support that argument if the philosophy of the fund is to save something from the exploitation of our energy resources. So the people who are suggesting this, if we just consider the downstreamers who purchase petroleum as an input to their process, and let us assume that these purchases are made at the economic cost of the input, then any profits and revenues paid by a company to Government will depend on their own added value and their own efficiencies and not on the value of the petroleum input. Therefore, I do not agree with those who say that we should also include all the taxes from the energy sector. This will really violate the whole philosophy of the fund, where we are looking at the exploitation of the energy resources and the value that we get at that level.

The problem I will have though, Madam President, is if we were to say, sell to the smelters at a price below the economic cost of the gas, then this argument would not apply and we should be getting something from those smelters if we should err and sell at a price which is under the usual price that we will normally be selling for any process related to our natural gas.

Madam President, on information flows between Government, among Government and the planners, Central Bank and the board and the public, clause 18 of the Bill restricts the members of the board or any person acting on behalf of the board from disclosing any document or any information pertaining to the operations or to the management of the fund. So, through you, of course, Madam President, I would like to ask the Minister whether the operation of this fund is meant to be outside of the purview of the Parliament and in particular, the relevant Joint Select Committee.

Surely the overview of a fund that is meant to supplement Government's spending and look after a heritage element for our progeny, cannot be so protected and should not be swathed in secrecy. So I think we should have these reporting to Parliament and to the Joint Select Committee of Parliament.

Sen. Enill: Thanks, Sen. King, but that is covered by this provision that says, except where required by a written law, it is subject to the law. For the purposes of this Bill, it is a public fund and it is basically under the control of the Joint Select Committee and therefore Parliament. So the provision that will deal with that is, "except where required by a written law". In this case the written law would be the Exchequer and Audit Act.

Sen. M. King: I did think that would be the interpretation of that clause but we need to be very sure and specific; so I am glad to hear that, Mr. Minister.

Of course, if we look at the parliaments across the world and our own guideline which is May's *Parliamentary Practice*, there is absolutely no restriction unless it is a matter of national security that cannot be asked by a Joint Select Committee. That is why some of us who have been asking for information on the gas price, because we also want to look after our heritage. We have been asking for information on the gas price for the companies that are going to operate smelters and the electricity price to those companies. That is why we will continue to ask until we get the information because nothing can be kept from a Joint Select Committee unless it has to do with issues of sensitive matters like national security.

The other matter which concerns me is the 11-year rolling plan for pricing. It tells us in clause 13(3), that the estimated price to be used by Government for contributions to the fund will be derived from an 11-year rolling average; the five

years immediately before the current year and then five years hence. We can decide with precision, exactly what was the price of oil in the past five years and most likely we can come to a very close probability to one that it will be a certain price for this year.

Now, how do we predict into the future? Prediction of petroleum prices for the future is like trying to predict the stock market; trying to predict the global economic future, which at times can be quite impossible. We may be able to do some foresighting as some countries are doing and at best the results are what we consider could be likely or a desirable future given our present circumstances. But more specifically, from whom do we expect to get these prices and are we going to use a specific organization or is this something that will be at the discretion of the Ministry of Finance, the Ministry of Energy? I think we will like to know how they are going to predict that five years into the future.

Of course, as you go further into the future it is almost like fiction. There is actually no one who can predict very far into the future with great accuracy. The probability of being correct reduces the further we go into the future to look into that crystal ball. We know that prices in the past will have less and less impact on today's or even our future prices. So surely, if at all, we should be using something like a weighted or a discounted moving average if we are going to try to be as near to correct price as possible.

I wonder if the Minister has thought of this and what kind of moving average he intends to use in predicting the prices, even for this current year, up to December. What is it that we are doing to predict this year's prices? As we know stock markets and everything else are random variables and their prediction is in the realm of speculation, playing the stock market; let us hope for the best.

There is a clause of this Bill that I have a great problem with. I have a fundamental problem with the Bill's approach to evaluating the money that is going to be put into the fund. At clause 13(1), it suggests to me that if Government were to predict the prices of petroleum correctly, and its revenue correctly, then absolutely nothing will go into the fund. What this is saying to me, is that if the Government correctly predicts that the price of oil in the next five years, because we know the five years beyond; we will probably know this year's and we predict the price of oil for the period to be \$100 a barrel, we could make an awful lot of money; we could make a huge set of money, but let us say that the price actually becomes \$100 and we predict it correctly, then nothing goes into the fund. That is what this Bill is saying to me. It is something which has to be explained and it is written in such language that it makes absolutely no sense. So if it stays at \$60 a

barrel or let us say \$45 a barrel—we would not use this year—let us say it is \$60 you predict for the next five years and our \$60 over an 11-year period and it stays at \$60 and we predict right, nothing goes in the fund. That is what you have said in that clause, Mr. Minister, so we need to have an explanation.

I think given what is said here and given that we have been predicting a price of oil that we have used for our budget purposes, I would like to suggest that the estimated price should be a price of petroleum that we think we can comfortably live with. And this present Bill suggests we will only save money if the price goes above what we estimate it to be. The concept of saving in good times for the future is indeed betrayed by the provisions of this clause of the Bill.

The Executive's budgeting procedures, I think, need to first find out what expenditure is reasonably required, then evaluate a petroleum price that would give us these revenues, this price then should become the benchmark that will be our estimated petroleum price, which will determine our savings or what we will withdraw from the fund after the actual prices and the revenue are known. That is the way it should be and I believe if we look back over this Government's last budget that is what they have been actually doing. So this part of the Bill is Greek and I think we need to fix it or move it out. [*Interruption*] The model that they have been using has been working and I think we should stick with the model.

I will like to look now at the heritage aspect of the fund and I think this is something which is not stated in the Bill; how we are going to develop this heritage fund; how we are going to dispose of it; what is happening to it; are we using it to give people a cheque. So I will like to suggest that we get some kind of commitment as to how we are going to manage this heritage part of the fund.

We have already seen that the minimum value of this heritage aspect of the fund is going to be \$1 billion. It could also be the maximum, it depends on what happens, but there will always be \$1 billion being invested. Hence, \$1 billion could be the maximum value of the heritage fund. I said earlier we need a comprehensive memorandum that would govern this fund and I repeat it because I think we need to come to that arrangement and that agreement by the time this Bill becomes an Act.

The Bill is incomplete and it does not say anything about how we are going to disperse the funds and I do not think I like the scheme of paying our grandchildren so many dollars a month for the rest of their lives, and their children and their children. That is not going to develop us; develop Trinidad and Tobago or anybody. So I would like to suggest that it might make better sense to

use some of this heritage fund today to provide a social economic structure that will allow the future generations to escape from the dependency syndrome of CEPEP, of URP.

We need to have and build the onshore support of this economy; onshore support of the offshore economy and build the onshore itself. We have extremely inadequate health services, so poorly equipped in these days of plenty. A visit to San Fernando Hospital—was it last week or 10 days ago—in a medical ward where they had five patients overnighing with no bed and no blood pressure machine to test the patient; two of them came in with heart conditions. I cannot understand how we in this country can get to this position. It is really atrocious.

So this heritage fund that we have today, we have to start putting in place things which are going to build this economy now, as well as build the future. The depravations that we are hearing and experiencing at this present time in our history should be unheard of by now, given the moneys that have been flowing into the Consolidated Fund.

Surely, the first call on any part of this heritage fund should be, what I repeatedly called for in this Senate—the conditions to allow for the restructuring of this economy; the innovation system that is fundamental to that restructuring that will allow for new platforms for development of this economy, to get us away from this dependency on oil and gas exports and this is the key to reconstruction of the onshore economy. We have to build the innovation system to allow us to get out of the conditions that we are in today. I think the Minister told us we might have 20 years of oil and we might have 40 years of gas. So we really are not serious people if we are not considering the restructuring of our economy.

If we do not do these things, Madam President, what kind of heritage really, are we leaving for our grandchildren and their children and their children? The Minister and other Ministers of Government have often talked in this Senate about strategic investments and part of the heritage fund will be used for strategic investments and yet they are missing from the Bill. So these strategic investments are what I am talking about and trying to get us to think like planners and let us look really and truly into the future so that we look after our heritage.

To do so we need to develop the technological challenges that face us. We need to look at the new market opportunities that could come to us in the next 10 or 20 years; the period within which the Minister has told us our oil will be finished. We need to be looking at these future opportunities and every one of us knows that the present gas-based industrial model of Government is hopelessly

inadequate for that kind of development and it even harks back to the 19th Century. We have not moved in thinking of industrialization from the 19th Century thoughts and we really need to get past that.

We need to use that part, Mr. Minister, through you, Madam President, of the heritage fund to build these institutions that are going to produce that fourth level of people. These are people beyond tertiary degrees; beyond university degrees; people who are involved in research and development; people who are involved in innovation and entrepreneurship using the new technologies; people who are capable of doing the relevant research and development to make us into a knowledge-based economy.

We have to provide the capital, Mr. Minister, venture or not, and incentives for corporate venturing, something we have agreed and the Government has agreed in this Senate nearly three years ago that they like the idea; they will bring it back to the Senate; they would put it into the Incentives to Industry Act and we have heard nothing about it. These are the things that would help us to build the new entrepreneurs and the new industries and we are doing nothing about it.

I think if we are serious, as part of the heritage fund, we need to support the indigenous enterprises that will help enlarge and will help develop the international non-energy market space of our own people; our own present-day entrepreneurs and future indigenous entrepreneurs and innovators.

Madam President, you are a mother, I am a mother, no mother will deny her children an education today, but tell them I am saving for your future. That mother will put that money today into her children's education, because saving a cash windfall for the future for that child is going to do absolutely nothing. This is what appears to be happening in the heritage aspect part of the fund. So we need some real thinking and changes of this Bill if we are going to spell out what we want to do and how we are going to do it.

I think by simply using the heritage fund as in investment in the international financial markets for the general benefit of future generations is akin to being in the decadent wealth driven stage of an economy, which is the last stage in the stages of growth of any economy which has been described very articulately by Michael Porter in his book, *The Competitive Advantage of Nations*.

You are at the decadent stage when you have been through all the industrial, all the innovative, all the everything, you are huge in exports, you are earning piles of money from all kinds of diversified industries and there is nothing much else you can do so you just spend, spend, spend.

We are at that stage but we have not been through the innovation, the entrepreneurship and the building of new export industries. Our progeny need to be more knowledgeable; they need to be economically aggressive and competitive entrepreneurs and innovators. We do not want to grow them into fat cats, awaiting the returns on investment or a cheque at the end of the month. We need to think a little more deeply than that and think more of our future generations than that.

9.30 p.m.

Madam President, reading on development recently—which I have a wont to do—I read an article recently on the so-called miraculous economic development of Dubai. Dubai has a rapid rail. Dubai has very tall buildings along the seashore and it has manmade islands. Does that sound familiar? I believe that some of our leaders have been to Dubai, they have seen and probably they feel they have conquered. But, that economic facade, in the article, is glitzy and it has become the playground and the workplace of the rich and famous of the world. It has become both a place where wealth is accruing to the wealthy Arabs who envisaged the place, but the immigrants from the East have remained dirt poor; the people in the streets are begging and hustling—that also would sound familiar to some of us—construction workers are paid US \$5 a day in Dubai; and prostitution is rampant.

Madam President, none of the wealth of Dubai is benefiting the man or the women in the street and none is expected to trickle down to any generations to come, unless Dubai, its heritage is used to build a system that encourages all of us to become involved in the creation of economic wealth. So I hope Dubai is not what our leaders are basing our development on because it is not the model for us. We have more vision than that.

So the building of dependency syndrome which we are doing; one based on the exploitation of our dwindling energy resources; encouraging a culture that discourages entrepreneurship and innovation, that is what our economic model appears to be doing. So we really need to take stock, I think.

Madam President, in my view the Bill is incomplete and in certain cases it does not reflect the vision of this Senate or the vision of the public in general. [*Desk thumping*] I said earlier it does not address the use of our earnings today to reconstruct our economy for tomorrow when our petroleum resources will be no more. Neither does it recognize that our savings should be the difference between earnings and expenditure on things we require as opposed to the error Government is making in predicting petroleum prices under this clause, which the Minister has agreed he will explain to us. It does not effectively separate the

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disparate objectives of the total savings that is the fund, either by separate funds or by one fund which should be governed by a memorandum of agreement. So those three items, I think we need to face and look at seriously if we want to have a Bill and a fund which is going to be for the benefit of Trinidad and Tobago.

We seem to be moving full steam ahead towards gas depletion, by the continuous use of the Point Lisas model of economic development. A model where we spend as much we can get and use what little we have to cover future income shortfalls, while we pay only lip service to creating a productive, social economic environment for our grandchildren and their children.

So in the present form of the Bill, I will not support it. I am hoping that we can develop and amend this Bill. I maintain that estimated prices of petroleum should be the minimum price that we require to fund the budget, a budget that will allow us to carry out the responsibilities of government comfortable.

Madam President: Hon. Members, the speaking time of the hon. Senator has expired.

Motion made, That the hon. Senator's speaking time be extended by 15 minutes.
[Sen. Prof. R. Deosaran]

Question put and agreed to.

Sen. M. King: Madam President, I was just finished. But as I said, I cannot support the Bill in its present form and I am hoping that we can come to some agreement on the estimated prices, it should be the minimum price that we require for a budget and it should allow the Government to carry out its responsibilities comfortably and still have sufficient savings that we can properly develop with a restructured Bill to look after our future progeny. So I will like to see clause 13(3) with some drastic redrafting to reflect this idea.

I thank you. [*Desk thumping*]

ADJOURNMENT

The Minister of Public Administration and Information and Minister of Energy and Energy Industries (Sen. The Hon. Dr. Lenny Saith): Madam President, I beg to move that the Senate do now adjourn to Tuesday, February 27, 2007 at 1.30 p.m. at which time I believe it is Private Members' Day and we will deal with the Private Members Motion.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 9.39 p.m.