How the President and his Council reached their decision ...

**THE FIRST MEETING:** The topic of unlocking the reserves was first broached on Jan 9, between high-level officials from the Istana and the Ministry of Finance (MOF).

Prior to this, Mr Nathan and his advisors had received regular economic updates since the middle of last year.

**PM BROACHES THE IDEA:** Soon after, Prime Minister Lee Hsien Loong approached Mr Nathan for an informal chat and brought up the Government's intention to draw on the reserves.

As the President recounted: "PM also feared, at that stage, that the situation could prolong or worsen if it's not addressed immediately." Mr Nathan agreed to give the proposal "every consideration".

**THARMAN SHANMUGARATNAM CALLS:** The Finance Minister visited the Istana and arranged two meetings with Mr Nathan and the Council of Presidential Advisors.

**MTJ, MAS BRIEF THE PRESIDENT:** The first meeting saw officials from the Ministry of Trade and Industry and the Monetary Authority of Singapore give a "particularly distressing" prognosis on the global economic situation and the repercussions on Singapore, according to Mr Nathan.

**RESERVES DISCUSSED:** It was at the second meeting with MOF officials that the prospect of dipping into the reserves was discussed intensely. The Accountant-General and representatives from the Attorney-General's Chambers were present.

**CPA DELIBERATES:** The CPA then had its independent deliberations – without the President or Finance Minister present. It relied on figures and analyses provided by its own secretariat.

**FORMAL PROPOSAL:** The Finance Minister submitted a formal proposal to the Istana which was received on Jan 20. Mr Nathan, who had made up his mind by then, replied in writing the next day – just in time for Budget 2009 to be presented in Parliament on Jan 22.

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**ALL THE PRESIDENT’S MEN**

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The Constitution merely requires the President to consult the CPA and to express his consent in writing to Parliament. Neither are there clear rules on when the reserves should be unlocked — not that Mr Nathan sees the need for such guidelines. “You cannot envisage every situation that will come for which you have to decide. Each situation will merit its own attention,” he said.

Well aware that his actions have set a precedent for future Governments, Mr Nathan did not think the current process needs any finetuning. “Whether you make (the decision) over 11 days or one month, the process will be the same … If we had the luxury of time, of course we would have taken a longer time.”

So, he was asked, how did he feel about creating history as the first President to unlock the reserves? Mr Nathan quipped: “Should I mourn?”

He continued: “That’s my duty. The system was tested … and we all can say in good conscience that we responded after clinically examining the proposal.”

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His was the final decision.

But President S R Nathan also underlined yesterday the importance of his six-member Council of Presidential Advisers in the exercise of the second key.

The six, as well as two alternate members who stand in for the others when needed, were with Mr Nathan for all the briefings — from the financial and economic updates given since August, to the specifics of the two schemes for which the reserves would be tapped.

He had to consult the council, which deliberated on the Government’s request and then made their recommendations to him.

This power to exercise the second key is one reason why a high benchmark for financial experience and ability has always been part of the eligibility criteria for the Presidency.

As the key is used for the first time this year, Mr Nathan has been able to call upon experienced advisers, who have chaired or are chairing the likes of Singapore Airlines, Singapore Exchange, Temasek Holdings and SIM University.

Interestingly, however, the only qualifications to be appointed to the council are Singaporean citizenship and residence as well as age (not less than 35). “The (eligibility) gap is pretty obvious,” said constitutional expert Dr Kevin Tan, an adjunct professor with the National University of Singapore.

Should the Constitution stipulate a higher bar?

Dr Tan believes the President should not be curtailed by more specific eligibility criteria to choose council members — a view shared by constitutional expert Thio Li-ann. “Why would you set yourself up to fail (as President) by choosing idiots (as advisers),” said the Nominated MP.

Rather, Dr Tan feels it would help were the President given more leeway to hire sufficient technical experts to assist him. Why? Some public sector roles (such as Speaker of Parliament) that allow an individual to qualify for the Presidency do not require “technical expertise” in financial matters, only broad “judgment”, he pointed out.

The President appoints three members, one on the advice of the Chief Justice; the Prime Minister appoints two and the Public Service Commission chairman appoints one. Of the alternate members, one is appointed by the President, the other nominated by the Prime Minister.

Even if there are polarised views in the council, the “chips will still fall on the President”, said Prof Thio. “We place a great deal of trust on the President to speak up when it’s wise and to disagree when it’s wise.”

Yesterday, the President spoke up. He had the backing of all his men. The hope is that they will always be wise.