

BELIZE

No. 7/1/13

SENATE

Wednesday, 31st August 2016

10:04 A.M.

Pursuant to the direction of Mr. President, in writing, dated 26th August 2016, the Senate met in the National Assembly Chamber in Belmopan on Wednesday, 31st August 2016, at 10:04 A.M.

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Members Present:

Senator, the Honourable Lee Mark Chang – President
Senator, the Honourable Godwin Hulse – Leader of Government Business
and Minister of Home Affairs and Immigration
Senator, the Honourable Dr. Carla Barnett – Vice-President and Minister of
State in the Ministry of Finance
Senator, the Honourable Vanessa Retreage – Attorney General and Minister
of Natural Resources
Senator, the Honourable Macario Coy Sr.
Senator, the Honourable Stephen Duncan
Senator, the Honourable Aldo Salazar
Senator, the Honourable Michel Chebat – Temporary
Senator, the Honourable Valerie Woods
Senator, the Honourable Paul Thompson
Senator, the Honourable Markhelm Lizarraga
Senator, the Honourable Rev. Ashley Rocke
Senator, the Honourable Elena Smith

Member Absent:

Senator, the Honourable Eamon Courtenay

MR. PRESIDENT *in the Chair.*

PRAYERS *by Senator Rev. A. Rocke.*

OATH OF ALLEGIANCE OF A NEW SENATOR

MR. PRESIDENT: Mr. Clerk, kindly administer the Oath of Allegiance to the temporary Senator.

SENATOR M. CHEBAT: I, Michel Chebat, do swear that I will bear

true faith and allegiance to Belize and will uphold the Constitution and the law, and that I will conscientiously, impartially and to the best of my ability discharge my duties as a Senator and do right to all manner of people without fear or favour, affection or ill-will. So help me, God.

MR. PRESIDENT: Congratulations, Senator Chebat, once again, welcome to today's sitting.

ANNOUNCEMENT BY THE PRESIDENT

MR. PRESIDENT: Honourable Members, by letter dated 26th August 2016, Cabinet's recommendation has been signified to the following:

1. General Revenue Supplementary Appropriation (2015/2016) (No. 5) Bill, 2016;
2. General Revenue Supplementary Appropriation (2016/2017) Bill, 2016;
3. Central Bank of Belize (Amendment) Bill, 2016;
4. Treasury Bills (Amendment) (No.2) Bill, 2016;
5. Inter-American Development Bank – Solid Waste Management Project II Loan Motion, 2016;
6. Accession of Belize to the Constitutive Agreement of the Central American Bank for Economic Integration (CABEL) Motion, 2016; and
7. Development Finance Corporation Line of Credit (\$5.0 Million) from the Social Security Board Motion, 2016.

BILLS BROUGHT FROM THE HOUSE OF REPRESENTATIVES

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): A pleasant good morning, Mr. President, and colleagues. I, first, want to welcome, once again, Senator Michel Chebat, to this august House, and we look forward to your contribution.

Mr. President, I rise to take charge of the following Bills:

1. General Revenue Supplementary Appropriation (2015/2016) (No. 5) Bill, 2016;
2. General Revenue Supplementary Appropriation (2016/2017) Bill, 2016;
3. Central Bank of Belize (Amendment) Bill, 2016; and
4. Treasury Bills (Amendment) (No.2) Bill, 2016.

Mr. President, in accordance with Standing Order No. 49 (1), I move that the Bills be taken through all their stages forthwith.

MR. PRESIDENT: Honourable Members, the question is that the Bills be taken through all their stages forthwith.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

PAPERS

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Mr. President, I rise to lay on the Table Sessional Paper 9/1/13 - Land Tax (Fourth Schedule Replacement) Order, 2016.

SENATOR M. LIZARRAGA: Mr. President, thank you. Mr. President, when we look at this proposed Land Tax (Fourth Schedule Replacement) Order, 2016, we question what is the reason for this proposed new instrument, and we can't find the logic for it. What the new land tax schedule seeks to do, Mr. President, is, in fact, to lower the unimproved values of land per acre. But we believe that it does so in a manner that is most inequitable. We believe that, if you look at the schedule, Mr. President, you will notice that, for micro landowners, the rates did not change, and, for small landowners, the rates did not change. But if you look at the medium landowners, from 100 acres to 200 acres, and if you look at the large landholders, from 201 acres to 300 acres, and if you look at what we will call land barons, 300 acres and above, you will notice that these people, the large landholders, are in fact going to be assessed less and thus pay less taxes on their larger land holdings while the burden remains on the small and micro landholders.

Mr. President, we question, what are we encouraging? Are we encouraging the small landholders to sell out to large landowners? Why can't we not have seen a Bill (Statutory Instrument) that would not encourage speculation because this Bill (Statutory Instrument), in fact, incentivizes people to speculate on large landholdings, unimproved, remember? Why would we want to lower the taxes on unimproved land? We would have prefer to have seen a Bill (Statutory Instrument) that would seek to encourage the improvement of the lands. In other words, if you improve the land, your taxes go down. But what this seeks to do is to say, if you don't improve it, your taxes go down. So we believe this is a land speculation tax. It is certainly not pro-development, pro growing our economy, pro putting people to work. Why was there not an accompanying piece of legislation encouraging people to develop?

So, Mr. President, perhaps the Minister of Lands can explain to us why this approach. I know that in the past the taxes on land have not performed well under the budget. Perhaps this is meant to be an incentive to have people pay taxes, but, again, we question that logic, if that is the logic, because land is one thing that you cannot move. Land is one thing that the government can move against. If you don't pay your land taxes, the Government can move against you. You can't move the land. The land remains. You can move any other asset, but you cannot move the land. So why encourage land speculation by giving them tax relief at the cost of the small and micro landholders in this country who own 100 acres or less?

I won't bore you with going through the Schedule, Mr. President, but I will give you one example in that small landholders, that is, anybody that owns land between 31 acres and 100 acres. Their unimproved value per acre is going to be \$500 in the Corozal and in the Orange Walk Districts, just as an example. And, if you look at the large landholders who own 301 acres and above, their land will be valued at \$200 an acre. So the small landholder is going to be paying 2 1/2 times that what the big landholder pays. What is the motive? What is the justification for this speculation tax break? Thank you, Mr. President.

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Thank you, Mr. President. Mr. President, I hear the representative, the Senator for the business community, but I think that those persons listening from the productive sector, who are part of the business community would be shocked at the interpretation which was just given to this S.I. because actually it is an S.I. to amend the Schedule to the Bill of 2004, and the reason for that is as follows. The Honourable Senator asked for an explanation.

SENATOR M. LIZARRAGA: Mr. President, on a point of order, please, I think the good Senator has misinterpreted me. I was not talking about improved and productive land. I was talking about unimproved land. So I wasn't talking about the land for the productive sector. Unimproved land is not productive.

MR. PRESIDENT: Point taken, Senator, he is just responding to you.

SENATOR M. LIZARRAGA: But, with due respect, Mr. President, I was correcting a misinterpretation because I never spoke on productive and or the productive sector. As a matter of fact, Mr. President, sorry, I said, just for clarity, Mr. Leader of Government Business, I said that we should have seen an accompanying tax encouraging people to put the land to productive use.

MR. PRESIDENT: Senator, why don't you give him a chance to fully respond and then you can put your point of order? Thank you, Senator.

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Mr. President, there is no point of order. Can I please proceed?

MR. PRESIDENT: Yes, please.

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Mr. President, this is a Bill of 2004. At the time it was signed by the Honourable John Briceño as Minister of Lands. There is a Schedule to that Bill, Schedule IV, which sets out the rate of unimproved value of land. It has nothing to do with improvement. The principle is that, if you have 1,000 acres and you are charged on the developed portion, you are disenfranchising and discouraging development. So they take the whole land at its unimproved value, that is, the rate for taxation. It has nothing to do, but it is specifically for the agricultural section. You will see the thing says, "Categories - agriculture." So the people in citrus, the people in sugar, the people in bananas have consistently, from 2004, complained that the tax rate is too high. And so the Minister of Lands, all the subsequent Ministers of Lands, used to annually write an S.I. to give waivers and waivers. But what that did was that it encouraged differentiation, somebody got a different rate, somebody else got a different rate and all the other attendant things.

So what this does is to redo that Schedule and to streamline it. The rate is 5% and what it is saying is that, if you have 200 acres of land, the unimproved value of that land is \$400 an acre in the Stann Creek District, \$500 in the Belize District, \$450 in the Cayo District, and \$400 in the Corozal District. So what the tax department does, rather than have people go out there with arbitrary values, they say, “You have 200 acres of land, this is the value of the whole land in its unimproved state.” And they tax you at the 5% so you are not burdened with taxation and discouraged the development. That is the principle behind this S.I.

And, therefore, if you look at the small landholder which is 30 acres, in the Toledo District, his value is \$50. So that’s 5 times 3 is \$1,500 would be his 30 acres times 5% would be the tax he paid. It doesn’t encourage unimprovement because clearly it is for the agriculture productive sector. That is how it was decided. If you go back to the original Bill of 2004, you will see the Schedule there, and the Schedule puts some burdens on the productive sector. We have had numerous consultations with the productive sector. The banana people came in, the citrus people came in, and the cattle people came in, and complained ad nauseam that they cannot carry this, especially given the difficult economic times in agriculture. So that is the reason for this S.I. amendment. Thank you, Mr. President.

MR. PRESIDENT: Thank you, Senator Hulse. Please continue.

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Mr. President, I rise to lay the following Sessional Papers:

- 10/1/13 - International Business Companies (Fees) (No. 2) Regulations 2016.
- 11/1/13 - Development Finance Corporation – Annual Report 2015.
- 12/1/13 - Office of the Auditor General of Belize: Special Audit – Stamp Duty on Tickets, April 2007- July 2012.
- 13/1/13 - Office of the Auditor General of Belize: Special Audit – Visa, Immigration and Nationality Department, for the period 2011 – 2013.
- 14/1/13 - Office of the Auditor General of Belize: Special Audit – Nationality, Immigration and Nationality Department, for the period 2011 – 2013.
- 15/1/13 - Office of the Auditor General of Belize: Special Audit – Passport, Immigration and Nationality Department, for the period 2011 – 2013.
- 16/1/13 - Central Bank of Belize – Annual Report and Statement of Accounts for the Year 2013.

17/1/13	-	Central Bank of Belize – Annual Report and Statement of Accounts for the Year 2014.
18/1/13	-	Central Bank of Belize – Annual Report and Statement of Accounts for the Year 2015.
19/1/13	-	Supplementary Appropriation (No.5) Schedule for Fiscal Year 2015/2016.
20/1/13	-	Supplementary Appropriation Schedule for Fiscal Year 2016/2017.
21/1/13	-	Belize Integrated Coastal Zone Management Plan 2016.
22/1/13	-	Belize Rural Financial Programme – Financial Statements - 31 st March, 2015.
23/1/13	-	Tax Information Exchange Agreement (Belize/ The Czech Republic) Order, 2016.
24/1/13	-	Tax Information Exchange Agreement (Belize/ Switzerland) Order, 2016.

MR. PRESIDENT: Honourable Members, those Papers are ordered to lie on the Table.

MOTIONS RELATING TO THE BUSINESS OR SITTINGS OF THE SENATE

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Mr. President, I move that at its rising today the Senate adjourn to a date to be fixed by the President.

MR. PRESIDENT: Honourable Members, the question is that, at its rising today, the Senate adjourn to a date to be fixed by the President.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

PUBLIC BUSINESS

A. GOVERNMENT BUSINESS

I MOTIONS

- 1. Protocol Amending the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), Motion, 2016.**

SENATOR G. HULSE (Leader of Government Business and Minister of Natural Resources and Immigration): Mr. President, I move that-**WHEREAS**, the Protocol amending the TRIPS Agreement (hereinafter called “the Protocol”) was done at Geneva on 6 December 2005 (WT/L/641);

AND WHEREAS, pursuant to paragraph 3 of the Protocol, on 26 November 2013 the WTO General Council extended the period for acceptance of the Protocol to 31 December 2015 (WT/L/899);

AND WHEREAS, in accordance with its paragraph 4, the Protocol shall enter into force in accordance with Article X:3 of the Marrakesh Agreement Establishing the World Trade Organization;

AND WHEREAS, the Senate of Belize has authorized the acceptance of the Protocol in accordance with section 61(A)(2)(b) of the Belize Constitution as amended by the Belize Constitution (Sixth Amendment) Act (No. 13 of 2008);

NOW, THEREFORE, BE IT RESOLVED that the Government of Belize, having considered and approved the Protocol hereby declares that Belize accepts the Protocol and undertakes faithfully to perform and carry out the stipulations contained therein.

MR. PRESIDENT: Honourable Members, that Motion is referred to the Constitution and Foreign Affairs Committee for examination, consideration and report.

2. Inter-American Development Bank – Solid Waste Management Project II Loan Motion, 2016.

SENATOR G. HULSE (Leader of Government Business and Minister of Natural Resources and Immigration): Mr. President, I move that-**WHEREAS**, Belize being a member of the Inter-American Development Bank (the “Bank”), is eligible for development assistance in the form of loans, grants, and technical assistance from the Bank on such terms and conditions as may be agreed between Belize and the Bank from time to time;

AND WHEREAS, the Government of Belize has approached the Bank for financial assistance in the execution of Solid Waste Management Project II;

AND WHEREAS, it is the intention of the Government to apply such financial assistance to reduce environmental pollution through the improvement of solid waste management practices in emerging tourism destinations in northern and southern Belize;

AND WHEREAS, such project will finance investments to improve solid waste transport, recovery, and final disposal in towns and villages in the Northern (Orange Walk and Corozal) and Southern (Stann Creek and Toledo) Corridors and in Belmopan, and to strengthen Solid Waste Management Authority as the lead agency in the waste management sector;

AND WHEREAS, it is intended that the execution of the project shall be carried out on behalf of the Government by the Solid Waste Management Authority, acting as Executing Agency;

AND WHEREAS, the Bank has offered the Government financing of up to US\$10,000,000 from its Ordinary Capital Resources in support of the Solid Waste Management Project II under the following terms and conditions:

Lender:	The Inter-American Development Bank;
Loan Principal Amount:	US\$10,000,000.00 Single Currency Facility Loan;
Disbursement Schedule:	Over a period of sixty (60) months from the date of signature of Loan Contract;
Loan Term:	Twenty five (25) Years inclusive of a sixty-six (66) month Grace Period on Principal Repayments;
Repayment Period:	To be repaid in 39 approximately equal, semi-annual, and consecutive installments of about US\$256,410.26;
Purpose:	To execute Solid Waste Management Project II;
Rate of Interest:	Lending Rate is based on the Single Currency Facility Loan with a LIBOR-Based Interest Rate plus the applicable lending spread for the Bank's ordinary capital loans, to be paid semi-annually beginning six months from date of signature of Loan Contract;
Credit Fee:	A Credit Fee will be at a percentage to be established by the Bank on a periodic basis, not exceeding 0.75% per annum;

AND WHEREAS, under the provisions of section 7 (2) of the Finance and Audit (Reform) Act, 2005, the Government of Belize is required to obtain the prior authorization of the National Assembly, by way of a Resolution, for such a borrowing;

NOW, THEREFORE, BE IT RESOLVED that this Honourable House, being satisfied that the Loan proceeds would significantly assist the Government of Belize in its endeavor to reduce environmental pollution through the improvement of solid waste management practices in emerging tourism

destinations in northern and southern Belize, approve and confirm that the Government may enter into a Loan Contract with the Inter-American Development Bank on the terms and conditions set out above for financing the said Project, and further authorize the Minister of Finance to execute and deliver the said Loan Contract and all other documents associated therewith.

Mr. President, this is pretty straightforward. There is a supporting document, but what it really sets out to do is to duplicate that excellent performance we see with the solid waste collection that is now deposited at Mile 24. So currently project one picks up garbage from San Pedro, Caye Caulker, and Belize City. We used to have that despicable dumping site at Mile 3, and when it used to catch fire the smoke used to destroy half of the city, and that is now all cleaned up and the garbage is deposited there. There is also one on the Boom road. It's picked up from there and carted quietly to Mile 24 where there is an excellent facility that actually has become a showpiece of how to handle solid waste management. I know that people from Argentina and some other countries have come to see it. If you go there, you don't even see *konkas*, which is a good thing. This intends to duplicate it and to pick up now the garbage or the solid waste, as the proper name is, from PG and Stann Creek and bring it and also from Corozal and Orange Walk and bring it. So this is the purpose of this loan, and I ask for support.

SENATOR M. LIZARRAGA: Thank you, Mr. President. Mr. President, we will agree with the Leader of Government Business that this is a very noble project, but we have a couple of comments. First of all, the supporting documents that the Minister refers to were just presented to me, at least, a few minutes before the session commenced, and, as you know, Mr. President, we have been calling for supporting documents to be presented to us as soon as possible. I am sure this document has been around for a very long time, and there is no way I can read this document in 10 minutes. However, we appreciate that we did get it. We will read it and, perhaps, speak on this matter another time.

Mr. President, one other comment is that it would be nice to see that, since public monies are being used, in this instance the case is a BZ\$20-million or US\$10-million, that this Honourable House be privy to the reports of this Solid Waste Management Authority because we are, in fact, using public monies for these ventures. Thank you, Mr. President.

MR. PRESIDENT: Honourable Members, the question is, **NOW, THEREFORE, BE IT RESOLVED** that this Honourable House, being satisfied that the Loan proceeds would significantly assist the Government of Belize in its endeavor to reduce environmental pollution through the improvement of solid waste management practices in emerging tourism destinations in northern and southern Belize, approve and confirm that the Government may enter into a Loan Contract with the Inter-American Development Bank on the terms and conditions set out above for financing the said Project, and further authorize the Minister of Finance to execute and deliver the said Loan Contract and all other documents associated therewith .

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

3. **Accession of Belize to the Constitutive Agreement of the Central American Bank for Economic Integration (CABEI) Motion, 2016.**

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Mr. President, I move that - **WHEREAS**, in the year 1960, the Governments of Guatemala, El Salvador, Honduras, and Nicaragua signed a Constitutive Agreement establishing the Central American Bank for Economic Integration (CABEI);

AND WHEREAS, the aims of CABEI are to promote economic integration and balanced economic and social development of the Central American Region, which includes both the aforementioned founding countries as well as other non-founding regional countries;

AND WHEREAS, in November 2006, Belize was officially accepted as a Beneficiary Country (but not a Non-Founding Member) of CABEI, having fulfilled all the requirements of the Bank;

AND WHEREAS, Belize is now in a position to fully join CABEI as a Non-Founding Regional Member;

AND WHEREAS, in order to do so, Belize must first accede to the Constitutive Agreement (as amended) of CABEI;

AND WHEREAS, in doing so Belize would be recognizing all the immunities, exemptions and privileges of CABEI which are listed in the said Constitutive Agreement, including its preferred creditor status, and would be granting priority and preferential attention to debt related to the loans, guarantees and operations which CABEI may channel to the public sector of Belize;

AND WHEREAS, the Special Contributions made by Belize as a Beneficiary Country in the year 2006 in the form of Certificates of Participation shall be transformed to an appropriate number of Series "B" Capital Shares in the Bank;

AND WHEREAS, no further financial contributions will be required of Belize in this accession process;

NOW, THEREFORE, BE IT RESOLVED, that this House being satisfied that it is in the beneficial interest of Belize to become a Non-Founding Regional Member of the CABEI, hereby authorizes the Minister of Finance to sign the required Instrument of Accession by Belize to the Constitutive Agreement of the Central American Bank for Economic Integration and all other related documents to give effect to such Accession.

MR. PRESIDENT: Honourable Members, that Motion is referred to the Constitution and Foreign Affairs Committee for examination, consideration and report.

4. Development Finance Corporation Line of Credit (\$5.0 Million) from the Social Security Board Motion, 2016.

SENATOR G. HULSE (Leader of Government Business and Minister of Natural Resources and Immigration): Mr. President, I move that - **WHEREAS**, section 15(1) of the Development Finance Corporation Act, 2009 (No. 1 of 2009), provides that the Development Finance Corporation (DFC) may, with the approval of the Minister of Finance, borrow sums domestically or internationally, as required by it for meeting any of its obligations or discharging any of its functions;

AND WHEREAS, subsection (4) of the said section 15 further provides that an aggregate domestic debt in excess of BZ\$5.0 million shall be subject to the prior approval of the National Assembly;

AND WHEREAS, the Social Security Board (SSB) has offered to lend to the DFC, the sum of BZ\$5.0 million to enable the DFC to on-lend to various sectors of the Belizean economy, namely, productive, micro, small and medium enterprises;

AND WHEREAS, the purpose of the DFC is to expand and strengthen the economy of Belize by providing funding on an economically sustainable and environmentally acceptable basis to those individuals or groups of individuals seeking financing for specifically approved purposes, and who would otherwise be unable to fund their requirements from other sources on reasonable terms and conditions;

AND WHEREAS, the main terms and conditions of the Line of Credit are as follows:

- | | |
|--------------------|---|
| (a) Amount: | BZ\$5,000,000.00; |
| (b) Loan Term: | One year with an option to extend to 18 months; |
| (c) Interest Rate: | Interest shall be paid at 3.5% per annum on outstanding principal loan balance; |
| (d) Repayment: | Interest is to be paid quarterly after first disbursement of loan funds;

The principal balance is to be repaid in full at the expiration of 12 months from the date of first disbursement, or at the expiration of 18 months, if extension of the loan term is requested and approved; |
| (e) Fee: | A commitment fee of ½% of the loan amount of \$5,000,000.00, i.e. \$25,000.00 is to be paid upon acceptance of this agreement and at the end of one year after first disbursement, 2% of funds not drawn down; |

NOW, THEREFORE, BE IT RESOLVED that this Honourable House, being satisfied that the Line of Credit from the SSB to the DFC will contribute to the DFC's efforts to expand and strengthen the economy of Belize by providing funding to small and medium enterprises for the purposes aforesaid, approves that the DFC may borrow the said sum of BZ\$5,000,000.00 from the SSB on the terms and conditions set out above, and further authorizes the Board of Directors of the DFC to execute and deliver the Loan Agreement and all other documents associated therewith.

SENATOR M. LIZARRAGA: Thank you, Mr. President. Mr. President, the business community supports this loan to the DFC. Actually we've supported many such loans to the DFC from the SSB, and, to be perfectly honest with you,

the DFC has been a good payer. They've honoured their commitment to the SSB. So we have no problems in recommending that this loan be approved.

But, Mr. President, looking at the DFC Annual Report, page 18 of that report, looking at the 5-year financial highlights, we remain very concerned that the amount for loan loss provisioning has gone up consistently since 2012. In 2012, the loan loss provisioning was \$1.4 million; in 2013, it was \$2.9 million; in 2014, it was \$5.9 million; and in 2015, it was \$7.789 million. This has resulted in subsequent bottom line losses for the DFC in the years 2014 and 2015, \$2.8 million in 2014 and \$1.4 million in 2015. The only reason we highlight this, Mr. President, is that we continue to see every week in our newspapers ads, pages of ads I might add. In most newspapers these ads for foreclosures even outnumber the actual news items. So, Mr. President, we remain concerned because we think this is very symptomatic of what is happening in our overall economy that we see increasingly here, the DFC has to be making more and more loan loss provisions, and it shows us that the economy is not performing as well as it should. Most people, unfortunately and increasingly, according to this, cannot make their commitments because the economy is not striving. It underscores the point we've been making, and we continue to make, that there is an urgent need for public-private sector dialogue on how do we jumpstart this economy that is constantly going downhill, and, thus, we see that government increasingly has to rely on borrowed money to meet its obligations, and we will be talking more about that as the day proceeds. Thanks, Mr. President.

MR. PRESIDENT: Honourable Members, the question is, **NOW, THEREFORE, BE IT RESOLVED** that this Honourable House, being satisfied that the Line of Credit from the SSB to the DFC will contribute to the DFC's efforts to expand and strengthen the economy of Belize by providing funding to small and medium enterprises for the purposes aforesaid, approves that the DFC may borrow the said sum of BZ\$5,000,000.00 from the SSB on the terms and conditions set out above, and further authorizes the Board of Directors of the DFC to execute and deliver the Loan Agreement and all other documents associated therewith.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

II BILLS FOR SECOND READING

1. General Revenue Supplementary Appropriation (2015/2016) (No.5) Bill, 2016.

SENATOR G. HULSE (Leader of Government Business and Minister of Natural Resources and Immigration): Mr. President, I rise to move the second reading of a Bill for an Act to appropriate further sums of money for the use of the Public Service of Belize for the financial year ending on the thirty-first day of March, two thousand and sixteen.

SENATOR M. LIZARRAGA: Mr. President, with your permission, I will refer to my notes. Mr. President, once again, we see the government coming to us with a supplementary. Mr. President, this need for constant supplementaries

continues to be alarming for us. Why, Mr. President? It is because, when we pass our budget, according to the law, in March of this year, this is the document that we should be spending from. The law certainly did not want or does not intend to tie the hands of the Prime Minister when it comes to spending in this country, and the law allows for him to spend, in certain circumstances, beyond what is in this book.

Mr. President, as you know, our budgeting format has recently changed where we've moved now to something called programme budgeting. Programme budgeting allows all of us to look into this book to see, first of all, what the law says that the government can spend, what it is going to spend it on, and how do we measure the success of that spending. There are numerical values assigned to the outcomes, right, the inputs and the outcomes of how our monies are going to be spent. Now, Mr. President, as I said, the law governs under what conditions the Honourable Minister of Finance and the Ministry of Finance can come back and say, "I have had a need to overspent."

And, with your permission, I am going to read from the law, just for clarity, Mr. President. In the event that the Prime Minister comes up or the Ministry of Finance comes up to March and it does not have a budget, the law allows him to go for 4 months and spend one third of those sums previously allocated before he needs to present a budget, and he has 4 months to do this. But in this case, Mr. President, the Prime Minister did, the Minister of Finance did provide us with a budget, and the budget for 2015/2016 clearly authorized him under law as to what he could and what he could not spend. But remember the law doesn't seek to tie the Prime Minister's hand, the Minister of Finance. It says, "If the Minister is satisfied that there has been an urgent and an unforeseen need for an expenditure, which – (a) being in respect of new services or new goods is not provided for in this Act, or (b) will result in an excess of the sum provided for the goods and services in this Act," he can, Mr. President, authorize monies to be spent with limitations for those items for which if he would not spend would be seriously injurious to the public interest, provided, it says, that he comes to the House within three months to report on such spending. This spending, Mr. President, I remind this Honourable House, is limited to 10% of a previously allocated amount or \$500,000 in the case of new goods or a new service.

Mr. President, this law continues to be broken, and we have seen where it was broken in the past and thus the need for Petrocaribe Loans Acts No.4 and No. 8 of 2015, and it is important that I quote from these Petrocaribe Laws which I will quote, Petro 1 and Petro 2. In Petro 1, section 3, it says, and why do I read this, Mr. President? It is because it is claimed that these supplementaries, the monies for them came from Petro. It says, "Notwithstanding, anything contained in the Finance and Audit (Reform) Act, 2005, or any other law to the contrary, it shall be lawful for the Government of Belize to borrow," that is established, "without the prior authorization of the National Assembly." So fine, the law was changed where they don't have to come to us to seek permission to borrow. They can borrow any amount from Petro now. That's established. But the law went on, and the law made it clear. It says that, "Notwithstanding anything contained in the Finance and Audit (Reform) Act, 2005, or any other law to the contrary, the following agreement and the borrowings are hereby validated and confirmed retrospectively." This is where they sought to legalize the illegal borrowing of \$114 million and \$28 million. But we raised a lot of commotion in this country over those borrowings. So they passed Petro 2.

Now Petro 2 sought to make some adjustments, whereas they could spend it before and we couldn't question it. Now Petro 2 says, "The withdrawal and the

spending of such monies, now from Central Banks shall be in full measure subject to the Finance and Audit (Reform) Act, and all other Laws, Regulations, and Procedures applicable to monies forming part of the Consolidated Revenue Fund.” In other words, it is subject to the budget. It is subject to the 10%, and it is subject to the \$500,000 rule. That is clear.

But Petro 2 also went on to promise us two things. In section 2(c) of Petro 2, it says, “(4)It is hereby provided that –(a) all money borrowed from APBEL shall be reported to the National Assembly quarterly, and shall require the passage of a retrospective supplementary allocation for any spending done in the reporting quarter that was not provided for in the Annual Estimates of Revenue and Expenditure.” So, if we did not provide for this in this book and it went over the 10% or it went over, sorry, it should be not more than \$500,000 and not more than 10%, so, if the Minister of Finance had a need that was urgent and unforeseen, he could spend up to 10%, if it was previously allocated, and he can spend up to \$500,000, if it was a new item. But he had to come to the House and report on it three months after.

In the case of this Bill, Mr. President, this Bill was for the year 2015/2016 which ended in March of 2016. We are now 5 months, not 3 months as the law provides, 5 months. So that makes it illegal.

Petro 2 also asked, and I will read, with your permission, “at the time of quarterly reporting a perspective supplementary allocation shall also be required for all spending proposed to be done in the following quarter if such spending has not been provided for in the Annual Estimates of Revenue and Expenditure.” So the Prime Minister has the ability to spend 10% or \$500,000, if it was not in here and it was an urgent need for it, and he has the ability to come to us, if an item was not budgeted, to say that, “In the next three months this is what I proposed to spend,” and that would make it legal. Mr. President, I believe that we have not been seeing, and I stand to be corrected, perspective supplementary allocations that the law calls for, right.

We will see very shortly another supplementary that, I agree, the Prime Minister had come to the House before warning us that he is going to be needing monies for BTL. He didn’t give us the amount at the time, but at least he told us about it. I’ll give him that. And I’ll speak more on that appropriation when it comes out. But, Mr. President, the point that I wanted to make was clearly that, in the case of this fist Bill before us today, we have spent \$28 million outside of the scope of the law. We continue to disregard those legal requirements under the Finance and Audit (Reform) Act.

I will take this opportunity as well, Mr. President, to remind this Honourable House that we still do not know what we’re spending these monies on. The absence of details continues to be loud. We don’t know why when \$13.5 million was allocated for BIL that we spent \$26 million. Certainly it has gone over the 10%. We don’t know why Mother’s Day spending, mother’s day appreciation program was not budgeted for, why it is was urgent and unforeseen, and we spent more than \$500,000 on it. We spent \$933,260. We don’t know why \$1.5 million was approved in a previous supplementary for poverty alleviation but we spent \$9 million on it. We don’t know who got this money. We don’t know what were the requirements for the disbursement of this money. You budget \$1.5 million and spend \$9 million. We don’t know why for the Southern Highway we had \$8.2 million spent when the overall supplementaries total approved was only \$1.9 million.

And I could go on, Mr. President, the national road rehabilitation package,

we overspent \$6.92 million, sorry, we are coming back for \$6.92 million. We had budgeted \$41 million and spent \$60 million. So, Mr. President, if we look, I mean the disregard for programme budgeting is incredible because, if we look in the budget, page 136 of the budget for 2016/2017, you will see, for example, for item 18.35, the national road rehabilitation package, that nothing was budgeted for 2015/2016, nothing was budgeted for 2016/2017, and nothing was budgeted for 2017/2018. That's under Capital II. If you look under Capital III, it is the same. Zero dollars was budgeted for 2016/2017. Zero dollars was budgeted for 2017/2018. Zero dollars was budgeted for 2018/2019. Yet we spent \$60 million on this. These are projects that we know that the government has known that it would do for a long time. Why couldn't they have reported it and say, "As we get the funding, we finance it?" But they could have report it to us and put in here what are the measurable that we would expect from that particular Ministry for those spendings, but we continue to be in the dark. So no details on what was built, no details on where the cost or what the cost was for these individual projects, virtually no oversight. Who is overseeing it? Who is overseeing the spending of these monies? Certainly it doesn't come to bulk to the Public Accounts Committee. Certainly it doesn't come to the Senate. Where are the checks and balances, Mr. President? Where is the accountability? Mr. President, this Bill will not have our support again because it lacks the details that any Member of this Honourable House would need to satisfy, as the Motion says, to satisfy us that these monies are spent the way they should be spent. We have no way of knowing and no way of measuring what has been achieved by this spending. Thank you, Mr. President.

SENATOR M. CHEBAT: Mr. President, with your permission, Sir, before I make my contribution to this debate, I would ask just a minute, Mr. President, to address a matter of some grave concern.

MR. PRESIDENT: The matter of grave concern can be addressed at the adjournment.

SENATOR M. CHEBAT: It is a very brief matter, Mr. President.

MR. PRESIDENT: But we are dealing with this matter right now. You will have your chance at the adjournment, and I will definitely let you do it.

SENATOR M. CHEBAT: Very well, Mr. President. Mr. President, it is important for the people of Belize to understand that the government is coming back to us to seek approval for monies which they have overspent from last year's budget, some 17 months after that budget was approved, Mr. President. They're asking that we approve an additional \$28 million over and above what was approved in the 2015/2016 budget. They say, Mr. President, that \$9 million was spent on poverty alleviation, but, in fact, Mr. President, never before have we seen the level of poverty that we are experiencing in Belize today. Mr. President, it is said that almost 51% of the Belizean people are now living below the poverty line. Parents have no food to give their children in the mornings for breakfast before they go to school. They don't have money to buy school books, Mr. President. They don't have means of providing adequate housing for their families. Let them come, Mr. President, let them tell us who got this \$9 million.

This is not the first Appropriation Bill they're bringing on the budget. This is the 5th time they are coming to us asking us to approve their overspending. This government spends and spends and prints and prints more money. It seems that there is no end to their appetite for money, Mr. President. And who is saddled with the payment? It is the working-class people of Belize whom must then repay this, Mr. President. Just last Friday we heard the Prime Minister say that it is the

people of Belize who would have to replace the vehicle of the Deputy Prime Minister. Mr. President, how can that be? Mr. President, this Bill violates the Finance and Audit (Reform) Act. There is no transparency or accountability, and we cannot support this Bill.

SENATOR V. WOODS: Thank you, Mr. President. Would you allow me the permission to refer to my notes?

MR. PRESIDENT: Please go ahead.

SENATOR V. WOODS: Mr. President, to have a Supplementary Appropriation Bill presented to us for a budget for the previous fiscal year, not this one that we just debated about five months ago, over an year ago is an outrageous act of irresponsible fiscal management. But more than that it is simply not in compliance with the Finance and Audit (Reform) Act, which was an Act that was hard fought for by the people of Belize and by several Members in this Chamber.

Any company, any Board of Directors whom a CEO of which many of us in this Chamber in our private professional capacities have experience, could never get away with coming back to that Board of Directors. In this case, they are coming back to us and ask us to approve a budget, over expenditure on a budget that was long passed, but more injuriously, that already had approval for 4 other Supplementary Appropriation Bills. Nowhere where there is sound, good governance and fiscal management, private or public, could any organization get away with that unforeseen expenditures due to force majeure, due to some other event that could not be prevented. Yes, we understand that. You see the conversation would have been different if the request for the supplementary, even for a budget that is over a year old, was due to floods that occurred in that fiscal period, was due to, perhaps, a devastating hurricane but in that fiscal period.

Our laws provide that the government presents a budget, gets approval on the budget, and it also provides for supplementaries, but there are rules and guidelines for that. And why are those rules and guidelines there? It is for words that should never be buzzwords to this House, not to this House, transparency and accountability. For too long we continue to rubberstamp and validate the nonsense. The intent is never to block the Prime Minister. The intent is never to tie the government's hand. Things do happen, but after one time, two times, three times, four times and now the fifth but in another fiscal year. Now who is taking people for fools?

This request to authorize the government to spend an additional \$28 million, which when you look at the recordings of what the final approved budget for that year was, it is amounting to about 30% over, almost a third more. What level of check and balance, oversight, is being done? Do they not meet regularly? Do alarm bells not go off? It is because in any other company, when you ask, when you have the nerve to approach your Board of Directors, if you will, I know you approved me 1 billion dollars but I need more. I need more because I already spent it. It has been spent, but, no, I will not let you know what we spent it on. I just need you to tell me yes." If that is not shameful, then I don't know the meaning of it. We are being asked, as one example because there are several, to just accept that the Belize Infrastructure Limited company, and by limited it has become semi autonomous, that we should just accept that you know we gave you a budget, you've gone over it, and then you are going over it again based on, what? What are these projects that this BIL, as in BIL limited, what projects are they working on that it is so important for the public that requires such wanton spending without coming back and explaining what have you done with the

money? Where is the annual report of that statutory body? Everybody else is required to submit it. Why not them, especially with these types of overruns?

It is obscene, it is disgraceful, and it is fraught with failure to comply with the Finance and Audit (Reform) Act. And when you examine the expenditures very closely, line item by line item, just given on face value because there is absolutely no supporting documentation that comprises the outrageous amount that went over the budget, we are doing a disservice first and foremost to the people of Belize because the word poverty alleviation is also not a buzzword. At least put notes to say what the examples are so that you can measure what the extra \$9 million did to just further chip away at the gross poverty rate that it is at, at least a note or two, at least give that to us. As Senators we simply should not condone breaking the law. And so, Mr. President, I do not support and will not support this Bill.

SENATOR M. COY SR.: Mr. President, good morning, and good morning to my colleagues. I stand in support of the General Revenue Supplementary Appropriation (2015/2016), Bill, Mr. President. Mr. President, I believe, and please allow me to refer to my notes, the main key points that I have here. But, Mr. President, I have that feeling that I am in a classroom where I believe I need to teach back the lessons to my colleagues. Mr. President, I was listening to the other side, and if I was sitting on the other side I wouldn't even open my mouth to speak. Why do I say such thing, Mr. President? The accountability and the transparency that the Honourable Senator Woods speaks about, there is no other government in this country other than the United Democratic Party Government, Mr. President, that is transparent and accountable.

MR. PRESIDENT: Senator Woods, what is your point of order?

SENATOR V. WOODS: My point of order is on the matter of getting involved in a discussion that has nothing to do with this. We are not talking about the history of the UDP Government. We are focusing on this Bill.

SENATOR M. COY SR.: Mr. President, please allow me to continue. Mr. President, it seems that the hard work that this committed government is doing nobody notice it. It seems that we live in a blind world, so to speak. I want to open the eyes of my colleagues, Mr. President. I want to inform them and tell them that never in the history before have we seen development in Belize like we see today, Mr. President. Do you want me to recall what we did in 1998 to 2008?

MR. PRESIDENT: One second, Senator Woods.

SENATOR V. WOODS: Mr. President, I raised on a point of order before. Every time and for the few times I've certainly been in this Chamber the point of order has been raised when we go off topic. Stick to the Bill. This is what we are debating. Stick to the Bill. Don't come and tell me about the history subjectively.

MR. PRESIDENT: Senator Macario, please, we are discussing the Bill. So let us keep focus.

SENATOR M. COY SR.: Yes, Mr. President, allow me to continue because it's a matter of importance. Even the Honourable Senator Lizarraga spoke about the spending of Petrocaribe and how it is not accounted for. Mr. President, I just want to go back to the sound, key, important points that I have here. I am trying to teach them the lesson, like I said when I began. I had said, the moment I

stood up, that I am going to teach them the lesson. I am going to inform them about it so that we have the nation be aware of exactly what's taking place in our beautiful and beloved country, Mr. President. We can see infrastructures, Mr. President. The equipment that we have invested in, this had never been invested before. We see major developments in Belize City. For example, there is the Lake Independence Boulevard. There are the Chetumal Bridge and the Ministry of Works' sugar roads upgrade. The streets are upgrade in all towns from Corozal all the way to Punta Gorda. We heard the Senators talking about the spending on the Southern Highway. I want to inform you, Mr. President, that that Southern Highway is a highway that I use on a daily basis. I use it to go to work. Before, Mr. President, we used to walk that highway. In fact, I never used to wear the shoes that I am wearing today; instead I used to walk it barefooted. I busted my foot, Mr. President, but I can tell you today that that new highway that was built between Dump and Jalacte is a brand new highway. And I want that the Honourable Senators on the other side answer the question, which government is able to do this, Mr. President? We heard the Honourable Senator Chebat speaking about the hunger. Mr. President, never in the history before have the people enjoyed such a benefit where we can today stand up, Mr. President.

SENATOR V. WOODS: Mr. President.

MR. PRESIDENT: Yes, Senator Woods.

SENATOR V. WOODS: This is grossly obscene to all of us on both sides. We have Standing Orders. You have given a Motion to him.

MR. PRESIDENT: Well, you have already made a point of order. I've told him to stick to the point. One second Senator Macario. He is giving examples. That is what I am hearing. He is giving examples of what have been done. So just give him a chance. If he strays from the point, then we will correct him. Please continue, Senator.

SENATOR M. COY SR.: Thank you very much, Mr. President. I am just giving the facts, the facts being the facts and the real being the real, and that is what we need to understand, and that is what we need to inform the nation about. Thank you very much, Mr. President.

SENATOR E. SMITH: Thank you, Mr. President.

MR. PRESIDENT: Senator Smith, one second, before you continue, please, folks in the gallery, we appreciate you coming here. We are discussing so I would appreciate if everyone would just remain quiet and respect both sides,... Let us continue. Thank you. Senator Smith, please continue.

SENATOR E. SMITH: Thank you, Mr. President. I think that I would like to inform that I am a teacher, and I have seen where our Prime Minister has disrespected us. But, to my colleague here, I don't believe that I need any instructions or any lessons on what we have before us today (Applause).

As it relates to the Supplementary Appropriation Bill, Mr. President, I rise because we, our organization, cannot support this at this time. As was said previously, where are the details for what I have? There are no details here, I have to assume. You may have them, Sir, but I don't. Where is it?

MR. PRESIDENT: Excuse me, Senator. Senator Macario, please let Senator Smith continue, please. Continue, Senator Smith.

SENATOR E. SMITH: I don't believe, Mr. President, that, as a people, we have rings in our noses, and I don't expect that anyone would treat me in that manner. I need to know what the details are before I can say I accept or I reject. And so, as we look at this here, it clearly shows a level of mismanagement as it relates to our finances. And we are concerned about not having these details and we are also concerned that there are no justifications for the overspending. You are telling me that you spent so much above the budget, but what justifications are there to show that I am able to approve the spending that has already taken place? So those are our concerns as it relates to my organization. Thank you.

SENATOR S. DUNCAN: Thank you, Mr. President. Just to clarify a couple points really, this information that is coming to us, Mr. President, on this Bill has been prepared no doubt by the Financial Secretary and his team. And there are two things that I would like to point out because from time to time I see that we come to this Honourable Chamber and we, to my mind, do not give the public officers their proper due. And I also feel that at times we try to usurp the role of the public officers and try to do their jobs. I would say that a delay in bringing a Bill should not automatically suggest that something is amiss. And this information having been prepared by someone, the Financial Secretary, who I know personally to be a very diligent and honourable individual, I would not want us to go down that road and to question what may or may not be in here.

To my mind, the information provided tells us that funds were spent on things that we consider very important within the context of our country today, the rehabilitation of sugar roads, the renovation of government buildings, poverty alleviation, and the Belize Infrastructure Limited the projects that they are working on which are prominently displayed for everyone to see. We now see them working on the Civic Center in Belize City. (Applause) These are not things, I think, we should dismiss or try to downplay. They are very important things. I can understand the desire to try to analyze every minute detail of what is happening, but at the same time we have to appreciate that that is why we have the public service and the public officers and the people that we can trust in certain positions to do some of these things for us. On that basis, I would not want us to go down the road, Mr. President, of forgetting the role that the public officers play in putting this information together and submitting it to us. Thank you, Mr. President.

SENATOR DR. C. BARNETT: Morning, Mr. President, and good morning, colleagues. I just want to remind this Honourable Chamber of the process that we had agreed to, as set out in the Petrocaribe Act. Yes, there was a lot of discussion and conversation around that, but the law that was passed does prescribe a certain procedure for the use of these funds. And this procedure includes, because you know how the Petrocaribe fund has been running, the fund accumulates and then the Government takes out of it to fund its programs, and the law does build into it a process whereby the expenditures are brought to the House as supplementary allocations after the fact. That does mean that in a fiscal year, when you come to the end of the year, that final quarter, we are going to run over into the next fiscal year. That's what it means. Retroactive financing doesn't change because we come to the end of the fiscal year. It will have to refer to the fiscal year completed. It is not necessarily the best way. We've talked about this before. But it is the way that we could manage things because of the nature of the Petrocaribe fund which is not a fixed loan but a sum that grows over time.

The funds that have been allocated that we are seeking the approval for are set out in exactly the same format as we set out the budget that comes to the

National Assembly and that passes through the Senate, and I say passes through because we always remind ourselves that we really don't have the authority to stop a money Bill. So we talk about it and see how best we can contribute to the conversation, but in the Senate we can't approve or disapprove, and it changes the fact of the eventual approval. And so I just wanted to remind that this Senate that, in fact, this supplementary appropriation is following the way it was set out in the Petrocaribe Act. It is coming a little bit late, I will admit to that, but you can only submit it when the House is sitting. Thank you very much, Mr. President.

SENATOR P. THOMPSON: I rise to make my contribution to this Bill. Senator Duncan just mentioned, you know, that there is nothing egregious about this Bill. And, as a banker, I would like to ask him, when he lends money to a borrower, does he not want to know how that money will be spent? That is the first question I want to ask and I would like to ...

MR. PRESIDENT: Senator Duncan, please allow him to finish up.

SENATOR P. THOMPSON: I'd like to reiterate something that Senator Barnett just said that we are a little bit behind in terms of coming to the House and to the Senate in regards to this Appropriation Bill, and it's past three months, I believe, and there is a penalty for that in the Petrocaribe Act, and I'd like to ask, if they know, what that penalty is? I can't support this Bill.

MR. PRESIDENT: Senator Duncan, did you said you wanted to respond?

SENATOR S. DUNCAN: Just for clarity so that the nation is not mislead, we made it clear and I made it clear that, in fact, the papers before us set out what the monies were spent on. And Senator Barnett just again mentioned that, in fact, it is in the same format it is in the same construct as the original documents the actual proposals, submissions, that come to us at the beginning of the year, the budget. So to what extent we keep trying to harp on the fact that there is no information and to try to draw an analogy to banking business is beyond me, Mr. President. Thank you.

SENATOR A. SALAZAR: Thank you, Mr. President. I just would like to intervene briefly to sort of echo what Senator Duncan has said. It is easy to get caught up in semantics or to get caught up in issues that tend to move the focus from what is really here. So I just wanted to point out that what is being complained about, if we could just look at it and list it a bit, if we could look at what is drawn in the ire of those on the other side. It's really the Belize Infrastructure Limited Projects that we can look around almost anywhere in the country and see that there is progress. We look at poverty alleviation. There is the Southern Highway Jalacte/Guatemala Border. I don't think that anybody would argue that that's not beneficial to us. There is the renovation of government buildings, the rehabilitation of sugar feeder roads, the Hopkins road, the Punta Gorda market project, the road safety project, and the flood relief for Corozal Town. So I really don't see what is in here that can cause so much disenchantment because I really feel that they are good projects, and, therefore, on that basis that this is really supporting development and improvement of our people that I support it.

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Thank you, Mr. President. Mr. President, I think colleagues have clarified this supplementary. However, there are a few points that need to be made. First of all, I want to remind colleagues here that really it is a courtesy of the House to send money Bills to the Senate. That is well established in the British Parliamentary system, the Westminster model, we have

that the Senate has no jurisdiction over money Bills. We cannot stop, and we cannot do any of that. In the House, there is a Committee of Supply that when budgets or supplementaries go it goes to that Committee of the Whole where they nitpick and hauler-pull because it is the elected Representatives of the people who stomp and who can tax the people and spend the people's money. It is only them because they are the ones that will go back during the election and say, "Vote me back again." And the people will say, "You wasted my money". The Senate, as a little different institution, and we have very sober debates here for which I appreciate, is sent these supplementaries.

But I have to reiterate that you will never get details of the expenditure in the micro manner because the supplementary is set out in the exact manner as the budget. It talks about a head and that's the head of expenditure. It talks about a subhead, under which those expenditures come. It talks about a description of the expenditure. It talks about what was approved. It talks about what was further budgeted, if there was an expression of cost overrun, and it goes finally to what was actually spent. That's when it's done, and that you don't know until after you've spent. Every single one of us, bar none in this House, I am sure and that might be a little presumptuous, has not had cost overruns for expenditure you are doing. As I speak, one of my daughters is building a house, and we have a turnkey contract, and she is already running over budget with the National Bank because the contractor said, "Oh, lord, they had a hurricane and the price of this gone up and the price of that also went up." That is how life is.

But what can be said, for example, poverty alleviations, it is wrong, man, to get up and say that poverty alleviation is that. We have said time and time again, if you look under the Ministry of Works and Transport you will see a heading, the head is 29 and the subhead is 377, and the poverty alleviation is the Southside Poverty Alleviation Project. I think it is the OPEC funding which has put the Central American Boulevard and all the rest of things that you see in the south side of Belize City. It is not money that you will presume went into some poor people's pocket or otherwise. It is poverty alleviation in that concept.

You will recognize that we just had a devastating hurricane. Some say category one and some say category two. The point is that government will now have to spend another significant amount of millions to help people get back on their feet, housing, etc. But you must recognize that, had we not done those streets the way they were done in Belize City, had we not done several of those projects, Lord, help us how the city would have looked and the other things. You must recognize that the Southern Highway looks a lot better, and it is safer. You must recognize that the Western Highway has lights down the middle, reflectors, etc.

So, yes, I will be the first to admit that we are late in respect to the Finance and Audit (Reform) Act's requirements. But I must say, at the risk of having Senator Woods remind me, that supplementaries came about, the push, in 2005, when Dr. Barnett and myself and others pushed for because, in 2005, the last supplementary we had was in 1998, and they came in 1990, 1991, 1992, right up. We had books and books that were never brought. Yes, this government can be criticized for bringing supplementaries two months late, but I am telling you, two months late is a far cry from seven years late. I move the question. (Applause)

MR. PRESIDENT: Honourable Members, the question is that the Bill for an Act to appropriate further sums of money for the use of the Public Service of Belize for the financial year ending on the thirty-first day of March, two thousand and sixteen, be read a second time.

All those in favour, kindly say aye; those against, kindly say no. I think the

ayes have it.

Bill read a second time.

2. General Revenue Supplementary Appropriation (2016/2017) Bill, 2016.

SENATOR G. HULSE (Leader of Government Business and Minister of Natural Resources and Immigration): Mr. President, I rise to move the second reading of a Bill for an Act to appropriate further sums of money for the use of the Public Service of Belize for the financial year ending on the thirty-first day of March, two thousand and seventeen.

SENATOR M. LIZARRAGA: Thank you, Mr. President. Mr. President, with your permission, I will refer to my notes. Mr. President, let's get something very clear. Whether you are late or not, the law says that you have to follow certain guidelines. The law was broken. We say that we see that monies have been spent, and we know where the monies in these allocations and supplementaries are going to go or where they've gone, but that defies when you pass a supplementary and you have no measureable outcomes. You don't tell us what you have achieved with the spending. At least in the budget, Mr. President, we can see what we seek to achieve from the spending. There is no explanation of what has been achieved, what has been spent. We don't question that monies have been spent and projects have been done. What we question is, what did we get for the money that was spent? That is what we are asking for. We are not telling you not to spend. We are not telling you not to build. But we are seeing that we have a right. If we don't have a right, then why present it to us? Why let me waste my time going over almost 2,000 pages of documents that I was given on Saturday, if I am not going to have a right to say and to speak about it? Why give me it? I don't have time to waste. But we have a right. The Senate is the Upper House. We have an obligation to oversee. The Constitution allows us to oversee what happens in the Lower House. We are being paid, Mr. President, to oversee this. So what we continue to ask for is, where are the details of such spending so that we can go out and defend it? Yes, we built that roundabout, but we knew it was going to cost so much. Yes, we built that piece of road, but we knew we were going to get 10 miles of road for so many millions. At least that, but we don't.

They say that we do not give public officers their proper dues and that we should trust the public officers that prepare these documents. Well, Mr. President, let me tell you why I don't trust these documents. Let me tell you why I don't trust a lot of the stuff that comes to the Senate. I'll give you a classic example. We are talking about and this Bill before us right now. And it was accompanied by what we call a Schedule, and the Schedule is here with three lines, one line for \$197 million, one line for \$5.3 million, and one line for \$2.5 million, and it totals \$205,566, 243. We were given another Schedule, one line for \$10 million, one line for \$7 million, totaling \$17,930,119. So we add those two pages, Mr. President, we have \$222,659,000. But we have a third page, Mr. President, that shows us another \$8 million and another \$8.5 million. That's \$16.8 million. Yet when you add the total it comes to less than the page before which is \$222.4 million when it should be \$239.5 million. So I don't know if you are coming to me right now to ask me to approve \$222.4 million or \$239.5 million. What is it that you are asking me to approve, because I have three pages, one for \$16.8 million, one for \$17 million and one for \$205.5 million? If you can't even add three pages, how you want me to approve this?

Mr. President, we continue to see in this country this unprecedented

borrowing and spending in the name of the people of this country. We know that this borrowing and spending is unsustainable. We know that our economy, the main pillars in our economy, a lot of them are doing poorly. We do not have a debt sustainability plan. We were told we had a billion dollars in reserves. Yet \$70 million shake the system so hard that the Governor of the Central Bank had to warn that we could face devaluation. We continue to borrow, and I don't know how much we are borrowing today again. Is it \$222 million or \$238 million? Why do we have this constant need for appropriations? It is almost like we don't know how to plan.

Mr. President, let me move on to the largest item. Let me give kudos though before I continue. In this appropriation, I can understand the spending for, I might not agree with it, and I'll talk about it afterwards, the one for BTL. We were warned that it was coming. I can understand the sums that were allocated for the hurricane. Prime Minister was well within his right. He had every right to spend on emergency supplies, on repairs, on hurricane preparedness, the whole works. I can understand that totally, and it was well within the law. I question whether, however, the spending on the BDF air wing, where nothing was allocated but now we are spending \$2.9 million. But he can say that it is coming to us prospectively. I'll give him that.

But let me speak, Mr. President, a little bit on the biggest item in this which is the BTL issue and the settlement of the BTL arbitration award. There are four headings I want to talk about. I want to talk, first, about the rule of law, next about the cost, then about the national debt, the impact that this is going to have on the national debt, and then the way forward. Mr. President, the Belize Chamber of Commerce and Industry, the business community, on July 12, 2016, issued a press release regarding the BTL arbitration award, and, with your permission, Mr. President, I'd like to paraphrase from this release and seek your permission to refer to my notes. The release said, Mr. President, that the Belize Chamber of Commerce and Industry, having reviewed the details of the arbitration award, maintains the position it held in 2009, that any nationalization should have been as an act of last resort. Further, the release says, that we reiterate or view that the BTL accommodation agreement was egregious and that no government should ever make such commitments again. The Chamber of Commerce went on to say that while supporting the negotiation to settle the acquisition of BTL that they could not or we could not support the manner in which the negotiations were conducted, keeping in mind, Mr. President, what the CCJ had forewarned us that prime ministerial governance and a scarcity or lack of checks and balances are the cancers that eat away our democracies. The Chamber went on to say that they regret that it took the government 7 years to decide to negotiate and that countless, ill-advised and extensive delays have caused our country millions of dollars in interest at a time when we can least afford to take on more debt.

Our laws, Mr. President, to paraphrase the Leader of Government Business, were written for honourable men. Mr. President, too long we have seen in successive administrations and we have heard of hotbeds of unbridled corruption, greed, lack of transparency in government's transaction, the disregard for the rule of law everywhere but most alarmingly in so many of our governance institutions and increasingly in our government owned private institutions. The supreme law of our land, Mr. President, our very Constitution is violated repeatedly, its intent ignored, principally and increasingly and excessively by those that govern us. These are the realities, Mr. President, that give birth to the continue of secret and extremely accommodating agreements in this BTL saga as well as in many other aspects of government's use and misuse of the public purse and the public trust.

Mr. President, when we look at the cost of this BTL acquisition, and according to my spreadsheet at least, we will see that of the sum \$550 plus million associated with this acquisition \$245 million, almost a half of it, is for interest and attorney's fees and fess payable, \$245 million, one quarter billion dollars. Most of this, the vast majority of this could have, we could have escaped from paying it had we settled and given this gentleman a deposit for that company which we knew we had to pay for when we acquired it. When the total cost that taxpayers will have to suffer is finally disclosed, Mr. President, we will have to calculate in the cost of that settlement, and we must take into consideration the undeniable fact that foreign direct investment in our country has decreased sharply after this event. I know that there will be examples that we will say we've had, certain cases like the cruise tourism terminal, that we've had the sugar industry which has received investments. But look at the numbers that the Central Bank has produced on foreign direct investment in our country. It has decreased regardless of the explanations that we are given. Look at the hard numbers. We have suffered, local and foreign direct investment, and this, Mr. President, is because of a lack of confidence. It has not only affected our economic growth but it has and it continues to deprive tens of thousands of Belizeans of employment, entrepreneurial opportunities, and the services that they desperate need.

Mr. President, the law is clear you know. If government acquires somebody's property compensation is obligatory, and any delays in payment will attract interest. We knew this, and every attorney knows this. In hindsight, Mr. President, what remains extremely questionable is the wisdom of these delay tactics because of the net effect and the cost, almost \$250 million. The ill-advised stand not to make an early down payment to the owners, knowing again fully well that payment was due and that interest was growing, is also dubious. As a direct result and consequence of the long-drawn-out approach to settlement, interests and litigation costs rose to scandalous levels, Mr. President. We the taxpayers have been burdened, once again, with \$245 million that was not necessary due to egotistical and overconfident negotiating and issuing of blank cheques on our behalf. And the sad reality, Mr. President, is that even today this is not the final cost you know. It's not over because litigation has not ended and the final amount we need to pay has not been determined or disclosed. I'll tell you why. In these costs, we still don't know what is the cost of the money that we had to borrow to pay for this first payment. We still don't know what the cost of the money will be next year when we have to make that payment. And I remind that the Social Security who has a vested interest in this whole saga has still not been repaid. Social Security monies have still not been repaid. So we don't know, Mr. President. We do not know what the final cost of BTL will be and if we will have another supplementary coming back because we should know what the interest cost is on those T-Bills and T-Notes that the government is issuing so that it could raise the money. We should know, and we should associate it with the cost of BTL. That should not come from our pockets. It should come from BTL. I hope that at some stage we will see what the true final cost is in another supplementary so we could know what BTL is expected to pay. The only beneficiaries, Mr. President, from all this mishandling are the original owner of the companies, their attorney's and the families involved in this. All the monies that the company has earned to date in this period of litigation and then hundreds and hundreds of million dollars more will go back to the original owner, duty interests and penalties allowed to accumulate.

Mr. President, and then you look at it from a business standpoint, and we hear, "Oh, this is going to be a good investment because it is going to bring in, we project \$10 million a year in profits. We are going to get \$10 million a year from our share dividends." Well, you know this is a lot of money. This is about \$550 million, and you are only making \$10 million a year. So I called a banker because

this is too big for me. In my simple mind, I said \$550 million, if you are making \$10 million a year, it will take you 55 years to pay for it. But there is something that Albert Einstein once described as the most powerful force in the universe, and it is called compound interest. When you take into calculation compound interest on a loan for \$550 million and you are only making \$10 million a year to pay that back, do you know how long it is going to take you to pay that? You are not going to pay for it in a thousand years. The project is not viable; it cannot pay for itself from \$10 million a year in dividends, never. So maybe the banker can run the numbers and tell us what \$550 million will cost and how long it is going to pay by servicing it at \$10 million, how long it will take us to pay, because, as far as I am concerned, that \$550 should come from BTL and not from us as taxpayers. Mr. President, once again, we feel that the taxpayers of this country will be asked to saddle another huge liability, another huge debt for a company that, when you look or when you listen to people who talk about discounted values and when you talk to the economists, they are saying that this company only really had a value of less than \$100 million.

We remain concerned, Mr. President, because it impacts the quantum of our national debt. Now we are well passed, we believe, with all the supplementaries and all the new liabilities, three super bonds. We are not talking about one super bond. We knew it was double already. The Prime Minister had said we already owe 2 point something billion dollars. Now we are closed to 3 change. So now we owe three super bonds. Then we still have all the pending liabilities under the Cost Saving Report that identified that we could potentially owe \$500 million in the Lands Department. Where are we with that? We don't know. So we continue to borrow, spend and increase liability on the taxpayers of this country. And we don't have no sustainability approach plan to our debt financing. We have been forewarned by the way, and we hear rumors that taxes will go up in the March budget because, in the absence of a government that is working with the private sector to grow the economy and to increase employment, what we see is a government that is only borrowing and spending. And you can't spend, borrow and spend your way into success. You are going deeper and deeper into debt, Mr. President. We are digging a deeper hole every day, every supplementary.

Mr. President, the Chamber believes that one way out of this hole that we are digging ourselves into is to encourage good governance and anticorruption measures. I think that the Vice President and the Leader of Government Business can understand what we are trying to push forward and what we are trying to say. This morning it pleases me to say that the Chamber of Commerce and Industry is launching its call for this good-governance-and-anticorruption position that it is taking. It's beginning to call now, and we have an agenda, we have a plan for us to adopt the United Nations Charter Against Corruption, for us to ask for the Integrity Commission, for us to ask for the Public Accounts Committee to be reactivated, and for us to start to empower the Auditor General to do more investigations. We call for an investigation into all of these quasi private companies now. It is private, but it is for us, but we cannot question, and we cannot see their reports, it looks like. But these are companies that we fund through our tax dollars. So we should be able to get reports and see what is happening in these. But, as you know, Mr. President, we have our sustainability agenda that we believe will cure this, and we don't know for the life of us why a government that came to power on accountability, transparency, and good governance refuses to put in and strengthen the institutions that we need for oversight in this country.

I'm hoping today that when we have the motion down the road that they will support it, Mr. President, because we need to encourage more oversight and

more oversight from this institution that is chartered to do so in the Constitution. We have to start to do our jobs. We have a role to play, and we are not just rubber stamps. There is a whole host of issues that the, and I have invited Members in this Chamber to look at the business community's sustainability agenda to familiarize themselves with it because we call for tightening in immigration, we call for tightening in laws, legal reform, and we call for a full audit of our citizen list. We will discuss that later, where we even question now, and you ask us to trust the system. We don't know who is a rightful Belizean anymore. We have 55,000 suspect cases. I am getting back on point.

MR. PRESIDENT: Yes, please, Senator Lizarraga. We have spoken on that. You will have time to vent that situation.

SENATOR M. LIZARRAGA: Thanks, Mr. President. But what I was saying is that we have a whole host of reforms.

MR. PRESIDENT: But what I am saying is that you will get your 45 minutes at that time to discuss that. Thank you.

SENATOR M. LIZARRAGA: Yes, Mr. President. Mr. President, we continue to call for transparency on all public bodies. And why is this important, Mr. President? It is because, in the absence of trust, once you lose trust, you know, it is hard to get it back. You can't just say, "Trust me. Trust me." Can't you see? You have to show me, man. You have to show me that you are going to be doing things differently. You have to show me that you are going to encourage good governance. You are going to have to show me that you are going to encourage transparency on all public bodies.

MR. PRESIDENT: Excuse me, Senator Lizarraga. One second, please.

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Mr. President, in accordance with Standing Order 10 (8), I move that the proceedings on the order paper may be entered upon and proceeded with at this day's sitting at any hour though opposed.

MR. PRESIDENT: Honourable Members, the question is that the proceedings on the order paper may be entered upon and proceeded with at this day's sitting at any hour though opposed.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

Senator Lizarraga, please continue.

SENATOR M. LIZARRAGA: Thank you, Mr. President. So, Mr. President, the answer has to be transparency, accountability and good governance, but in order to achieve this we have to strengthen those bodies that govern us. We have to implement certain charters. We have to implement anticorruption measures. We must because we have seen throughout the world, and I have said it before in this House, that all the countries that have put in these things, these measures in place, Mr. President, they begin to grow out, they begin to climb out of that backwardness, that indebtedness, and they turn the country around. The people can benefit truly from all the receipts and all the taxes of the country. So, Mr. President, we continue to call for public sector reform. We continue to insist, Mr. President, as well that in trying to pay for these that we cannot disincentivize even more the business community by raising taxes. We can't. We have to find mechanisms to stimulate investment. We have to find mechanisms to stimulate

employment. Increased taxation is never going to do that. You can't encourage me to invest if you want to take more and then on top of that I see reports that say that you are misappropriating, mishandling, and misusing. I can't. You just don't give me the confidence that I need. So we need to work on a lot of things.

But I want to say, Mr. President, in wrapping up, that the Chamber is going to be calling for a partnership with all the other NGO organizations, with the unions, with the churches, because we must bring transparency, accountability, and open government to our country, and that is the answer. The answer cannot be continued borrowing, continued spending in the dark. So we stand firm in our positions, Mr. President, which contribute positively to our economic and social development, and we look forward to working with public and private bodies towards this end. The business community has recognized that there is a vital need to rebalance and safeguard the Belizean economy through the continued democratization and participation of the social partners on oversight bodies. That is the only way we are going to do it. There is no greater opportunity, Mr. President, than now to begin. There is no greater opportunity than now to change. We need to start a momentum. We need to grow a movement that makes these national important issues a priority. We have to make them a priority. Never before in our history have there been such serious threats to our economic viability. Don't listen to me. Listen to the Governor of the Central Bank. More than ever we desperately need from our leaders their commitment to their promises of transparency, accountability, and good governance. The business community will continue to make itself available to be an agent for positive change in our country. Mr. President, we want our country back! Thank you, Mr. President.

SENATOR V. WOODS: Thank you, Mr. President. With your permission, I will refer to my notes. I rise to provide my comments on this Supplementary Appropriation Bill 2016/2017, yet another blatant disregard, in my view, to appropriately, in this term, warn the people of Belize because overruns will happen. We never shied away from that statement of fact, be it government or private company. And so, yes, expenditures beyond budgets will occur. It happens. However, I will not cite nor should any Senator cite an example of a personal overrun expenditure because, indeed, you should run your private affairs the way you wish, but with the people's money now that's a different story.

This particular Bill obviously will have comments as any other General Revenue Appropriation Supplementary Bill, but, perhaps, this one more than others just because of the genesis of it, a very controversial matter. I like to refer to it as the BTL complex because it is really complicated, but only after 7 years because it didn't need to be this complicated. It didn't need to be this messy. And, Mr. President, we recognize, all of us do, we've read the Constitution as it relates to the Senate and our Standing Orders. We know that we cannot block money Bills. We know that. And we know that it is a courtesy, as was cited by the Leader of Government Business, that we do in allowing the Bills to pass through. But courtesy or not, Mr. President, it is still about the people's money, and we are constitutionally required to raise matters of importance and concern for the public's interest. One such thing would be the level of overruns on any approved budget, whether the supplementary comes once, whether it comes twice, or a multitude of times within a fiscal year and past a fiscal year. And, no, it is not semantics. Over \$220 odd million can never be viewed as semantics because it has serious repercussions. We may only be feeling the tremors of this earthquake. We have yet to see what it will register on that Richter scale. And perhaps we in this chamber won't feel it. Perhaps, the big one will come for generations, and then we can only hope that history will absolve us then.

The bulk of the over expenditure is for the payment towards the BTL award. This debt, a debt that was, perhaps, hinted in the budget debate earlier this year and a debt, as my previous colleague mentioned, also came out of what has now been dubbed secret agreements. This one is no different, although under a different government, it is still no different. So, if it was wrong then, under previous governments, it is wrong now under this government. And there is no escaping, Mr. President. You see we had no say, us in this House, the House of Representatives, the people of Belize, we had no say on what that final settlement agreement would have been. Indeed, we even had no notice that we were heading there. All this while we felt that, as since 2009, we just be continuing with more litigations, which meant we knew costs were piling up. It would have at least been nice, Mr. President, if witnessing that agreement, it would have at least been a government representative witnessing the signing off on what the final price would be that this country would now have to undertake paying which will be through taxpayers. It would have been nice if it was a government representative witnessing that, but it was not. You see we are here with this Bill really because of the BTL award witnessed by the partner of the Prime Minister's law firm. So that just add a little bit more insult to the injury.

This award was made, this final settlement which causes us to be here to pass, as a matter of courtesy, the approval, this award was made after 7 years of litigations and millions upon millions of taxpayers' money being spent on legal fees. It could have all been avoided if back then the government just did what it seemed to have taken them 7 years to realize. When you cease somebody's property, you have to compensate them for it. So now it is costing us far more than is needed, far more than what it's worth, and we can't do nothing about it, as this is only a courtesy as we have been reminded.

So, as this Chamber is asked, once again, to approve a Supplementary Bill on hundreds of millions of dollars that is already spent and exceeds an already grossly high budget, one that was vigorously debated just over 4 months ago, and as we do this on the heels of having to ask the Senate, just earlier, just a few minutes ago to approve an over-30% expenditure on a budget that was a year ago, it is simply blatant disregard for good governance. Now I hear the Leader of Government Business, and I listened to him very keenly as he chuckles really and says, "But at least we are doing better." It's not like the previous government that took seven years or nine years or whatever amount he had place on it. But is that really good governance? Are we really in this Upper Chamber saying, "It's okay, just don't reach to the level of the last one"? You see I did not signed up for that when I was asked to represent in this House. You see I am prepared, Mr. President, as a Senator duly appointed by the Opposition, that I accept the past. I have learnt from the past. We all should. The only personal example that I would ever dare to give in this House is one of lessons, one where you may have failed on something, and Senator Smith can certainly appreciate the analogy. A student comes, you try your best, you encourage them, and they fail, but then she or he comes back and tries again. You can't fault that. But what you can't accept and tolerate is, despite the warnings, despite the advice, that you will continue to tolerate the very same tactics and procedures that you complained so bitterly about. So, no, Mr. President, we cannot just treat it as a matter of courtesy. We recognize we cannot block it. We fully recognize it. But recognize we just won't rubber stamp it. If any of these procedures were done under any previous government and under any new government to come, it was wrong then, it is wrong now, and it will be wrong in the future. We are a country that should have learnt from that. (Applause)

The Schedule that we got in our package of papers is unclear, Mr.

President. You see we got three. We didn't get two, and it was for this, 2016/2017 Supplementary Appropriation Bill. So we didn't know which is the accurate one. So it's not that we distrust public officers. We don't. They have a lot on their plate, especially dealing with a programme budget that validates "We don't need details". So I can appreciate that, perhaps, errors may have been made, but seriously those were our packages. How can we even begin to not question when the very thing being put in front of us is questionable. So, were we being asked to approve \$222,659? Or were we being asked to approve the \$222.426? Of course, I am talking in millions. The math is wrong at least in the papers that we got and so is this Bill.

The country is languishing, Mr. President. It is languishing with an increasing poverty rate reported by several, as either 40%, just under 40%, or over 40%. Anyone of the figures you want to take it is high and unacceptable. Once again, we are being asked, you see, that we must, we have to just pass this, and we cannot block it, it's a courtesy. And we have to because it's an agreement that was made on behalf of this BTL award, and so we have to pay it. But we've made agreements with our very own public officers and our teachers; I don't see a request for us to approve that one. (Applause) You see the appropriation of that one, or at least to include it, would have been given the same courtesy like this one. It would not have been blocked, and your public officers and teachers at least would have had a commitment honoured by its government.

But even more alarming than that, the Governor of the Central Bank, as recent as July 22, I believe, wrote a very alarming letter to the Financial Secretary, to whom, again, we do not question, the dreadful state of Belize's public finances, the low export earnings, the extremely low level of foreign reserves and the overall shrinking of the real economy of Belize. No, I am not making it up. It is in black and white. It is from this government's Governor of the Central Bank. Yet, here we are being asked to support a Bill that further drives that nail into the coffin of Belize's economy. The country, Mr. President, is being indebted to an unprecedented level, and whether we are saying that we are doing it four months after a budget approved or seven years is irrelevant. It is unprecedented. It is not good governance, and it is irresponsible fiscal management. Courtesy or not, Mr. President, I cannot support this Bill.

SENATOR V. RETREAGE: Thank you, Mr. President. I promised myself today that I would limit my contribution this being my first sitting, but there are things that have been said today in this sitting of the Senate that just simply cannot go unanswered. My colleague Senator, and, please, Mr. President, I pray for leave to refer to my notes.

MR. PRESIDENT: Continue.

SENATOR V. RETREAGE: My colleague Senator has indicated that we are only feeling tremors of an earthquake to come, but I dare to say that we are feeling the aftershock of the earthquake that was the accommodation agreement. That agreement, less the other side forgets, guaranteed BTL at that time a 15% rate of return. Not only did it guarantee that rate of return, but, if it did not get it, the government of the day would have to compensate them in money to make up for that shortfall. On demand by BTL, if the government did not pay, the Belize Bank would then determine what interest rate would be charged on that sum demanded, and in addition to that interest rate determined solely by the Belize Bank there would be a 1 ½% rate added. So shameful were the contents of that agreement that they had to shroud it in secrecy. The result of revealing the

contents of that agreement, Mr. President, was evident when it resulted in civil unrest. We have referred to a final price for BTL finally been agreed. Had the accommodation agreement still persisted, there would never have been a final price agreed. We would in perpetuity continue trying to meet that 15% threshold that they had been guaranteed at that time. So I say, that let us not forget, what brought us here to this point is not litigation to set aside and discredit that accommodation agreement. It is the accommodation agreement that brought us to this point. Thank you, Mr. President.

SENATOR A. SALAZAR: Mr. President, I crave your indulgence. There is a Yiddish word which I would like to use to describe anybody on the other side who can simply brush off the accommodation agreement as if it didn't happen, and that's called *chutzpah*, audacity, barefaced, shamelessness because, and we need to separate this from what it is usually said. When we're talking about, say, corruption, it is not right to say, "Well, one side is corrupt and so was the other side," and then that is used as your defense of corruption, so to speak. But in this case we are not simply looking back at history to deflect blame. We are not looking back as if to say, "Well, we are trying to blame the other side for something that happened." This is as a direct result of something that the previous government did. What we are dealing with today is as a direct result of what the previous government did. We talked about the Prime Minister's law partner signing. What was being signed was a way out. Out of what? The previous Prime Minister and the Attorney General signed in secret. That is the signing that we should be talking about, not the solution. We are here to find solutions. At this point, at this juncture we are here because we need to find a solution.

So what did the government find itself in 2008 or when it discovered the secret accommodation agreement? It could either have accepted it and pay and give the former owners of BTL what was given to them, which was a blank cheque from the date that accommodation agreement was signed to 2025, to collect from the Government of Belize whatever it pleased because there were no, and we talked about check and balances, there were no checks and balances. There was no oversight, no way to measure how the shortfall that was going to be claimed by the previous owners of BTL from the Government of Belize. They basically had a blank cheque. They could have claimed whatever they wanted from the government. And, if you read that accommodation agreement, if anybody wants to take time to discover the truth, they can read the accommodation agreement and find that what was written was a blank cheque. So we are talking here today about \$200 and something million. In our view, that would have paled in comparison to what would have had to be paid, had we stayed with the accommodation agreement. So the reality is that what the Prime Minister was faced with was either you fight the accommodation agreement, and I think that any right-thinking Belizean would agree with that. You cannot allow a secret agreement, giving somebody a blank cheque to draw from your revenues. How can you allow that? What other alternative was there to do but to fight it. Now the criticism is levied that, "Oh, you shouldn't have fought it that long." Well, they shouldn't have signed it. That is the reality, and that is the crossroads that we are at, and we cannot forget what happened.

So, before we get the issues confused and before we make it seem as if fighting it, fighting the accommodation agreement was imprudent, before we sell that off to the Belizean people, we need to realize that we were put in a hole and we had to fight ourselves out. And, like my colleague said, this is not the tremor. This is the aftershock of that earthquake. So it should be remembered that what got us here were the actions of the previous government. This administration is seeking to correct that, and that is the only reason why this Bill was before the House of Representatives and is before us today, no other reason. That is why.

Thank you.

SENATOR S. DUNCAN: Thank you, Mr. President. Just a few points, Mr. President, in that I feel that my colleagues have put forward for the most part what I consider to be proper arguments as it relates to this Bill. But I want to remind the public and this Honourable Chamber that the government knew, when it acquired BTL, that it had to pay, and the government acquired it with the intention to pay. But like everything else, Mr. President, it is difficult to pay somebody who doesn't want to collect. And, in fact, the owners were being duplicitous. They were talking out of the two sides of their mouth. They talked about collecting, they talked about wanting to collect, but at the very same time they took the country, the government and people of Belize, to court, not to collect but to get back the asset. It is two different things. The litigation was not about collection. The litigation was about trying to get back BTL. It would have been stupid of anybody to pay the compensation while still facing a claim in court to give up the asset you are paying for. It would have been ridiculous. That is the reason compensation was so drawn out because the previous owners didn't really want to collect and you can't pay somebody who doesn't want to collect. What will you do with the money? Would you left it at their door step?

Mr. President, we are taking the thing out of context, and my colleagues are totally correct that we have to go back to the origin. The accommodation agreement made allowance as to how repayments would be paid under that agreement. There was no mistake on the part of the persons who signed that agreement. They fully knew what they were doing because the documents spell out precisely what must be done for the government to pay, and all that needed to be done for the government to pay was for BTL to make a claim to say, "I want X," ridiculous. In fact, within the first year the claim that was made was in excess of \$7 million, within the first year. There is absolutely no telling how high these annual claims would have reached, but guess what? The architects of that documents on our side, the people who were put in office to protect us, the people of Belize, chose not to put anything in place to contain the amount that could be claimed. The sky was the limit, in other words. This country was committed to paying for the accommodation agreement from the day it was signed. It is not today. Today, Mr. President, is really just about quantifying what we are paying. It is really just about dollarizing it. It is really just about putting it into quantifiable monetary amounts for us to understand it, but the liability existed from the day we signed it.

We understand that the component relating to BTL is in the region of US\$60 million as it relates to the shares. Some people would have us believe, Mr. President, that all this money that we are paying is for BTL, but really only about US\$60 million which is about BZ\$120 million is for the shares of BTL you know, and that of itself vindicates the Right Honourable Prime Minister when he refused to pay the exorbitant amounts that were being requested by the previous owners. And he was totally in order to challenge it, and, in fact, the ruling confirms his thinking because it made it clear that only US\$60 million, BZ\$120 million, relates to the shares. Guess what the difference was for, BZ\$235 million relates to specifically the accommodation agreement. In other words, what we are paying for the accommodation agreement, what we are paying for the misjudgment of our then leaders, what we are paying for the recklessness of our then leaders, is actually more than what we're paying for the actual asset. Now that happened from the time it was signed. The Right Honourable Dean Barrow, on the other hand, recognizing what we are faced with, realized that it is very important that we put a stop to that. And we were faced with two things, less the Belizean public forget. One, the agreement makes allowance for only two telephone companies to operate in this country, BTL, Mr. President, and Smart. And we now know that at

the time, unknown to us then, they were both owned by the same people. So we signed an accommodation agreement that totally locked up a whole sector. The telecommunication sector of the country. The whole sector was given on a silver platter to one group. How ridiculous can we get? The whole sector, not just one part of the sector controlling telecommunications, it is the only two companies we have. And we now know, and I will say this, that the architects of the document, the signatories to the document, on behalf of the people of Belize, at that time cannot say that they did not know because Smart was part of the friends and family. So they cannot say that they did not know that both entities were all part and parcel of what was happening, but yet they signed a document which locked out everybody else from getting into the picture and preserved the whole Belize market into perpetuity for just those two entities.

And, for people to now stand here and try to suggest that the Right Honourable Prime Minister, the Honourable Dean Barrow, has a problem when he decided that he had to put a stop to that charade, I think something is wrong with the people who think so. I believe, Mr. President, having looked at that accommodation agreement, having read it myself, that document has nothing good in there for this country and the people of Belize. And nobody in their right mind could have sat down and allowed that to continue to operate freely in this country. It is totally proper that the Right Honourable Prime Minister put a stop to it.

The \$7 million that was claimed under the agreement was only the tip of the iceberg, and I have absolutely no doubt. I cannot recall what the second claim was. I don't want to say a figure and get it wrong, but I know it was not the only claim. The \$7 million was just the first, and I will not want to mislead the nation. So I will withhold myself from trying to proffer a figure for the second claim, but I know there was another claim under the document.

So here we are at this time, not only are we trying to downplay the importance of the accommodation agreement, not only are we trying to shift blame and responsibility from where it ought to be unto the Right Honourable Prime Minister, but we are also suggesting, Mr. President, we are trying to confuse the public when we talk about super bond and that this is the third super bond. The super bond did not get its name.

MR. PRESIDENT: Excuse me. Yes, Senator Lizarraga, what is your point of order?

SENATOR M. LIZARRAGA: On a point of order, Mr. President, I did not say that this was the third super bond. I said that we now owe, and fast approaching, three super bonds.

MR. PRESIDENT: Senator Duncan, continue.

SENATOR S. DUNCAN: Thank you for the clarification, Senator. It does not change the point that we are confusing the original super bond with what is taking place today. And let me just clarify why I say that. The super bond got its name and came to notoriety because of how it came about. It was spending that was reckless, that was corrupt and that was not known to the people of this country, more so, that was spent on things that now turn out to be or appear to be phantoms because we are yet to identify what the funds were spent on. That billion dollars that we tend to talk about in context of the super bond, nobody is able to point to anything that came from it. In that context therefore, Mr. President, it is totally flawed, totally wrong, and totally improper to make a relation, to connect that to what is happening today where things are coming to

the House, things are coming to this Chamber, things are being disclosed, and we are seeing what the monies are being spent on. It is a totally different time and environment and behavior and operation and so just to make the point that I would not want us to confuse the two things. I do recognize that we are borrowing, and I do recognize that we have to borrow if we are to develop our country. It is not about not borrowing. It is about making sure that when you borrow it is put to proper use. Now we cannot say that for the super bond, and it should, therefore, not be confused with what we are doing now today when we are able to clearly articulate and define and demonstrate what the monies are being spent on. Thank you, Mr. President.

SENATOR M. COY SR.: Mr. President, allow me to share my contribution in support of this BTL issue. But before that, Mr. President, it seems that in this very own Chamber we have some people who are really sad that the Belizean people now owned BTL. When the first ruling came out, there were people who were chased out of the BTL compound by dogs. It is not a lie at all. That is really true, Mr. President. Dogs had to chase them out of the BTL compound. But, Mr. President, I will again go back to the time when we can see now, today, in reality, that the Belizean people are enjoying the benefits, and it is a fact that everybody has free internet access in the palm of their hand. You go to any town, and, Senator Chebat, you can come to Punta Gorda Town and in the Central Park.

MR. PRESIDENT: Senator Macario, please stick to the subject being discussed.

SENATOR M. COY SR.: Thank you very much, Mr. President. I know my other colleague was watching me there, Mr. President. So I had to make him understand. I am inviting him to come to Punta Gorda, and even you, Mr. President. But the free internet access is there, Mr. President, in all the towns and municipalities, likewise within the schools. We also have cheaper rate for national and international calls that we never used to enjoy before, Mr. President. I remember I used to have those old-time phones back in those days when I was a small boy. I would put a dollar in credit, and I wasn't even able to make a call out of it before it was over. Now the Belizean people can enjoy the double up and the triple up almost on a monthly basis.

MR. PRESIDENT: One second, Senator Coy. Please, gentlemen and ladies in the gallery, I said it before, respect both sides; let them present their case, okay. Thank you very much. Continue, Senator.

SENATOR M. COY SR.: I said it earlier, Mr. President, we have some of our very own people that are very disturbed. It bothers them. It pains them. It is as if you had a stone on your foot and every time you touch it back it pains you a lot. But, Mr. President, the fact is that, yes, we have double up and triple up that our very own people are enjoying today and even us, Mr. President. The people even enjoy the BTL scholarships that are being facilitated on an annual basis as well. In fact, just over the weekend there was a number of scholarships, I don't want to say the figure of how much, but the Amandala Newspaper had it, Mr. President. High school students and sixth form students are now enjoying scholarships from BTL that we never used to have before. Access to education is much easier now. It is in the palms of our hands with the help of this internet access to primary schools. I am sure that pretty soon we will have the CXC coming online. So I know that all the high schools in this nation have installed internet so that education becomes more real for them and becomes more accessible to them. So my contribution today, Mr. President, is that I am in support of this BTL issue. Thank you, Mr. President.

SENATOR P. THOMPSON: Mr. President, I have a simple question. It is a short and simple question. And I know, I believe, I can get an answer for that, and I'll tell why. The question is, why didn't the Prime Minister allow the ACB to test the legality of the accommodation agreement? Why? Why did we go the nationalization route? Maybe it's because, I might have a guess, the colleague from over there, we have two esteemed members from the ACB, my two colleagues over here. In hindsight, maybe we can see why, exactly what you described. Maybe it's a family affair going on there. That is exactly what he described. Thank you, Mr. President.

SENATOR M. CHEBAT: Mr. President, \$550 million is a lot to pay for internet, whether it is in Punta Gorda or whether it is in Corozal, Sir. (Applause) There is nothing tangible, they say, to show for the super bond, but let me remind them, Mr. President, about the Boom road, the Orange Walk bypass, the Marine Parade, Los Lagos, Sir, and let me also add the five hurricanes that the super bond paid for. (Applause)

Let me also remind you that the \$550 million that you are paying is only for 45 million shares in BTL. It's not even for the 100% shares. How can you justify that? How can you saddle the people of Belize with half a billion dollars and sit there with face of brass and talk about secret agreement? Secret agreement, Senator Salazar, is the one that was signed in Miami by the Prime Minister and Ashcroft. (Applause) That is a secret agreement, and that is the agreement, Sir, that is the agreement that burdens the Belizean people with half a billion dollars more of tax. Thank you, Sir.

Mr. PRESIDENT: Senator Chebat, one second, please. Do you have a point of order, Senator Coy? No? Please continue, Senator Chebat.

SENATOR M. CHEBAT: Thank you, Mr. President. I am done.

SENATOR DR. C. BARNETT: Thank you very much, Mr. President. I wasn't going to say anything on this because there is really a whole lot that has been said before, but I want to clarify just two things: one, the secret agreement issue; and, two, the super bond money. Because of all the projects that my colleague across the aisle called out for the super bond, it's really only the 5 hurricanes that we are talking about. All the others were not included in the super bond because they were funded by multilateral loans, and the super bond was really only the commercial-high-interest borrowings that had been done short-term on the international market. (Applause) So we have to be clear when we are talking about super bond. It is really only the commercial credit, and that had really gone beyond anything that would have been reasonable. We were borrowing on the margins at that time at 11% and 12%, and even more when you added in all of the extras fees. So we can't be confusing.

The other point that I want to make is in relation to the issue of the secret agreement. And you can say that the discussions were in secret in Miami. You can say that. People knew what was happening. Maybe you didn't know, you are not in government, but people knew. What was secret was the accommodation agreement that was signed in 2005. And I can tell you it was secret because I was Financial Secretary at that time and I didn't know. (Applause) I knew that there was some agreement signed when one of the staff in the Ministry of Finance came to me with a request from BTL asking for duty exemption on the importation of equipment. And we said, "No, we are in an austerity. We are not facilitating this." And when it went back the response we got from BTL was, "No, there is an agreement." So I sent back the staff, well, if there is an agreement, we need to see

the agreement. We haven't seen the agreement; we don't know what they are talking about. A day or so later we got two pages of an agreement or what purported to be an agreement. And those two pages related to what BTL was supposed to be getting under this agreement and the particular paragraph that was highlighted is the one that said that BTL would be allowed to import all of their equipment, everything, indeed, except what they would be on-selling. And my response to that was, "I cannot give approval on the basis of two pages. It doesn't work like that. I need to see the agreement to see what it is a part of." I am here to tell you that I never saw that agreement. I left office and didn't see that agreement. When we did not get the agreement, we did not approve. Certainly in the office of the Financial Secretary at the time, we did not approve or seek to approve any duty exemptions for BTL. But they were approved because the Minister of Finance at the time undertook to sign them himself. And he signed every single one that was signed up to the time I left office because I was not going to sign it because I had no authority to sign it, I had no sight of an agreement that would have given me any authority to sign or allow the duty exemptions.

And, in fact, I learned quite recently that the reason why the accommodation agreement actually came out, when it did, is because one of the staff of the Ministry of Finance did what they normally do when a request from BTL come in, and they went to the Prime Minister and said, "Prime Minister, you have to sign this. This is new." The Right Honourable Dean Barrow was being asked to sign this. He said, "But I don't sign these things? Where is this coming from?" And when he asked for it in the new government that's when the accommodation agreement came to the public domain. So we are talking about secret, that's the length of that secret that we are talking about. It was signed in 2005. We are talking about 2008, and nobody knew what that agreement contained.

When we look back at what happened, it is clear that when we were working numbers in the Ministry of Finance we didn't have a clue as to what we could expect to be paid out on the expenditure side because of this agreement. We didn't know what revenue we would be losing because of this agreement. And I am telling this story because people need to understand the way it was before. And my colleague across the aisle is right. We must never do it like that again. We are not doing it like that now. All agreements come to the National Assembly. All loans come to the National Assembly. (Applause) All supplementaries come even if they are late. In that time they didn't use to come. It used to be a fight to bring them. So things are improving. Are they perfect? No, they're not, there is still a lot of work to be done to improve the process of budgeting of expenditure management, of revenue management, and there is still a need to continue to do that. That is what we are setting up to do in the Ministry of Finance. But I want it to be very clear that when we are talking about secret agreement we have a long story that goes behind that. It is not just of recent vintage. Thank you, Mr. President.

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Mr. President, this is one supplementary that I would want to say, "no to", but I cannot because I lead government business, I take charge of the Bills, and we are forced to pay it. I am telling you, Mr. President, colleagues, Senators, and the nation listening, this is the most downright dirty, despicable agreement one could ever imagine and countenance. So let me give my young friends across the aisle who have no idea of this the history behind this mess we find ourselves in. And whenever I hear the accommodation agreement I get goose pimples.

Madam President, back in 2005 people were on the streets. My good friend Senator was with me, we were fighting for the Finance and Audit (Reform) Act. Across the table sat many luminaries, including Dr. Carla Barnett, my colleague, Mr. Elson Kaseke, my good friend, former Attorney General, Mr. Godfrey Smith. And we hammered out the Finance and Audit Act, the that same one that is being referred to. Yes, and it's been violated many times in its practice in terms of timing but not in its practice in terms of presentation nor in its practice in terms of accuracy. However, while we were doing that, a secret agreement was being signed, actually signed on 19 September 2005, in the face of that Finance and Audit (Reform) Act which promised every transparency.

But you need to know the genesis and you need to know the history behind this thing because everybody is talking and talking, but here's the real story. Madam President, at that time I was doing what was called the Social Security investigations, which were spurred in 2004 from a revelation that, in fact, Social Security was paying some debts on behalf of a company called St. James. And so we undertook the investigations. It took 22 long months, and I was very embattled in those investigations because the capacity within the Senate to investigate doesn't really exist. In any case, I was dogged at it. And some time coming up to the middle of 2005, I finally discovered what had happened in this whole securitization program.

So listen carefully, Madam President. That program was a program where mortgages, primary mortgages, meaning mortgages issued by my good colleague is bank, for example, mortgages issued by the credit union, and mortgages issued by a then company called St. James Building Society. And those mortgages were primary mortgages. In other words, they lend money to people, and they mortgage their property, normal straightforward banking. But, because those institutions would have run out of money to continue to lend, particularly the building societies didn't have a good source of income like the banks, nobody was depositing, they sold those mortgages to another institution.

SENATOR V. WOODS: I just want to be clear that we are still on the Appropriation Bill for 2016/2017.

MADAM PRESIDENT: Yes, I think we are. He is laying the context in which the accommodation agreement came to be which is what we are now paying for.

SENATOR V. WOODS: As long as we stick to that point, Madam President, I respect the Leader of Government Business, but Standing Orders are Standing Orders, and we do have a long day.

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Thank you, Madam President, but the nation will have to bear with me on this one (Applause) because this is the genesis of the mess and this very appropriation we have of \$196 million. So the mortgages were sold then to Social Security. Social Security sold them to the DFC. The DFC then sold them to a company in the Cayman Islands called Belize Mortgage Company who sold them to Bank of America. And the monies came down to Bank of America, Belize Mortgage Company, DFC, Social Security and should have gone back to St. James. It was a perfect program. And this was happening also in Trinidad with RMBTT. In fact, when the \$76 million one bust, my colleague, Dr. Carla Barnett, said, "Godwin, the time to complain was when it was being done." But we didn't know it was being done. So how would we have complained?

But here is the genesis, man, because that money came and went to St. James, and St. James deposited the money in Hibernia Bank, in New Orleans. But I found out, or we found out that, in fact, there were no mortgages. St. James did not lend that money to anybody, did not lend it to Intelco and did not lend it to Western Caribbean, because St. James closed in May of 2001, and the loans were made in October and September of 2001, when that business had already ceased to exist, and that is a fact. So Social Security bought them in April of 2002 from a defunct non-existing St. James that had already transferred all its assets to Alliance Bank, and that is a fact. And the balance sheets of St. James at the end of December showed zero in liabilities and assets because no loans were made, but they got the money coming back down. The problem with this scheme is that the people who would have borrowed the money from the bank, St. James or other institutions, would have been paying and then that money would have been paid to Social Security, then to the DFC, and up the ladder, the same way the money came down the ladder, normal. But because St. James did not exist there was no money to pay Social Security. So Social Security had to start to take that out of its pocket, and when the public found out that was a massive outcry.

So, when we found out all of that and the Bank of America found that out, this North American securitization scheme was going to collapse, and the government of the day, the People's United Party Government, would have been in a mess with that \$19 million because that program would have collapsed. So to prevent it from collapsing they had to create what looked like genuine mortgages. And I remember, you know, because I stood right here, actually I stood there, when my now deceased friend, Mr. Gandhi, called and called to Senators on this side who were then members of the People United Party and said, "In the report, Godwin, this matter is now closed because these mortgages have been sold to BTL, and BTL will undertake the payment. So no longer will Social Security have to fork out the money. So everything will look good now." And we had to put that in the report that they were sold.

The problem is, and I would ask this of any person on the street, young and old, \$19 million worth of property were sold to BTL, so-called \$19 million worth. If you are selling something to me, or let me turn it around, if I am selling something to you, whatever that is, my car, my house, anything, what is the other side of that equation? Wouldn't you just give me my money? Why would I have to sweeten the path so that you buy it from me? I am selling you \$19 million worth of properties. Why didn't BTL just paid for it and done, even if they paid on promissory notes? Why would they have had to be given all kinds of sweeteners to buy these properties? That is the crook of the matter. And do you know what was the sweetener, ladies and gentlemen? Nineteen million dollars worth of property is now costing us \$235 million. That is the value of the sweetener, and that's the sin to this country, and that's the corruption, and that is the mess, and if it had gone on without we acquired BTL it would have wound up by 2025 at \$470 million, \$470 million in sweeteners for \$19 million worth of property. So you know some trick was in there. What was the trick? Their properties did not exist. That was the scam.

And so what does this agreement say? Let me start with what it says. It says, "The parties hereby agree that the terms of this agreement and all information gathered to comply with the terms of the agreement shall be and remain confidential to the parties, their financiers, and any other persons agreed by the parties in writing". In other words, nobody should know about this. "Neither party shall disclose this agreement or its content to any unauthorized third party without the written consent of the order. The parties further state that, the information gathered during the compliance process," any information you gather "shall be considered proprietary information, except to the extent that such

information has been disclosed by public or semi public documents or parties. All confidential matters are matters comprising of proprietary information which may only be disclosed by the parties to their agents and representatives, including financiers. And it shall be the expressed duty of each party to obtain such secrecy or confidential agreements as may be necessary to preserve the confidences, secrets and proprietary information of BTL, the government or their respective successors and assigns". And that was executed on behalf of the Government of Belize on the 19 day of September 2005, in Belmopan by the Honourable Said Musa, Prime Minister and Minister of Finance of Belize. That is really what a secret agreement is.

But let's look at the properties. There were four properties for this \$19 million. First, there was the Boom junction property, all that parcel and piece of land situated at the junction of Boom. And I am not talking about where those medical schools are because that was not part of the property. Then there was a property in Santa Cruz, 22.8 acres, and then there was a second Boom junction, and if you want to go check it, pass that big tower antenna and go to a little house that is in between, the value at the time, the now deceased Mr. Rodriguez had valued at \$365,000. That was a generous value. I could tell you that was being held for \$4 million. And last was a San Ignacio property on what is now called the Cahal Pech Hill, where there is a tower. That was a \$9-million property. The problem with that property is that it was not even titled. It was a lease, a 99 title lease at a dollar a year. So that property belonged already to the Government of Belize. It was the same property that was being used by Intelco to mortgage and get \$9 million; same property. So when Michael Ashcroft, and may I call the good Lord's name, decided that, "You are in trouble. Godwin Hulse, screw you all. The securitization will crash. Do you want me to bail you out because you cannot get these \$19-million properties to sell? Nobody will buy these mortgages. I will help you out, but I will get my pound of flesh because you were screwing me when you created the Intelco which was a retirement fund for the boys. So I will get my pound of flesh back."

And his pound of flesh really started with some serious things. This is what he said, "In order to better accommodate the government's telecommunication needs and other requirements, BTL has agreed to acquire certain properties from government." This is the \$19 million. "And in consideration for the acquisition of these properties and this accommodation, the government has agreed to afford BTL the benefits, covenants and undertakings contained in this agreement." It didn't say, "And in consideration of the acquisition, BTL will pay you \$19 million," which is what you do in any normal commercial deal that you are selling properties. "No, he said all these things that he would do. And it went on and on, \$19,200,000 worth of property. BTL shall deliver no later than so and so, good title, and on and on. But it went on to say, "In consideration for the acquisition of properties by BTL and the accommodation of the Government of Belize," we are accommodating you, boss, in your mess, "Covenants and undertakings are as follows: authority, permits and licenses." And it went on all that they could get, "return and capital investment, to take all necessary steps to procure to the satisfaction of BTL with the effect from June 30. And going forward BTL is able to charge its subscribers and customers rates and charges which enable BTL to fully achieve the maximum rate of return as provided for and calculated in accordance with Schedule II by BTL." Government said, "Yes, boy you can go ahead and charge anything that you want."

Management services: "In the event BTL engages any company to render any management service, Government is to take all necessary steps to procure that BTL is able to pay to them fees and foreign currency in such amounts as the Board of Directors of BTL shall approve and to procure that the repatriation of

such fees and foreign currency and receipts of such fees and foreign currency by any manager are not subject to currency restrictions, withholding taxes or other similar taxation by the government but subject to any applicable business tax.” In other words, anybody they hire they won’t pay any tax, or nothing, and they can hire anybody they want.

Foreign exchange control: “To permit BTL without restriction to make payments in foreign currency to international correspondent, creditors of BTL, of debt denominated in foreign currency, suppliers of imported goods, materials and services used and needed by BTL’s operation and any Belizean or foreign entity or person by way of dividends declared or BTL shareholdings or other sums due. Tax: “To procure that the payment and repatriation of BTL dividends to any person and the payment of interest on debt denominated in foreign currency by BTL is not subject to withholding tax or any other tax of any other kind or character.” Man, we are buying properties from you, you know, but all of these are the things you are agreeing to.

SENATOR V. WOODS: On a point of order, while I am sure we all appreciate the political theatrics and the history, a lesson in history, I do believe, Madam President, that we are all over the place, man. It is a very straightforward Appropriation Bill for a matter that is a mere courtesy. But, Madam President, I just want to be clear, again, that we will have the time to properly ventilate all other matters on the agenda, as this seems to be going all over the place.

MADAM PRESIDENT: We will have the time. And, Senator, let’s tie it up.

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Thank you, Madam President. Just on that point of order, for the good, young, learned Senator, points of orders are really for Senators who impute improper motives. Ministers should be referred as to by their title, or if you use offensive language. This is the Appropriation Bill, \$196 million of it. This is the genesis, and the public needs to know it. It’s not political theatrics, and it’s not going all over the place. It is fact. (Applause)

We went on, Madam President, that, “The interconnectivity and infrastructure sharing issues, only BTL controls those.” It went on that, “Foreign nationals: In the event BTL is of the opinion that is not able to find appropriate personnel in Belize, they could bring in foreign nationals and government would provide all visas and everything else. There would be no changes to the term of the individual license. There would be no VOIP.” In other words, all the Whatsapp and everything you are enjoying and so would not have happened.

But, Madam President, the real issue which, perhaps, is annoying those who are hearing it is the fact that this was about accommodating the government to hide a \$19-million payment that they had to make, which the genesis of that was a dirty scheme that they knew about. And the result is that we are today debating an Appropriation Bill where we have to find \$196 million which is half of the payment. The point is, if we had never fooled around with that \$19 million and did it in a straight business transaction, paid for the property, nobody would have heard about an accommodation agreement. BTL would never have had to be acquired. And the reason it was acquired is because this would have continued and continued and by 2025 would have saddled the people of Belize with \$490 million paid out to BTL and we still would have not own the company. We would still not have own the company, but we would have been paying and paying. Acquiring the company cost us this \$235 million, but thanks God Almighty it is done. The actual cost of BTL by the arbitration award is US\$60 million or

BZ\$120 million. The rest is part of this dirty, worthless, vile scheme. That is the thing we have to know. We can't forget it. We have to understand it and put it in perspective. And, as much as you may not want to hear it, my good Senator, it is the absolute fact. It is not politics, not theatrics, not nonsense. (Applause)

SENATOR V. WOODS: Madam President, on a point of clarity, I have no issue hearing it. I just want to make sure we stay on point with the Bill. I have no issue. You can speak for 2 hours, 3 hours, 45 minutes. I just want to be clear that we are on point. The history, to be clear, is well ventilated. I am very much aware of my history. In fact, I spoke to it when I stood up earlier.

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Madam President, so let's go back to this issue of the accommodation agreement in this. That portion I would not want to pay, but we have to pay it because it is an agreement. And I wanted to make clear that people understood how we came to it, that that is the price tagged to the people of Belize for this issue. That is the price tag. We don't get anything by that. The people of Belize, the poor taxpayers, do not get anything by this \$235 million. We could jump all over the place on the appropriations. We can say, "Oh this when it comes." But that one that is the details. We've been asking for details, and that is the details on that one. How the people of Belize come to be now saddled with that kind of sum of money to be paying for which we will get nothing back. Yes, it has to be added to the cost of BTL because the man said, "If I had my company, that is what I would have been getting." That is all it is. It is not what the company is worth. That is what I was getting, and there was such an agreement, and that agreement was penned back there in 2005 by the Honourable Said Musa and the Honourable Francis Fonseca. Miss Madam President, I will wrap this up by saying one thing. In this Honourable Chamber, ...

SENATOR M. LIZARRAGA: Madam President, with your permission, just before the Leader of Government Business closes, I had put a question because there is doubt in my mind as to whether this appropriation is for \$222 million or \$239 million, and whether it is 2 sheets or 3 sheets. Thank you, Madam President.

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Yes, Madam President, it is actually a slight addition mistake. It is for the larger amount. Yes, there is an extra sheet that is attached. It is the first sheet that is the correct one.

So, Madam President, I want to wind this up by saying, once again, we have to support it because we have to pay it. We are honourable people, and we could talk as you have mentioned in your presentation, about secret, and we could twist it and turn it to look like, oh, this is a result of the government and the Honourable Prime Minister going to negotiate a bad deal. This would never ever had come up if had we not had this great secret document that we found out about from 2005 until 2008 which was all, and that's why I took the time, call it theatrics or what's not, to discuss clearly the confidentially part of this agreement to ensure that people understood that. Madam President, I move that the question be put.

SENATOR M. LIZARRAGA: Madam President, I apologize. I am still not clear because I have three sheets. I said the subtotal on the sheets just do not add up. So are you saying it is the first sheet? The first sheet only shows \$205 million.

MADAM PRESIDENT: The first sheet is \$205 million, and now they

have 2 second sheets. It is the first of the second sheets. That is what I was told. So that third sheet at the back, I don't know where that came from.

SENATOR M. LIZARRAGA: Okay, so then I am to understand that the appropriation is for \$222,659,362, the second sheet. Should we discard the third sheet? Was the \$16.8 million a mistake?

MADAM PRESIDENT: It's not a mistake. It is a different calculation. It's just an additional sheet that doesn't belong in there.

SENATOR M. LIZARRAGA: Wasn't an additional sheet that did not belong in our package that came?

MADAM PRESIDENT: Yes, if you look at it, it is the same head and subhead.

SENATOR M. LIZARRAGA: Yes, yes. Okay.

MADAM PRESIDENT: I don't know what happened in the transition from the House of Representatives to the Senate. I am not sure where it went wrong.

SENATOR M. LIZARRAGA: Thanks for the clarification. So I can throw away that. We've save \$16.8 million. (Applause) Thank you.

MR. PRESIDENT: Honourable Members, the question is that the Bill for an Act to appropriate further sums of money for the use of the Public Service of Belize for the financial year ending on the thirty-first day of March, two thousand and seventeen, be read a second time.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

Bill read a second time.

3. Central Bank of Belize (Amendment) Bill, 2016.

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Madam President, I rise to move the second reading of a Bill for an Act to amend the Central Bank of Belize Act, Chapter 262 of the Laws of Belize, Revised Edition 2011, to increase the authorised capital of the Central Bank of Belize to twenty million dollars, to specify the paid up capital as ten million dollars, to raise the limit of the amount represented by Treasury Bills, Treasury Notes or securities that may be held by the Bank at any one time and to expressly provide for the extension of the ancillary powers of the Bank; and to provide for matters connected therewith or incidental thereto.

SENATOR M. LIZARRAGA: Thank you, Mr. President. Mr. President, this Bill is designed to pave the way. It's the get-ready Bill to pave the way for allowing the Central Bank to have the capacity to increase its lending to the Government of Belize. I had some problems understanding it at the outset because I couldn't find the Laws of Belize online, and I've asked the Honourable Attorney General and she has sent me to belizejudiciary.org, because I had always

depended on Laws of Belize. What was the other site? But anyhow she has assisted me in finding the Laws of Belize, and I would recommend, Madam Attorney General, that, perhaps, those laws should be linked to our own National Assembly website which is terribly behind time. And I've asked the dear Clerk to look at it from time to time, but, perhaps, now you can assist.

But anyhow, Mr. President, this is the pave-the-road-and-get-ready Bill. What are the implications of this? This Bill seeks to raise the share capital of the Central Bank from \$10 million to \$20 million. The first impact of that, Mr. President, is that the revenues or the net profits that would normally be generated at the Central Bank and would normally go into the Consolidated Revenue Fund we will not see that for this \$10 million. It means that the Consolidated Revenue Fund in the Estimates of Expenditure and Revenue for the year 2016/2017, we could see a decrease, and we will foresee a decrease of \$10 million going into the fund because the Central Bank will be raising its capital.

And why, Mr. President, do we see in section 35(2) that we are deleting the word "ten times" and changing it to "twenty times"? Well, Mr. President, the fact is that by increasing its capital and changing the word "ten times" to "twenty times", if you look at the formula allowing the Central Bank or capacitating the Central Bank to lend to the Government of Belize, the formula is general reserves plus-paid up capital. So now that they've increased their paid-up capital they now have the capacity to lend, instead of ten times the general reserves plus the \$20 million now in paid-up capital, they now have the capacity to lend 20 times. This, Mr. President, will facilitate an additional \$500 million capacity for the Central Bank to lend to the Government and this is in addition to an overdraft facility that the Government has with the Central Bank where they are entitled to draw down 8.5% of the current revenue, or some \$85 million. So it is important for us because I was wondering why just change the words 10 to 20 and why increase the capital, but now I understand thanks to me able to locate the laws finally. And it is just what we say that it's paving the road for those T-Bills and T-Notes that we will be seeing in the other Act. Thanks, Mr. President.

SENATOR M. CHEBAT: Mr. President, very briefly, in relation to this Bill to amend the Central Bank Act, Mr. President, it does appear that all that is happening here is expanding the government's borrowing capacity. It comes at a time, Mr. President, when we have had dire warnings and from no other than the Governor of the Central Bank. Here we have the government wanting to borrow more and more. It is using the Central Bank as its piggy bank. Yet, Mr. President, and with your permission, Sir, I wish to refer to the letter of the Governor of the Central Bank addressed to Mr. Joseph Waight, which is dated the 22nd of July 2016. And this is what he says. He says, "Growth in the economy slowed to 1% last year, with reduced output of several major export industries that traditionally earn valuable foreign exchange such as oil, citrus, banana, papaya and marine products. It is expected that there will be further slowing in 2016. To bear this out in the first quarter of this year, the economy contracted by 2%." Mr. President, if the economy is slowing and the government is borrowing more and more, Sir, where will the money come from to repay? It can only be further taxation of the Belizean people, Mr. President. But the Governor of the Central Bank goes on to warn. He says, "Without domestic adjustments and increased flows it is going to be very difficult, if not impossible, for the bank to protect the exchange peg of BZ\$2 to US\$1". Mr. President, this government has presented the people of this country with no plan as to how they intend to grow this economy. It is just about borrowing and borrowing. (Applause) We cannot support this Bill, Mr. President.

SENATOR S. DUNCAN: Mr. President, just so that the general public can put what is happening into context, the Governor of the Central Bank has

stated what I would call facts in his letter, but it was written and it is to be placed within a context of a payment or payments in foreign currency that were being demanded by the previous owners of BTL. What it means is that if those payments were made in US dollars, as it is being requested by the previous owners of BTL, the Governor is correct that, in fact, it would place the peg under stress. What the Right Honourable Prime Minister did in his wisdom is to ensure that he negotiated that the payments are made in BZ dollars, not in US dollars, as it relates to the component coming from the accommodation agreement.

Mr. President, we are in a situation where we have just debated and just established that, having taken and acquired the assets of BTL, it is only proper that we pay for it. We have also established that the payment is higher than what we would have liked primarily because of the existence of something called an accommodation agreement. But we accept that it must be paid for. The Prime Minister made sure that he is paying for it in two components, part in US dollars and part in Belize dollars. And so that letter has to be put in context, and also the fact that allowance is being made for the government to borrow more is clearly, to my mind, a recognition that we need to pay for the thing. So it is only proper, therefore, that allowance be made for it. Again, this is representative and characteristic of a government that does not hide things but come to this House, come to the Chamber, come to the Senate, to get the things through and put it on the table, and basically that is what this reflects, Mr. President. (Applause)

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Mr. President, I move that the question be put.

MR. PRESIDENT: Honourable Members, the question is that the Bill for an Act to amend the Central Bank of Belize Act, Chapter 262 of the Laws of Belize, Revised Edition 2011, to increase the authorised capital of the Central Bank of Belize to twenty million dollars, to specify the paid up capital as ten million dollars, to raise the limit of the amount represented by Treasury Bills, Treasury Notes or securities that may be held by the Bank at any one time and to expressly provide for the extension of the ancillary powers of the Bank; and to provide for matters connected therewith or incidental thereto, be read a second time.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

Bill read a second time.

4. Treasury Bills (Amendment) (No.2) Bill, 2016.

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Mr. President, I rise to move the second reading of a Bill for an Act to further amend the Treasury Bills Act, Chapter 83 of the Laws of Belize, Revised Edition 2011, to raise the limit of principal sums represented by Treasury Bills and Treasury Notes outstanding at any one time; and to provide for matters connected therewith or incidental thereto.

SENATOR M. LIZARRAGA: Thank you, Mr. President. Mr. President, this Bill seeks to enable the Government of Belize to borrow an additional \$300 million through the selling of T-Bills and T-Notes. Recently in this Honourable

House, we approved the ceiling to be raised from \$425 million to \$850 million, and now today we add another \$300 million. The government now has the capacity to raise some BZ\$1,150 million or some \$1.15 billion through T-Bills and T-Notes.

At the very outset, Mr. President, what alarms us, of course, is government's increase in borrowing. But let me put this to you. While we were told all along that Central Bank is healthy, our reserves have never been healthier than they were months ago, we had one billion dollars in foreign exchange reserves, it was claimed, yet, Mr. Prime Minister, having \$1,000 million in reserves, \$70 million was able to shock the system so terribly, as was warned by the Governor of the Central Bank in his letter, which I will refer to, with your permission in a little bit. So, Mr. President, we had a billion dollars in reserves. A call for \$70 million is going to rock the system and throw us on the brink of, perhaps, devaluation. What will happen now when the government, through borrowing and increasing its spending, so to speak, by \$300 million more, what do you think that \$300 million is going to chase? For the most part, Mr. President, the Belizean dollar chases the US dollar. What happens when we chase that \$300 million to look for another \$150 in US dollars? What is going to happen to the system then?

Additionally, Mr. President, this move by government in sapping up the liquidity will have the effect of taking up the cost of borrowing to the Belizean businessman and the Belizean consumer. The solution, Mr. President, as we have said before is never increasing borrowing. The solution needs to be the growing of the economy, and that growth is going to come through the growing of the private sector. The private sector needs confidence. It needs support. More borrowing does nothing to fix this confidence and support.

We have seen, Mr. President, that in the second half of the Governor's letter, we have seen, and I will quote, "Both the International Monetary Fund and the Central Bank are already projecting a sharp downward trend for the reserves in the short and medium term. There are a number of factors which have contributed to this situation." The Governor of the Central Bank is saying that growth in the economy has slowed down last year and we have had a reduced output of several major export industries that traditionally earn valuable foreign exchange such as oil, citrus, banana, papaya and marine products. And he warns that the economy is going to have a further slowdown in 2016. The first quarter of this year showed that the economy has already contracted by 2%. It claims that, while the tourism sector has been growing, we haven't been seeing the foreign exchange reserves that we expect or one would expect into the banking system from this growth.

So, Mr. President, he goes on to say that foreign exchange from the free zones have been down by 19% up to May 2016. Mr. President, as we have seen, we have more Belize dollars in circulation. Apparently we have a whole lot less US dollars than we thought we had in the Central Bank, and our economy is not growing, it is shrinking. As a matter of fact, so much so that the Governor warns that we only have enough foreign exchange for one and a half months worth of imports, I believe, and that the international benchmark should be for three months worth of exports.

Mr. President, what is the answer to this? The Governor of the Central Bank is saying that without domestic adjustments and increased inflows it's going to be very difficult, if not impossible, for the bank to protect the exchange peg rate of BZ\$2 to US\$1. Now I am not an economist, and I am sure I might be corrected by the economist in the room, but when I read this what it is telling me is that

government should be thinking about spending less not more. It tells me that there is a strong possibility that we will have to raise taxes or raise taxes and spend less. And it tells me that we have to buckle down and help the private sector have more inflows. We need to encourage and stimulate exports, and it is saying, under the best of conditions, that this is going to be very difficult, if not impossible. So unfortunately after this we've had a hurricane. So now I suspect that, I don't know what to suspect, but it means we are in worse shape, and, if we were in the brink of a devaluation before the hurricane, I wonder if we have the foreign funds for the business community to replenish all the equipment and all the supplies and all the stock that were damaged during the hurricane. I mean it is alarming that you can go from one minute having a billion dollars in reserves to another month later or two months later to being at the point where the Governor of the Central Bank is saying \$70 million is going to shock your system so hard, and this was before the hurricane. So let us not blame the hurricane.

It also says that we need to consider the massive amount of liquidity in the banking system that exceeds \$460 million and the fact that the bank lending rates have been sluggish in recent years. At some time we can assume the credit demands will rise, and, if the private sector is going to grow, the credit demand will rise. And when we borrow money, for the most part if we are going to be expanding our business or making capital outlays, we are going to be chasing US dollars as well, and we know we already have a long queue. The Governor warns about that somewhere else. There is a queue right now. I need to replace a lot of equipment. I want to grow. I want to replenish my inventory. I have to line up. There is a queue, and now I expect it is going to get worst.

Our per capita GDP, now I have said in this House before that I don't like per capita figures, but it is showing, it is an indicator, and it declined by 2.4% last year, and it is likely to fall further in 2016. "In the absence of foreign exchange, our economy suffocates," this is the Governor saying this, "resulting in increased poverty, crime, and the risk that we will not be able to meet our obligations to other creditors and trading partners." I don't know who leaked this letter or how we got this letter, but I am proud of the Governor. For the first time I am saying that. I am very happy to see that somebody in the public service had the capacity to call a spade a spade. Mr. President, our country, if we should read this letter, is in some serious trouble, serious trouble. Our economic survival, according to the Governor of the Central Bank, is in jeopardy. So, Mr. President, this letter says, "It will be catastrophic to give any further preference to this demand for US dollars beyond what has already been allowed. So the government has dug in its heels. What does that mean for us? It means that the good Lord is going to go back to the courts, and he's going to punish us, and we will have more attached to this BTL bill.

Mr. President, I certainly hope that the government takes very serious, and I am sure that there are those in government that have taken this letter serious, but that the government recognizes that the way to get our economy going and the way to increase our reserves is certainly not through taxation. The Belize Chamber of Commerce and Industry in a recent release stated that quite clearly. If you want to motivate the private sector, if you want to stimulate exports and growth in our economy, it has to come first through discipline in governance, through savings in government spending and through decreasing in government borrowing. That has to come first, Mr. President.

Mr. President, the business community, again, will be launching its plan. We will be seeking support. We will be encouraging Belizeans to join in this

renewed fight for good accountability, good governance, and transparency in governance, and we ask the community, we ask the social partners for support. We ask the citizenry for support. We will be launching a bumper sticker at the expo. We ask you to buy it. We ask you to sign the petition that we are asking the citizens of this country to sign. You need to get involved because at the end of the day, whether you think you may not want to be involved or not, you are involved because you will pay for it. You are involved with what is happening in this House. People say it is politics. Everything is politics, everything. You have to become politically active. You have to support a cause. You have to support what you believe in, Mr. President, and, if we believe in our country and certainly if we believe this letter from the Governor of the Central Bank, we need to get involved. Thank you, Mr. President.

SENATOR P. THOMPSON: Mr. President, I rise to make my contribution to this Treasury Bills (Amendment) (No.2) Bill, 2016. Can you give me permission to refer to my notes? Mr. President, on first glance of the Central Bank of Belize and the related Treasury Bills amendments in front of this Chamber, it is now even more exceedingly clear that our economy is facing very forceful head winds, and, although it pains me to say this, it is likely on the brink of collapse. The chronic mismanagement of our country's finances over recent years has now viciously reared its head in the form of a broken economy, shattered, splintered, gasping, crippled, mashed-up, call it what you will. The unbridled spending of millions of Petrocaribe dollars in the pursuit of political power, the ill conceived inadequately planned acquisitions of BEL and BTL and an enduring shortfall of ideas, of competence and of prudent fiscal management in the sensible and sustainable development of our country have placed us in an untenable position. In essence, for the last several years we have been writing lots of cheques, big cheques, and now these cheques like they always do have reached the bank, but, of course, we have no money. Our government has no money. We are broke.

Mr. President, these Bills are essentially approval for the government to use the Central Bank as a bailout mechanism, further increasing government debt to astronomical levels and also possibly increasing money supply which could have serious inflationary impacts. At December 2015, the government had borrowed at the maximum legal limit of Treasury Bills \$200 million and Treasury Notes \$225 million or a total of \$450 million in government securities. Now here in August 2016, we are again increasing the limits on Treasury Bills by another \$200 million to a new limit to \$600 million and increasing Treasury Notes by \$150 million to a new limit of \$600 million. The total government securities, Bills and Notes will now have an astronomical limit of \$1.2 billion or some 2.5 times where the limits were less than a year ago. Now, Mr. President, if you add this increased figure to our country's already significant external debt, our grand total external public debt will be nearing a whopping \$3.5 billion. Yes, and that is with a "B". Considering that our country's GDP is estimated at a little over \$3.75, billion, it is quite apparent that we are in very dangerous territory.

According to the Central Bank of Belize Annual Report for 2015, economic growth for last year was a modest 1%. So far this year it is anticipated that economic activity has already reduced by close to 8%, and that was before the ravages of Hurricane Earl, which devastated us earlier this month. Earlier this year parliament approved a 2015/2016 fiscal year budget which projected a deficit of \$266 million. This was before the final settlement figures for the BTL acquisition. With no Petrocaribe slush fund, declining government revenue due to weak economy and short of ideas, ways, and means to stimulate our economy, our

government must resort to borrowing again.

But, Mr. President, I must raise one issue which I hope that, perhaps, my learned colleagues on the other side can assist me with. The Central Bank stated in its annual report that, "In 2015, the stock of Treasury Notes increased by \$88.5 million to \$225 million, the legal limit." The Central Bank was holding 69% of the total notes outstanding at the end of 2015, and the institutional investors and individuals held 29% and 2%, respectively. These Bills before us today legitimize and further increase the Central Bank's scope to acquire and hold government securities in the form of Treasury Notes. In effect, the government can issue securities, and the Central Bank can buy and hold those securities up to these new limits, in effect, creating money out of thin air. While any learned economist would argue that this is quantitative easing at work, the untrained have another name for this and that's the printing of money. Mr. President, while our economic conditions are at dreadful and appalling as they come, I would hope that the government has not resorted to adopting such economic policies, in particular considering the devastating long-term impacts this could bring to our country. We are already between a rock and a hard place. We do not need a sledgehammer coming down on our heads. This is not what the Central Bank should be used for. On principle, we cannot support these Bills, in any shape or form. Thank you.

SENATOR DR. C. BARNETT: Thank you very much, Mr. President. Just to clarify a few issues on this, the expansion in the limits of Treasury Bills really goes along with the two other Bills that we saw earlier. You can't have one without the other. What the expansion in Treasury Bills will allow is not only for the Central Bank to hold the maximum limit, but it will allow institutional investors greater comfort in investing in Treasury Bills and Treasury Notes because they know that there is a borrower of last resort that can purchase the Bills and Notes. It increases the liquidity of those instruments when they are put out. So, although the Central Bank needs to be empowered to hold, the intention is not necessarily that the Central Bank holds everything. The intention is to encourage institutional investors and others who have cash sitting liquid in the banks to feel that they can invest and so invest in those instruments. So that is the first thing.

The second thing is, yes, there is a lot of concern about the letter that the Governor wrote. It was not a letter written in secret. It's a letter of advice coming from an independent Central Bank to the government. That's what it is. And it speaks to the issues as the Central Bank professionals saw the issues evolving. I am old enough to say that it's been worse than that. I am old enough to say that. And I am old enough to say that it being that much worse than that we've been able to put ourselves together and work out solutions that made sense for us. I've had the responsibility in the past of coming in to an even more difficult situation in regard to fiscal, in regard to foreign reserves, in regard to bullet payments coming down the shoot and we don't know how we are going to make them, and getting a group of professionals in the Public Service of Belize to sit and work out how we get out of the situation. We've already established a group to work at this, but, as we sit and discuss, we recognize that there are much greater options here today than there would have been in the 2004-2005 period simply because what we are seeing in these actions today, in the provision for the payments for the company, those are one-off events. Those are not going to be continuing beyond next year. Those are one-off events. Once those are dealt with we are in a position to reassert stability, and stability in the sense of keeping our fiscal balance and getting it where we would like it to be, and, as we speak, we've already begun to do that kind of analysis.

So, as I said, Mr. President, we've done this before, and we've done it

because we've been able to work our numbers professionally. We've been able to establish good communications with the private sector, with the social partners, and with the NGO community. We've done that before. I know that there are issues on the table right now between, in particular, government and the private sector in which we are receiving some of those kinds of advice coming from the business community, and all of those things are going to be taken into account.

I don't want anybody to leave here with the words that we are on the verge of losing our currency peg because that is not so. We didn't lose it when it was much worse, and we are not going to lose it now. We are going to work it, and we are going to fix it because it is fixable. It is not as dire a position as we've experienced before, and we are going to be putting together a judicious program to bring our fiscal position where we've like it to be. We are not going to do like in the past focus solely on growth economics because, yes, we want growth. But that growth has to be sustainable growth, but we are going to sort it out. Thank you very much, Mr. President, and I support this Bill.

SENATOR V. WOODS: Thank you, Mr. President, I will be brief on the matter. I am grateful for Senator Carla Barnett's clarifications. I think all of us here are concerned. We recognize that these are necessary to facilitate really the whole composition and everything else that has been discussed for passage. But the concern is there, hence, we have raised it because we do hope these are one-off events because if it's not one-off events we will be back here again trying to justify, and that is assuming that the economy hasn't further shrunk.

I also do appreciate, obviously, her long tenure in financial management and the scope of it for us to appreciate the cycles, if you wish, that economies go through. And, indeed, whereas there may have been times that we were worst off than this, one has to assess that, if the "this now" has the same variables as "then", all variables being equal, of course, history would dictate that you can get through it. Perhaps the extent of the pain one will have to suffer this time around cannot be necessarily the same.

But I do want to touch very briefly on the matter of investor confidence because if the intent is for that then we need to be seeing some growth in it. And indications have been that we haven't seen that growth. Indeed, the notes, and perhaps the source I have is off. It has it currently at 29% where investors are buying in. So if it is that, indeed, this will encourage more of that than fantastic. But the fact is that no one alleged that it was a secret letter by the Governor of the Central Bank. We applaud such a letter, such an advice. That's what we should all be doing in these offices, these public offices. But it did send an alarm, and that is what has caused, that alone hasn't caused it, but it certainly has validated the widespread alarm that everybody is having about the health of the economy.

We recognize the purpose of the Bills. We recognize why the passage must go through, but we want to reiterate that these are dark days, despite the fact that we have gone through them many times before or one time before. This is very alarming and only validated by no less than the Governor of the Central Bank in detail. Thank you, Mr. President.

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Mr. President, I move that the question be put.

MR. PRESIDENT: Honourable Members, the question is that the Bill for an Act to further amend the Treasury Bills Act, Chapter 83 of the Laws of Belize, Revised Edition 2011, to raise the limit of principal sums represented by Treasury

Bills and Treasury Notes outstanding at any one time; and to provide for matters connected therewith or incidental thereto, be read a second time.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

Bill read a second time.

III COMMITTEE OF THE WHOLE SENATE ON MOTIONS AND BILLS

MR. PRESIDENT: Honourable Members, in accordance with Standing Order 68A, the Senate will now resolve itself into the Constitution and Foreign Affairs Committee, a Committee of the whole Senate, to consider the Motions referred to it and, thereafter, in accordance with Standing Order 54, the Committee of the whole Senate to consider the Bills that were read a second time.

Honourable Members, I will now take the Chair as the Chairman of the Constitution and Foreign Affairs Committee and then as the Chairman of the Committee of the whole Senate.

(In the Constitution and Foreign Affairs Committee)

MR. PRESIDENT in the Chair.

1. **Protocol Amending the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) Motion, 2016.**

Motion in its entirety agreed to.

Motion to be reported back to the Senate for adoption without amendment.

2. **Accession of Belize to the Constitutive Agreement of the Central American Bank for Economic Integration (CABEI) Motion, 2016.**

Motion in its entirety agreed to.

Motion to be reported back to the Senate for adoption without amendment.

(In the Committee of the whole Senate)

MR. PRESIDENT in the Chair.

1. **General Revenue Supplementary Appropriation (2015/2016) (No. 5) Bill, 2016.**

Clauses 1 and 2 agreed to.

Schedule agreed to.

Bill to be reported back to the Senate without amendment.

2. **General Revenue Supplementary Appropriation (2016/2017) Bill, 2016.**

Clauses 1 and 2 agreed to.

Schedule agreed to.

Bill to be reported back to the Senate without amendment.

3. **Central Bank of Belize (Amendment) Bill, 2016.**

Clauses 1 to 4 agreed to.

Bill to be reported back to the Senate without amendment.

4. **Treasury Bills (Amendment) (No.2) Bill, 2016.**

Clauses 1 and 2 agreed to.

Bill to be reported back to the Senate without amendment.

5. **Immigration (Amendment) Bill, 2016.**

Clauses 1 and 2 agreed to.

Bill to be reported back to the Senate without amendment.

6. **Passports (Amendment) Bill, 2016.**

Clauses 1 and 2 agreed to.

Bill to be reported back to the Senate without amendment..

7. **Refugees (Amendment) Bill, 2016.**

Clauses 1 and 2 agreed to.

Bill to be reported back to the Senate without amendment.

PUBLIC BUSINESS

A. GOVERNMENT BUSINESS

I MOTIONS

(Adoption of Motions)

1. **Protocol Amending the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) Motion, 2016.**

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Mr. President, the Constitution and Foreign Affairs Committee has met and considered the Protocol Amending the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) Motion, 2016, and has agreed that it be returned back to the Senate for adoption.

I therefore move that the question be put.

MR. PRESIDENT: Honourable Members, the question is, NOW, THEREFORE, BE IT RESOLVED that the Government of Belize, having considered and approved the Protocol hereby declares that Belize accepts the Protocol and undertakes faithfully to perform and carry out the stipulations contained therein.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

2. **Accession of Belize to the Constitutive Agreement of the Central American Bank for Economic Integration (CABEI) Motion, 2016.**

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Mr. President, the Constitution and Foreign Affairs Committee has met and considered the Accession of Belize to the Constitutive Agreement of the Central American Bank for Economic Integration (CABEI) Motion, 2016, and has agreed that it be returned back to the Senate for adoption.

I therefore move that the question be put.

MR. PRESIDENT: Honourable Members, the question is, NOW, THEREFORE, BE IT RESOLVED, that this House being satisfied that it is in the beneficial interest of Belize to become a Non-Founding Regional Member of the CABEI, hereby authorizes the Minister of Finance to sign the required Instrument of Accession by Belize to the Constitutive Agreement of the Central American Bank for Economic Integration and all other related documents to give effect to such Accession.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

V REPORTING AND THIRD READING OF BILLS

1. **General Revenue Supplementary Appropriation (2015/2016) (No.5) Bill, 2016.**

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Mr. President, I rise to report that the Committee of the whole Senate has considered the General Revenue Supplementary Appropriation (2015/2016) (No.5) Bill, 2016 and passed it without amendment.

I now move that the Bill be read a third time.

MR. PRESIDENT: Honourable Members, the question is that the Bill for an Act to appropriate further sums of money for the use of the Public Service of Belize for the financial year ending on the thirty-first day of March, two thousand and sixteen, be read a third time.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

Bill read a third time.

2. General Revenue Supplementary Appropriation (2016/2017) Bill, 2016.

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Mr. President, I rise to report that the Committee of the whole Senate has considered the General Revenue Supplementary Appropriation (2016/2017) Bill, 2016 and passed it without amendment.

I now move that the Bill be read a third time.

MR. PRESIDENT: Honourable Members, the question is that the Bill for an Act to appropriate further sums of money for the use of the Public Service of Belize for the financial year ending on the thirty-first day of March, two thousand and seventeen, be read a third time.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

Bill read a third time.

3. Central Bank of Belize (Amendment) Bill, 2016.

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Mr. President, I rise to report that the Committee of the whole Senate has considered the Central Bank of Belize (Amendment) Bill, 2016 and passed it without amendment.

I now move that the Bill be read a third time.

MR. PRESIDENT: Honourable Members, the question is that the Bill for an Act to amend the Central Bank of Belize Act, Chapter 262 of the Laws of Belize, Revised Edition 2011, to increase the authorised capital of the Central Bank of Belize to twenty million dollars, to specify the paid up capital as ten million dollars, to raise the limit of the amount represented by Treasury Bills, Treasury Notes or securities that may be held by the Bank at any one time and to expressly provide for the extension of the ancillary powers of the Bank; and to provide for matters connected therewith or incidental thereto, be read a third time.

All those in favour, kindly say aye; those against, kindly say no. I think

the ayes have it.

Bill read a third time.

4. Treasury Bills (Amendment) (No.2) Bill, 2016.

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Mr. President, I rise to report that the Committee of the whole Senate has considered the Treasury Bills (Amendment) (No.2) Bill, 2016 and passed it without amendment.

I now move that the Bill be read a third time.

MR. PRESIDENT: Honourable Members, the question is that the Bill for an Act to further amend the Treasury Bills Act, Chapter 83 of the Laws of Belize, Revised Edition 2011, to raise the limit of principal sums represented by Treasury Bills and Treasury Notes outstanding at any one time; and to provide for matters connected therewith or incidental thereto, be read a third time.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

Bill read a third time.

5. Immigration (Amendment) Bill, 2016.

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Mr. President, I rise to report that the Committee of the whole Senate has considered the Immigration (Amendment) Bill, 2016 and passed it without amendment.

I now move that the Bill be read a third time.

MR. PRESIDENT: Honourable Members, the question is that the Bill for an Act to amend the Immigration Act, Chapter 156 of the Substantive Laws of Belize, Revised Edition 2011; to make provision in the interest of administrative and operational efficiency, for the responsible Minister to delegate certain functions to any Minister of State appointed to assist the Minister; and to provide for matters connected therewith or incidental thereto, be read a third time.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

Bill read a third time.

6. Passports (Amendment) Bill, 2016.

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Mr. President, I rise to report that the Committee of the whole Senate has considered the Passports (Amendment) Bill, 2016 and passed it without amendment.

I now move that the Bill be read a third time.

MR. PRESIDENT: Honourable Members, the question is that the Bill for an Act to amend the Passports Act, Chapter 164 of the Substantive Laws of Belize, Revised Edition 2011; to make provision in the interest of administrative and operational efficiency, for the responsible Minister to delegate certain functions to any Minister of State appointed to assist the Minister; and to provide for matters connected therewith or incidental thereto, be read a third time.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

Bill read a third time.

7. Refugees (Amendment) Bill, 2016.

SENATOR G. HULSE (Leader of Government Business and Minister of Natural Resources and Immigration): Mr. President, I rise to report that the Committee of the whole Senate has considered the Refugees (Amendment) Bill, 2016 and passed it without amendment.

I now move that the Bill be read a third time.

MR. PRESIDENT: Honourable Members, the question is that the Bill for an Act to amend the Refugees Act, Chapter 165 of the Substantive Laws of Belize, Revised Edition 2011; to make provision in the interest of administrative and operational efficiency, for the responsible Minister to delegate certain functions to any Minister of State appointed to assist the Minister; and to provide for matters connected therewith or incidental thereto, be read a third time.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

Bill read a third time.

B. Private Member's Business

I MOTION

1. Motion for the appointment of a Special Select Committee to investigate the issuance of nationality, visas and passports in the Ministry of Immigration.

SENATOR M. CHEBAT: Mr. President, I rise to move the Motion for the appointment of a Special Select Committee to investigate the issuance of nationality, visas, and passports in the Ministry of Immigration.

WHEREAS, Standing Order 69 of the Senate Standing Orders provides for the appointment of a Select Committee other than Standing Committees by order of the Senate which shall specify the terms of reference of the Committee, including its composition;

AND WHEREAS, section 61(A)(2) of the Constitution of Belize, Chapter 4 of the Laws of Belize, sets out the powers and functions of the Senate as including “(d) instituting and conducting enquiries and investigations on any matter of public interest or importance, including inquiries into mismanagement or corruption by persons in central government or public statutory bodies;” and

“(e) receiving, reviewing and reporting on annual reports and other reports of the Auditor General, the Contractor General and the Ombudsman and instituting and conducting inquiries, investigations and hearings in relation thereto; and “(g) requiring the attendance before it of any Chief Executive Officer in a Government Ministry in respect of any matter of which he has knowledge by virtue of his office, or in respect of anything related to his office and the due execution of his duties; and (h) requiring the attendance before any Committee of the Senate, of any Minister of Government;”

AND WHEREAS, the Auditor General has, in her Special Audit of the Immigration and Nationality Department on Nationality, Visas and Passport for the Period of 2011-2013, made public disclosure as to the finding of certain improprieties and irregularities in the processing and issuance of nationality, visas and passports issued by the Ministry of Immigration and Nationality;

AND WHEREAS, such public disclosures and public allegations are a matter of public importance and require that the Senate exercise its power and fulfill its function under the Constitution of Belize to conduct an enquiry into and investigate any and all irregularities in the issuance of nationality certificates, passports and visas, including an inquiry into any mismanagement or corruption in the Ministry of Immigration and Nationality by any persons in central government or public statutory bodies in relation to the same;

BE IT RESOLVED THAT the Senate shall approve the appointment, pursuant to Standing Order 69, of a Special Select Committee of the Senate with the following terms of reference and composition:

1. TERMS OF REFERENCE:
 - A. To investigate and inquire into all policies, processes, procedures and in the issuance of nationality, visas and passports in the Ministry of Immigration and Nationality and to investigate any and all irregularities and improprieties as well as any and all wrongdoing, mismanagement or corruption in the issuance of Belizean nationality, passports and visas for the period January 1st, 2011 - December 31st, 2013;
 - B. To require the attendance before the Committee of the Chief Executive Officer of the Ministry of Immigration and Nationality, pursuant to section 61A(2)(g) of the Constitution of Belize;
 - C. To require the attendance before the Committee of those Ministers named by the Auditor General in her Special Audit of the Immigration and Nationality Department on Nationality, Visas and Passports for the Period of 2011-2013;
 - D. To require the attendance before the Committee of the Director of Immigration and all such public officers in the Ministry of Immigration and Nationality, pursuant to

Standing Order 72(3) of the Senate Standing Orders, as well as for the production of all relevant papers and records of the Ministry of Immigration as may be necessary to conduct its enquiry and investigation;

- E. To examine all such persons required to attend before the Committee as witnesses, pursuant to Standing Order 72 of the Senate Standing Orders;
- F. To hold and conduct its sittings and meetings in public save for sittings which are held only for the purpose of deliberation of the matters which are the subject of the Committee which shall be held in camera;
- G. To deliberate on the matters before it in private sittings of the Committee; and
- H. To issue a report thereon to the Senate;

2. COMPOSITION OF SPECIAL SELECT COMMITTEE:

- A. The Special Select Committee shall be comprised of 5 Senators being one from the Senators appointed by the Government, one from the Senators appointed by the Leader of the Opposition and the three Senators appointed by the Social Partners;
- B. The Senators who are members of the Special Select Committee shall, at the first meeting of the Committee, elect a Chairman of the Committee;
- C. The Quorum of the Committee shall be three.

SENATOR E. SMITH: Mr. President, I rise to second the Motion for the appointment of a Special Select Committee to investigate the issuance of nationality, visas, and passports in the Ministry of Immigration. The blatant disregard for procedures, as cited in the Auditor General's report, cannot be condoned. The time and effort placed into investigating and preparing the reports as well as the struggles and even demeaning punishments alleged to have happened to some of the team members cannot be left to just lay on the table. The public must feel secure in the knowledge that any issuance of the above mentioned documents is done according to the specified rules and regulations. Thank you.

SENATOR M. LIZARRAGA: Thank you, Mr. President. Mr. President, I rise to make my contributions today to this Motion. And why is this Motion here before us today? Mr. President, with your permission, I'll refer to my notes. Well, one, Mr. President, we know it is because of the serious nature of the irregularities in question, the strong public outcry for answers, and, perhaps, the strong perception of minimal transparency in the handling of matters thus far, the public

outrage in the absence of independent analysis and the reluctance of the police and, by virtue of such, the DPP to get involved in a matter that has affected the country and will continue to impact our nation's identity and security and social landscape forever.

The public cry, Mr. President, is that on such a vital and important national matter the appearance of accountability has been taking too long. This report, while we commend the Auditor General and those that assisted her and those public officers that supported her on the work, we believe, and we've been crying for this far too long. We believe that the police and the DPP should have, Mr. President, played a more active role as what the Auditor General called for in this report. I am not saying, Mr. President, that, had this entities undertaking their own exercise, the Senate would not or should not have done its own investigation for, Mr. President, the Senate, as we know, according to the Constitution, can be an investigative body and has the constitutional authority to conduct public hearings, and it can lend to full public disclosure to satisfy the public and to allow them to see firsthand all that has transpired.

The matter before us today is extremely important to all true Belizeans. Today what it's at stake, Mr. President, is the restoration of our reputation, the credibility, and the very legitimacy of our citizenry and nationality. Because of the magnitude and the serious ramifications of the problem before us, we owe the nation and the international community nothing less than full transparency in this matter. We need to make sure that any executive or non-executive recommendations to repair this broken system is followed, complied with and acceptable to Belizeans and the international community. Our international friends and partners, Mr. President, as we know, will continue to view this matter with serious concerns of interest. Our national security and that of our friends have been compromised as a result of the practices of the Ministry in question. What is needed, Mr. President, is the restoration of credibility lost. What better way for us to restore some credibility than to have an independent, non-executive controlled proposals, as well to fix a terribly broken system.

There are those that would like the Senate to be gullible and propose that the Senate procrastinate, Mr. President, and have patience and subjugate its constitutional authority and rights. But we say, Mr. President, that time has long gone past. I remind this Honourable House that for over a decade we see that everyone of the Auditor General reports, Mr. President, including this one, has requested documents and records that have not be produced. I remind of S.I.No.91 or the Act, No.12 of 2005 that was amended, No. 31 of 2010, that imposed serious fines for anybody not complying with the requests or demands of the Auditor General, that those fines could be \$10,000 and up 2 years in prison or both. Certainly, when we get into these books, we will see that many people fall into that area.

Mr. President, the unobstructed work of the Auditor General should continue in all of her investigations. Our work here must as well. It is our obligation and our right to hold our own investigations into any matter of public interest. As I said before, we desperately need to restore the credibility of our identity system for that of our true Belizean people. We must have, and this hearing will afford us the opportunity, uncensored information. A public investigation in this matter will help us to hear directly from those involved firsthand what has transpired, how it transpired beyond this, and more importantly what is being done and what has been done to correct it and fix it. Why would we not, Madam President, want to expose our citizens to the uncensored facts and the truth?

Now, with your permission, I would like to take a look at the actual reports themselves of the Auditor General. And, as you know, Madam President, she did four reports. Because this is the time afforded to us to look at her reports, if you would allow me, I will deviate a little bit from the immigration reports and just speak for two minutes on the Special Audit on stamp duty and taxes.

MADAM PRESIDENT: That is not the one we are talking about on the Motion. So it has to be in relation to the Motion.

SENATOR M. LIZARRAGA: Okay, Madam President. I thought this was the time that we would talk on her reports. Anyhow, that's fine.

Madam President, I have focused and looked at this thing. This thing is overwhelming. What a read! What we have seen is a well-orchestrated machinery. It starts, perhaps, in Vital Statics or in visas. I am not sure. People come to our country through the visa system. Then they proceed to get their birth paper, nationality paper, and eventually passport, and then they become citizens. We don't know, based on these findings, really what is the extent of the impact and the real quantities of people that are here in this country that are non Belizeans, I am going to say, that are now Belizeans. Why do I say that? The Auditor General is very clear that she has seen but a small fraction. She has done but a sampling. She has not done a full audit, but just a sampling in each of the relevant areas.

We hear of irregularities in the issuance of birth papers. We hear of missing visas that you find afterwards. We hear of nationality papers that are issued, lost, copied. We hear of passports that are lost and then resurfaced. At the end of the day, what is the impact that this is having on our democracy? And what concerns us in the business community? And we have called for a full audit of our citizenship because potentially just in this small sampling we could have 55,000 questionable citizens. We don't have the records. We don't have all their files to support that, in fact, they are true Belizeans. We don't know. We have a lot of information missing in the issuance of 55,000 passports, if I am reading this correctly. And I am going to focus more on the passport report for efficiency in time because I don't have time to go through all of this, although I have, and I would recommend to the press especially that they get copies, I understand that they are now online, and read especially those sections that speak to recommendations and conclusions findings.

But let us go to the passport report. And I quote, "There is a clear indication of criminal infraction that requires thorough forensic investigation by the relevant authorities. Specifically, a comprehensive criminal investigation has to be launched into the representation made by the Applicant, Wonhong Kim and the integrity of the endorsements of its two recommenders, Elvin Penner and Alfonso Cruz Jr." These are very strong words, but we know what has happened there.

We go on, "and we see that there were many people who were holders of Belizean passports and there are copies attached in appendices." I'll ask the press to do their work. These people lived abroad, but they were seeking verification from our embassies as to the validity of their Belizean passports because they had never come to Belize. They were saying, "I have acquired a Belizean passport. Can you please tell me if this passport is good? I just want to make sure," when we know that those people should have been here. And there are examples, and there is a case here where it says "Those individuals were informed that the passports holders had applied for economic citizenship through someone in Dalian, China but had never visited any Office to capture their photographs." Yet they had passports. And the Auditor General is saying that they did not find any

evidence to indicate that there was any response from the embassies that wrote questioning what to do about this thin. There was no evidence to indicate that there was any written response from Maria Marin or Minister Godwin Hulse, in respect to two particular passports. “In addition, we did not find evidence that there was any investigation into the matter in an effort to cancel the entry made in the Register of Citizens by Registration in respect of” one other party. And this is constant, and I will lead up to it to say why was there not following up by people who knew certain irregularities were taking place.

But the recommendations are varied, as I said, including the recommendation that the police inquire into criminal investigations, that forensic investigations into the apparent forgery of signatures take place because there are many places where people claimed that their signatures were forged, that an investigation is carried out to identify person or persons who received passports from the Passport Office for applicants who may not have entered to capture their biometrics at the Passport Office or Overseas Mission. Remember we have the 55,000 and we have the case where other people can come in and pick up passport on behalf of other people. And there are cases where we know or we’ve seen where many people put a picture of a picture into the system and they never showed up for their fingerprints, they never showed up or signed their applications fully, and they didn’t take their picture. So all of these passports are questionable.

But beyond that, the Auditor General points fingers at certain people and asks the Director of Immigration to ask the Solicitor General to decommission one Alfonso Cruz Jr., Martin Cal, Demecio Cal, Emory Young, Wilson Lee, and Ailing Li and that, of course, the Commissioner of Police continues its investigation in respect of citizen Kim. Also, she recommends that an independent technical expert be brought in because the system that we had that we paid \$1 million for was not working properly, and we knew and we kept saying to other people in the region who wanted to buy the same system, “The system is working great. We would recommend it.” Yet, our system, according to the report, was not functioning the way it should. It had some serious breaches in security, and people were able to manipulate it. She says, “We noted a direct co-relation between passports on the misprinted list, to the missing application forms since we were unable to ascertain the total number of misprinted passports that should have been among the cancelled passports.” Lots of these passports got right back into the system, and people showed up with them. “It was obvious that there were weaknesses and a lack of control in the Belize Passport Issuance System (BPIS) that the Government had purchased for just under US\$1 million. The fact that a picture can be taken of a picture and be inserted into the system is alarming. Evidence suggested that the I.T personnel also had the ability to remove the history of applicants,” and this happened when the investigation started. Apparently this one individual, Mr. Rodolfo Bol, went in and started to delete things. “He carried out this action a couple of days after the Audit team had commenced the investigation.” “We saw” it said, “55,579 passports issued to the individuals without the required biometric checks.” Not my words, it is right here. And it goes on and on with recommendations, etc, etc.

Now there was the issue of some missing passports. Some 3,713 passports were missing. What is interesting is that a lot of the staff in the department did not know that these passports or the number of those passports were missing. And it says that in many cases some of these same missing passports came back, and they had to be honoured by the people because they didn’t know, in the first place, that the passports were not good. And she questions why the staff was not informed that, in fact, there were missing passports and that those numbers should not have been honoured.

Again, she makes mention of the genuine birth records fraudulently obtained. What she is recommending, again, Mr. President, is that “all passports that were issued to applicants whose birth records could not be found at the Vital Statistics Unit, (VSU) are retrieved manually cancelled and revoked on the passports system. We suggest, and we’ve been calling for this as well for a long time, that it is high time that the Director of Immigration should liaise, and we’ve brought this to the attention of this House before, to implement an identity system to stop the fraudulent use of genuine birth records of Belizeans so that we stop seeing these records being used right down the road to eventually we give them a passport and citizenship. We know that that system is horribly flawed. We’ve known it for a long time. And that “all cases of fraudulent birth certificates should be submitted to the Commissioner of Police for investigations. And that one Miss Rina Chiu Hsiang Lo should be questioned to find out how she received a fraudulent birth certificate. And that the former Director of Nationality, Ms. Ruth Meighan, should be questioned by the police regarding her role in the issuance of said passport to a Paul Ku. That also the Minister at the time, Carlos Perdomo should be questioned by the police in respect of his role in the issuance of passport to a Paul Ku.” And she makes recommendations for other people’s passport, as well to be cancelled.

Now remember, I am only focusing on the passports. Remember how it starts and how it continues and how you end up with a passport. It starts with the visa. You come and you get your birth paper, you get your nationality, and you get your passport, sometimes in weeks, sometimes in a couple months, when we all know that the law is clear, that you have to reside in this country for a certain period of time before you are eligible for these sorts of perks, the Belizean citizen perk. And I can go on and on, and what I am bringing to you, Mr. President, are but some examples as to why it is necessary for us to continue with an investigation, more so, so that we can hear from the Executive and check with the executive to make sure that things are being put in place and that the multiple excellent recommendations of the Auditor General are carried out. So, again, I invite the press especially to read through these documents. They are now online.

But before I close, Mr. President, I want to close with quoting from this section that really and truly concerns me. It hits me to the core. And it is what is documented in the passport report, pages 112 and 113. And, with your permission, I’ll read. It says, in Appendix G.2, “lists copies of irregular and fraudulent replacement nationality certificates and copies of irregular original nationality certificates that were attached to applications seen for April 2011 to September 2013. This list is not exhaustive as many applications were missing and were not presented to Audit.” Remember now, again, she only checked a certain amount of the records.

“In view of all the irregularities and fraudulent activities,” those are strong words, Mr. President, “that we found in relation to Passports and nationality certificates issued for which there may be no files at Immigration and Nationality, Audit is concerned about Cabinet’s decision on missing files made of January 14, 2014, that was sent to the Director, Ms. Maria Marin, by Minister Godwin Hulse via unreferenced letter dated January 14, 2014, which states: “Re: Cabinet discussion today, January 14, 2014, on issuance of passports to persons for whom Immigration Department does not have a file. Cabinet has decided that persons who hold original nationality certificates and previous passports should be issued with a new passport”. It goes on, “The state must honour the documentation issued by previous Ministers and recognize previous passports issued by the department however obtained.” I am going to read that again. “The state must honour the documentation issued by previous Ministers and recognize previous passports issued by the department however issued”.

Mr. President, that to me sealed it right there. I stopped reading. After that I stopped reading, and after that I realize, and I knew for a long time that we needed to have an investigation, but I am more convinced now that we need to have a serious investigation, a full investigation into this matter. And that the Senate is, perhaps, the most balance place to have such an investigation because that Committee will be made up of Members from the Opposition, Members from the government side, and Members from the social partners. And hopefully, if truth can come out, in any governance institution that we can see truth come out from such an investigation. Mr. President, I could go on this, but, in the interest of time, I thank you for the privilege, and I am going to yield to my other colleagues. Thanks.

SENATOR REV. A. ROCKE: Mr. President, I rise this evening to give voice to two concerns. One, the Member quoted from the Constitution article 61A, and I've tried to find that in the Constitution, but if the Member could assist me to understand that. I know the Constitution says 61(1) and (2), and so on, and so if you could help me correct that. (Thanks for the correction. My one must be an older book.)

But I also rise to give support to the inquiry. The church feels that, in observing the style of the Prime Minister over the years, whenever there is a concern he would put an inquiry in place. And so, in looking at that and appreciating that, we feel that because there has been disquiet among the public, even among the government officials, that it is only right that some kind of inquiry be brought to bear. So we are agreeing with the Member that this inquiry ought to take place, and so we support the inquiry.

SENATOR S. DUNCAN: Thank you, Mr. President. Mr. President, a similar Motion came before this Honourable Chamber a few sittings ago, and at that time I asked the question whether this was the correct place for the further investigation that is required into some of the things that we are seeing. I do recognize that what we are dealing with here is a very sensitive matter and one that has significant ramifications, but because of that I ask, again, whether this is the proper place for it. As I read the terms of reference, Mr. President, it says, "to investigate and inquire into all policies, processes, procedures." When you read the findings by the Auditor General, and I agree with my previous colleagues that it is a very overwhelming volume, you find, what I would call, a large amount of procedural irregularities. These are not all but a lot. They are irregularities, Mr. President, where within the private sector, when you come across situations that have significant procedural irregularities, lapses in procedures and systems and processes, you tend to change the leadership; you tend to change the people running those organizations. In this case it is the people running the departments.

My recollection, Mr. President, is that that is precisely what has happened. My recollection is that we were informed in this Honourable Chamber before that the Director of Immigration had been changed and that certain systems and procedures had been changed, and, in fact, even the responsible Minister, my recollection is, had been changed. It appears to me that the findings we are discussing, according to these terms of reference, it is talking about the period January 1, 2011 to December 31, 2013, and changes were made to the leadership of the department, changes were made to the Minister, and changes were made to the processes and to the systems in 2014. I therefore have to ask the question, why the need to go backward? And would it be better or more appropriate for us to now, in 2016, be testing those changes that we had put in place to see if, in fact, those changes are now effective? We will be going back to 2011 and 2012, and, in fact, I've seen in the reports certain items that come up actually before that, if my

recollection is that there are items in there from the previous PUP Administration. So it actually comes up with a lot of things backward, in the past. But, having put the things in place that were put by my Honourable colleague here, the Leader for Government Business, that have been put in place, would it not be more appropriate for us to test the efficacy of those changes that were made to see that if, in fact, we run the risk of having a similar report from the Auditor General for the years that we are now in, or did those changes that we made served their purpose and have curbed the concerns that we all have? And, therefore, I ask the question again. Are we placing the responsibility in the right place to do the investigation?

When you read the report as it relates to procedural irregularities, for the most part, not in all cases, but for the most part, we are talking once again about public officers. And, again, when we do an investigation, we are putting the public officers in their innocence and having carried out their duties to a degree, if we are not careful, of public, as we called it, name and shame, and maybe that is part of what we want. But people who have genuinely and sincerely executed their jobs with no mal intent will be caught up in all of this, if we are not careful. I for one fully recognize the political benefit of looking backward, but at the end of the exercise would it make us any more comfortable at what is happening today, not what happened back then because we already know what happened then is wrong? We already know that, but would it make us any more comfortable at what is happening today that we are better off because the reports stop at 2013? We are in 2016 already. So we are already 3 years late.

And I am suggesting that probably the better approach, Mr. President, is for us to put our money and our resources and our time into making sure that those changes that we have already spent money to do and put in place are actually working and that they are effective. And this report by the Auditor General, to my mind, should continue to run its course, to be taken up by the proper authorities because I am not interested in trying to cover anything and to protect anybody, but I am suggesting to you that it will tell us nothing new. These are things that we already knew. The report is confirming what we knew, and it is 3 years old. We have already made changes since then. Are those changes working? That to me would be money better spent than to spend, if I understand my colleague, the Leader of Government Business, earlier, he suggested that the last hearing he did ran for some, I hope I am wrong, 22 months. Are we going to spend another 22 months with this to discuss something that is in the past and something that we have spent money and brought new systems and put new systems to curb? Let us know where we are today in 2016. In 2013, we already knew what happened. In 2012, we already knew what happened. The scandal was out there with Kim and everything. It is repeated in the report. Maybe we get all emotional over it again, and that is understandable because it is not something to be taken lightly. But certainly I am suggesting that doing that is not going to help us to establish, as a responsible Senate, whether or not we are now in declare, and I think that would be a better position for us to know and it is for us to get more comfort to know that in 2016 we can now sleep comfortably, Mr. President, and that we can travel with our passports comfortably. 2013 is not going to help me that much, since we've already put things in place. Let's test what we've put in place and see what comes out of it, to see if, in fact, we need to go further, we need to do more, and we need to make more changes until we get it right. We must get it right. I am on board with everybody with that. All I am doing is asking the question whether the approach being proposed and the Motion being put forward before us today in this Honourable Chamber is, indeed, the right approach. Thank you, Mr. President.

SENATOR DR. C. BARNETT: Thank you very much, Mr. President. I

rise to make a brief contribution to this debate on the Auditor General's reports, and I ask for your approval for me to use my notes, please. Yes, I want to be very careful that I say it the way I intended to say it. So this is the one that I wrote. I didn't write the contributions to the other matters before us.

I want to begin first by thanking the Auditor General and her department for undertaking such an in-depth audit and for preparing such detailed reports. I have been going through these reports in the last few days, and I will admit that I've not completed going through all the reports. And, apart from the more sensational matters that we've seen in the media concerning the contents of these reports, there really is a lot of information that needs to be processed and processed properly. I also want to thank the persons who gave information to the Audit team, particularly the members of staff of the department's concern. It's not an easy process; it's not easy to be audited, especially in a context when there is an assumption of wrongdoing that precipitated the audit. So I know it would have been a difficult process for the department's concern. All of those things factored into the reports.

These reports are very useful. I find that they hold the potential for strengthening the operational processes in the Immigration and Nationality Department, and the recommendations may yield actions that can close the gap that allows wrongdoers to get through. There is a substantial amount of information in these reports. They suggest everything from foolish mistakes, to poor management, to weak record keeping, to wrongdoing and even criminal behavior, and I separate the two. All wrongdoing is not criminal. All criminal is wrong, but it is not necessarily true the other way around. Mr. President, I feel that reports such as these are so important that the reports themselves need to adhere to the highest standards of performance. They are an important part of the transparency process in our society, and because of that they need to be as accurate as possible, and they must themselves reflect the highest standards of transparency, fairness, and due process in their preparation and completion.

In undertaking an audit, and those of you who work in organizations, or own businesses that have been audited, know that due process would normally require the completion of a draft report, giving affected persons an opportunity to respond where they are named just to ensure that the natural justice principle prevails. Normally as well you would see a submission of a draft report to management along with a letter, perhaps, or an executive summary, giving management time to respond with written explanations, and those explanations are an important part of a final audit report, and we don't have anything like that here. Completion of the audit report normally would include the audit/the management letter and the response to management. I understand that this report was not shared with the management before its completion, and therefore there wasn't an opportunity to respond. This is unfortunate because, in reading the report myself, we find instances where innocent people's names are called in a context where people are assuming it's because they did something wrong, and that is not necessarily the case. There are even instances of people's name and personal information having been published through the internet. So there is a privacy issue there.

In my presentation, I won't be calling any names today. I know that the report is raw data, and it has not officially had the people affected go through and give their response. So I won't be calling any names, maybe except for one, today. There is also a few instances where information appears to be incomplete or incorrect, suggesting that there is not a good understanding or not a sufficient understanding, I should say, of how the system really works such as the finding regarding the biometric testing and the accusations of deleting information from

the system, and I will speak a little bit about those. In the report as well actions are deemed to be illegal without citing the law that has been broken or fraudulent without clarifying the nature of the fraud that's been alleged. And, of course, there is the statement that recommendation, whether by Ministers, former Ministers, Members of the National Assembly, whomever, those recommendations are equated with instructions or directions or interferences and those various things, and that's a whole different set of considerations. I don't want to be seemed to be disregarding the report at all. Indeed, I hold the Office of the Auditor General very high. I have the greatest of respect for the Auditor General herself whom I know very well, and I've worked with her and I know her to be a professional, and it is because of that why I believe it is important to hold the office to the highest standards of performance.

With regard, and I just want to speak to a couple of matters in the reports. The report on visas, for example, raises concerns about the cost of destruction and the paper trail for the destruction of 25,000 visas which had been delivered by 3M. 3M is the company, of course, that provides the passports and the IT system and the visas and all of that. And subsequent to the delivery of the visas stickers, 3M told the department that there were errors and that the stickers needed to be destroyed and once they received certification of the destruction then they would print new visas stickers free of cost for the department. And there is some question in the report as to what was paid, who paid, and those kinds of things, and in my own conversation it became cleared to me that with an opportunity to respond it would have been understood that the new batch of stickers and the confirmations that they were in order was all done before the payment for the visas were made and that there are records available showing the instructions to the Ambassador of Belize in Washington who makes those payments from monies that are held there and with full copies to the Director of Immigration, the FS, and the CEO of Foreign Affairs. These are information and explanations that could have been provided if the opportunity had been taken to discuss the draft Audit report with the management of the Ministry as would be normal with an audit. The Audit report also raised in several places questions on some 600 or so visas stickers which it could not confirmed had actually been sent abroad, but that paper trail is there to show that, in fact, they were delivered to the Director of International Affairs in the Ministry of Foreign Affairs who signed for them and who ensured that they were delivered to London, Germany, Chicago and the various places where they were supposed to go.

I am just saying these because it is clear that the reports are large and voluminous and to the extent that there may be information in there that could have been explained. It makes it larger than they ought to be, and the quality of that data that goes in dilutes the impact of the whole report themselves in terms of identifying and zeroing in on the things that were done wrong. It is important to note that the Immigration (Amendment) Act in 2014, created the Visa Vetting Committee. The Ministry has indicated, on first reading of the report, that at least 60 of the recommendations made in the report have been fulfilled by the Visa Vetting Committee. Now this is where the concern, the suggestion, raised by Senator Duncan suggests that it would be useful for us to, in fact, look to see whether or not some of these things have been corrected and the extent to which they have been corrected because that's where we are. We need to know if our new system is working.

With respect to the machine readable passport system, that system had a license for biometric checks of approximately 160,000 clicks. Now the click is when you take the picture. If you take the picture of somebody two or three times, each of those is a click. It's not per application. It's per, you're paying a license for a click. These were used up during the period from 2004 to early 2011. That's

what we see in the report, and the department was unable to renew the licenses due to technical difficulties with the supplier. This supplier isn't 3M. It's a third party supplier through 3M. That is my understanding. So that there may not be an issue with 3M and the regular system, but the biometric subsystem is where you have a difficulty. Since 2011, no more biometric checks have been done as the license was not renewed. So that 55,000 that we see about biometric checks that's a larger number in the three years that we are talking about. So, as a result, that continues to grow because the system cannot do biometric checks anymore. In that regard, though, it is important to know what the biometric check is, what it does, and what it does not do because there is an assumption, and I've even heard it play out on the media, that because the biometric checks were not done that there is something fraudulent or wrong or somehow not right with the passports that have been issued. The biometric check is only one layer of the security in the passport, and the only thing that the biometric check does is check your fingerprint and your face against every applicant that has applied for a passport. That's what it does. So it's checking to make sure that you don't have the same person getting a second passport, but it's not checking to see that the person getting the passport is somebody who ought to get a passport. That security layer is external to the system so that, and it's external by way of verification of the documents that are presented, the authenticity of all that is presented, and the security, the external security checks also include verification against lists that are separate to the system of alerts against persons who ought not to get a passport. So that alert for people who ought not to get a passport is done outside of the system because we wouldn't have within the system people on no-fly list. We don't have that in the system. And those systems continue to function. So realize that the biometric check is really only a check to see that you don't have a valid passport right now. That's what it is. What is important though is that everybody who currently gets a passport still you do everything because the system still takes your pictures and still records your fingerprints for identification purposes. So it's only the check against the existing applicant database that cannot be done anymore.

It is also important to know that the IT system does not allow for data to be deleted as the report suggests. That is why when a mistake is made on the preparation of an application if you save that you have to create a new application because you can't make a lot of changes once the system has gone through and printed a wrong passport. You have to make a new application to print a second one, and that's why you would have more than one application for the same person on the same day or in a very short period of time. This explains many of the instances of multiple applications for the same person. This is not necessarily an indication of fraud. It is more likely an indication of a system that has many, many shortcomings and that needs to be replaced and modernized. It is also not possible to delete users from the system. If you've ever been a user on the system approving at any level or imputing data at any level, your profile remains in the system and everything you have ever done on the system remains in the system. What can be done is your status is changed from a user to a non user, or if you are promoted or you shift responsibilities then you can be given a different kind of responsibility within the system. But everything that you do on the system is recorded and cannot be deleted.

Since the Kim incident, and that's the one time I'll call a name, which is extensively covered in the report and which, in fact, precipitated this audit exercise and its ever widening mandate, new procedures have been put in place for obtaining and renewing a passport, including ensuring the authenticity of certificates that have been provided in support of applications. But it is very clear

that the system itself needs to be changed because of the inherent weaknesses in the system, including the way it does the biometric recording. So it might have 2 or 3 different recordings of the same person because of the times you may have to take your picture when you go in.

I want to conclude this brief intervention where I start it. I really do believe that these reports are really very important, that they are an important part of the transparency process, and that they must themselves adhere to the transparency and fairness that we want to see operating in our service, and they must be as accurate as possible. So I would have preferred that we would have had the opportunity in completing the report for that discussion with management or at least a presentation so they could have done a written response that we would have also been able to see as a part of the report. And I think it's unfortunate that innocent people's names have been called in a context where people think that once, and my name is in there too. Yes, it's in there. It's apparently in a request for information that wasn't provided. So there is a number of people who the information wasn't provided for, and I didn't do anything but it's in there. So I believe that these issues that I raised are not in any way intended to take away from the usefulness of the report. They are useful. They present a substantial amount of information that suggests everything, and I say from foolish mistakes to criminal activity. And so I support an open, televised, and however we do it, review that allow the persons who prepared the report and the persons who are named in the report to have the opportunity to explain whether it is the preparation of the report or the things they are accused of in the report.

I have had a lot of discussion with my colleague on the left over the years about the usefulness of Senate Select Committees because its ventilation, but the Senate Committee doesn't have the authority to hold the people to account. And so we saw all of that drama in the 22 months, and at the end of the day it is a lot of preparations, and then nothing happens, and that's in the nature of the Senate Select Committee and the role that the Senate plays. I would prefer to see some kind of committee that would have some kind of ability to actually do something. And one of the things that needs to be done, I agree with Senator Duncan that one of the things that needs to be done is the review of where we are now, to take account of whether or not what has been done closes the gaps that have been identified in the report. I know that there are options that can be looked at. But I want to register my support for this report to be publicly reviewed. It will allow innocent people to clear their names, and it will allow people who need to be held to account to be held to account. So for me that is an important part of closing this gap. But I am not at the stage where I believe that the Senate Select Committee is the only option that we can do. So, Mr. President, I conclude. Thank you.

SENATOR A. SALAZAR: With your indulgence, Mr. President, I would like to start off by saying that I believe that the issues which Senator Barnett have highlighted are shared by many of my colleagues. And, notwithstanding those issues, we also feel that the report does highlight some or does give cause for a concern and that these are not matters that should be taken lightly. The integrity of our nationality process and the issuing of passports are matters which every Belizean should be concerned about. So these are not matters which we would take lightly.

Having said that, I feel that we need to put the report into some context though, and I think that something that Senator Barnett raised deserves some more ventilation, and I would expound on it a bit, because I heard it this morning on a talk show and I heard it in the Senate, the suggestion, that there are 55,000 fraudulent passports. If we look at the report and honestly assess it without the need or the desire to grandstand or to make a political point, the reality is that

those passports are not fraudulently issued. I may have one of those passports and I am a Belizean. I deserve a passport. Some of the Members here may have one of those passports. That does not mean that it is a fraudulent passport.

And if you look at the section, it's at page 38, which speaks about the biometric check, it says, "After the completed application had been saved into the system, the application server will forward the biometrics templates to the biometric subsystem to match against the gallery of previous applicants. The templates are then added to the gallery applicants to be checked against. So the Biometric Subsystem employs both facial and fingerprint biometrics to ensure that applicants who have previously applied for a passport are automatically identified during the application process." It is just as what Senator Barnett had highlighted. Then at paragraph 18 it says, "We say 55,579 Passports issued to individuals without the required biometric check had been carried out by the officer in charge. In an interview with the system manager," I won't call his name, "he informed that the BPIS had two biometric checks, fingerprint and facial. He went on to say that there were a lot of problems with the BPIS. After every 80,000 pictures, they have to renew the license. It was expired in 2010 and was not renewed." The ensuing paragraph says, "The 3M Company from which they bought the system was required to procure their license from a third party. He indicated that the Directors and Chief Executive Officer (CEO) were aware that the system was not operating well and that he has sent many emails to 3M about the problems." So it's not that there was this problem and nothing was done. There was an attempt to have it addressed by 3, which is the entity through which the software was obtained. Like Senator Barnett has said, this does not mean that those passports were fraudulently issued. I cannot say it enough because I heard it on the radio this morning, the comment that 15% of the population has a fraudulent passport in Belize. That is not the case, and I feel that that has to be clarified because I am sure that some of my colleagues or that people in the media or in other corners would want to sensationalize this issue and to present it for something that it is not.

The second point that I would like to raise following on the issue of context, is that I think that a lot of what will occur as a result of the publication of this report, and it has happened, we are going to see a lot of it. We tend to have a lot polarization and laying blame, but in order to put it in context I want to say that this report covers up to a certain period and that I know for a fact that, since Senator Hulse has been at the helm, there has been significant steps taken to address what we all know were weaknesses in the system. So those procedures have not been assessed like what Senator Duncan has said. So we need to bear that in mind that this covers a period before these steps were taken to stymie what was already perceived as a problem.

And, also, I know that my colleague might come with heightened decibel level after this. But I need to further contextualize this by saying that this is not a matter with which you can point to one particular group or which we should point to one particular group and to use it for divisiveness and sensationalism because, if we look at page 69 of the report, at 46.5 it says, "The most recent known stolen batch of Passports was for 100 machine readable blank Passports, which occurred on 28th September 2006." It is clear from this report that many of the problems arose as a result of stolen passports. Now in this case 95 were recovered; 5 were not recovered. Remember this is saying that the most recent case of stolen passport was in September 2006. The report is riddled with instances in which flaws in the system are seen as a result of stolen and missing passports. So we need to put this in context because at page 71 it goes on to list an overwhelming and alarming number of passports that were stolen or missing. Bring in mind that the report has said that the last one was in 2006. So what that means is that they

had to have been stolen or missing prior to that, right? So my intention is not to proffer any defense for any particular group of persons. My intention is to contextualize this before we get to sensationalism because we must recognize that it is a systemic problem that both sides need to address. And, before we start to point fingers and to say that this one is correct and that one is correct, we need to accept that from before 2006, passports were going missing. And then in 1999, we look at it page 73, Mr. President, this is more egregious. In 1999, one officer explained that in relation to some passports that had gone missing that they were eaten by termites. The Passports were eaten by termites. In 1999, they were missing. No investigation was made into those passports that were missing I can't recall any investigation by a Select Committee of the Senate or any other body looking into those hundreds of passports that were missing. I am not saying that was the cause of all the problems we have seen emanating from this report.

But I agree and I support what Senator Barnett has said that these are issues which I feel require openness in studying it and looking at it. I feel that it requires not only a bi-partisan approach but also requires the intervention of social partners. And I want to end by saying, again, that before we take to pointing fingers, grandstanding, we need to put this problem into context and accept that these are issues which have plagued us for quite some time and we need to address them. Thank you very much, Mr. President.

SENATOR P. THOMPSON: Mr. President, I support this Motion. I am going to try to build a case to support my stands. Mr. President, we are living in very serious times. An Opposition parliamentarian is kicked out of the House of Representatives, airlifted, manhandled by the police, for all the world to see. Our government is broke, so broke it has reneged on a contractual agreement to pay teachers and public officers their third and final salary increase, and the Auditor General has revealed in three audits what we have always suspected, that this government is absolutely corrupt, (Applause) arguably the most corrupt this country has ever seen. It reveals that this UDP Government wasn't contented with them being corrupted. They needed accomplices, and they set out to criminalize persons from almost every sector of our country, thereby undermining the very democratic foundations of our society and in so doing also putting at risk the very security of our nation and its people.

All these new Belizeans can vote. All these persons from all over the world, many of whom came to Belize for the first time and got their fraudulent Belize passport in a matter of days, some in a day, can register to vote. Can you imagine that? We have seen people lose elections by one, by two, by three votes, Mr. President. We have seen governments form by the thinnest of margins. If this is not a slammed-down case for re-registration, I don't know what is. The people who now have our passports come from all over the world, Mr. President. They come from Russia. They come from China. They come Greece. They come from the Middle East, and the list goes on. We have no idea who these people are and what they do. That's not just a threat to the United States. That's also a threat for us as Belizeans. We fly plane too. We have been concerned about Guatemala and their instability, but we are a lot less safe today because of the skullduggery that's been taking place at the Immigration Department.

The audits only cover the period of April 2011 to September 2013, only one fourth of the UDP's time in office. We have no reason to believe that the years preceding those audits and the years since are any different. According to the Auditor General, her department could have probably unearthed more fraudulent nationality certificates, but they were only able to review three months worth of passport's applications out of the 29 months they were mandated to cover. Still they were able to produce over 700 pages of pure, unadulterated

corruption, stories of deception and fraud and crookedness that would make any warm-blooded Belizean cringe with fear and boil over with anger. In one case, a Chinese national, Dong Tao Jin, had his nationality signed on May 19, 2013, two weeks before he gets his visa approved. His visa is dated June 2, 2013, with its passport signed and released 5 days later on June 7, 2013. It appears that's a special service that's available. All your paper work done before you even set foot in the country; we can only imagine how much such a special service cost the Chinese man. And it's not only Dong Tao Jin who got this special service. You got Liudmila Shengeliia from Leningrad, Russia. His passport is issued on March 2, 2012. That is 8 months before he gets his visa. We say he, but we cannot be sure whether Liudmila Shengeliia is a he or a she. It's the same problem former Minister Santino Castillo had. He recommended two persons for nationality claiming that they are his constituents and that he knows them, but he is not sure whether the so-called constituent is a she or a he. And it's not because of some transgender issue. It's because the persons he claims he knows he doesn't really know but he affixes his signature to a recommendation as if he does. The problem is that he is involving himself in a criminal activity, a straight-up prostituting of patrimony

MR. PRESIDENT: Yes, Senator, what is your point of order?

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Mr. President, on a point of order, man, I mean, the House maintains its discussion with respect to the dignity of people, and persons who are not in either of the House who cannot respond to accusations made their names should not be called. It's a standing Standing Order, man. That's why we are debating, but let's debate the matter without becoming personal or calling names, notwithstanding that some of those names are in the audit report.

SENATOR P. THOMPSON: I believe that all the things I am saying are in the auditor's report.

MR. PRESIDENT: I know, but let us try to leave out the names like what Senator Barnett did also.

SENATOR P. THOMPSON: Well, this is the moment for us to ventilate.

MR. PRESIDENT: Yes, Senator Woods?

SENATOR V. WOODS: Can I clarify something? Are we not to name or repeat names in these reports? And if so, why? These reports were given the highest of authority to be laid before the House and then to the Senate. I want to be clear. (Applause)

MR. PRESIDENT: Senator Thompson, you can go ahead and say the names, but I must make a point that Senator Barnett said also that these people aren't all guilty. So we need to make that point, right.

SENATOR P. THOMPSON: Yes, it is important because it is in the Auditor General's Report. I am not saying that anybody is guilty or not.

MR. PRESIDENT: I am just saying because I really need to make a point there, okay. Continue, Senator Thompson.

SENATOR P. THOMPSON: Now we don't know why the erstwhile Minister would do something like that. He is supposedly wealthy and supposedly

has no need for extra benefits that supposedly come from this special kind of transaction. Perhaps he was trying to join the crowd, run with the pack.

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): On a point of order, I must insist that, the Auditor General and the report you can't stand in this House and accuse people of criminal activity. You cannot start to impute improper motives to any Member of either Chamber, past or present, man. So, to state that you don't know why he'll need the money, I hope that's not in the report.

MR. PRESIDENT: Senator Thompson, that is part of the Standing Orders, right. Thank you, Sir, continue.

SENATOR P. THOMPSON: Yes, but we can give no such benefit of doubt to the Member from Cayo West. That man requires special attention. There are countless letters he wrote.

MR. PRESIDENT: Excuse me, Senator Thompson, one second. Gentlemen and ladies in the galleries, when both sides speak, please be quiet and let them discuss the matter, okay. We've had a nice day all day today. Let us finish it off nice. Thank you. Continue, Senator Thompson.

SENATOR P. THOMPSON: There are countless letters he wrote requesting visas for so-called businessmen from the far east and eastern Europe and Mexico. Some of them got their passports five days after they received their visas to visit Belize, in special cases the same day they arrived in the country. In one case he writes to the then Director of Immigration, Ruth Meighan. I'll read the letter here in full. It's on page 141 of the Special Audit on Nationality. It's dated January 29, 2013. He writes, "I wish to request your assistance in providing multiple entry visas to the below listed people who are consultants for Sunny City Development Project and are in possession of U.S Visas: Li, WeiDong; Guan, JiMin; Chen, MuPing." He continues, "Any assistance facilitated to them would be greatly appreciated. (Signed) Honourable Erwin Contreras, Minister." According to the audit, the stamp of the Ministry was also seen beside Minister Contreras' signature. He is just requesting assistance, right. If you ask the Prime Minister, he will say, "Ministers do this all the time." But not surprisingly the visas for all three were approved on March 4, 2013, by the then Acting Director, Maria Marin. By that time she had replaced Ruth Meighan. According to the audit report, all three visa applications appeared to have been written by the same person who wrote the approved visa number. In other words, they were filled out by an Immigration Department staffer. All three claimed the purpose of their visit was for business and that they would only stay for 7 days. All three submitted their applications for Belize passport 8 days after receiving their visas. All three used fraudulent nationality certificates to receive a Belizean passport. All three received their Belize passports weeks after entering Belize, and, in the case of all three, the auditors could not get a copy of their passport applications and they could not get a copy of their nationality file even though they requested it. It is that kind of stonewalling and refusal to cooperate that made the work of the Auditor General and her team so very difficult.

Files were removed; over 55 thousand passports were distributed that never received the biometric check. The auditors believe that the fancy system the department was using and that they received from the USA was willfully breached and allowed to fall into disrepair. The annual license to keep the system from 3M updated and maintained was never paid, and it's not surprising. The corruption inside the system was widespread. It was rampant. It was renk. It could not be the mere handy work of just the lower level and upper level public officers. It was the

kind of skullduggery sanction from the very top.

The Amandala newspaper reports that no less than 13 Ministers and former ministers have been named in this immigration scandal. According to the audit, the substantive Minister of Immigration, our colleague, the Honourable Senator, signed several nationality certificates for persons who were not in Belize for the required 5 years. In fact, in some cases the Minister signed the nationality of some American nationals less than 3 months after they entered Belize for the first time, and that's not a long wait because for some visitors they would get their passports the same day they arrived in the country for the first time. That's called a deluxe service. This corruption ring sought to include any and everybody from the clerks in the Immigration Department to the justices of the peace, to the police, to the drivers, to the doctors, to the teachers, and to the members of the diplomatic core. It sought to compromise everyone, and in that way it perpetuated itself because no one can talk and everybody has to be a part of the cover-up. It is the reason Minister of State, Mr. Elvin Penner, was fired but was given a soft landing. He continued to collect his money and continued to do business with this government to this day. They don't want him to talk and let the entire cat out of the bag. It is this reason why former CEO, Candelaria Saldivar, can continue to receive \$8,000 in salary and benefits each month even though she has been put on administrative leave.

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): I must insist, man. I must insist. I don't know who wrote it, but, man, you cannot tie and condemn people who are not here. It is wrong to make the motive like that of former CEO, Candelaria Saldivar. And is that the reason, man, really man?

MR. PRESIDENT: Senator Thompson, just please, just follow the Standing Orders.

SENATOR P. THOMPSON: No police investigation can never be allowed because it would be the end of the UDP Government. So the Prime Minister talks about so-called factual guilt and legal guilt and sits idly by as the Commissioner of Police defies the Chief Justice's orders for the police to investigate the Penner passport scandal. The investigation cannot be allowed because it's a house of cards and one push and it will all come tumbling down.

Mr. President, there are instances where three Chinese nationals flying to Belize on a United Airlines flight on April 10, 2013, and within a few weeks they get fraudulent nationality certificates. Days after they received their nationality certificates they head over to the Vital Statistics Unit and all three changed their names by deed pole. All three on August 13 received Belize passports in their new names: Quoc Vinh Truong became Simon Truong; Yiu Pang Chen became Peter Pang; and Jack Jie Qin became Marc Chin. There are many instances like these, Mr. President, where these visitors would fraudulently get nationality certificates and raced over to the Vital Statistics to change their name, and it begs the question, why? Why would they have to do that? What kind of coincidence is this that three persons came into the country the same day on the same flight, got their nationality certificates the same day, changed their name the same day and received Belize passports the same day? It begs the question, who are these people who are getting our Belize passports? Can we really feel safe at night? Can we be sure that these people are not terrorists or money launderers or human traffickers or all of the three? Then there are the cases of Dongsheng Zheng, Wen Cheng and Win Bin Chen and Li Hua and countless others who got Belize passports on the strength of fraudulent nationality certificates, complete with backdated visa stamps, dates of arrivals and temporary employment permits.

These persons became sponsors of, in some cases, up to a dozen visa applicants from China. In some ways it is the immigration version of the women's circle, and women in the Chamber will know what I am talking about. Each somebody brings somebody, and then these some bodies bring some bodies and then the only difference is that in the women's circle each person is responsible to bring two persons to keep the chain going. But these fraudsters, these holders of illegal Belize passports they bring many. Remember that Mainland China has over 1.4 billion people. They can keep this chain of corruption going for as long as we do nothing as a people and as long as we keep turning a blind eyed corruption. This immigration scandal is a damning statement on the level of corruption in our society (Applause) and the depth of filth in which we presently submerge. How we recover our self-respect and our belief in this system of democracy is the task before us. How we ensure that corruption so smelly and so rampant and so renk in stop in its tracts is the challenge before us. How ensure that something like this never happens again has to be our mission. Doing nothing is not an option, Mr. President. No generation that follows will forgive us. Thank you. (Applause)

SENATOR M. COY SR.: Mr. President.

MR. PRESIDENT: Gentlemen in the galleries, and ladies also, please, just like the respect you gave to Senator Thompson please give it to Senator Coy also. Thank you very much.

SENATOR M. COY SR.: If I was seated on the other aisle of this Chamber, I would be one of least persons to talk about corruption. I would be one of the persons who would probably put a sack over my face and wouldn't even want to mention it.

MR. PRESIDENT: Have a seat, Senator Coy.

SENATOR M. CHEBAT: Is he imputing that we on this side are corrupt? Didn't the Leader of Government Business just say that you can't impute corruption on a Member of this House or any House? (Applause)

SENATOR M. COY SR.: Mr. President, at no time did I say he is corrupt you know. I didn't say that. I said that if I was on that side the least thing I would want to talk about is corruption.

MR. PRESIDENT: Senator Coy, please just follow the Standing Orders. It is the same thing I said to Senator Thompson. Please, let us follow the Standing Orders, and let's have an amicable discussion. Thank you.

SENATOR M. COY SR.: Mr. President, it seems that I need to go back in the days when I was a small boy, a young boy. I used to walk the streets of Belize City with my grandfather, and may God rest his soul and let him be in peace and in glory. But, Mr. President, I want to remind the Honourable Senator who just finished talking about the corruption with the passports, and I must inform him about the days when I was a small boy. I want to give him a reality of what used to happen in the past, 2004/2005, when the former Prime Minister of Belize used to walk or used to ...

SENATOR M. CHEBAT: Mr. President, on a point of order, as I understand it, what is before the Senate is the Motion in relation to the Auditor General's Report for 2011 to 2013. I don't understand the ramblings of the Senator, Mr. President.

MR. PRESIDENT: But also, Senator Chebat, I've read it, and, yes, it makes reference to names of past Ministers of government. So let's please follow

the Standing Order, and let's move on okay.

SENATOR M. COY SR.: Thank you, Mr. President. I go back to the statement where I was and I will continue from there. I just wanted for him to have a clear understanding of what used to happen. Back in those days we used to see the former Prime Minister of Belize drive his vehicle, run around Belize City, and you could have gotten your passport in one minute. It used to happen.

MR. PRESIDENT: Senator Coy, please, let's have a good discussion. Senator Chebat, you don't need two to jump up. I will jump okay.

SENATOR M. COY SR.: Mr. President, I know the truth of the matter hurts sometime. Right, the truth of the matter hurts sometimes. So just allow me, Mr. President.

MR. PRESIDENT: Excuse me one second, Senator Coy. Senator Chebat, come on, I did the same for you guys, and so let's do the same for the other side. Please, stick to the point and let's move on, Senator Coy.

SENATOR M. COY SR.: I don't blame them, Mr. President. That's exactly the way they act. That's exactly the way they treat people, and that's exactly how they want to be.

MR. PRESIDENT: Senator Coy, please let us continue, come on. We've all had a long day. Continue, I am not trying to interrupt you. Just stick with the topic and with the Standing Orders, and let's go. Gentlemen and ladies in the gallery, please, you know we are trying to make sure that everybody is heard, okay. Thank you very much. Continue, Senator Coy.

SENATOR M. COY SR.: Thank you very much, Mr. President. Mr. President, let me just go back to the Special Audit on passports, where I want to read 46.2, page 67, which says, "Our suspicion was confirmed when we reviewed a letter titled 'Unreported cases of missing Blank Passports from the bulk at Immigration Head Quarters for period 1999 to 2004.' RefGEN/13/1/06 (19) dated 10th November 2006, seen in the Department's Close Confidential File from the former Director Immigration and Nationality," well, I won't mention names. I don't want to be like the other side, but the name is there of their Honourable Minister who was then in charge of passport. "We were able to obtain and examine file after much frustration and difficulty." This is directly from this book. So, my Honourable Senator colleague there, I just want you to understand because we are not here to just point fingers on someone or to say this one is corrupt. We must think before we talk, brother. Thank you, Mr. President.

SENATOR V. RETREAGE: Thank you, Mr. President. I have listen to the contributions of all my colleagues both on this side and on the other side, and, at the risk of being repetitive, I feel it is important for me to endorse those views as expressed by my colleague, Senator Duncan, in that, in examining whether or not we should proceed with the appointment of a Select Committee, we must determine the usefulness of such an exercise. The Auditor General has provided us with three reports. She has stated that she investigated into affairs of the Immigration Department throughout the period 2011-2013.

The Terms of Reference, as proposed by the Motion of Senator Chebat, is that we appoint a Select Committee for that purpose, to review this report and to investigate into that very time period that has been investigated already. My thinking in relation to these things is to be more forward-looking and solution-oriented. The object of these exercises is to determine where processes have failed

and where persons in charge of those processes are to be made to be held accountable. The Senate Select Committee and the appointment of that Select Committee will not achieve that purpose, and for that reason I concur with Senator Duncan when he says that the reports should be laid before the appropriate authorities. And I for one, speaking in the capacity as Attorney General, would say that, for those Justices of the Peace that have been named in this report, the Justices of the Peace Act provides explicitly that after giving those persons an opportunity in writing to be heard, the Attorney General may remove those persons from the office of Justice of the Peace. I intend to embark on those processes in relation to those Justices of the Peace that have been named, and after affording them the opportunity in writing and examining what explanation has been provided appropriate action will be taken. Those are my contributions.

SENATOR V. WOODS: Thank you, Mr. President. I rise to give my contributions on this Motion which I support heartedly. I must admit that I thought very careful about what today would be like, particularly on this Motion: One, wondering if it would even be tabled, and for that I thank the President; secondly, wondering if it would be, “Okay, the old news, it has already happened, we already got our lashing, we put in measures, and let’s move on;” Or would it have been a discussion that took the same vigor, the same passion with other inquiries, notably the SSB. Yes, that was a long one. The Leader of Government Business certainly can attest to that. A government who has taken over in three successive terms, I would say that effort was not in vain. Lessons were learnt, painful memories, painful discussions, hurtful ones, perhaps emotional ones, but it comes with the territory of taking up public office and being called to question when needed.

Mr. President, with the tabling, and, forgive me, I do ask for your permission to refer to my notes from time to time. With the tabling of the Auditor General’s report on these issuances, let’s not forget that the reports do refer to only a sampling. It is incumbent upon any responsible Senate of this country to carry out its constitutional duty as outlined in section 61A(d), “to institute and conduct enquires and investigations on any matter of public interest or importance, including inquiries into mismanagement or corruption by persons in central government or public statutory bodies”. That is directly from the Constitution, and no less was said by the Leader of Government Business at the Senate meeting in November 2013, “Let the Auditor General finish her work first.” (Applause)

Mr. President, I have been in a couple Senate meetings before, and I am a junior Senator I recognize this, junior, yes, in terms of time in the Senate and not so much with age though, as I am getting up there. But it gives me pause because you see I remember very well that SSB inquiry and appreciated very much the historical record previously by the Leader of Government Business. We should never forget. And just because this report is based on a period in the past and a finite one, 2011 to 2013, does not give the Senate the authority or the luxury to dispense away with its authority. (Applause) I was much younger then, but I remember words like, uttered by quite a few in this Chamber, transparency and accountability. As a young Belizean, I do not take the words lightly. Why don’t I take those words lightly? It is because the first time I was able to vote I did it naively, the second time I was able to vote, I thought I did it better, and the third time I was able to vote I voted my conscience. I am a Senator duly appointed by the Opposition, but what I am not is a rubber stamp for any corruption or any mismanagement whether it happened 5 years ago, 10 years ago, 2 months ago or about to occur again. (Applause) And I do this, Mr. President, because I fully

recognize, given the makeup of the Senate, that I serve at the pleasure of the Leader of the Opposition who appoints me. I have no issue with that, and he has none with that either.

Well, the work is now finally completed. So I have to refresh the memory of the Leader of Government Business, if you allow me, that it wasn't so long ago when inquired by the media after a Senate meeting, because we recognize that these things are sensitive, we recognize that the emotions will run high, some, perhaps, will get more political than the other, but those of us who are all committed, of which I know all of us are, to good governance will not let it stand in the way of the duties of this Chamber. (Applause)

You see, I watched like everybody else, listening to the interviews, what will happen when this comes to the desk, if you will of Senators, which is why I expressed earlier that I thought very careful of how will this go down today and what will be the environment. You see, Mr. President, it was very clear. The interview was clear that the Senate has its duties. It wasn't about, "Well, it's not the right time. You know by the time they are finished with the inquiry it would have been something that occurred in the past." No, it wasn't about that then. So it shouldn't be about that now. Why? (Applause)

You see, the report on the face of it which was duly tabled, and please correct me, if I am wrong, but my understanding of the process, as any good report should be, you hand in a preliminary report. We didn't get to see the preliminary report. As I said, we didn't get to see the preliminary report, but those who have the authority to table it before the House, which then makes it an official report, saw the preliminary report. If there were any concerns then, it should have been voice then because I am sure a report of this nature, a preliminary or draft version, would have had some alarming information. So one should have been caused to ask, are you following the procedures? Are you questioning persons are you affording them response time? And things of that nature? But the report was signed off on and tabled. And so those names in the report are because the report was signed off on. Those names show up in the report still because it is in a report that, when reviewed was determined, yes, you have permission to lay it before the table. So I don't see what the issue is that we cannot recite names laid before the table in the report. (Applause) We are not accusing anyone nor is this report.

We are not accusing anybody. What we are doing, Mr. President, is asking for an investigation because of allegations, because of what appears to be significant amount of information that warrants a deeper look. Yes, the report may have errors. Which report doesn't? Some are not so substantive errors, that is, but the reports have very glaring information procedurally, absolutely. It does have glaring information of ministerial interference. Section 61 of the Constitution speaks to the fact that the Senate has every right to delve deeper in it. (Applause) Why is that important? It is because the report can never speak to malfeasance, wrongdoing, especially in public light. You won't get that out of this report. When you have people who right now, despite whatever stringent measures have been put in place, are still operating in the employment of the government service, notwithstanding that they either willfully, unintentionally or otherwise did not follow key procedures in matters of our nationality, passport, and visa, you must investigate, and you must get to the accountability. The report provides transparency. The Senate Select Committee should now do the business of looking after accountability.

Why would you do an inquiry? This has already happened. We have already placed stringent measures. Okay, we have also changed leadership, except

we may have changed leadership, and there are levels of leadership, but we reassigned. So why is that a concern? Well, it is a concern because when the former Director of Immigration, Ruth Meighan, her US visa has been cancelled, that should be cause for alarm, when it comes on the heels of allegations of the amount of irregularities under her watch in the Department of Immigration. So, while my colleague named another public officer, the fact is that the analogy is there. You see the accountability, I think, we have come a long way. To be quite fair, we are getting along that spectrum, if you will, of transparency. We are not all there yet, but certainly because of inquiries of the past things have changed. We are not, however, quite there with accountability. You see, Mr. President, all of these businesses of “that’s in the past, what’s the usefulness” could have possibly been prevented, if in October 2013, the former Senator Lisa Shoman, when she raised a matter of public importance on the adjournment regarding one, and I apologize if I do not get this name right, Wonhong Kim or citizen Kim, it should have been considered favorably so that that one incident could have been properly investigated then, there, when it happened. Why didn’t we do that as a responsible Senate? It then would have gone away with all of this, with the one named individual.

The Auditor General, who I also take the opportunity to thank because obviously a report of this size and the depth and scope of it is not easy, and I am sure she must realize that there would have been many accusations. Indeed, she has been criticized, not by this Chamber, and it is unfortunate because she is the Government’s own Auditor General and was never criticized like that before, but because, yes, she touched on something, almost accidentally when you read the reports. She went in for one thing, and, because so much was involved, it stirred up an ants’ nest, fire ants. I won’t go into the color of the ants.

The Auditor General’s report on visas, passport, and nationality issuances speaks to just a sampling. It has revealed instances of fraudulent and irregular practices in processing of passports visas, and nationality certificates, stolen passports being issued to persons, missing files, and involvement in the processes by high-level government officials, including Ministers. The report, it doesn’t address, however, the issue of the who or which persons are liable for having caused this, and only until you do an inquiry and you gather more details that the ones that are mistakes should also be vindicated that they are errors. They are due no less justice, natural justice. But natural justice speaks to a fair hearing. That is what an inquiry will do.

Why didn’t the Auditor General submit this management letter? Let’s ask her. Why did existing personnel in the system did what they did then? Why is it that in this year not too long ago, despite the stringent measures, we still had to go figure out, well, what happened with two new Chinese persons that came out as a result of some investigation or renewal issue, despite the stringent measures? Okay, yes, because of the stringent measures, you see we caught these early. Fantastic! But the Senate inquiry should allow for us to ask those pertinent questions, especially for the persons that are still employed in the service of government, because let’s be frank, when the time was there for this Senate to do its constitutional duty it did not. Now the time presents itself amidst the report which we were asked, “Let’s get the report done first.” We all knew then it was going to be for 2011/2013. It couldn’t have been passed the time that you started that request, and all of a sudden we are questioning usefulness.

Mr. President, what is this that we need to investigate? Well, the Belize passport issuance system was breached; over 55,000 passports were issued without biometric checks. What I am a bit alarmed about after today, unless I misinterpreted what was said earlier, is that these checks have discontinued since

2011. I find that alarming. Why do I find it alarming? I find it alarming because today we voted or this Chamber was asked to look at Bills regarding expenditures that have already occurred in the interest of public interest. How nice it would have been, Mr. President, if back then when we knew the importance of biometric check, to invest if it was a better system that was needed, if the 3M was not the one that quite did it. Given the history that this country has had with passports, I am certain like today there would have been a passage of such a Bill that included such an expenditure. But it didn't happen, even though from 2011, despite the call for new stringent measures. Where was the call for that one?

Continuing on the Auditor General's Report is that the Immigration Department lacks accountability on stolen and unaccounted and fraudulent passports and that numerous foreigners entered Belize on visas and then got nationality shortly thereafter, only to have them link to some of those missing passports. That in the most cases in the issuance of nationality certificates, it was evident that procedures and processes were circumvented, showing a blatant disregard for the integrity of the system at all levels. You see, despite any stringent measure that may or may not be in place, we have a responsibility to ensure that those who committed the wrongs or went against procedures then are not in a position to do that now from all levels. When all these things are stated in a report by no less than the Government's own Auditor General, how can this Senate not be moved to investigate further, if only to clear up those that are blatant errors, a mistake, a mea culpa did not belong in there? I am sorry because they are due that. If only for that reason, but to say that an inquiry by this Chamber has no usefulness, then why is it in the Constitution? It didn't come with a condition. I didn't see a sub clause, only if it is to present matters and a specific time period within present.

History will either record that we individually took a stance, individually. As responsible citizens, as this citizenry did not so long ago in 2004/2005, that's what citizens do, Senators should be doing even more when entrusted with a sacred constitutional duty to conduct inquiries into mismanagement and corruption in central government. Or will history condemn us for having let down the people of Belize and take the most cowardly move to not stand up and not expose the nakedness and extent of corruption under this government, or under any government?

MR. PRESIDENT: Excuse me one second, Senator Woods. It's past the time, Senator Hulse. (Do you know that we are extending the meeting? Thank you.) Senator Hulse, please go ahead.

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Mr. President, in accordance with Standing Order 10 (8), I move that the proceedings on the order paper may be entered upon and proceeded with at this day's sitting at any hour though opposed.

MR. PRESIDENT: Honourable Members, the question is that the proceedings on the order paper may be entered upon and proceeded with at this day's sitting at any hour though opposed.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

MR. PRESIDENT: Senator Woods, please continue.

SENATOR V. WOODS: Thank you, Mr. President. On August 25, Mr.

President, in an interview the Prime Minister said that he will have a word with the Ministers based on the report. Now that does not give me comfort nor to many Belizeans, you see, because it's the same Prime Minister that had a very public word with his Ministers in a press conference and said, "For God's sake, stop it." So it doesn't give me comfort. I can point to only a few instances in this country's past, in my voting recollection where I get to determine and contribute to who will lead the country to the next five years or the next five years after that, and there are only a few instances that I can count on or I felt proud of our system because people dared, they dared to go where we never thought they would, and it came out of this Chamber. And for now to be given the opportunity to represent my country, warts and all of the party who has put me here, suddenly we are going to suggest that such inquiries take too long. So what? Is there a status quo and a time limit that I am not aware of for justice, for accountability? Does the Mr. Dust of Belize, who was named and who so passionately said, "I don't know why I am in there, I followed the procedures", does he not deserve a proper inquiry to validate that he does not belong among those who belong there? I don't know if I'm named in there, probably not because this is my first attempt at public office, but even if I were, yes, please investigate, especially when I know I did nothing wrong. I have nothing to hide. That is what you do with inquiries.

There are significant ramifications. There should be. You see when an inquiry, an investigation, is done at this level it should cause a proper report, correcting errors where they occur, looking at recommendations to see, well, have they been implemented? To what extent? That is what will occur in that inquiry, and then where enough evidence presents itself, which is what the Prime Minister on August 25, in an interview, referred to. When such evidence presents itself, then, yes, you pass that on to the DPP's Office. But, to ask us to just forget it, it's in the past, let the police handle it, did they handle it with Mr. Penner when the evidence was glaring enough to cause the inquiry? Am I impassioned about this? Yes, I am and I make no apologies for it, Mr. President, because I said it earlier on other matters, no amount of mismanagement or corruption should be tolerated regardless of which government, none. (Applause) Until this Chamber takes that point seriously, we will forever be deadlock. If we are ever serious about good governance, it's a moment to vote your conscience.

This is 2016, Mr. President, and several of the persons are either not in government or have been reassigned. Are we, Mr. President, not obligated to conduct the inquiry to ensure those persons who at least are still in the employment of government and were involved in one of the most unprecedented corrupt acts, alleged and so showcased in this report, that they are held accountable and that they are given that fair hearing to say what went on here? It is only your reputation that is at risk. Should you not be called before the Senate Select Committee to answer to those questions? Are we not duty bound to conduct an inquiry to ensure that the new measures that are assumed to be more stringent to prevent the fraudulent activities, indeed, are doing that? How would we know that? By going back to the 2011/2013 findings and in that inquiry either we will be told, "We no longer do that; this is what we do; this is the procedure; that cannot happen; or these are the reasons why." For example, in that instance, are we not obligated to go through that exercise as a result of questioning what occurred in the past? Are we not obligated to ensure that the system is, indeed, fixed? Why fixed?

Mr. President, I specifically quoted that because that was the term used back in October 2013, when questioned after the vote in this Chamber, why not go to the inquiry then and there on the citizen Kim, and on the then Minister Penner. And the response given by the Leader of Government Business at that time, as far as he is concerned, we didn't need a Senate investigation into this one,

meaning citizen Kim. It is straightforward. It is simple. It needs to be fixed and fixed quick, only to find out it is really not that straightforward. It was a complicated mess, and, perhaps, if that was done then, Mr. President, perhaps so many of those who unnecessarily are named would not have been named.

Why do I say that? Let me give an example because I think much has been made about it. There are two examples. There is the Leader of the Opposition who has been named because we use this term loosely, “you have named”, as if it is to scare anybody. Senator Barnett was named. She did no wrongdoing. Her name is in there. The Leader of the Opposition never stamped a passport picture, I believe. Is it his responsibility to reject the application, or was it Immigration or the Office of Passport? You see, I’ve gone through that too. I had to experience it just not too long ago with my mother, and I will say to the Leader of Government Business that it was a long process, complicated by the fact that her husband is deceased and that you are born in those days, very long process. But more than ever I appreciate it, and very long lines we met. I grumbled, but that’s out of selfishness. Who wants to stand up in a long line? But I stood. We went back. We did what we had to do. Something wasn’t filled out. We were advised. We had to take it back. The same should have been done, quite frankly, with the application or any application whose passport picture wasn’t stamped, if that was the procedure. So that’s not an issue.

The Prime Minister was also named because he recommended. The recommendation of persons in and of itself is not the issue. That was never the issue. It is when you recommend not knowing or when you recommend persons for something assuming that conditions were met but you knew the conditions weren’t met. That is what we have to get into. And why is the inquiry important? It is because of the very same instance of this person, this Peter Dahlstrom. There is only one side of it that has been reported. That is the passport side, but there is the nationality side. And all I am saying, Mr. President, if at that level where your recommenders are as high profile as you can get, whether you had a stringent measure in place or not, you are duty bound to ensure that if no other application cross the T’s and dot the I’s that one did. You never need no new recommendations, for that, and it didn’t. And we have a report where the Auditor General is saying that anybody who got the application to sign off on it would have known on the nationality alone it was irregular in so many instances, but it was still signed off on. It is in the report. Passport is just half of the matter. So I agree that there is some stuff in there that is insignificant, if you will, but there are many things that cause all us or that should cause all of us to pause, take a moment back, and call for the inquiry.

Mr. President, I support the Motion that the Senate appoints a Special Select Committee to conduct an inquiry on the findings of the Auditor General’s report. And I support the Leader of Government of Business when he said then, and which I’d hope he would say now, “Let the chips fall where they may. It’s about accountability; we are duty bound for it.” Thank you.

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Mr. President, it has been a very long day, and it’s in competition with the rain, but the rain is a good thing. And I don’t want to be misquoted because when I was the Minister of NEMO and I said that the flood tells us where, as engineers, we are low and where we have to fix and where we have to fill I got misquoted and I found myself in a picture in a dory paddling with some alligators. Now I am saying that the rain is a good thing because it washes away things.

Let me start by saying, categorically without unequivocally, there will be

an investigation, public hearing, television and radio, where everybody responsible will be called. That will happen. So there will be no question of anything being shrug under the rug or anybody being sideline, etc. And why is that? It is because you see, Mr. President, I take my integrity seriously. That is why I have a case in the Supreme Court, which I won't mention, of people who dare to cast aspersions against me. I take my job seriously. Fourteen Ministers before me knew that all sorts of things were going on in Immigration. This is not the first time we are hearing about immigration, but nothing happened. There has been a multitude of Auditor General's reports, and nothing happened. I'll cite one right here, the Special Report on the issuance of national lands in 2007 and back. It is a stinging report, but nothing happened. But, when I became the Minister of Immigration, I knew that I was given a tough job. There is no question about that. It was just like when I became the Minister of Lands, and now my colleague has a tough job, and now I am the Minister of Police. It is another tough job. I don't have any difficulty with that because I have maintained from day one exactly what my colleague, Senator Valerie Woods, said. We must reach a stage in this country where we have absolutely clean government. There is no question in my mind. In fact, the very articles in this Constitution that we are now debating and now using in a Motion were promoted by me.

I also spent four times in the Supreme Court having to defend that Social Security report, having to defend it. I felt alone because no other member of the Committee was called and was ever there, none. So I went, and there were 14 counts brought against the report and myself in the Supreme Court by the then or former CEO of Social Security. There were all sorts of things, in fact, and I will say this because it's a matter of public record that the very parliamentary officer and counsel that advised me during that Senate report and guided me step by step together with my colleagues was the very counsel that represented the former CEO, Mrs. Garcia, in the Supreme Court. And I just didn't know where I was to the extent that the Chief Justice chided him for doing that but ruled that he could do it because everybody has the right to counsel of their choice. So I felt it was really a farce and a mockery because it was 22 months of work, and the ultimate ruling on the 14 counts was that one of the natural justice rights of the officer was violated by not given her a copy of the report before we presented it to the Senate. That raised some serious concerns for me because there is a Standing Order about the privileges and powers of parliament that says that no Committee shall disclose the details of any report before it is laid on the floors of the Senate, or the House for that matter. And yet in the Supreme Court it is the very ruling that came against me that, in fact, we did not allow her a copy of that report before we laid it on the Table of the Senate. All my learned attorneys can check that ruling. What it did is that it kind of negated the whole report by saying, "Well, look, even though you have these Standing Orders, etc.," as the courts will rule, there is separation of powers, and the judiciary does what the judiciary does, still says, "Boss, you kind of wasted your time." And they moved to have the report struck down on all sorts of grounds just like the Commission of Inquiry Report on the DFC, but nevertheless it is what it is.

The reports before us, visas, nationality, and passports, are clearly of great concern to myself and every other right thinking colleague. And I did not hear any of my colleagues here say that this is something to take frivolous. I did not hear that because of the very reason that, in fact, we do have several measures we've put into place, and, one, we would like to know if they are working and, two, to ensure that we never return to these sorry days. And, while it is the period 2011-2013, believe you me that prior to that and prior to that there are many sorry days and things that happened in immigration that we cannot account for.

When the first incident came up which was a William Dick case in

Mexico, we immediately move to try to strengthen the passport issue. And this issue of 55,000 passports in the department without the biometric checks is not being presented in its right light because the impression out there, as Senator Aldo Salazar has said, is that maybe we all have illegal passports, and all it is that a facial comparison of the applicant could not be made by the system. But that was not significant because a facial comparison was already made by two people who come in and say “I know that this is Senator Hulse, and I sign it,” one in a category A and one in a category B, and those are persons living here whom we hope have some integrity, and they are persons outside the department. That is why we went to those complicated introductions that myriad of Belizeans have complained about. “Oh, you have made it too difficult, blah blah, blah.” Things in the report highlight those things.

We wanted to make sure with nationality because I take that sacred as you are joining my family. You are joining my family, and I want to make sure that when we welcome you into this society, as I said at every swearing in, that you respect our culture, that you respect our practices, that you respect our rule of law and our system of government. And, as a consequence, I made sure that we then instituted a Nationality Committee, and in that Committee the Minister has nothing to do with. Better than that is that the Minister cannot overrule that Committee and the Minister cannot sign any nationality certificate, unless that Committee gives its green light. Better than that is something I’ve said to Jules and every member of that media that the names of the persons who are approved are published before and after. And better than that is that after the Minister signs it goes back to the department, then it goes to a swearing-in, and the certificate is then prepared and signed by a Commissioner of the Supreme Court. All those measures have been put in, but we have to make sure they are working. When it comes to passports, I’ve spoke already about it.

Visas, because of the hue and cry of visas, and I must confess then and confess now, personally I had no issue with visas, and I will say why. It is because the visa is simply a permission to enter our beautiful country, and there are some simple requirements. You must have enough money to maintain yourself during your stay, and I think it was set at \$60 a day, and you must be able to pay your hotel, and you must have a return ticket. That was the requirement. There is a significant difference though. For every member from China, the cost of that visa is \$2,000. And back in October of last year or the year before I had an interview with the media where I showed them that there was close to 5,000 or 8,000 visas that were issued and of that 465 were Chinese. They brought in almost a million dollars in visa fee. So I said comfortably and categorically because China is the world’s second largest economy. The European Union does not require visa for Chinese people. If a million Chinese had visited us, we would have made \$2 billion. There would have been no need for taxes. So I had no problem with that. The problem is that a lot of those visitors morphed into citizens and that’s the problem I have. And I too want to have those persons to be brought to account. It must be said in this Chamber that we took some of these persons already before the Public Service Commission, and I was shocked then and shocked now that the Public Service Commission simply sent them back and could not find anything wrong with the case. I must put that on record because every public officer that the investigation will show is guilty cannot just be terminated without going to the Public Service Commission. So I signal that warning that those persons came back as well.

But you know I took issue and I had to rise on the presentation of my good, young colleague, Senator Paul Thompson, because there are some issues that I think become very troubling. When we use words like, “This is the worst, the most corrupt, almost never happened before,” I want to point out that this is a

long practice in immigration. I will not stand here and support any person who has directly instructed and caused in any way any illegal activity, Minister or otherwise, because I have never done that, and I am the Minister of Immigration. In fact, somebody said to me, “Oh, but why are you recommending anything?” I don’t know if I recommend anything. I see a letter in there that doesn’t sound like me at all. So even that may come out in the investigation because I want to see. It must have been a day I had amnesia, and I don’t have much of that. But I know for a fact.

MR. PRESIDENT: Senator Hulse, just wait a minute, what is your point of order, Senator Woods?

SENATOR V. WOODS: Actually it is a clarification. What investigation are you referring to?

MR. PRESIDENT: Continue, Senator Hulse.

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): The Senate investigation, Mr. President, I would just say that I have seen letters. I have in my possession instructions that were sent to immigration, not by this government, but by the previous government, and they read as follow: “The Director, Immigration Department; please facilitate the immediate processing of these applications. You may waive security checks and fees and all other requirements because the persons have been here ten years.” Can you imagine that, not if they comply? I have a list where somebody wrote and said, “Please, I hereby request you assist these nationality applicants.”

SENATOR M. CHEBAT: Mr. President, on a point of order, are the documents that the Leader of Government Business referring to, are those part of the documents in the Auditor General’s reports?

MR. PRESIDENT: Senator Hulse.

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Mr. President, it is absolutely relevant because I am making the point and the comparison of recommendations that happen all the time.

SENATOR M. CHEBAT: Mr. President, they are irrelevant to the Motion before the Senate at this time. He will have an opportunity to answer and to state his position when he is called before the Senate Committee. It is not now, Mr. President.

MR. PRESIDENT: Senator Chebat, I’ve had history lessons from both sides today. Continue, Senator.

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Mr. President, I’m debating in relevance to a Motion to investigate matters coming up in the audit report, and there are lots of other matters that bear reference and relevance, and I am simply citing those. I don’t want anybody to run away with the idea, and I will not allow anybody to run away with the idea that all was beautiful, hunky-dory and we were in heaven until 2011 came to 2013. That will not happen.

Mr. President, I won’t be long because the day has been long, but I want to make the following suggestion. Based on all the experiences that I had as Chair of

the Senate Select Committee, two things happened. I learned, one, do not run off half-cocked before you have a full report. That is why, as the Senator said, I said then to Senator Shoman, "Wait until you have an audit report." We now have an audit report. But I am proposing, and this is with the support of my Cabinet and the support of the Chamber of Commerce because we had discussions just today with them, the Honourable Prime Minister. We are proposing instead of a Senate Select Committee a Joint Select Committee of both House and Senate to undertake this investigation which ratchets it up to a higher level. The Prime Minister will have discussions with the unions, and we trust they concur, and the churches. It will not be a Senate Select Committee. It will be a Joint Select Committee which will be publicized, will be broadcast, will be televised, and everybody will be censored in that manner. It serves two purposes. It puts the matter also in the House, where the report is now lying on the table and the House that has teeth. And the other thing it does is that it takes me out of the Committee that would normally be a part of the Senate. So my proposal today is that we don't want to vote this Motion down so that it goes on the record as being voted down. I will honestly and humbly request of the Senator to do two things: one, to withdraw the Motion; and, two, have this Senate convene another meeting to name the persons who will be on that Joint Select Committee with the House.

MR. PRESIDENT: Senator Chebat, you may wrap up.

SENATOR M. CHEBAT: Thank you very much, Mr. President. I don't want to delay in responding to the Leader of Government Business the questions and the proposal he has given me.

MR. PRESIDENT: But if you need some time we can allow it.

SENATOR M. CHEBAT: No, no, I want to answer them now. I will not be withdrawing this Motion. (Applause) This, Mr. President, is a duty. We have a constitutional duty in this Senate, and we must follow that duty, Mr. President. We, Mr. President, are now at a place, and please allow me to use my notes and other texts that I'll be referring too. We are finally, Mr. President, at the place where the other side wanted us to be. They blocked the first Motion that was brought a few sessions ago on the basis that we had to wait for the Auditor General's Report. Well, those reports are now here, Mr. President. This is the day. We now hear them speak about, "What is past is past. Let's look into the future. Let's see how the processes that we have put into place will work." Well, Mr. President, that is not acceptable because the people who they have put in place are named in these reports. How can we continue to trust them when they are named in these reports?

Mr. President, these audit reports show that over 50,000 passports have been issued and for which the department could not present application forms. It shows countless individuals who have been approved visas to visit Belize and were also approved and issued Belizean nationality certificates and passports. These are not just irregularities. The Auditor General calls them fraudulent. That is the word she uses. There are individuals, Mr. President, who were issued visas and subsequently received permanent residence, and, again, she calls them fraudulent. Hundreds of missing visas, Mr. President, in one instance alone, 400 visas went missing. Ministers of government, CEOs, constituency representatives and even a Mayor made recommendations and requests to the department for the approval of visas, Mr. President. And that is despite the fact that the Nationality Act makes no provision for those requests. They were facilitated by the Immigration Department. Mr. President, what is obvious here is that the visa, nationality, and passport hustle was in full swing.

Mr. President, I wish to highlight but one instance dealing with nationality and that has to do with the nationality of one Peter William Dahlstrom and in that regard I wish to refer to page 172 of the Nationality Report. It says, Mr. President, “Peter William Dahlstrom a native of Sweden did not qualify for Belizean nationality and was issued nationality certificate number 28265/12.” And who was the Minister who signed that nationality, Mr. President? He is no other than the Honourable Senator Godwin Hulse, Mr. President. (Applause) If the Auditor General could have found that he did not qualify, what was the Minister doing? The Auditor General says, “As a result, we requested his file and we found that Mr. Dahlstrom was a consultant and he submitted his application for Belizean nationality on 5th of April 2012 (the same day he had submitted his previous Passport application form) stating that his address was #61 Southern Foreshore, Belize City. He was born in Tranas, Sweden on the 12th of January 1967 and had applied for Belizean nationality through marriage. The copy of a marriage certificate showed that he was married on the 8th of October 1994 to Sherrette Normandeen Simplis at Sacred Heart Church, Cayo, Belize. His Nationality Referees were Dena Barrow, Attorney at Law, and Kim Simples Barrow, First Lady of #6038 Seashore Drive, Belize City who stated that they had known the applicant for 20 years. The date of their Declaration by persons supporting the application was the 5th of April 2012.” Mr. President, the Auditor General says that there were irregularities in Mr. Dahlstrom’s nationality file which indicated that he did not qualify for Belizean nationality through section 11. Yet, the Honourable Godwin Hulse signed his nationality certificate.

Mr. President, when it comes to voting on this Motion, I will be asking the Leader of Government Business to recuse himself from voting, Sir. (Applause) He cannot vote on a matter in which he has an interest. He cannot be allowed to vote on an investigation in which he will be called to appear before this Senate. (Applause) If he believes anything he has said about good governance, transparency and accountability, then he must recuse himself from voting. (Applause)

Mr. President, the level of corruption that we are seeing is exactly why this Senate hearing is necessary and important. The report shows that Minister Hulse was not the only one involved, but the entire Cabinet knew and made a collective decision to turn a blind eye. They all knew, including the Prime Minister, Mr. President. At page 112 of the Auditor General Report on Passport, she says, and if you would allow me, Mr. President. And I am referring to paragraph 60.6, Mr. President. She says, “In view of all the irregularities and fraudulent activities that we have found in relation to Passports and nationality certificates issued for which there may be no files at Immigration and Nationality, Audit is concerned about Cabinet’s decision on missing files made January 14, 2014, that was sent to the Director, Miss Maria Marin, by Minister Godwin Hulse via unreferenced letter dated January 14, 2014 which states: Re: Cabinet discussion today January 14, 2014 on issuance of passports to persons for whom Immigration department does not have a file. Cabinet has decided that persons who hold originally nationality certificates and previous passports should be issued with a new passport.” They said, “The state must honour the documentation issued by previous Ministers and recognize previous passports by the department however obtained.”

MR. PRESIDENT: Senator Hulse, what is your point of order?

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Mr. President, it clearly requires clarification. I will not allow this kind of imputing improper motives. Let me explain to you what the situation is. Mr. President, we undertook in the department that we were going to check on every single person who applied for a

passport. They would have to start their process completely all over. There were thousands and thousands of Belizeans who complained bitterly that, in fact, they went for a passport, and the department would not give it to them because even though they would bring their nationality certificate or their birth papers and three or four previous passports, some of them that had US visas and other visas, that Immigration was saying, “Oh no, we cannot find your file. It is in the archives somewhere.” Some of these files were 20 and 30 years old, and the people could not get a renewed passport. Cabinet took a decision that, “Look, man, if a person produces his original nationality certificate, if he has several previous passports with visas and so, there would be no need to not issue the new passport to this person because Immigration could not find a file somewhere.” So that decision is Cabinet’s decision, and it stands. It does not imply corruption and nothing. The files that were tangled were not missing files. They were file that Immigration could not find because we had put in those stringent measures. And so that is what I am saying, we need to clarify these statements. We stand by that. Many people, including people from the Opposition, I won’t call their names, but they said, “Lord, man, how is it that I can’t renew my passports? How I can’t get this?” They were prominent people who have been part of this National Assembly. That was the reason why Cabinet put that decision.

MR. PRESIDENT: Continue, Senator Chebat.

SENATOR M. CHEBAT: If that is the case, let him remove himself as an obstacle to the appointment of this Senate Committee and let these people come before the Senate. (Applause)

Mr. President, I will go on. The Auditor General found, Mr. President, that there were some 3,700 passports that went unaccounted for. That means, Mr. President, that 3,713 new Belizeans now hold these passports, Sir. The point, Mr. President, that has to be made on this is that, when those passports went missing, when those passports went missing, Sir, the Minister nor the Director of Immigration nor any of the ranking members of the department alerted the staff of the Passport Section of the stolen, unaccounted, and fraudulently issued passports, Mr. President.

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): On a point of order, that was the 2006 passports, man. When did this happened that we had lost and missing things? Read the report, man.

SENATOR M. CHEBAT: Again, Mr. President, this is why we need the Senate hearing. Let them come before the Senate and let them explain themselves. (Applause) Mr. President, if I may be allowed to continue. The Auditor General in her report, Mr. President, found, in fact, that those same passports came back to the department. She said, “We found application forms for the renewable of passports that had been stolen from the ordinary bulk passports which were presented for renewal during the period investigated, meaning 2011-2013, under his watch, Mr. President.

Mr. President, they have tried to blow away the infamous case of Wonhong Kim, the Korean criminal who was given nationality and passport. To date, the Commissioner of Police has refused to conclude his investigation into this matter. Minister Penner and Eric Chang walk the streets of our nation as free men, Mr. President. And, again, Mr. President, I say that is the reason why we need this Senate hearing.

Mr. President, the Auditor General has provided a list of persons who were

issued visas based on requests and who obtained, Mr. President, shortly thereafter Belizean nationality and passports, without meeting the requirements, and that is at pages 74 to 78 of the Audit Report on Nationality. And I will not go into every single one, Mr. President, but they're there. They're there for the entire country to see, Mr. President.

It is important for the people of Belize to understand who was the Minister who was providing letters so that these people could get visas, and that is Minister Erwin Contreras, Sir, with the help of Ruth Meighan. It is no wonder that the US Government has revoked her visa. I must bring to your attention, Sir, particularly the case of Yong Xiong Zheng who was approved visa en 2012 through Minister Erwin Contreras and Minister Godwin Hulse and thereafter submitted his nationality application. The corruption of the Immigration Department stinks to the high heaven, Mr. President, and it requires a thorough investigation.

Mr. President, there is no limit to the rampant abuse and violation of the nationality law that is exhibited in these reports. And in this regard, Mr. President, it is important to note that, despite the fact that the Economic Citizenship Program in Belize had been discontinued and ended on the 15th of January 2002, it was obvious that big business was happening with Belizean passports and nationality. Mr. President, at page 204 of the Special Audit on Nationality, the Auditor General lists all of those Ministers and CEOs, and this is what she says, "The following is the Ministers, Area Representatives and other individuals who intervened in the Nationality process without any provision to do so by the Nationality Act. The Honourable Carlos Perdomo, the Honourable Ramon Witz, the Honourable Eden Martinez, the Honourable Erwin Contreras, Mr. R. Rosado, the Honourable Manuel Heredia, the Honourable Rene Montero, the Honourable Gabriel Martinez, the Honourable John Saldivar, the Honourable Gaspar Vega, the Honourable Pablo Marin, the Honourable Elvin Penner, and the Honourable Santiago Castillo." Mr. President, the corruption stinks; it stinks from the top to the bottom. This is not the public officers at the front line levels doing this, Mr. President, this is all the way up to the top, and this is why we need a Senate hearing, Mr. President.

In relation to the Minister, the Honourable Manuel Heredia, he personally intervened and obtained nationality for at least 10 people with the last name of Harmouch. He did this, Mr. President, prior to the general and municipal elections in 2012. The picture is clear. "I get you nationality, you vote for me." The Auditor General, Mr. President, observes, she says, "We observed that there appeared to be a special connection between the Honorary Consul of Belize in Lebanon, one Khor Harmouch and the Honourable Manuel Heredia." Before I leave that topic, Sir, let me put on the record that he, the Honourable Heredia, received 52 visa stickers on or about the 7th of September 2012. Under which law is a Minister entitled to receive visa stickers, Sir? It is obvious that the visa hustling and the visa quota was in full swing, Mr. President, and that is why we need a Senate hearing. Why did Minister Hulse allowed this to happen? Why did he allowed his colleague to have possession of 52 visa stickers?

Mr. President, the Auditor General has found in her report that several Ministers of government recommended and requested that a number of Asian individuals be issued Belize visas to enter the country of Belize. She says, "Since the law does not provide for Ministers to intervene in the visa process, it was illegal for those Ministers to have done so." But this visa hustling, Mr. President, was not limited only to Ministers because even CEO, Mayors and caretakers got a piece of the action, Candelaria Saldivar, Frank "Papa" Mena, when he was the caretaker of Dangriga, Michael Hutchinson, and Mayor John August. These are the words; this is the naming by the Auditor General, Mr. President, not by us. Mr.

President, the theft and fraudulent sale of visa had become so endemic and acceptable in the Department of Immigration that when visas were stolen, at least in one instance, those who had possession of them had the gall to take them to Belmopan to the Immigration Department to confirm if they were valid or not. This is the level of corruption that existed and, perhaps, still exist in the Immigration Department.

We need this Senate inquiry, Sir, and we need it now. The people of Belize deserve answers. The people of Belize deserve justice, Mr. President. (Applause) Mr. President, I know it has been a long day, and I don't want to delay it too much longer. I just want to say this, what has happened at the Immigration Department goes to the heart of our democracy. There are over 55,000 people who got passports and who have the ability to change the face of this nation as we know it, Mr. President. Mr. President, I am asking the Members of this Senate not to abdicate your constitutional duty. I am asking you, all the Members of this Senate, to stand with the Belizean people today and to do what is right. Let us get it correct once and for all. Let us together bring corruption to an end, Mr. President. And on that, Mr. President, I ask that the question be now put. And I ask further and once more that Senator Hulse recuses himself from voting. (Applause) I finally ask, Mr. President, that there be a division of votes. The people of this country have a right to know who stands with them and who stands against them. Thank you, Mr. President.

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): There has to be a clarification, Mr. President. I made a proposal.

SENATOR REV. A. ROCKE: Mr. President, I read the article that the Member cited. I read the entire article, and I may have to ask the question, when the Senate Committee is brought together for the inquiry and the inquiry is done and persons are found guilty of wrongdoing, I am asking, for my benefit before I vote on this, what can we do, as a Senate, to the individuals who have been found guilty of fraudulent behavior?

SENATOR M. CHEBAT: Senator Rocke, the findings of the Senate, if they are findings of criminality, are to be sent to the DPP to take action. I wanted to be clear that the proposed Joint Committee of the House nor the Senate has the authority to bring any criminal prosecution against anyone. That is for the Office of the DPP, Sir.

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Yes, I respect the statements of the Honourable Senator who moved the Motion, but this nation must hear because I respectfully submitted a withdrawal which he rejected, but the nation must hear so that they don't run off or anybody say that this Senate and the Members on this side of this Senate do not want an investigation and do not want the matter aired. We have proposed that there will be a Joint Sitting which is Senate and House and the Audit reports have been tabled on both. It will be televised and broadcasted, and people will be sent for and questioned, etc., and that does not include Senator Hulse sitting in that Joint Committee. That is our recommendation, and we ask respectfully that the Motion be withdrawn. Unfortunately because it's not withdrawn, we will have to not support it.

SENATOR M. CHEBAT: I have asked for a division of votes, Mr. President. I want them to stand up and tell this nation if they are with them or if they are against them.

MR. PRESIDENT: Senator Chebat, you have already said it, and after I read it once more there will be a division at your request because you are the mover of the Motion.

SENATOR M. LIZARRAGA: Mr. President, protocol having been broken, dispensed, I would like to ask a question. I mean the Leader of Government Business is proposing a Joint Select Committee, but he hasn't given any details. So how can he ask us to support or not to support his counter proposal? (Applause) I would like to know what the composition is, if he has more to offer than just, that because that is just a promise of a Committee.

MR. PRESIDENT: Okay, Senators, I think we've all made our points. Let's move on. I guess we will do the voting first. Clerk, can you please go ahead and do the division.

SENATOR M. CHEBAT: Mr. President, I had asked that Minister Hulse recuses himself.

MR. PRESIDENT: But there are no Standing Orders that say that he cannot vote. Senator Chebat, we have all made our points, and there is no Standing Orders in this book, as far as I know, or correct me if I am wrong, that he cannot vote.

SENATOR A. SALAZAR: Mr. President, on a point of order, he has put the Motion, the Minister has a right to reply, and that's the end of the matter.

MR. PRESIDENT: That's the end of the matter. Clerk, can you please continue and do the division?

CLERK: A division has been called on the Motion for the appointment of a Special Select Committee to investigate the issuance of nationality, visas and passport in the Ministry of Immigration.

The Senators voted as follows:

Senator Godwin Hulse	-	No
Senator Dr. Carla Barnett	-	No
Senator Francine Burns	-	No
Senator Macario Coy Sr.	-	No
Senator Stephen Duncan	-	No
Senator Aldo Salazar	-	No
Senator Michel Chebat	-	Yes
Senator Valerie Woods	-	Yes
Senator Paul Thompson	-	Yes
Senator Markhelm Lizarraga	-	Yes
Senator Reverend Ashley Rocke	-	No
Senator Elena Smith	-	Yes

MR. PRESIDENT: Honourable Senators, the vote is, as follows: five (5) Senators voted “yes” and seven (7) voted “no”.

Honourable Members, the question is, **BE IT RESOLVED THAT** the Senate shall approve the appointment, pursuant to Standing Order 69, of a Special Select Committee of the Senate with the following terms of reference and composition:

1. TERMS OF REFERENCE:
 - A. To investigate and inquire into all policies, processes, procedures and in the issuance of nationality, visas and passports in the Ministry of Immigration and Nationality and to investigate any and all irregularities and improprieties as well as any and all wrongdoing, mismanagement or corruption in the issuance of Belizean nationality, passports and visas for the period January 1st, 2011 - December 31st, 2013;
 - B. To require the attendance before the Committee of the Chief Executive Officer of the Ministry of Immigration and Nationality, pursuant to section 61A(2)(g) of the Constitution of Belize;
 - C. To require the attendance before the Committee of those Ministers named by the Auditor General in her Special Audit of the Immigration and Nationality Department on Nationality, Visas and Passports for the Period of 2011-2013;
 - D. To require the attendance before the Committee of the Director of Immigration and all such public officers in the Ministry of Immigration and Nationality, pursuant to Standing Order 72(3) of the Senate Standing Orders, as well as for the production of all relevant papers and records of the Ministry of Immigration as may be necessary to conduct its enquiry and investigation;
 - E. To examine all such persons required to attend before the Committee as witnesses, pursuant to Standing Order 72 of the Senate Standing Orders;
 - F. To hold and conduct its sittings and meetings in public save for sittings which are held only for the purpose of deliberation of the matters which are the subject of the Committee which shall be held in camera;
 - G. To deliberate on the matters before it in private sittings of the Committee; and

H. To issue a report thereon to the Senate;

2. COMPOSITION OF SPECIAL SELECT COMMITTEE:

A. The Special Select Committee shall be comprised of 5 Senators being one from the Senators appointed by the Government, one from the Senators appointed by the Leader of the Opposition and the three Senators appointed by the Social Partners;

B. The Senators who are members of the Special Select Committee shall, at the first meeting of the Committee, elect a Chairman of the Committee;

C. The Quorum of the Committee shall be three.

Again, there were five (5) Senators who voted “yes” and seven (7) Senators who voted “no”. I think the noes have it.

ADJOURNMENT

SENATOR G. HULSE (Leader of Government Business and Minister of Home Affairs and Immigration): Mr. President, I move that the Senate do now adjourn.

MR. PRESIDENT: Honourable Members, the question is that the Senate do now adjourn.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

The Senate now stands adjourned.

The Senate adjourned at 5:45 P.M. to a date to be fixed by the President.

PRESIDENT
