

*Leave of Absence**Friday, November 11, 1994***HOUSE OF REPRESENTATIVES***Friday, November 11, 1994*

The House met at 1.48 p.m.

PRAYERS[MADAM SPEAKER *in the Chair*]**LEAVE OF ABSENCE**

Madam Speaker: Hon. Members, I have granted leave of absence from today's sitting to the Member for St. Ann's East (Hon. Wendell Mottley) and the Member for Toco/Manzanilla (Mr. Andrew Casimire).

SESSIONAL SELECT COMMITTEES

Madam Speaker: I have appointed the following Members to Sessional Select Committees for the 1994/1995 session:

Regulations Committee

The Speaker (Chairman)

Mr. Colm Imbert

Dr. Vincent Lasse

Dr. Rupert Griffith

Mr. Subhas Panday

Dr. Carl Singh

Standing Orders Committee

The Speaker (Chairman)

Mr. Keith Sobion

Mr. Augustus Ramrekersingh

Mr. Hedwige Bereaux

Miss Indera Sagewan

Mr. Trevor Sudama

Mr. Basdeo Panday

Privileges Committee

The Speaker (Chairman)

Mr. Desmond Allum

Mr. Andrew Casimire

Dr. Linda Baboolal

Mr. Augustus Ramrekersingh

Mr. Ramesh Lawrence Maharaj

Mr. Basdeo Panday

House Committee

Mr. Kenneth Valley (Chairman)

Mrs. Jean Pierre

Mr. Colm Imbert

Dr. Rupert Griffith

Mr. Ramesh Lawrence Maharaj

Mr. John Humphrey

CENTRAL BANK (AMDT.) BILL

Bill to amend the Central Bank Act, Chap. 79:02 and the Financial Institutions Act, No. 18 of 1993; brought from the Senate [*The Minister of Finance*]; read the first time.

Motion made, That the Bill be taken through all its stages at a later stage of the proceedings. [*Hon. K. Valley*]

Question put and agreed to.

PAPERS LAID

1. The Privileges and Immunities (Commission of the European Communities) Order, 1994. [*The Minister of Foreign Affairs (Hon. Ralph Maraj)*]
2. Financial Statements of the Iron and Steel Company of Trinidad and Tobago Limited for the year ended December 31, 1991. [*The Minister in the Ministry of Finance (Hon. Kenneth Valley)*]

Papers Laid

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3. Financial Statements of the Iron and Steel Company of Trinidad and Tobago Limited for the year ended December 31, 1992. [*Hon. K. Valley*]
4. Financial Statements of the Iron and Steel Company of Trinidad and Tobago Limited for the year ended December 31, 1993. [*Hon. K. Valley*]

Papers 2 to 4 to be referred to the Public Accounts (Enterprises) Committee

ORAL ANSWERS TO QUESTIONS

The following question stood on the Order Paper in the name of Mr. Trevor Sudama (Oropouche):

Old Age Pension (Increase in)

1. In the light of representations made by me and other Members of this House, could the Minister of Social Development explain why she will not agree to the income qualification ceiling eligibility for old age pension being raised from the present figure of \$5,000 annually to \$12,000 annually?

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, may I inform the House that of the four questions on the Order Paper, we shall be answering questions Nos. 2, 3 and 7. We are asking for a deferral of question No. 1 for a period of two weeks.

Question, by leave, deferred.

1.55 p.m.

Street Lighting (Allocation of Funds)

2. **Mr. Trevor Sudama (Oropouche)** asked the hon. Minister of Works and Transport and Minister of Local Government:

With respect to the response from the Minister of Finance to a question in the House on Friday, August 12, 1994, that \$1.5 million had been released specifically for street lighting during the period January 1, 1994 to June 30, 1994, could the Minister state:

- (a) the local government bodies in Trinidad to which these funds were allocated and the respective amounts allocated;
- (b) the criteria used for the amounts allocated;

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- (c) the roadways on which street lights were installed from the expenditure of these funds;
- (d) whether the Ministry of Local Government approved the roadways in question and the location of the street lights and, if so, what criteria were used in such approval.

The Minister of Works and Transport and Minister of Local Government (Hon. Colm Imbert): Madam Speaker, the local government bodies in Trinidad to which funds were released and the respective amounts are as follows:

<i>Local Government Body</i>	<i>Releases to June 30, 1994</i>
	\$
Port of Spain	83,000
San Fernando	112,000
Arima	11,166
Point Fortin	45,000
Chaguanas	35,000
Sangre Grande	26,000
Tunapuna/Piarco	180,000
Couva/Tabaquite/Talparo	27,200
Mayaro/Rio Claro	41,000
Siparia	24,000
Penal/Debe	33,000
Princes Town	33,666
San Juan/Laventille	72,000

The Minister of Local Government further wishes to state that out of the \$723,032 that has been released so far by the Ministry of Finance for street-lighting activities, the funds were utilized for payment of electricity bills under the recurrent vote. The Minister of Local Government further wishes to point out that the installation of street lamps is an activity that is usually undertaken under the development programme of the local government bodies.

Up to June 30, 1994, the only corporation which requested and obtained funding for the installation of street lights was the Tunapuna/Piarco Regional Corporation. This corporation requested \$27,000 for the installation of 43 street lights at the NUGFW Housing Estate at Real Spring, Valsayn.

Generally, local government bodies will assess the need for electrification as well as for other infrastructure and depending on priority, would incorporate these activities into their various development programme estimates.

Mr. Sudama: Madam Speaker, a supplemental question to the hon. Minister. When these moneys are allocated by the Ministry of Finance is it intended that these moneys would be for the payment of arrears of electricity bills?

Hon. C. Imbert: What I have reported is that the \$723,032 released to local government bodies has been used for street-lighting activities. As I stated, the only corporation—and I wish to repeat that—the only corporation which requested and obtained funding for the installation of street lights up to June 30, 1994 was the Tunapuna/Piarco Regional Corporation.

Street Lighting (Criteria for Allocation of Funds)

3. **Mr. T. Sudama** (*Oropouche*): asked the hon. Minister of Works and Transport and Minister of Local Government:

Could the Minister state:

- (a) the roadways in the respective districts under the control of the Ministry of Works and Transport to which funds were allocated for street lighting and the respective amounts allocated to each roadway and district;
- (b) the criteria used for the amounts allocated;
- (c) the criteria used for determining the location of the street lights installed?

The Minister of Works and Transport and Minister of Local Government (Hon. Colm Imbert): Madam Speaker, funds have not been allocated for street lighting in respect of any particular roads in any district under the control of the Ministry of Works and Transport. Available funding is to be used for the payment of all bills with regard to electricity consumed for existing street lighting on roads under the control of the Ministry of Works and Transport.

In light of this, the other parts of the question do not apply.

**Widows' and Orphans' Pensions Scheme
(Computation of)**

The following question stood on the Order Paper in the name of Mr. ANR Robinson (Tobago East):

7. (a) Is the Government aware that as a result of a change in the method of computation of pensions under the Widows' and Orphans' Pensions Scheme, pensions now paid to widows and orphans of public servants have been drastically reduced and that these dependents of civil servants who gave long and dedicated service to their country and contributed over many, many years to the scheme are now in dire financial distress owing to the unconscionably low level of their benefit under the scheme?
- (b) Will the Minister state how this deplorable situation came about and what the Government proposes to do about it?

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, I do have the answer for the question.

Madam Speaker: The hon. Member for Tobago East is not here—the answer is to be deferred for one week.

Question deferred.

**NATIONAL FISHERIES COMPANY LIMITED
(DIVESTMENT OF)**

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, I am authorized by the Cabinet to report to this House on the divestment of National Fisheries Company Limited.

On assuming office in 1992, the Government undertook a programme for the rationalization and the restructuring of the state enterprises sector. Pursuant to this programme, Government gave urgent attention to those companies which were in a precarious financial position and which were heavily dependent on Government for financial support, such as National Fisheries Company Limited.

This company was established by Government in 1972 as a small shrimp processing operation. Subsequently, in 1979 the company erected a plant for the expansion of its activities, including a new fish and shrimp processing plant at the

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cost of some \$47 million. The company has been operating at a loss since its inception and several initiatives have been taken to minimize or eliminate the financial burden on Government. These initiatives include the following:

- (1) the appointment by Government in 1984 of a team to review its operations and provide recommendations for its viability.
- (2) the appointment by Government in 1989 of a team to negotiate the sale of the assets of the company.
- (3) the proposed formation in 1990, of a joint venture with Venezuela based on National Fisheries Company Limited's assets, with National Petroleum Marketing Company Limited as Trinidad and Tobago's nominee, and Pocatera Group as the nominee of Venezuela.
- (4) the acquisition by National Petroleum Company Limited of the assets of National Fisheries Company Limited.

All of these initiatives were unsuccessful and led to the further deterioration in the financial condition of the company. As at December 31, 1991, the company had accumulated losses of \$200 million which completely eroded the issued and paid-up share capital of \$50 million.

In addition, the company had liabilities of \$87 million. Of this amount, \$64 million represented bank debts which were guaranteed by the Government; \$14 million was owed to the Board of Inland Revenue and \$9 million was owed to sundry creditors.

Following the assumption of office, Government, given the precarious financial position of the company, appointed a team to look into the current status and future role of National Fisheries Company Limited. The team in its report recommended that Government should expedite the winding-up of the company. Subsequently, Government, acting on the advice of the firm of consultants, agreed that National Fisheries Company Limited be divested by way of the sale of assets by a liquidator appointed in a member's voluntary winding-up.

In December 1993, Mr. Michael Toney of the accounting firm of Mark, Castillo, Toney and Company was appointed liquidator to wind up the company in a member's voluntary winding-up. On January 27, 1994, the liquidator circulated an information memorandum to potential investors residing locally and abroad. The date for the opening of the bids was set as April 11, 1994, and the finalization of the transactions to be mid-May, 1994. In response to representations made by prospective investors, the liquidator extended the date for

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the submission of bids to May 31, 1994. In all, 26 prospective investors purchased the information memorandum.

Under the Companies Ordinance, a liquidator is legally authorized to sell the assets of a company without any further approval from the shareholder. However, having regard to Government's stated policy of transparency and accountability in the divestment process, the liquidator established a bid evaluation committee comprising the liquidator as chairman, and a representative each from the Investment Division of the Ministry of Finance, the Divestment Secretariat and the Port Authority of Trinidad and Tobago.

2.05 p.m.

On May 31, 1994, the revised date for the submission of bids, three proposals were received. The committee evaluated the proposals, and selected the highest bid as the preferred bid. However, given the vagueness of financial assurances submitted by the bidders in their proposals, and their failure to provide additional evidence of ability to finance the purchase transaction, the liquidator decided to proceed as follows:

1. to reject two of the bids as both fell well below the threshold value of \$50 million established for the purchase of the building and equipment;
2. to reject the other bid, that is, the highest bid, after it was determined that the company could not finance the transaction.

Consequent upon the rejection of the three bids, and given that no other tangible expression of interest existed, the liquidator invited Kwo Jeng Trading Limited to submit a bid. It must be noted that Kwo Jeng Trading Limited, a foreign based entity, has been using the facilities of National Fisheries Company Limited for transshipment for the last eight years.

The company, after the closing of bids, had indicated its interest in acquiring the assets of National Fisheries. However, because of the close of the bid date the liquidator could not then consider its proposal. Following negotiations, the liquidator and Kwo Jeng Trading Limited agreed on a price of US \$2.3 million for the assets of National Fisheries Company Limited.

I wish to inform this honourable House that Government, in the divestment of the company, has taken steps to ensure that the concerns of local fishermen with respect to berthing facilities and bunkering services at the port of National Fisheries Limited are addressed. In this regard, National Petroleum Marketing Company Limited has been mandated to take appropriate action and will be

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acquiring 1.4 hectares of land formerly occupied by National Fisheries Company Limited.

Additionally, the Government will be putting in place security arrangements to safeguard the area properly.

Thank you, Madam Speaker.

DEVELOPMENT LOANS (AMDT.) BILL

Bill to amend the Development Loans Act, Chap. 71:04 [*The Minister of Finance*]; read the first time.

CONSTITUTION (AMDT.) (NO. 2) BILL

Bill to amend the Constitution of the Republic of Trinidad and Tobago [*The Attorney General*]; read the first time.

REGIONAL HEALTH AUTHORITIES (AMDT.) BILL

Bill to amend the Regional Health Authorities Act, 1994 [*The Minister of Health*]; read the first time.

VENTURE CAPITAL BILL

Senate amendment

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, I beg to move,

That the Senate amendment to the Venture Capital Bill listed in the appendix be now considered.

Question proposed.

Question put and agreed to.

Clause 32.

Senate amendment read as follows:

Insert the words, "subject to negative resolution of Parliament," between the word "Regulation" and the word "prescribing" in line one thereof.

Hon. K. Valley: Madam Speaker, I beg to move that the House doth agree with the Senate in the said amendment.

Question proposed.

Question put and agreed to.

ORDER OF BUSINESS

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, I beg to move that the House now consider the Central Bank (Amdt.) Bill as notified to the other side on the last occasion.

Question put and agreed to.

CENTRAL BANK (AMDT.) BILL

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, I beg to move,

That a Bill to amend the Central Bank Act, Chap. 79:02 as amended by various Acts, be now read a second time.

This Bill before us today is really another pillar in the structure that we are building to position our economy for the 21st century. We have said on a number of occasions that we see the role of the Government as providing an environment conducive to growth and transformation of the economy. In a word, the purpose of the Government is to provide an enabling environment for growth and transformation in the economy.

That enabling environment talks not only of an appropriate macro-economic framework; it talks also of an appropriate legal and regulatory environment. Of course, it talks about other things. For example, taking certain strategic initiatives in keeping with the objective conditions of our country.

If we look at the success stories of Asia, we see clearly that it is not a sufficient condition for growth and transformation if a government were simply to have an appropriate macro-economic framework, or for that matter, even adding an appropriate legal and regulatory framework. The success stories indicate quite clearly that one has to take certain strategic initiatives all in keeping with the analysis of the countries' strengths and weaknesses, opportunities and threats and so forth.

In Trinidad and Tobago we are looking at transshipment and these things, but we can talk about these things at another time. I am making the point that the Bill before us is part of the legal and regulatory framework, or setting in place that framework so that we can have private sector investment, private sector savings, all with a view to moving our economy into the 21st century in a position of growth and transformation.

2.15 p.m.

Hon. Members would recall that in 1993 the Financial Institutions Act was passed and earlier this year regulations to that Act dealing with capital and equity requirements and other prudential criteria were passed in this House and in the other place.

The Central Bank Act, Chap. 79:02 was passed in 1964 and established the Central Bank of Trinidad and Tobago. It laid down its powers and duties, defined its relationship with the Government, commercial banks and financial institutions, as well as laid out certain procedural matters.

Since the passing of the original Act in 1964, there have been a few amendments, the major ones being changes to the par value of the currency, the provision for the fixing of interest rates which gives the Central Bank special powers of intervention in a bank or financial institution which was in danger of failing; and the more recent amendment which dealt with the abolition of the fixed exchange rate.

The original Act was passed some 30 years ago and, of course, fitted the time. One would remember that in 1964 we were just in the middle of our industrialization by invitation policy, we were inward-looking, we wanted a Central Bank to control the multinational banks and all this sort of thing. At present, however, with the change in the economy and the re-positioning of our institutions, obviously, there is need to review this legislation to ensure that it is in keeping with the times.

However, I make the point that the proposed amendments do not change the philosophy nor the basic principles behind the Central Bank's functions but, essentially, the amendments seek to streamline the functions of the bank to make it more efficient and to provide a flexible framework for it to pursue major functions, namely, the conduct of monetary policy.

The amendments reflect historical, economic and political changes. Essentially, the Central Bank is authorized to issue and redeem currency notes and coin; to act as banker for and render economic and monetary advice to the Government; to maintain, influence and regulate the volume and conditions of supply of credit and currency in the best interest of the economic life of Trinidad and Tobago.

The Central Bank has also to maintain monetary stability; control and protect the external value of the monetary unit; to administer external monetary reserves;

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to encourage expansion in the general level of production, trade and employment; and to undertake continuous economic, financial and monetary research. Those are the basic functions of the Central Bank and those are not changed or affected in any way by these amendments.

The principles behind the amendments are, firstly, the elimination of certain sections of the Act that are either included in the Financial Institutions Act of 1993 or are no longer relevant—for example, the section which refers to Barclays Bank DCO which used to print notes; and section 32 which made it mandatory for the Central Bank to honour sterling payments. Since 1977 Trinidad and Tobago left the sterling area. All such references have been deleted from the legislation.

Secondly the amendments seek to streamline matters pertaining to the board of directors and their appointment and to provide for a minimum number of meetings which would be held annually by the board to ensure that the Bank would fulfil its statutory obligations. The amendments also provide for a code of ethics for directors. They provide for the board of directors to fix the salaries of the Governor, Deputy Governor and Directors, rather than the Minister, as under the existing legislation. They allow for the transfer of pension rights of employees to state enterprises and other organizations. This is an extension of the existing provision which now applies to Government officers transferred to the bank.

They provide also a settlement procedure for disputes between the bank and its employees. They provide for a facilitation of the bank in the conduct of open market operations. In this regard, further legislation for treasury notes will be introduced.

The amendments also seek to limit the amount of coins which may be accepted as legal tender and, of course, that provision is to remove the inconvenience which many creditors and other payees experience in having to deal with large payments in coins alone.

The amendments seek also to have potential advertisers require the prior permission of the bank to reproduce bank notes for advertising or other commercial purposes, because this is an area that lacks clarity under the present legislation, except where direct forgeries are involved. So, one is attempting to provide that clarity in the law.

They seek also to increase the authorized capital of the bank from \$30 million to \$100 million in light of the larger financial portfolio which the bank now manages. They seek also to provide for the incremental increase in the paid-up capital of the bank; for the establishment of a special reserve fund to build up

adequate reserves and to make provision in the event of loss being incurred in any financial year, for the losses to be met from the reserve fund; and if such funds are insufficient, to recoup from future profits before transfers are made to the Consolidated Fund. Quite simply, this is to build additional confidence in the main bank of the nation.

The amendments also provide an opportunity to restate clearly the business which the bank can carry on and to include a few more powers, because this will empower the bank to take immediate action as it deems necessary in the interest of the financial system, in the event of internal disorder, natural disaster, or economic crisis.

Further, they seek to provide the bank, its directors and officers immunity from suit, provided they act in good faith. They also seek to remove the total prohibition on the provision on the disclosure of information by the Central Bank in certain circumstances and, if necessary, in the interest of the financial system, to allow the bank to have matters heard in camera.

The opportunity was also taken in the Bill to correct certain deficiencies. Last year, during the debate on the Financial Institutions Act, certain changes were made to that legislation in Parliament and there were a few inconsistencies resulting from the drafting.

The Bill before us takes the opportunity to correct those inconsistencies and to include three additional provisions: one dealing with cross directorship in financial institutions; the other is to be of retroactive effect and exempt financial institutions which were licensed under the Financial Institutions (Non-Banking) Act, from the provisions of the Moneylenders Act. There seems to be some doubt with respect to this matter and for clarity, one is including the provision with retroactive effect to exempt financial institutions from the Moneylenders Act.

2.25 p.m.

The third is a provision which will exempt insurance companies from the necessity of being licensed under the Financial Institutions Act, 1993, in respect of certain activities which fall within the “definition of business of a financial nature.” Insurance companies were excluded from the provision of the Financial Institutions (Non-Banking) Act and should have been excluded from the Financial Institutions Act. As you know, they are governed under the Insurance Act.

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The Bill, benefits from much debate. It was considered by the financial sector, even before it was introduced in the House, and in the other place; the debate was lively and certain amendments were approved which, of course, now form part of the Bill.

The Explanatory Note, which sets out a brief summary of the Bill, must thus be considered alongside the amendments approved in the other place, which now form part of the Bill. I do not think there is need to go through the Explanatory Note. I am sure Members have all looked at it.

I merely want to point to the fact that one amendment which was moved in the other place and which affects the Explanatory Note—(iv) on page ii, I think it is—allows the board to fix the salaries of the Governor, the Deputy Governor and the Directors without recourse to the Minister. The original Bill as drafted, provided for the approval of the Minister, being the Minister of Finance. An amendment moved and accepted in the other place deleted reference to the Minister.

There are other amendments moved and accepted in the other place which have been circulated. With those few words, I commend this Bill to this House. I should like to make the point that as we continue to build on this edifice, the Government will be returning to Parliament from time to time to seek approval for the required legislation and, as is known, the pipeline at present includes the Securities Bill, the amendment to the Insurance Act and the long-awaited Companies Bill, which we expect to go through the Parliament rather quickly, especially the last mentioned Bill.

Of course, one of the major constraints is the fact that certain sections of the business community feel that we should be using precedent other than that which is used for the Bill. We are in consultation with those business people and hope they would accept the point of view that we need to have this Bill through Parliament as quickly as possible, given the history of proposed amendments to the Companies Bill, the history which dates back to 1974, and the fact that any delay now may really mean a delay for another five or perhaps more years.

With those few words, Madam Speaker, I commend to the House the Central Bank (Amdt.) Bill. I beg to move.

Question proposed.

Mr. Trevor Sudama (*Oropouche*): Madam Speaker, I rise after this very brief introduction to the Central Bank (Amdt.) Bill by the Member for Diego

Martin Central. I know he is a man of brevity because he does not like to stay very long in this House, but on this very, very important piece of legislation, the brevity on the other side tells a story. That story is that this Government does not have the capacity to evaluate what we are doing on institutions within the public sector.

We are talking about laying the structure to position the economy for the 21st century. Let us first assess what has happened in the 20th century and let us talk about an evaluation of a fundamental institution in the monetary and financial system and its performance over the last 30 years, before we talk about granting additional powers, responsibilities and streamlining the functions of this very, very critical institution.

Here we have had an opportunity to talk about the manner in which the Central Bank has functioned, to let the country know whether the Government is satisfied with the manner in which the bank has performed. I want to ask specifically the purposes for which it was established, as mentioned by the Member for Diego Martin Central, and whether it has, in fact, been an effective part of that enabling environment for growth and transformation.

These have now become slogans in the armory of the Government—growth and transformation—and, in fact, what it is doing today is providing the legal and regulatory framework, or putting another nail in the legal and regulatory framework. Whether that is a nail in the coffin of the legal and regulatory framework—

Mr. Valley: It is a pillar in the structure.

Mr. T. Sudama: If it is a pillar, one wants to find out whether this pillar has any substance. The pillar that is being established, can it take the stresses and strains of the requirements of growth and transformation?

We are told that there is really no change to the philosophy and the principles which underlie the establishment of the Central Bank, but we are granting additional powers, functions and responsibilities. This assumes that the Central Bank will be called upon to play a larger role in the monetary, financial and economic system and it will take a greater initiative in the proper functioning of that system.

As I said, it is an opportune time for us, as a Parliament—if the Government does not wish to do so—to evaluate, and ask whether the Central Bank has operated satisfactorily as a banker to the Government. Has the Central Bank

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rendered the kind of economic, financial and monetary advice to the Government to enable it to put proper policies in place? Has the Central Bank, in fact, maintained, influenced and regulated the volume and conditions of the supply of credit and currency—one of its main and critical functions, in the best interests of the economic life of our country. I take that to mean in the best interests of the large majority of our citizens. It may have influenced and regulated the volume and conditions of supply and credit for a few. The question is: Has it done so in the interest of the large majority of the people of this country?

2.35 p.m.

As I proceed, I have to ask some very pertinent questions about the operations of the Central Bank, the fact that it has certain functions, responsibilities and now we are adding to those by this Bill before us. Has the Central Bank maintained the kind of monetary stability that would be required in Trinidad and Tobago? More particularly, has it controlled and protected the external value of the monetary unit, that is, the Trinidad and Tobago dollar?

Also, has the Central Bank, done the concomitant of administering in an effective way, our external monetary reserves? Because the administration of those reserves has a very significant bearing on the external value of the monetary unit. In fact, by its acts of omission or commission, has this Central Bank encouraged the general level of production, trade and employment in the country by virtue of its monetary policies that have been pursued?

When we ask these questions, one would see how inadequate was the introduction of the Member for Diego Martin Central to this very critical Bill. This is the first significant opportunity we have had, in 30 years of the operation of this vital institution in Trinidad and Tobago, to make an assessment of its operation, and to say whether we feel that it has been adequate in the conditions in which it has been permitted to operate; in fact, whether we need to do anything additional in the nature of reform to deal with that institution and the role that we want it to play.

But no such overview has been coming from the other side. I know the Member for Diego Martin Central is the Minister of Trade and Industry, but if the Minister of Finance had made the presentation today, we might have had a more informative presentation of this Bill. So that since he has a holding brief, I can understand, quite apart from his natural inclination to cut short debates and to close this session and to adjourn the House and so on—which is a natural tendency on his part—there are certain restraints with regard to his own portfolio which were clear in his presentation this afternoon.

The Minister has advised us to read the Explanatory Note by way of introducing the Bill in this House, to show the extent to which he has attempted to deal with this fundamental piece of legislation.

After we have done a general overview and analysis, we would be in a better position to ascertain whether the bank has carried out its functions in a satisfactory manner, given its nature, its purpose and its responsibilities, and then to determine what larger role we would like the bank to play and what we should do in terms of legislation to be put in place for this purpose.

For us to do that, we need, a kind of fact-finding enquiry, because you cannot answer those questions on the performance of the Central Bank over the years without an independent fact-finding enquiry into that performance. Such an inquiry, which I have called for before, is urgently needed and would have to encompass the entire monetary, banking and financial system and the role that the Central Bank must play in those systems.

We need to have an enquiry in order that this society may seek self-knowledge about itself, its financial system and its monetary system as well. We need to do it as a means of enlightenment of the general public, in what are regarded as very, very mysterious domains: the question of high finance; the operation of the Central Bank, the mode and method of that operation; its relationship with the commercial banks and other financial institutions.

Such an enquiry would highlight the deficiencies, quite apart from what the Government may conceive to be the deficiencies in the areas of reform; it would take a broader view of the deficiencies, the constraints and the limitations of the system and identify areas for reform. If we are going to place ourselves in the approaches to the 21st century, then we need this self-assessment and this critical self-enquiry of our monetary and financial system. We need to know what is wrong with it; why it has not performed in the way we expected it to.

If we have such an analysis and a dissemination of this information in the wider public of Trinidad and Tobago, my own view is that it would generate greater confidence in the working of the system and in its institutions. The bottom line, really, is confidence of the general public in the operation of the system and its critical institutions. You cannot make an assessment, and, therefore, you cannot have that evaluation and judgment if there is no enquiry into that system.

When I spoke on the Financial Institutions Bill earlier, I made a call for such an inquiry. That kind of enquiry has been made in other countries as a means of information, elucidation and enlightenment. I make that call again today, because

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what we are doing here is making an ad hoc, piecemeal intervention in trying to streamline and update our monetary and financial system, but we cannot properly do that comprehensively in the absence of such an enquiry.

The other issue is the autonomous role of the Central Bank in our monetary and financial system. We understand the need for that autonomy, because the Central Bank performs a very critical function as a supervisor and as a regulator over the monetary and financial system. In view of its power, it has the capacity to significantly influence economic development in Trinidad and Tobago. It needs autonomy to operate and, therefore, its actions would be seen to be in the best interests of the country and not dictated by partisan considerations. So we understand that.

But having given the Central Bank that degree of autonomy, the next question we have to ask, which this Bill, of course, does not address, is: Is there a commensurate level of accountability in the system to which the Central Bank is responsible? Because no institution in Trinidad and Tobago ought to be seen to be a law unto itself.

2.45 p.m.

If one grants power to people one must bear in mind that power tends to generate corrupt tendencies. That has been something commented upon in all societies. Moreso, when unfettered power is granted, the likelihood of the generation of corrupt tendencies and inclinations is greater. When we grant power and autonomy, we have to understand that as a society we need to have levels of accountability established.

That commensurate degree of accountability is one of the critical deficiencies in our system, particularly, as it relates to institutions like the Central Bank, and given the attitude of the Executive in our parliamentary system. Only last week the Member for Diego Martin West complained bitterly about the Opposition wanting to scrutinize the actions of the Executive, that they have been put there to rule—that when the Government brings issues to this Parliament, the Opposition wants to refer those issues to a committee of Parliament to be investigated as to the reasons they are brought.

Dr. Rowley: Madam Speaker, while I thank the Member, I am not aware that I made any bitter criticism, and I made no such statement. I would appreciate it if the Member did not put that in *Hansard*.

Mr. T. Sudama: Madam Speaker, I was complaining about the attitude. I do not want to go into that debate; that is something else. What I am saying is that the attitude of the Executive, as exemplified, for example, by the Member for Diego Martin West—let me leave it at that. I do not want to take up too much time on this.

This leads me to the question of the very many areas of concern about the performance of the Central Bank and its capacity to generate the kind of public confidence that such an institution should enjoy in this society.

These concerns may or may not be valid. The question is: What is the perception? One cannot deal with that perception except there are a monetary mechanism, investigation and inquiries when these concerns arise. Today, we are going to talk a bit more about measures to have greater accountability over the operations, actions and policies of the Central Bank.

The Central Bank has been seen as a kind of impregnable fortress, above investigation, scrutiny and accountability. That is the perception in the society. I want to deal with two areas of concern; one of earlier and one of more recent vintage as to how this Central Bank has been operating, and whether this Act and the amendments we have before us deal with accountability for its actions.

One of the functions of the Central Bank is to protect the external value of the currency and administer the external monetary reserves. In order to do that, the Central Bank has been assigned the function of operating the exchange control system, as an agent of the Ministry of Finance. While it has had that responsibility, we had a situation where the reserves of Trinidad and Tobago—

Mr. Valley: Madam Speaker, I know the hon. Member likes to dwell on the past, but I should like to inform him that as of April 13, 1993, the Central Bank no longer has anything to do with exchange control. The system was liberalized on that day.

Mr. T. Sudama: Madam Speaker, I want to dispute that, but I do not want to get into it because the Central Bank intervenes and has a working relationship with the commercial banks in determining the exchange rate. Whom does the Minister think he is trying to fool in this country? I do not want to get into that.

What I am saying is that if we had an assessment of the functions of the Central Bank when it was the agent of the exchange control system—that is one of the things that have undermined confidence in the Central Bank. This is a bank where there were monetary external balances to the tune of \$7 billion in 1982

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which was reduced to just over TT \$1 billion. Now, \$7 billion when the exchange rate was TT \$2.40 to US \$1.00—reduced to \$1 billion when the exchange rate was TT \$3.60 to US \$1. One can see the dramatic decline.

The question being asked by every Tom, Dick and Harry in this country is: To what extent did the Central Bank facilitate capital flight from this country and, therefore, affected the level of our monetary reserves? Was there any kind of investigation into the operations of the Central Bank to find out whether there were any levels of corruption in the operation of the exchange control system?

If this is an institution that is accountable to no one, then one is going to have these situations arising where it could not operate for the benefit of the whole of Trinidad and Tobago. We have a conservative estimate—I was just reading the other day—which shows that \$2 billion left Trinidad and Tobago in the years 1976—1990 as capital flight. This is a conservative estimate.

The question we have to ask is: What role did the Central Bank play in facilitating capital flight and putting us in the precarious position we are in today, as regards our external reserves? We cannot ask that question because we would then have to ask: To whom or what in the system is the Central Bank accountable? If it is accountable to the Minister of Finance, he has never made a statement as to this level of reduction in our foreign exchange reserves position. In any case, he will only give an answer to protect his regime.

What we need is an independent institution to which the Central Bank would be accountable, and from time to time, an independent enquiry can be held. Even the Bank of England with the BCCI scandal, had to have an enquiry. The revered Bank of England has had to have an enquiry into its operation. In Trinidad and Tobago, do you think one can get a PNM Government to institute an enquiry into anything?

2.55 p.m.

I have had cause in my brief stint at the Ministry of Finance to speak about this issue. The Central Bank has come up with an excuse and that is, its confidentiality between the Central Bank and the Ministry of Finance, invoking section 56 of the Central Bank Act, which gives an indication that this institution does not want to have an oversight of any of its activities and actions. I do not want to go into that. I have put a letter on record on the relationship and the assumed relationship between the Central Bank and the Ministry of Finance where it is above any kind of query or scrutiny.

On this issue which needs enquiry and investigation I ask: Should we allow the Central Bank this autonomy in certain instances and yet in other instances we see that the Central Bank is really a tool of the Executive? It has reputed or ostensible autonomy when asked for an enquiry into its operation. However, in other instances it operates as a tool of the Executive. The question that we have to ask is: Do we know how the Central Bank really functions? Do we know what motivates its decision-making? Do we know when it is operating outside the law whether there is justification for that?

On the legal limits of borrowing of the Central Bank, let me quote to you the illegality in which the Central Bank is involved—and no one is responsible for this. Under section 46 of the Act, as of May 14, 1993, it is permitted to give overdraft to the Government of \$1.153 billion.

Do you know what is the extent of the overdraft? Two billion, two hundred and forty-four million dollars. Who is responsible? No one. It holds government securities of \$402 million which is in excess of the prescribed limit. It holds under section 47 additional holdings of Government securities of \$231 million. It ought to. That is the response I am quoting from the Minister of Finance.

There are all these illegalities being perpetrated. How do we get this institution to account? There is no accounting. By expanding credit to the Government, it is facilitating the Government in whatever measures it may want to institute. Therefore, one has to question whether that act of facilitation is an independent act performed by the Central Bank or whether that is as a result of pressure being applied by the Government and, therefore, the bank's autonomous role is in question.

I had asked a question in this House earlier this year about the other assets in the weekly statement of the Central Bank. Do you know what I have been told? Quite apart from lending the Government approximately \$100 million in excess of its prescribed limit, and holding government securities in excess of its prescribed limit to the tune of \$700 million, the Central Bank, under "other assets," has advanced the Government moneys to the tune of \$916 million, not identified elsewhere. One asks the question: How is the Central Bank operating? Is it within the law? Is it a law unto itself? Who scrutinizes its operations? And there is no mechanism!

I am told that the Central Bank should be accountable to the Public Accounts Committee. As far as I am aware, the Central Bank's accounts have never come before the Public Accounts Committee. Even if they have, this Committee does

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not have the required support, expertise and services to really investigate the operations of the Central Bank and its accounts.

Quite apart from investigating its policy—it is not just its accounts—one has to investigate how the Central Bank is operating in order to facilitate its purposes. The Government does not want to hear anything about investigation and inquiry. It has nothing to do with that because it has been elected to rule and it will rule as it sees fit. If there was ever an autocracy in Trinidad and Tobago, it is the manner in which this Government operates.

With respect to the Central Bank law as it now stands, that law is being broken, daily by the Central Bank, and no one cares. Here the Government is coming to make amendments to streamline and to give additional powers, when there is no scrutiny over the bank's existing operations and its patent breaking of the law. If the law needs to be amended to allow larger limits and the Government to come within the borrowing limits permitted in the Central Bank Act, why did the Government not bring an amendment to change sections 45, 46 and 47 of the Act? No such thing!

Then there is the Central Bank's role in the merger that formed the First Citizens Bank. There has been so much public concern about the role of the Central Bank in enforcing a merger. First, we were told by the Governor of the Central Bank that it was a merger. He came later and said it was not really a merger; it was a takeover of the assets of three banks. Critical questions need to be asked. Why was it necessary to act in the fashion that the Central Bank did? Confidence in the Central Bank has been eroded because many questions have not been answered. The integrity of officers of the Central Bank has been impugned publicly. It is said that this institution lives by public confidence reposed in it. Its integrity has been questioned, but no enquiry.

When I raised this matter in this House I asked for a public enquiry into the merger, role and actions of the Central Bank when the First Citizens Bank of Trinidad and Tobago was being established. Do you think the Government wants an enquiry? All it wants is to operate secretly. We are saying—and this is the view outside—that there has been erosion of the foreign exchange reserves of this country under the control of the Central Bank over the years. One can recall the escapades of Dennis Davidson, for example, who had exchange control forms to the tune of US \$200 million which he was selling and which could be bought by people who need not have been effecting any transactions at all.

3.05 p.m.

On this side, when we speak of the parasitic oligarchy, we refer to merely a fraction of a class in Trinidad and Tobago which exists both in the public and private sectors which has plundered this economy and the society. The question is whether those who were in the Central Bank facilitated this plunder. The Government wants me to come here and give approval to an institution which has never been the subject of an enquiry, given all these concerns that we are raising.

In this House, I have raised the issue with respect to the establishment of the First Citizens Bank; the issue of the substitution of the evaluation of the auditors, Price Waterhouse, by a report done by a firm from the United Kingdom called Ernst and Young, and the circumstances under which that was done, and why the report of the Central Bank's first merger team which incorporated the advice of Lloyd's Merchant Bank of London was rejected. The Government gets all these high-priced consultants from overseas; takes one, and if it does not like the advice, it rejects it.

Of course, that rejection was also a judgment on the Deputy Governor of the Central Bank, Dr. Terrence Farrell, who headed the first merger committee. That went by the board. There is much politics being played in the Central Bank. I would come to that when I talk about the need for Deputy Governors, and the circumstances under which the second merger headed by Mr. Leonard Williams was appointed, and how Ernst and Young was appointed to do the evaluation.

I want to quote the record of this House what was said by one Emile Elias and which reflected a general concern. I just want to re-register this in the House to make the point that the Central Bank ought not to be above investigation, and that its actions must have the confidence of the public.

Mr. Elias made the point when he was talking about the operation of the Trinidad Co-operative Bank. He said:

"Now you would have seen a successful bank in which the shareholders of the three banks agreed to take shares in First Citizens Bank, but the process recommended by Dr. Farrell would have included the three boards of directors getting together to appoint a new board to run the bank.

But some people with ambition decided that if that was the case they may not have had the same control of the same positions in the new bank...

One of the distressing aspects of this whole thing is that Dr. Farrell was apparently being undermined because some months before his report was

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submitted, Leonard Williams was in England interviewing the British staff to create First Citizens Bank."

Do you understand the confusion that is going on in the Central Bank of Trinidad and Tobago, where the Deputy Governor is not on speaking terms with the Governor; where he puts up a report, it is rejected because politics is being played, and there were influences from outside operating in the Central Bank? This is the bank which we have given so much autonomy to operate as it sees fit. When you raise these questions, you are talking rubbish, because the Government does not want to concern itself with these matters.

All the Government wants to be concerned about is how quickly it can preside over the corruption; how it can sell away the assets of our country without this House or the country knowing anything. It is going to divest British West Indian Airways by the end of next month. Nobody is the wiser about the terms, and whether the country is going to be better or worse off under that investment, and who is going to benefit. Of course, there are kickbacks involved in this investment. If we had any proper system or proper media, all these things would have been exposed.

The Central Bank, has a discretion in dealing with ailing commercial banks. The first question to ask is: How did these commercial banks begin to ail in the first instance? Was this ailing condoned by the Central Bank? Was it a question of relationships between people who are managing the indigenous commercial banks and those of the Central Bank? What did the Central Bank do to try to preempt this ailing and what was its responsibility? Was it carrying out its responsibility under the law or not?

The Central Bank took \$500 million to rescue the Workers Bank of Trinidad and Tobago. Nobody really knows the circumstances under which that rescue operation was conducted. This was a secret arrangement between the Ministry of Finance, the Central Bank and the Workers Bank. The people of Trinidad and Tobago would have to bear the burden of this mismanagement in the indigenous banking system, where people took loans without any security and never bothered to repay them. People took kickbacks in order to give unsecured loans. These banks then went into very difficult financial straits.

We are told that the Central Bank had to pump \$300 million into the establishment of the First Citizens Bank. What are the alternatives to all this money? How is it being spent, correctly or incorrectly? Nobody seems to know. On every occasion you ask for a street light to be put up, the Government has no money, yet when it comes to a question of covering up for their friends and

relations in the indigenous banking system, suddenly the Central Bank is able to come up with funding to support this level of corruption which the Government condones and is engaged in.

The Government comes here today and tells us that this is a simple measure; to support the Central Bank (Amdt.) Bill and agree with the operations of that institution, when all these things are going on under the aegis of the Central Bank.

3.15 p.m.

For a change, I want to go on the same side of the Chamber of Commerce. The Chamber of Commerce made a statement in December of last year, which refers to a financial debacle—

Madam Speaker: The hon. Member's speaking time has expired.

Motion made, That the hon. Member's speaking time be extended by 30 minutes. [*Mr. R. Palackdharrysingh*]

Question put and agreed to.

Mr. T. Sudama: Thank you, Madam Speaker. The Chamber of Commerce, which, as you know, is no enemy of the Government of Trinidad and Tobago, and which has been so supportive of the Government, has been forced to talk about a financial debacle in our country:

"The Chamber is 'deeply concerned with the plight of the shareholders who not only invested in these banks but were allowed to continue to do so even though the Central Bank as disclosed in affidavits was aware that the situation had been deteriorating for some time.'"

What did the Central Bank do? Nothing! Allow the deterioration to continue and yet they want to come here and give the Central Bank full marks and even additional powers, without looking at the manner in which it has been carrying out its functions.

"The shareholders would lose a staggering sum of money".

It talks about the \$500 million used by the Central Bank and the \$300 million used to fund FCB, the article stated that it "was a massive misuse of taxpayers' money" by the Central Bank, guided by the Minister of Finance and his Government. It is as if nothing has happened in this country.

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"The Chamber refers to the Savings and Loans scandal in the USA, in which a large number of savings banks went out of business, and where 'the principal activists were tried and convicted of fraud, and jailed'."

But that happens in a functioning democracy, and the last thing one can say about Trinidad and Tobago is that it is a functioning democracy, whatever else it may be. If it were a functioning democracy, then some Ministers of Government and other senior functionaries in the public sector would have already "made a jail".

"The Chamber calls for 'a thorough and expeditious investigation with a view to determining the cause of the collapse of these institutions and informing the public whether such collapse was due to gross incompetence and mismanagement and/or fraud'..."

and concludes with a demand that there be accountability and those responsible be dealt with accordingly.

I do not know whether the Chamber was speaking tongue-in-cheek when it made this call, because it was speaking to its own boys—the Government of Trinidad and Tobago. We suspect it was a tongue-in-cheek call. Whatever it was, I am repeating the call that we need an enquiry into all these matters and, particularly into the functioning of the monetary and financial system in Trinidad and Tobago.

I have spent some time dealing with this issue of accountability because we cannot proceed as if all is well in the financial and monetary sector, and with the operation of the Central Bank. When I look at the amendments to the Central Bank Act, which is before us, I see further reason why we should demand greater accountability on the part of those functioning in the Central Bank.

At clause 4 a new subclause is inserted which relieves a director, an officer or an employee of the Bank from damages for anything done or omitted in the discharge or purported discharge of his functions under this Act or the Financial Institutions Act, unless it is shown that the act or omission was reckless or in bad faith. How would one know that an act is reckless or in bad faith? Does the Government expect the Central Bank to investigate itself to determine whether something is reckless or in bad faith? There is no monitoring institution.

I come now to clause 5 where we are creating another deputy governor under this Bill. Why is there the need for another deputy governor? This is a small society, we have a small monetary and financial system to supervise; we have some additional functions and so forth—and we will come to that later on—being

given, why another deputy governor? Why do they want to add to the burdens? We do not have money, you understand. If there are additional functions to be performed by the Central Bank, why not create additional departments, but maintain the line of authority where there is a deputy governor and governor?

Or is it that for some strange reason this Government is not happy with the current Deputy Governor? In the event that the Governor goes, the Deputy Governor should automatically take the position of the Governor. If they bring a governor from the outside, then they would have to explain to the public why they did so when this Deputy Governor has been serving for such a long time. I suspect that the reason is not that there is so much additional work to be done—and in any case that can be handled departmentally without affecting the line of authority and creating an additional senior post of deputy governor—but that it is a set-up.

Where there are two deputy governors, there is the choice of by-passing the one whom the Government does not politically favour. That is the reason for bringing two deputy governors. It has nothing to do with any additional work that this bank has to do. It is bringing politics into the Central Bank, which has enough politics already. The Government is now introducing additional areas, by introducing another deputy governor, which in my view is totally unnecessary in such a small financial and monetary system. Proposed 7(3) states:

"7(3) The term of office of a Deputy Governor shall be for such period as the President may fix in the instrument of appointment."

If they are appointing the Governor for a fixed term of five years and he is accountable to no one, why not appoint the Deputy Governor for a fixed term as well? If they want to talk about security of tenure and to enhance autonomy, then make that appointment for a fixed term as well. It is curious why the position of deputy governor is treated in that way.

Clause 17 of the Bill states:

"Section 18 of the Act is repealed and the following section is substituted:

The Bank shall provide pension benefits for officers and employees of the Bank, whether in the form of a pension scheme or other deferred income schemes."

The question arises here whether this will be a negotiated pension or an arbitrary decision of the bank to determine what kind of pension the employees of the bank may have. This is a question for clarification because I understand that a number

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of amendments were made in the other place dealing with the bank and the terms and conditions of service of the employees concerned.

Time is not on my side in this debate, so I shall have to leave the question of personnel in Part IA to be dealt with by others.

3.25 p.m.

Clause 28 deals with the authorized capital of the bank. I would be happy to know how the Government came to the conclusion that "thirty million" is not a proper figure to have as an authorized capital, but that it wants to increase this to "one hundred million". If we are going to have an increase, what kind of consideration went into deciding on the figure of "one hundred million dollars"?

Again, in the Minister's introduction, he could have enlightened us a bit because we really do not know what is the Government's thinking. The bank at the moment can establish a general reserve fund. There is provision in clause 29 for the establishment of special reserve funds of specified amounts.

Surely, if we are going to have special reserve funds the Government must have an idea of what these special reserve funds would be for. Did it have consultations with the Central Bank and the Central Bank told it, "Look we need a provision for special reserve fund for this, that or the other"? We do not know. It is gross inadequacy on the part of the Minister in his presentation not to have told us what is the need for these special reserve funds for which the Government is making provision.

I find it a rather curious procedure in arriving at the net profit:

"(29)(4) The net profit of the Bank for a financial year shall be determined after—

- (a) allowing for the expenses of operations, including replacement and acquisition of assets for the operations of the Bank;
- (b) provision has been made for bad and doubtful debts..."

One would assume that when one is buying assets for the bank, assets would be of a long-term, medium-term and short-term nature. Therefore, if one is buying assets to be used in the operation of the bank, some of these assets would have to be depreciated over time and one cannot write them off in determining net profit. I am really questioning the accounting aspect of this need to write-off all the operating assets in determining net profit, and whether these assets, if they are of a long-term nature, would not have to be depreciated. Therefore, what one does in that respect would affect the figure of net profit.

I refer now to clause 30. Again, I should have liked to be informed of the reasoning of the Government and the Ministry in giving the bank—we are amending section 36 of the Act and we are giving the bank the power to:

- "(t) purchase, acquire, lease, sell, let, sublet or create licences over, or otherwise dispose of, real property or any part thereof and provide in connection therewith ancillary services;"

I should like to know on what scale this dealing and trading in land is going to be carried out. What is envisaged here? Is it envisaged that this power would be exercised only sparingly where the Central Bank needs, as a matter of course, to acquire and sell real property? Or will this power be exercised on a more regular basis in which case, does this affect the purposes for which the bank has been established? Would this involve the bank in any kind of trading activity in land?

Then, it is empowered to:

- "(u) lend, borrow or to invest in securities other than those specified in this section, but such loans, borrowings and investments shall not exceed ten per cent of the total assets of the Bank for the financial year in which the loans, borrowings or investments are initially made;"

Again, I come back to the question that if the bank is being given the authority to borrow money then that should be subject to some form of parliamentary scrutiny; we cannot allow the bank, as an institution, to have this power for which it is not accountable.

Then it has the power to:

- "(w) promote the establishment or expansion of bodies to develop and expand the money and capital markets and to provide assistance, including financial assistance to such bodies;"

We have seen how the Central Bank has operated in the past. We have seen how it sought to create the First Citizens Bank. We have seen how the external reserves of Trinidad and Tobago are frittered away. I am arguing that if we are giving the Central Bank the power to promote the expansion of bodies to develop and expand money and capital markets, then we must have an oversight on that activity, especially in the light of the fact that it has the power to give financial assistance.

We do not know how, on what criteria it will give this financial assistance and whether that network of understanding we have spoken about between the class in

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the private sector and its fraction in the public sector and their relationship will operate for that assistance to be given to particular groups and individuals.

On this side of the House, we are particularly concerned about these matters. Why must there be a Central Bank which has to establish subsidiary companies? I do not know. I am yet to be informed. Do we want to create another conglomerate, by giving the Central Bank the power to establish subsidiary companies? What kind of subsidiary companies are envisaged? For what purposes?

Further on, it goes on to provide the Central Bank:

"(y)(iii) ...research functions, computer maintenance and security services and such other services as may be related to any activities under this Act:"

Computer services and security services being performed by a Central Bank? Does the Central Bank not have other work to do? Does it not have enough work to do in supervising and regulating the financial and monetary system? Why give it that power unless the power is to be used? Is the Central Bank going into competition now with the security people offering services and computer facilities? I should like to get an answer.

We know that the bank needs flexibility so one is giving it the power to borrow through the issue of bonds or other appropriate instruments in the exercise of its functions. Again, I cannot sit in this Parliament and allow such powers to be given without looking at any mechanisms which deal with accountability as to how it exercises these powers.

Clause 35—introduces proposed section 44A (1) which says:

"The Bank may fix the maximum and minimum interest rates payable on deposits received, and may fix the maximum and minimum interest rates, fees and charges to be charged on loans, advances or other credit facilities, by a financial institution."

The bank is going into a more detailed and intimate degree of regulation. From previous assertions made on the other side—we have been told so much about the market mechanism and the operation of market forces and that whatever rates are determined will be determined by the market. Well if one is going into the arena of fixing rates on which deposits will be received and rates at which the financial institution will lend money, the question is, what is happening to the market mechanism in Trinidad and Tobago?

It then leads to one conclusion: we do not have a system, we do not have competition in the financial and monetary system in Trinidad and Tobago. If we had competition and the markets determined the rates of deposits and the rates of lending, why would the Central Bank need to get involved in that kind of activity?

It belies this whole notion that we are in a competitive mode; that we are facilitating competition, because in the financial sector—we have said this time and time again—there is an oligarchic situation where there is agreement between the actors and their prices and rates are fixed in accordance with that understanding.

3.35 p.m.

Giving the Central Bank this power—the Deputy Governor even threatened to use it—we do not have competition in the commercial banking sphere, and in the operations of other financial institutions in Trinidad and Tobago. The same applies to determining the spread between the buying and selling rates of foreign currencies.

If there was competition in the system, then by virtue of that competition, the spread will be narrowed, and they will not be lamenting everyday. The Central Bank laments the fact that the spread which was established when the Exchange Control was done away with, was established for the purpose of enabling the system to find its feet.

That was in April, 1993, and today, the spread remains the same, or perhaps, has even widened; and it appears to me that this system will never find its feet by narrowing the spread on which foreign currencies are bought and sold.

Again, this points to the fact of collusion between the commercial banks and other financial institutions, and the fact that the Central Bank now, feels the need to intervene. That goes to point out that we are not like the United States or the United Kingdom where the forces of competition are given free rein. We have a peculiar society in which the economy is dominated by a select group. This is why—no matter what they say on the other side—you will never have the kind of competition which has been so much mouthed on the other side for so long.

Curiously, I see that something I have been writing about, and we on this side of the House have been speaking about for the longest while, has been put in place in the Schedule which prevents cross directorships in commercial and financial institutions. This is something that this side has complained about for a very long time. I hate to go back and talk about my researches, but I need to do it,

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simply because I see that the Government has taken heed of what I have been writing and saying on this side, about the monopoly and oligarchy control over the commercial banking system.

In July 1990, I made the point that there were eight commercial banks in operation in Trinidad and Tobago in 1987. They had total assets among them of the staggering figure of \$11,288 million. A net figure of assets would be somewhat smaller, but nevertheless, a figure of this magnitude represents awesome financial power in a small economy such as ours. Control over this asset volume was exercised by ownership of significant percentages of the equity of these banks amounting to a total nominal value of just about \$270 million.

I went on to analyze the directorships of the banks. Seventy three members sat on the eight boards of directorships. I analyzed who they were, and I found out the nature and extent of the interlocking directorates which characterize the boards of the banks, and the boards of the conglomerates, manufacturing, property and trading companies listed on the Stock Exchange.

You have this issue of the interlocking directorates through which dominance of the economy is exercised. At least 15 of the 63 non-Indian members on the boards of the eight banks also served in 1988 on one or more of the boards of the companies mentioned before. And several members of the boards of the banks also sat on the boards of the larger insurance companies.

It is not too far-fetched to assume that the members of the boards of the banks were a fairly homogeneous group in ideological conviction with a shared perspective on financial hegemony on the desired course of economic development and on the role of Government and on social change. They would be individuals meeting quite frequently on an informal basis and keenly aware of their class position.

Perhaps, there is recognition on the part of the Government that this dominance and control does exist, and it has consequences for the development of our economy and for the more equitable distribution of the fruits of that development. If we are going to have growth with transformation then it has to be transformation in the direction, ownership and control of the commanding heights of the economy.

How could we make this society into a larger property-owning democracy, and thereby introduce a larger measure of competition in the system, and a fairer distribution of ownership of our economic assets? By permitting more

opportunities to be available for those who would be involved in business enterprises, the emergent entrepreneurs of Trinidad and Tobago.

But if the system as it currently operates, and by those who control it—and they have their minions in the Government to do their bidding—continues, then Central Bank or no Central Bank, we are not going to deal with the whole issue of growth with development and transformation. Regulatory authority or no regulatory authority, we have to look at the realities of our country.

I am saying that in respect of those realities we need to have an opening up of the economic opportunities available to people of worth, talent, commitment, ability and competence. At the same time, whichever regulatory authorities may be put in place and whatever powers we give them, we must have proper accounting, accountability and supervision over these autonomous bodies.

Thank you very much.

3.45 p.m.

Miss Indera Sagewan (*Caroni East*): Madam Speaker, I read with particular interest the amendments to the Central Bank Act, 1994, and having read them and arrived at my own analysis, I listened with great interest to the presentation of the Member for Diego Martin Central this afternoon.

I have a clear understanding of the kind of macro-economic policies which our Government wants to promote. Its policies are based, largely, on reducing the role of Government in the direct productive activities in the economy—that of Government being largely a facilitator. It is an environment in which the private sector is promoted as the engine of growth and, therefore, the major role of our institutions should be that of providing, as the Minister said, an enabling environment to allow the private sector the necessary mechanisms to be able to carry the country forward and bring forth the growth and transformation about which we speak.

In addition to those things, the environment which we are moving towards more quickly, is more open, where we are very quickly liberalizing most of our markets, and allowing free rein in terms of free trade. The kind of protectionism that traditionally we spoke about and were familiar with is being removed very quickly from the environment in which we currently exist.

Therefore, when I read the amendments, I remember that not so long ago we had the abolition of the fixed exchange rate, where certain functions of the Central Bank were removed because, again, we were moving to a more liberalized

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environment in which free trade and competition were the kinds of activities to carry the economy forward and allow for the more effective and efficient allocation of our resources.

When the Member for Diego Martin Central spoke of the "enabling environment" and of the kind of legal and regulatory framework we would need for taking strategic initiatives to keep the objective conditions that we want, he referred to the Asian countries and their ability to facilitate economic growth. He said that this proposal was about promoting private sector savings and investment that would be a facilitator to growth and development.

Having read the amendments, maybe I missed something, but I certainly did not see the kinds of amendments that would be facilitative to private sector savings and investment, and facilitative, therefore, to growth and development. In fact, if I can summarize, the kinds of amendments put forward, deal with the following issues.

They deal with the board of directors specifically in terms of appointments and how they should be done; the number of meetings that should take place; the issues of fixing wages and salaries and who should be involved in that process. The amendments treat with secondment of employees and the transfer of pension schemes; a code of ethics in the bank; settlement of disputes; putting a limit on the number of coins that can be used as legal tender; the reproduction of bank notes and how that can be facilitated; also, the role of the insurance industry in terms of the financial sector.

None of those factors really, in themselves, as far as my understanding goes, is really conducive to and facilitative of promoting the kind of competitive environment and initiative that will be facilitative of increased growth and development. Given that, I had hoped that the Member for Diego Martin Central, in his presentation, would have—as the Member for Oropouche pointed out—taken the opportunity to enlighten us as to how these amendments could allow for the kind of initiative and development that we should like.

The hon. Minister started his presentation with the point that every one of the functions of the Central Bank put down in 1964 still obtains. If that is so, then, Madam Speaker, I fail to understand what kind of innovations and changes have taken place to treat with the particular kind of environment that we now live in, which—and I take the point and agree—is certainly different and much more dynamic and complex than the environment in which this Central Bank Act was created in 1964.

I wish to simply supplement what has been said before, and in so doing I shall treat with a number of specific amendments put forward in the Bill and express our concern with respect to them.

The first is the autonomy of the Central Bank. I think many of the examples and points made by the Member for Oropouche highlight and emphasize the need for real autonomy of a central bank. By "real autonomy" I mean that a central bank should really operate outside of government and [*Interruption*] yes, without interference by any political directorate. It would be able, therefore, to channel its energy and resources towards the job at hand, which is regulating and maintaining order and stability in the monetary system of the country.

Therefore, much of what the Member for Oropouche said emphasized what happens when there is no autonomy, and the kind of power to manipulate, available to those who are at the executive realm of the economy. The lack of proper provisions in place can erode the proper functioning of an institution such as the Central Bank.

My concern, however, is that the autonomy spoken of is really quite ambiguous because, whereas in certain instances the autonomy is removed completely from the Minister, in other instances the approval of the Minister is needed. In that regard there is a certain degree of ambiguity with respect to the autonomy of the Central Bank, and I certainly hope that those on the other side would seek to address this particular issue.

Mr. Sobion: Next point.

Miss I. Sagewan: The next point—as usual, Madam Speaker, I am concerned about making my points and being very specific and allowing the House to continue about its business.

Mr. Maharaj: The lady is complimenting you.

Miss I. Sagewan: The next point, therefore, has to do with accountability and, as I said, I am reinforcing the points made by the Member for Oropouche. On the issue of accountability, I think whilst autonomy is important with regard to any institution, there must be accountability. Therefore some mechanism must be put in place whereby the Governor of the Central Bank and those who control and regulate our monetary system—which is a key sector of our economy and has a very important role to play in growth and development—can account to the taxpayers of Trinidad and Tobago with respect to the role and functioning of the Central Bank.

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The next point is with respect to limiting the amount of coins that can be passed as legal tender. I am a bit confused because currency is printed and put on the market by the Central Bank of our country and yet, now we have an amendment that is saying that only a certain amount of particular coins can be used as legal tender. In fact, what this is saying is that if I have two hundred dollars in cents, only one hundred dollars worth of my cents will be considered as legal tender and the remaining one hundred dollars will not. I am a little confused.

I take the point that as the law exists, maybe that is somewhat of a hindrance to speedy commerce and while that may be so, it does not treat with the fact that the two hundred dollars that I have is legal money. Therefore, which is, and which is not? I think that it is a poor rationale to limit the amount of coins that will be used as legal tender based on an argument that it is a hindrance to commercial activity and to commerce.

On the issue of who determines the public service directors—as obtains the Minister of Finance had the authority to designate the two public service directors, however, under the amendment, that is being removed and now placed in the hands of the President. For me, that is simply a cosmetic amendment since I am certain that the President will seek the advice of the Minister whose staff he is to appoint.

I would certainly hope that the Minister, given that his employees are in his employ—

Madam Speaker: When the President is given the power to appoint, in circumstances of that nature, the President appoints in his own initiative and he is guided by his own wisdom and judgment. That is a very serious allegation to make against the President.

Dr. Rowley: You are following Ramesh! Follow Ramesh!

Miss I. Sagewan: Madam Speaker, the major point that I am making is that the amendments that are being put forward are simply of a trivial nature and, really, fail to achieve the objectives as outlined. The amendments which should be about the business of facilitating a greater competitive environment, one that would be more facilitative of increasing growth and transformation. That, really, is the major point that I am making when I treat with each of the amendments.

The next issue that I wish to treat with is that of salary determination of members of the board and the Governor. In the amendment, that right is being

given to the board of directors. I find it curious that we are giving power to a board to determine its own salaries. I think that we should be really very concerned with such a state of affairs.

These are the major points that I wanted to speak about with respect to the amendments. I really expected that the amendments would have been of a more serious nature, would have been significant in the liberalized environment that we are putting forward, and would have been more functional in allowing the financial sector to play the role it has to play.

We talk about liberalizing the environment; we talk about levelling the playing field; we talk about competition; and, yet, we maintain as a function of the Central Bank, the role of determining interest rates, and the spread of commercial banks. In doing so, are we not determining and restricting competition in that regard? Are we not saying that the financial sector does not have the competence to operate in an open, competitive environment, to determine those rates based on that issue?

In closing, to me, the amendments are really a paradox, because on the one hand, we have kept, as was outlined in 1964, the functions of the Central Bank. We are verbalizing now points of liberalization, of free market forces, of open competition, but what do we do? We bring to this House amendments that do not put forward any real strategies or any real means of allowing the Central Bank to have the role that we are saying it should have. Or the role that allows it to facilitate the financial sector to act in such a way that would enable growth and development, and to really seriously treat with the issues of regulating, in a hands-off kind of manner, the monetary system of Trinidad and Tobago.

Thank you.

Mr. Ramesh L. Maharaj (*Couva South*): Madam Speaker, may I start by touching on the point that the hon. Member for Caroni East has made about the President. I think that it should be recognized, because there may be some misconception that when it is mentioned here that the President acts, it means the President in his discretion. Section 80 (1) of the Constitution says:

"In the exercise of his functions under this Constitution or any other law, the President shall act in accordance with the advice of the Cabinet or a Minister acting under the general authority of the Cabinet, except in cases where other provision is made by this Constitution or such other law, and, without prejudice to the generality of this exception, in cases where by this Constitution or such other law he is required to act—

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- (a) in his discretion;
- (b) after consultation with any person or authority other than the Cabinet; or
- (c) in accordance with the advice of any person or authority other than the Cabinet."

Under this Bill it is quite clear that the exercise of the powers of the President is really the exercise of what the Cabinet will direct him to do, therefore, he is just acting as a conduit of the Cabinet. When appointments are being made—when he acts—it is in effect the Cabinet acting.

Therefore, any attack on the exercise of the power is really not an attack on the President or the exercise of the President on a personal basis, it is an attack in relation to the kind of power which the Executive has in directing the President to act, and the President has no discretion; he must act in those matters. I am sure the hon. Attorney General will agree with that, at least on that point we are *ad idem*.

4.05 p.m.

There are other cases, as we know, under the Constitution where the President acts after consultation with certain persons and probably he will have a discretion in those matters; there are other cases where he has an absolute discretion and he decides what to do and the Executive and the Cabinet cannot dictate to him what to do, cannot fetter his discretion in any way.

As my Friend the hon. Member for St. Augustine and one who is termed a "bush" lawyer in our party, has reminded me, that in the granting of an amnesty he has an absolute discretion. As you know, the hon. Member for St. Augustine, on the record, played a very important role on those occasions.

When we are talking on this side of the House of powers under the Bill and the exercise of those kinds of powers, of the Governor and the Deputy Governors, and we talk about accountability, this is what we are saying. We are saying that if you have a Bill like this in which there could be such wide powers—there could be powers which can be misused or abused; it may not be deliberately—it is important that you have a system whereby the Parliament, having given certain powers to be exercised by officers of the State, must maintain some monitoring mechanism.

Although the Parliament gives to the Executive arm of the State the ability to exercise certain powers, the Parliament should be able to monitor, scrutinize the

exercise of those powers to ensure that there is the proper administration of the Act.

The hon. Member for Oropouche has mentioned this point, but what I should like to demonstrate is that if the Government is seriously committed to having transparency in government; if the Government is seriously committed to ensuring that the powers which are to be exercised under bills passed would be exercised properly, and if it is committed to ensuring that the aims and objects of legislation passed in this House are implemented by the functionaries set up under the Bill, I think that the Government would want to respond affirmatively to the Opposition's request to have parliamentary committees. It may not be in all cases, but in some of these cases.

There was in the *Economist* of March 12, 1994, a very interesting article which dealt with committees and the effect of the committee system in the United Kingdom. It is under the heading: "Parliament—Select band." It reads as follows:

"A quiet revolution has transformed Parliament. Its real work is no longer done on the floor of the House of Commons, where debate, save for set-piece occasions such as the budget, is confined to ritual partisan abuse. The action has moved upstairs, to the all-party select committees, where MPs now focus their efforts to hold the executive to account.

On March 9th, the Commons voted to set up a new select committee on Northern Ireland, hitherto excluded for fear of upsetting anti-Westminster nationalists in the province. Nearly every Whitehall department is now shadowed by a select committee charged with examining its 'expenditure, administration and policy'."

I repeat:

"Nearly every Whitehall department is now shadowed by a select committee charged with examining its 'expenditure, administration and policy'."

I continue:

Select committee investigations underlay three of the four top stories on the BBC's main television news..."

It goes on to say:

"Even the new generation of select committees, introduced in 1979 by Norman St. John Stevas, then leader of the Commons, took time to make impact. Allowing television into the committees' hearings has helped. An MP

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can make his name by skilfully quizzing a minister before the cameras. This explains why committees have a 70% attendance rate..."

It goes on to show how committee hearings are more popular than the House of Commons hearings on the floor of the House.

What occurred was that in 1979 in the United Kingdom, it was found that having regard to the party system of Government where the governing party controls the majority and which it is guaranteed that almost every measure—because you do not have in England a specified majority clause as we have under the Constitution of Trinidad and Tobago—that the Government comes with “would be passed”, then no matter what legislation is passed, Parliament does not have any power of scrutiny to ensure that the public interest is protected in the exercise of powers it gives under these pieces of legislation.

In 1979 in the United Kingdom it was felt that what they were really having was an elected dictatorship where, although the Government was elected, it was, in effect, an elected dictatorship. It was felt that in order for the principles of democracy to really benefit the population, some change in the form of government was required for the system to work. They decided, after appointing a committee, without changing the structure of government or the system, that the system could have worked if Parliament monitored the exercise of powers given to the Executive.

That is why I have with me a booklet entitled: *A Committee System of the House of Commons, March 1993*. I should like to read from that booklet at page 7: "Departmental Select Committees—Background. It reads as follows:

"Since the middle of the nineteenth century, parliamentary reformers have argued for a system of permanent select committees to support Parliament's efforts to exert control over the executive. From 1966 to 1979 several committees were appointed specialising in certain subjects or departments of state. By the mid-1970s, the departmental committee system comprised an Expenditure Committee, (established in 1971, working through 6 sub-committees:..."

And it gives the name of the sub-committees.

"The current system of departmental select committees arose from the recommendations of a select committee established in 1976 to 'consider the practice and procedure of the House in relation to public business and to make recommendations for the more effective performance of its functions'."

So it was in order to make the Parliament more effective, for it to perform its functions more effectively and obviously efficiently, that it was recognized by the British Parliament that this committee system should be introduced. It goes on:

"The new committee system was introduced in 1979, when select committees were appointed to 'examine the expenditure, administration and policy' of specified government departments...and associated public bodies. There were originally fourteen, but the number has increased to sixteen committees as a result of changes in the structure of Government and the number of departments to be covered. The departmental select committees operate on the general principle that each Department of State should be shadowed by a select committee."

So we see in the Mother of Parliaments the concept that in order for the Parliament to be meaningful as representing the public interest; in order for parliamentarians to discharge their responsibilities properly to the population; in order for governmental activity to be properly scrutinized, it was recognized by the Mother of Parliaments that if the Parliament had to have some form of teeth like a tiger or some sort of fire like a dragon, it had to have a monitoring machinery, a scrutinizing machinery, so that the Executive would have to account to the Parliament.

That concept has permeated the British parliamentary system to the extent that on page eight of this booklet, one would see the names of every department in the Government where there is a committee. One sometimes feel that people—you know the talk that you have to be careful which committee you are monitoring, and one sees: "Agriculture; Defence; Education; Employment; Environment; Foreign Affairs; Health; Home Affairs, which includes the Home Office, the Lord Chancellor's Department; Attorney General's Office; Crown Prosecution Service; Serious Fraud Office; National Heritage; Science and Technology; Scottish Affairs; Social Security; Trade and Industry; Transport; Treasury and the Civil Service; Welsh Affairs."

4.15 p.m.

Almost every aspect of executive governmental action is monitored by a select committee. That has been the principle of systems in which one wants to have it established whereby the government, although elected, would not consider that it has a free rein for five years, and therefore, just use its majority to pass legislation and would not be monitored by the Parliament. We do not have a system like the Unites States of America where some seats are elected every two years.

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Here we have a situation where when a government gets into power for five years, by the very majority it gets, no matter what, it can sell out the entire country. It can sell whatever state-owned companies it wishes and does not have to give an account. It can pauperize the country, and there is no monetary mechanism to compel the Government to give account.

In other words, if the population wants to have an election before the five-year term is up, there is no machinery in existence to force the Government to have an election. There is a situation where one depends upon the conventions of—

Mr. Valley: Madam Speaker, I wonder whether the hon. Member can inform us about the mechanism which is available in the United Kingdom—the Mother of Parliaments—to force a government to have an election before five years.

Mr. R. L. Maharaj: Madam Speaker, I am glad my Friend the Member for Diego Martin Central asked that question. The English system, as mentioned in the Wooding Report on the Constitution of Trinidad and Tobago, is based on conventions and on a very vibrant and informed press and vibrant public opinion. People who occupy public office recognize that they must adhere to the conventions of the unwritten constitution of the United Kingdom.

Therefore, there is a system whereby a government minister would resign if there is a scandal. The entire government—and my Friend does not want me to go into the history of the United Kingdom Government—would resign if its policy has failed. The government would resign if it promised one thing to the population, but it ended up giving other things, or if there is a dispute about giving other things.

There is no formal mechanism to demand that the government resign, but there is a mechanism, based upon convention. The people who occupy office have the recognition that it is more important for the country than for themselves to be in office. They take decisions in the national interest instead of in their own. That, to some extent, is the kind of difference we have had in our society, in that, when people get into office, they believe that the office belongs to them—it is a personal office—not that it is being held in trust for the people who voted them into office.

Mr. Valley: Madam Speaker, I wonder if the hon. Member would say that a Member should resign from Parliament if he is charged with an offence?

Mr. Humphrey: The Constitution provides for that.

Mr. R. L. Maharaj: Madam Speaker, in the United Kingdom, if a public official or a minister uses his political office to harass anyone, then that person is

prosecuted for misconduct in public office. In our society police officers who are corrupt are hired and sponsored by Government officials in order to do dirty-tricks campaigning.

We have a situation in this country where reports on the police service have indicated that certain officers are corrupt, involved in drugs, and fabricate evidence. In the police service there are two commissioners of police: the Minister of National Security and the Commissioner of Police. Some of these police officers are taking direct instructions from the Minister of National Security. In Trinidad and Tobago we do not talk about conventions. In the United Kingdom the whole lot of them would have had to go.

In coming back to what my Friend, the hon. Member for Diego Martin Central has asked—and it seems to me that he wants to change the law of the country that instead of presumption of innocence, there is a presumption of guilt—that if a Member is charged, the Member must no longer be in Parliament.

Mr. Valley: Madam Speaker, I merely asked a question. I just wanted to get the benefit of the lawyer's view.

Mr. Humphrey: It is a rhetorical question; a mischievous question.

Mr. R. L. Maharaj: Madam Speaker, I want to inform the hon. Member that some of the greatest politicians and lawyers in the world have been charged and harassed by the administration, and when the government thought that it was killing those persons—it is like a cork in a glass of water—the more force one uses to push it down, the greater the force with which the cork comes up.

Madam Speaker, I did not want to be sidetracked on this matter. It is too much of an important matter for me to be sidetracked.

Mr. Sudama: If the Member for Diego Martin Central sells his car to a drug dealer, does he think he should be in Parliament? *[Interruption]*

Mr. R. L. Maharaj: Madam Speaker, in the United Kingdom, if a prime minister had sold his car to a drug dealer, he would not have been able to remain in Parliament. In the United Kingdom, if a minister had asked for forgiveness for a loan, whether it went through a blind trust or not, he would not be able to stay in Parliament. *[Interruption]* Madam Speaker, I wonder if the Member for Diego Martin Central would allow me to continue.

Madam Speaker: I do not know why the Member for Couva South is allowing himself to be disturbed by the Member for Diego Martin Central. You were carrying on very well in making your points.

Mr. R. L. Maharaj: Thank you for your protection, Madam Speaker.

In the United States of America, although the structure of government is different, there is the committee system which ensures that executive or legislative power is exercised for the benefit of the population.

The hon. Member for Oropouche has so eloquently put forward points—with all the structure that is necessary to allow any government to understand—to show the kind of powers that are being given under this Bill, and how those powers can be abused. All we on this side of the House are suggesting is that if the Government wants us, as a Parliament, to give this power to the Executive, it should show its bona fides to the population, that it has a commitment to transparency in government. It should show that the power it has is to be exercised for the benefit of the public; it should recognize that it holds the power in trust for the people of Trinidad and Tobago and agree that a committee of this House should be set up in order to monitor the administration of the Bill when passed.

What serious objections can the Government have to that? It is not to say that the Opposition is asking for the committee to be appointed to interfere with policies of the Government. All the Opposition is asking, that where the parliamentary arm of the state is giving power to the Executive, the Government agree that there will be a committee to monitor that power. What is unreasonable about that?

4.25 p.m.

This Government is in effect saying, look at what it says in the Constitution, in its manifesto and in the Charter of Civil Society. What it is not telling the population and what for some reason or other the press—and I am not criticizing the press. I appeal to the press to educate the population. The message that is not going out is that the Government has agreed to one thing but it is not doing what it has agreed to do.

Let me read from the *Proposal for a Charter of Civil Society for Caribbean Community and Related Background Documents*. Madam Speaker, you would recall that this was the boast of the Caribbean in that the PNM Government boasted about this document and about its commitment to the principles of this document. There have been several trips and conferences and nice television programmes. There have been all sorts of programmes but let me read and I ask the “Oh gosh”, Minister, the Member for Diego Martin Central, what he has to say about this.

Mr. Valley: Madam Speaker, the Member is on the Joint Parliamentary Committee. He knows very well that we have agreed to it. I do not know why he is spending half an hour on that. That is the only reason for my "Oh gosh."

Mr. R. L. Maharaj: Is the hon. Member saying that he is agreeing with it in this Bill? So, I would not talk any more on it. If he is saying that he would agree to a parliamentary committee of this House to monitor this administration of this Act and the exercise of powers under this Bill, I would not say any more on this aspect.

Mr. Valley: Madam Speaker, there is agreement that there would be a parliamentary committee on banking and finance under which the Central Bank would fall. The Member knows that. I do not know why he is spending half an hour on this.

Mr. R. L. Maharaj: Madam Speaker, I was about to call you "my lord" but it is a good thing I was looking in your direction. Had I been was looking in the other direction I would have seen Satan the devil.

The hon. Member for Diego Martin Central in making that statement is not agreeing that in this Bill we are going to have such a committee. If the Government is genuine about that commitment, I do not see what objection there would be to putting it in this Bill.

I want to tell this House and the national community—I am putting *Hansard* so that future generations would read about it—what this Government has committed itself to in this document on page 11.

I was about to say, before the Member for Diego Martin Central got up that the PNM should consider renaming its party. I read some time that my colleague the Member for Tobago East said it was the "black imperialist" government and maybe, that the PNM should be renamed BIM because the PNM is acting just as the imperialist acted.

4.29 p.m.: *Sitting suspended.*

5.10 p.m.: *Sitting resumed.*

Mr. R. L. Maharaj: Madam Speaker, you would recall when the adjournment was taken I was about to read from the *Proposal For A Charter of Civil Society*. I wish to read this in order to show that the Government of Trinidad and Tobago at the Caribbean and regional level and to the international community, has indicated that it is committed to transparency and accountability

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in government. We are saying that although the Government is saying that it is committed to that, it does not have the courage and the commitment to get up and say that it agrees to a clause being put in this Bill, to provide for a parliamentary committee to monitor the exercise of powers under this Bill when passed.

As I said, if the Government agrees with that I would have no problem and my contribution on that aspect would end. It has not agreed; the hon. Member for Diego Martin Central still sits and has not agreed; he has not made any such announcements. As my colleague from Oropouche has reminded me, in monitoring the Act, the committee would ensure that there are the necessary infrastructure and support services in order to give effect to the legislation.

It seems a long time since I picked up this in order to read it. Page 11 states:

"We believe, however, that we can now go further in elevating some of these matters to the level of principles and precepts to which member Governments of CARICOM give clear commitment. Such matters as a free press, a fair and open democratic process, the effective functioning of the parliamentary system, the absence of corruption from public life, respect for the rights of women and children, the right of association, freedom from political victimisation, respect for religious and cultural diversity, greater accountability and transparency in government, greater public access to information—"

I stress, greater accountability and transparency in Government, greater public access to information.

We live in a society in which the Government has not introduced a Freedom of Information Bill, where the public has the right to get information, it is saying that it is committed to transparency in government. The Government has put that in black and white and we are asking it to implement its promise.

The other aspect of this Bill which I would like to address is that part which seems to me to limit the right of the employees of the Central Bank to in-house trade union. In other words, as I understand it—and I am subject to correction—from the cumulative provisions of the Bill, it is not possible for the employees of the Central Bank to join a trade union outside the Central Bank. The employees of the Central Bank can form themselves into an association.

I have looked at the transcript of the proceedings of the other place and what was put forward. The position of the Government there was that it was a situation where it could not, even with the amendment.

Mr. Sobion: For the benefit of the Member, if he is referring to proposed section 20H, on page 5 of the list of amendments, note at H "delete the proposed section 20H". That was passed in the other place.

Mr. R. L. Maharaj: Under the original Act, the employees of the Central Bank could not form any trade union. I wonder if the hon. Member would give me an opportunity to speak. If I am wrong, I am wrong. *[Interruption]* I would be the first one to admit that I am wrong if he shows me that I am wrong.

As I understand the provision, the "recognized association" as defined, according to the amendment in clause 19, means an association representing employees other than estate constables in one or more salary groups certified by the Registration Recognition and Certification Board. The amendment continues at B on page 3 of the list of amendments. It specifies the terms and conditions of employment and what the association can do.

5.20 p.m.

If you look at page 4:

"Subject to such modifications as may be necessary, the registration of an agreement shall be governed by Part IV of the Industrial Relations Act."

Madam Speaker: To what clause are you referring?

Mr. R. L. Maharaj: Proposed section 19E on page 4. *[Interruption]* Yes, the amendment *[Interruption]* Well the amendment which you have laid here, which is not part of the Bill.

Then it says at F:

"(2) The Minister shall as soon as possible after a dispute has been reported to him ...

(3) The Bank and the appropriate recognized association may agree in writing to extend the time specified in subsection (2)..."

The point I am making is that the employees of the Central Bank have had discussion with us, that is why I am asking the Attorney General to give us this guarantee. If, from the provisions of the Bill, the employees would be free to join a trade union, which would be recognized as a bargaining body and which is not necessarily an in-house one—*[Interruption]* No! Under the Industrial Relations Act a worker who is employed with the Central Bank is not a worker for the purposes of that.

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Is it the position in the Bill that if the employees of the Central Bank decided that they wanted a union, outside the Central Bank to be their recognized union that union may apply to the Registration Recognition and Certification Board for registration? I may be wrong, but I am told—and I have read some of the proceedings—that was the position adopted in another place and the Government took the position that the employees could not have a union outside the Central Bank as its bargaining union.

I have looked at the amendments and I must confess that I find it very confusing and very difficult to decipher what the position is. I have spoken with the Attorney General and it is one of the matters about which the Executive would know its policy. On that point, I just want to say that if the construction is that employees would be restricted to having an in-house association to be their bargaining body, then it would seem to me that there may be the question of whether the workers at the Central Bank are really enjoying their right to association. It is in that context that I had a chat with the Attorney General before we came in.

I have some difficulty with the amendment. Maybe he can help us. It would appear to me from the original Central Bank Act that there was certainly a concession made by the Government in the other place. It is still not clear to me whether the employees can have a trade union outside their place of work. In other words, they are confined to the walls of the Central Bank in having a trade union there. One of the objections to that would be, if that is the position, then the persons who would be the officers and members of the union would be the employees of the Central Bank and, therefore, under the direction of the officials of the Central Bank. This is the same body which would have to fight for the rights of the workers.

I must confess that it is very difficult to decipher, but that seems to me to be the position. I am subject to correction by the Attorney General.

The committee system, and the right to have an association or not to associate—to have a union of one's choice to represent one's interest—I think these are two important measures which this Bill should deal with, apart from the other points mentioned by the other speakers and which, the Opposition feels very strongly about. I trust that the Government would give some adequate and favourable response to these matters.

Thank you very much, Madam Speaker.

Madam Speaker: I was going to direct your attention to the meaning of "recognised association" because it does not say "in-house." It says "an association certified by the," so it does not really limit them. I do not know.

Hon. Member: There is another section.

Mr. Sudama: Section 28 has been deleted.

Mr. R. L. Maharaj: Yes, section 28 has been deleted. Perhaps after I hear what the Attorney General says. He might be able to explain it. He is more familiar with it than I.

The Attorney General and Minister of Legal Affairs (Hon. Keith Sobion): Madam Speaker, I had not really intended to enter this debate, but with regard to the matter last raised by the Member for Couva South, by deleting the 20H, we have left it open and there is no restriction on a worker of the Central Bank joining any union of his or her choice. The regular process of being certified by the Registration Recognition and Certification Board is provided for in the Bill and the employees of the bank are therefore quite free to enter into any arrangement they wish with a union which is registered under the Trade Union Act.

I think that the difficulty may have arisen because of the reading of proposed 20H, but quite clearly that provision has now been deleted and there is no real concern as expressed by the Member for Couva South.

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, I should like to start by thanking Members of the House for their contributions on this Bill. In piloting the Bill, I made the point that this was part of our effort to create a certain environment in Trinidad and Tobago conducive to growth and development. I made the point that such an enabling environment required macro-economic policies as well as some legal and regulatory framework, and that this Bill was part of that.

It is not a Bill which is going to do things. It is a Bill which will assist in the regulation, and it must be taken in conjunction with the Financial Institutions Act which was passed last year. Members will remember that the main thrust of that Act was to provide an effective framework for the regulation of banks and non banking institutions and to allow financial institutions to participate in a wider sphere of financial activities, given that we had liberalized the foreign currency, both the current account and the capital account.

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One needed, of course, to have a regulatory environment that would control the system, so that as one liberalizes one knows that one would need to have a higher level of control in these areas. It is, for example, similar, as in the trade area where, as one liberalizes trade there is need for anti-dumping legislation, unfair trade practices legislation, need for competition policy.

Mr. Sudama: Could the hon. Minister give way? I have a little query on that point.

The hon. Member was talking about liberalization and that one can go to commercial banks for capital or current transfers and so forth. Is he telling this House one can apply to the commercial banks to transfer any amounts of money for whatever purposes?

Hon. K. Valley: Any amount of money.

Mr. Sudama: That is not the case; commercial banks would not transfer any amounts of money.

Hon. K. Valley: Madam Speaker, the hon. Member is talking about something quite different. I am saying that under the existing legislation one can. Now any commercial bank may have its own prudential requirement. The Central Bank exerts moral suasion; it may tell commercial banks that "perhaps they ought to" be cautious. But I am saying, under the legislation, and one finds that because the legislation allows it—levels of moral suasion may not be static, so that while in 1994 they may say, no, if you want to take out \$500 million, "I think you ought to take it out according to this schedule, otherwise you will cause certain problems in the economy," perhaps by 1996 the commercial banks would allow a faster take out. But that is not by legislation any longer, that is practised by what is prudent, given the situation.

I was making the point that one has to remember also that the co-function of the Central Bank is monetary policy. That is the institution in the society that regardless of what else is happening, which is supposed to implement policies to ensure that there are stable prices, that inflation is maintained at certain levels and so forth, and there is difficulty with that. If one looks at this Bill, one would see the attempt being made to distance the Central Bank from the Minister. That is one of the significant points in the Bill, allowing the Central Bank to undertake its tasks without this "approval by the Minister," thereby moving towards a greater level of autonomy.

That is why we readily accepted in the other place the amendment to delete this approval by the Minister, with respect to salaries, giving the bank much more flexibility, allowing it the capability of doing what it has to do. Now having said that, we took the point upstairs, that, yes, if one is moving to this level of autonomy, then there must be accountability.

As a fact, under the existing Act, accountability is provided for under section 49. The bank as a fact, reports to Parliament by the Minister. That is our system: that every public institution must be accountable to a Minister; a Minister must be accountable to the electorate; and the Minister of Finance is so accountable with respect to the Central Bank.

In the other place we took the point and at the committee stage we agreed, that yes—as the Chief Whip knows, we had discussions—there is agreement to set up these committees but then the President of the Senate pointed out—and I am sorry I have to refer to this—that under the Standing Orders of the Senate and I want to read this—the Senate in 1989 made amendments to the Standing Orders. Standing Order No. 72 reads:

"(1) At the commencement of each Parliament, the Senate (with the concurrence of the House of Representatives) shall appoint the following Joint Parliamentary Committees:"

It goes on:

- "(a) Banking, Finance and Estimates;
- (b) External Affairs & International Trade;
- (c) Labour, Industry & Commerce;
- (d) Food Security & Agricultural Development;"

It is all provided for, Madam Speaker. *[Interruption]*

All one has to do, and we have got to the point—and I think it is the lawyers, you know how lawyers are, they tend to keep back everything. We are waiting on the lawyers—both of them—to come up with guidelines, the controls, and they know that yet they have me as Leader of the House waiting on them. When I heard the Member for Couva South coming to spend half an hour on joint parliamentary committees, I knew that he really did not want to speak, but they forced him to speak.

Mr. Maharaj: On a point of order. Would the hon. Minister give way?

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Well, if there is that commitment—and agreement—why is it that the Government cannot agree that a committee of this House, under this Bill be appointed? We have had the present system for so long but it is not working. However if we put it in the Bill then we would have a committee to monitor it. Why is it we do not want to agree, instead of having a system that does not work?

Hon. K. Valley: The Member knows the answer. We said we do not want to take an ad hoc approach, let us set the guidelines, let us set up the committee. We want to move on this! I told them that, but if the lawyers would only do their work, but you see they are not getting paid for this. *[Interruption]*

I want to make the point, that, yes, the Bill is in keeping with the modernization of our system, and our financial sector; it is in keeping with what we want to do in terms of providing the enabling environment, and it is doing that, but one has to look for it.

Mr. Sudama: On a point of clarification.

It is all well and good to agree in principle to establish a committee, but a committee by itself will not get us very far. We are dealing with a very technical area. What this committee would need is support staff, expert, investigative, support staff and unless there is a commitment to that independent support staff—we could not work with the support staff of the ministry—the appointment of a committee would not take us very far in monitoring those institutions.

Hon. K. Valley: Madam Speaker, you notice, as I said, how they tend to increase the price; they want (A), and when they realize, yes, (A) is achievable, then they go to (B). I hope they set the higher limits when they face challenges also.

Let me make the point that that is obviously a matter for the House Committee. If Parliament sets up joint select committees, then the House Committee of Parliament has to look at the resources necessary for those committees and make recommendations. There is a House Committee, Madam Speaker, you re-appointed that committee today and this is a matter to be taken up there. I think the hon. Member is a Member of that House Committee.

I just wanted to deal quickly with those issues of autonomy and accountability. Other than that, there were some issues with respect to some clauses of the Bill. The first is clause 17; the Member for Oropouche had the concern with respect to pension. Let me assure him that I think the amendment made upstairs would satisfy him.

Clause 29, issue of the "General and Special Reserve Funds". I think he wanted to know why we have this Fund. Let me first of all outline how it works. The bank makes profit, first we are increasing the authorized capital from thirty million to one hundred million dollars. We are doing that again, given the time, but remember that is authorized capital, that is not paid-up capital, and really, authorized capital is a nominal figure; it is a figure that one can owe. One cannot have issued capital in excess of authorized capital but one would expect that your authorized capital is sufficiently large, so that it is going to take quite some time to get there.

The plan is to allocate out of net profits, on an annual basis, to increase the paid-up capital. First of all, there is the 15 per cent of net profit that is going to be added, that is going to be allocated to increased paid-up capital until paid-up capital equals authorized capital.

5.40 p.m.

Obviously, before that time reaches one may take a decision to increase authorized capital even further. The other thing one is doing is setting aside 10 per cent of the net profits of the bank into a general or special reserve fund. Again, in the general reserve fund one would make that appropriate up to a level until it equals authorized capital. That is being done to provide a level of comfort, it is a potential requirement.

One only has to look at what happened in Venezuela. In Venezuela with the bank failure, because the Central Bank had no funds of its own, it went on printing money causing certain problems in the economy. If a bank is that sound, it means it can assist the financial sector, for example, the commercial banks and so forth, without causing those types of difficulties to the financial markets or financial sectors of the economy. Obviously, it generates confidence in the economy and that is what one wants to do.

The other issue that the Member for Oropouche raised is with respect to the overdraft: Let me say, up to 1986 we had no problem; in 1987, that was the first time we started having problems in this area. At the end of 1991 the overdraft was in excess of the legal requirement. I do not have the figure for December 31, 1992, but I have the figure for the end of March 1992; three months after we came into Government. At that time the overdraft level was \$1,842 million, and given the legal level of \$1,153, there was an excess of \$789 million. That was not the end of the story.

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The Government has deposits in a block fund; because of the rescheduling of the country's external indebtedness in 1989, and the public sector having to make certain payments into a blocked account; and taking into consideration that the liabilities down the road are the Government's, the rest of the public sector having made their payments in Trinidad and Tobago dollars into those block accounts, those deposits are in effect Government deposits, a block fund. So that those deposits must, therefore, be taken into the calculation.

As at March 1992, the amount in the block fund was \$401 million. Although the net overdraft position was, in fact, \$1,441 million, we were still over the legal requirement by \$288 million; that was in March 1992. The situation at present, at the end of October 1994, is that the overdraft before taking the amount in the block fund, is \$1,491 million. The amount in the block fund is \$596 million, so that, the true overdraft of the Government at the Central Bank is \$895 million below the legal overdraft limit.

If one were to look at the change between March 1992 and at present, one would see an improvement of \$546 million in the Central Bank. It is not technically correct to say that the Central Bank is in breach of that requirement. I do not know whether those are in effect, the points I should deal with in the winding-up. The Member for Caroni East made one point, that is the point of autonomy. That was the first point I dealt with.

Looking at the existing Act, that authority has already been given since Act 2 of 1986. All this Bill attempts to do is to streamline it; it was a bit complicated, but that provision is already there in Act 2 of 1986. Under section 6:

"Section 36 of the Act is amended—

(b) by substituting for paragraph (t) the following:"

It is a long section that I am sure the Member may want to look at.

There was an issue with respect to clause 35, and the Member for Caroni East wanted to know why the Central Bank must be setting spreads, or is looking at interest rates. That is the very core of the function of the Central Bank. The function is to determine monetary policy, and the key tools in setting monetary policy are interest rates.

The first proposed section introduced in clause 35, talks about setting minimum and maximum rates; it does that via the bank rate. The other proposed subclause I think is one that says—"with the approval of the Minister". I remember in the other place they wanted to know why we are saying "with the approval of the Minister" in one place, and we are leaving it out in the other place.

Proposed subsection (2) states:

"(2) The Bank, after consultation with the Minister, may set the maximum spread between interest rates chargeable on loans and interest rates payable on deposits which a financial institution may earn, carry or charge."

It goes back to the maximum spread.

In this period of open economy, the point I am making is that we must have certain levels of control. It is the same Opposition which, from time to time—just last week—was arguing that banks were making too much money. It is amazing at this time to hear a Member of the Opposition arguing or finding fault when the Government is attempting to limit the spread [*Interruption*]

Mr. Sudama: Is the Minister acknowledging that there is really no competition in the commercial banking system, and this is why you need to have this authority to determine the spread and, therefore, its profitability? Are you acknowledging that there is really no competition?

Hon. K. Valley: I am not admitting any such thing. I am saying that, perhaps, there would be some time in the future that we can remove that entirely. I am also saying that it is nearly one year now that we have liberalized the economy, that funds can flow in and out and so forth, and that one needs some time to see how this system adjusts to the new environment.

One has to be prudent in moving forward otherwise anything can happen. We know what happens in South America. We have done a lot of work here in the economy of Trinidad and Tobago such that the business community today is, quite confident about what is happening; international bankers and so forth, and there is a whole feeling of confidence once more in the economy. As we move forward, we prize that and we want it to be maintained.

With these few words, I beg to move.

Question proposed.

Question put and agreed to.

Bill accordingly read a second time.

Bill committed to a committee of the whole House.

House in committee.

5.50 p.m.

Clauses 1 to 46 ordered to stand part of the Bill.

Clause 47.

Question proposed, That clause 47 stand part of the Bill.

Mr. Maharaj: Madam Chairman, there is a proposed amendment in respect of a new clause 47 which reads—

"There shall be appointed a Committee of the House of Representatives to monitor the administration of this Act and the exercise of powers under this Act."

The Opposition feels very strongly about legislation like this, quite apart from whatever may be stated in the Standing Orders and whatever intentions may exist. We are now passing legislation which will enable persons to exercise power in order for the legislation—having regard to the rationale we have talked about—to work effectively with the necessary safeguards.

Since the Government has agreed that the concept of the committee system is important and probably necessary, we do not see what prejudice can be suffered if the Government, recognizing this, agrees to a committee of the House of Representatives monitoring the exercise of powers under the Act. That is our amendment on this Bill, Madam Chairman.

Mr. Valley: Madam Chairman, quite apart from the onerous burden the Member is trying to place on each Member of this House, I do not think as I said before, it is going to be in the best interests of the Parliament to use an ad hoc approach to the setting up of these types of committees.

There is a general agreement that we need this Joint Parliamentary Committee and all the Member has to do is get with his colleagues and come up with the guidelines and let us move forward. I think we would like to set a deadline for when they can get their act together.

Mr. Maharaj: Which deadline? Let us get this matter clear. Whatever the Government says, the Opposition has no obligation—it has not been requested to produce any guidelines. There are records of these meetings. In any event, whatever may be the position with respect to that the Government has not taken any steps to have these committees appointed. We are saying that, in respect of this matter—because we cannot shirk our responsibility—if we agree on a committee system, then we must agree that if the Bill is passed and it gives powers, then we must agree to it.

So I want to make it quite clear. It seems to be a habit now that the Government puts the blame on the Opposition. The Government does not have doctors in hospital, the Opposition has to get them.

6.00 p.m.

Mr. Sudama: Madam Chairman, I just want to get some clarification. The Member for Diego Martin Central said that in the other place the Standing Orders had been amended to set up certain committees with the concurrence of the House of Representatives. What exactly does that mean? Does that mean that the Standing Orders in the House of Representatives also have to be amended to give effect to that? Because that is not in the power of the Opposition, to amend the Standing Orders of the House.

Mr. Valley: No. There are two things. One, my own feeling—I do not know, the AG would have to advise me—but I would think that as long as there is agreement on the part of the House of Representatives, the other place can, in fact, using that Standing Order, appoint a Joint Select Committee at this time. The House, obviously, ought to take a decision—and again, that should be the House Committee—that we ought to have these committees amend the House Standing Orders so that we could have these committees and so forth. That is what we need to do. But, unlike the other place, we would like to have the guidelines. The Member made the point that we have records; I know at the last meeting we were looking at some guidelines from the UK, and the Member—

Mr. Maharaj: How long ago was that?

Mr. Valley: It was quite some time. I do not know if you take so long to deal with cases, but I remember it was about a year ago.

Mr. Maharaj: It has nothing to do with that. The hon. Member is misleading the committee and I do not think I would want to stay here and allow him to say that, without saying that it is incorrect, and that whatever may have been the situation for that committee not meeting, the fact of the matter is that there has been some discussion between the Government and the Opposition on a committee system, but it has not fructified to a situation where we have agreement on the committee, the powers, the duties.

Madam Chairman: That is left to be done.

Mr. Maharaj: It is left to be done. We are saying that they should not use that as a means of clouding the issue here. The fact of the matter is, if there is a commitment from the Government that it wants to have a committee system, then we could agree with the provision in the Bill, and this provision may prompt us into action in having the committee set up.

Mr. Valley: Madam Chairman, if we have to put a committee in this Bill, we would still need the guidelines. We would still want to know the powers and so forth of the committee. If we can do that, I cannot see why we cannot use that as the basis for establishing a committee on banking and finance.

Madam Chairman: Then what is keeping us back? What is the problem?

Mr. Valley: I do not know, Madam Chairman. I cannot find out from them.

Madam Chairman: To set a date to continue discussions?

Mr. Maharaj: No, no. We are not accepting any responsibility. The Government is the Government of the country. If the Government wants a committee, the Government would be able to do it. The Government is the initiator. The Government is the mover.

Madam Chairman: No. What I am asking is, is it that a date has to be set for the continuation? Is it the Attorney General's responsibility?

Mr. Sobion: Madam Speaker, I did not really want to use the committee's time on the Central Bank (Amdt.) Bill to discuss the state of negotiations between the Government and Opposition and the general concept of committees.

I just want to say in response to a more specific question, the amendment to the Senate Standing Orders of the other place provides for, with the concurrence of the House, to appoint several joint parliamentary committees, among them a banking, finance and estimates, so the provision is there. What we are trying to avoid, is a series of ad hoc committees for specific pieces of legislation. If we have committees dealing with general areas, and if the guidelines are developed with respect to general areas, then I think it would be more meaningful. And the Member for Couva South knows that there is a commitment on the part of the Government to establish such committees.

In fact, during the hiatus between our last meeting and the next meeting, certain developments took place, and I mentioned to the Member for Couva South that there is perhaps another way of doing it which would also improve the sittings of Parliament and there may be no need to sit as regularly as we do. There are a number of other factors which have arisen, but I think there is provision now for joint parliamentary committees on banking, among others.

What we would really like to do is to avoid having a committee for Central Bank legislation, a committee for financial institutions and for every piece of legislation that we pass—a committee for land acquisition and so forth. I think Members opposite must appreciate that this is the better approach.

Mr. Maharaj: Madam Chairman, it seems as though we are at cross purposes. Although I know that the Government has expressed some commitment to set up committees, the initiative is really with the Government. We have waited and if the Government is saying it is our fault that these committees have not been set up, so be it, but we are saying it cannot be our fault. The fact of the matter is that in one of the pieces of legislation, the Government agreed for a committee to monitor that piece of legislation.

If there is a commitment on the Government's part that these committees should exist, we are not saying have ad hoc committees; we are saying that if you are giving the powers now to the Executive, let us have this committee. If, at a certain stage the functions of this committee would have to be administered by a particular committee, then we could take the necessary steps, but in the meantime, while this Bill comes into force, until committees are set up, we ought to have some monitoring mechanism.

Madam Chairman: But why could the position not be that now that one is seeing the need for these committees under this Bill, to expedite the process and have meetings more regularly? That is what is needed.

Mr. Sobion: Madam Chairman, if the Member for Couva South does not want to accept responsibility in this matter, I will accept responsibility.

Madam Chairman: Yes. Set a date now. I would think so. Now everybody is appreciating the need for these committees, then all that is left to be done is to expedite the process. Will the Attorney General then fix a date with his Leader of the House for the continuation of these meetings?

Mr. Sobion: Yes, Madam Chairman. The Leader of the House is the Chairman for that sessional group that we have and I will ensure that.

Madam Chairman: Because if it happens again, I think the Opposition would have a point well taken in that nothing is being done and we may very well find another bill coming up and the request being made again.

Mr. Maharaj: Madam Chairman, I am glad for the assurances. We are optimistic but we still want to be able to protect our position under this Bill so what we are saying is that we are still pursuing our proposed amendment.

Madam Chairman: Hon. Members, the Member for Couva South has proposed a new clause 47.

Question, on amendment, put and negatived.

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Clause 47 ordered to stand part of the Bill.

Clause 48 ordered to stand part of the Bill.

Question put and agreed to, That the bill be reported to the House.

House resumed.

Bill reported, without amendment, read the third time and passed.

ADJOURNMENT

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, I beg to move that this House do now adjourn to Friday, November 18, 1994 and in discussion with the Member for Couva South, we have agreed that we would meet on that day at 10.00 a.m. I assure Members that on that day we will go no later than 4.30 in the afternoon. We are not meeting on Monday. On that day we expect to be debating the Development Loans Bill.

Madam Speaker: What is that date?

Hon. K. Valley: Friday, November 18, 1994, and the time is 10.00 a.m.

6.10 p.m.

Madam Speaker: There are some Motions on the Adjournment. Are we dealing with them?

Mr. Maharaj: I understand that there are two Motions by the Member for Nariva. He has spoken to the Minister and there was some agreement that they be put for next week.

Health Care Service

Mr. Sahid Hosein (Siparia): Madam Speaker, I promise not to be very lengthy. The Motion deals with the quality of health care being delivered at the San Fernando General Hospital.

The facility that started off being called the San Fernando General Hospital can no longer be called a hospital at this time. It can be called anything, save and except, a hospital. Last week we heard quite a bit about the impressive works that the Ministry of Health was doing in terms of reconstructive and new construction works on a number of facilities. But as my Motion indicates, it has to do specifically with the San Fernando General Hospital. In most cases, patients' first contact with the hospital is at the Accident and Emergency Department where they go for various types of treatment.

There is normally a pile-up of patients for various reasons awaiting attention. People have to wait at least five to six hours before they get attention, for the simple reason that on most occasions, there is only one doctor to attend to all those patients and most times he is very much overworked. Very often, proper diagnoses cannot be made and, of course, you would understand the consequences.

I would not go into detail, because the press has been replete with instances of people going to that hospital are given a treatment with which they are not comfortable. So I will not dwell on that aspect of the situation.

Then if one receives treatment, obviously at some point medication is involved. More likely than not, a patient would find that medicines are in short supply, if they are at all available. Because of the economic circumstances in which many people find themselves, more and more people are gravitating towards the Accident and Emergency Department, when in truth and in fact, they should be treated at the health centres in their respective districts. But for those same reasons they have to avoid the health offices and go to the San Fernando General Hospital. As I said, more and more people are doing so and, given the policies that are prevalent today, they are impacting very severely on those least able to deal with them.

Then, of course, based on the seriousness of your condition you might be admitted to a ward. That is another horror story by itself, in that very often—I am sure you, Madam Speaker, yourself, would have been to the San Fernando General Hospital to see patients at times—one would see patients lined up in the corridors of the hospital, exposed to the elements. More importantly, when people are in that state, they want to feel a sense of privacy. But their personal affairs, when they are most helpless, are exposed to the gaze of every Tom, Dick and Harry who visits that hospital.

Of course, I do not have to tell you about seeing two persons on a bed, and we are not speaking about children; we are speaking about two adults on a small three-foot bed, and the implications for the well-being of those persons. No one who has to share a bed, especially if one is traumatized to the extent that some patients are, could feel comfortable and could recover as well as one would expect under those circumstances.

Now, very often, and moreso in recent times, patients scheduled for surgery after having made up their minds and having gone through all that is required, find that the operations are cancelled. This happens with ever-increasing frequency.

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[MR. HOSEIN]

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I do not have to tell you about this whole issue of operations being rescheduled and patients being given appointments for surgery four years hence. It is cause for serious concern. We have to decide as a country what we want the health service to be; what the minimum requirements of a health service should be. Certainly, those very few issues I have outlined do not meet any minimum standard at all. In fact, it all borders on the primitive.

Being admitted to the San Fernando General Hospital is taking a gamble. There is always the great risk that one would not leave alive, especially if the ailment is a serious one. We heard in an earlier debate, I think it was this week, that the San Fernando Hospital caters, at this point, for approximately 800 to 900 patients and there is only one functioning X-Ray unit to deal with those patients. You understand what happens. There is a line. There is one functioning ECG unit to service the whole San Fernando General Hospital. When I say, San Fernando, I am talking about south, from Couva going right back to Cedros.

I do not have to tell you about the difficulty in getting blood and histological tests and so forth, in order to make quick and proper diagnoses and respond in a timely fashion to save patients' lives. We continue to talk about gateways to Latin America and financial capital of the Caribbean, but we cannot get one ECG machine. What are our priorities? Why do we, as citizens, elect a government into office?

I know of one instance where a constituent of mine, admitted to that hospital, apparently with some chest pain, had to share a bed, and because that person knew somebody who knew somebody at the hospital, after four days she was able to get an ECG test. She had a massive heart attack. Maybe God was not ready for her; she survived it. It was only then they moved her into the intensive care unit.

6.20 p.m.

There is a more recent case where a young lady went to the hospital to have her third child, and she bled to death. She went into the hospital bleeding, stayed there for two days and bled to death, even though her private gynaecologist had indicated in her notes that she had her previous children by Caesarean section and had difficulties during those births. Those notes were ignored and she stayed in the hospital and bled to death.

It is, indeed, a horror story. People go to the San Fernando General Hospital simply because they are accustomed, but more so because of their economic circumstances; they have no choice.

The proliferation of private nursing homes is not accidental and has nothing to do with Government policy. It has to do with the reality of those who are able to afford it wanting to go into a facility where they feel they stand a chance of recovery. Adding 200 beds is good. In fact, if the hospital was built originally, as we were told, to accommodate 500 beds and 200 more are added, there will be 700 beds available, but at this time, there are 900 patients. We wait with bated breath for the new wing to be opened so that space can become available.

Additionally, what has been happening is that a number of doctors and nurses are leaving the facility out of sheer frustration and it has a lot to do with the fact that doctors have to use their own equipment. Doctors say they have to bring equipment from their offices in order to facilitate the operation of the hospital in assisting members of the public.

In addition, part of the problem is that their emoluments and allowances are paid in a most tardy manner. It is not only—as we were told last week—decentralization or administration problems we are facing. Surely, the availability or non-availability of drugs has very little to do with administration.

One of the areas I want to refer to has to do with the operation of the mortuary at the San Fernando General Hospital. I have had too many complaints. One would notice that since I have been in Parliament, I have been very loathe to personally criticize anybody. It is not my style, but in this instance, I have had too many complaints about the doctor who runs that department.

Apparently, the pathologist is a law unto himself. After people have been traumatized by having a relative or a dear one die, they are terrorized in that department. The administrator cannot speak to the goodly gentleman, and people have to wait days to have a post-mortem conducted so the body could be released for burial. I wish the Minister would take a personal interest in this particular instance, in addition to those other issues I am raising, to have this matter sorted out.

I want the Minister to really articulate this afternoon, because last week we heard the shadow Minister of Health, the Member for Tabaquite, expressing his concerns. We have another Motion on the Adjournment by the Member for Couva South, again, expressing his concerns with respect to the Couva Hospital.

It is very clear that all is not well with the health system and the services being provided. One simply cannot say that the system has failed or it is not working. Of late, to me, the panacea is the regional health authority. The moment we go over to the regional health authority all these deficiencies will just disappear the Government seems to think. To say so is not to understand the reality of the situation.

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Yes, the regional health authority, if properly administered, and all things being equal, might go some way in dealing with some of the problems of decentralization of authority and so forth, but it certainly will not deal with quite a number of the ills I have outlined.

I want the Minister to get up and tell this nation, through this House, what is the Government's vision for the health system. What is the minimum level of care citizens can expect at some point? The Minister should tell us how the system is going to change; how things are going to be different. More importantly, he should be telling us how those RHAs are going to be financed. That is the crux of the problem. The fact that doctors have to sell medical certificates to get money to buy tea is a financial problem.

What we want to hear is how those RHAs are going to be financed. We heard that the local community has to be involved. I want to ask: Is one of the functions of the local community to go around with raffle sheets and hold bazaars to fund the regional health authorities? If that is not the case, let the Minister please so say.

I hope we hear something definitive from the Minister, because so far what was outlined has not gotten down to the meat of the issue. That is: How is the RHA really going to change the situation for somebody who goes into the hospital for surgery and needs prompt attention? It seems to me that unless we answer those questions and provide some level of financing, we are simply going to be changing the name of the system and asking the RHAs to provide blood from stone.

Thank you, Madam Speaker.

Madam Speaker: I made a suggestion earlier that since the hon. Minister of Health would have to reply with respect to the situations at the San Fernando General Hospital and the Couva Hospital, maybe the hon. Member for Couva South could make his submissions and then the Minister could reply with respect to both situations.

6.30 p.m.

Mr. Ramesh Lawrence Maharaj (*Couva South*): Madam Speaker, the Government's failure in its obligation and duties to the residents of Couva and the surrounding areas to provide health care services to them, I consider to be an important matter.

I should like to look at it on the basis that firstly, there is an obligation on the Government to provide health care services, regardless of whatever policy the

Government adopts: whether it is divestment, whether it is creating these health corporations, there is an obligation both in national and international law for the Government to provide health care. That is also an obligation on the basis of political morality.

It has been recognized, and there has been a new magazine I received, got, *Health and Human Rights* sponsored by the Harvard School of Public Health, which at page 31, gives some indication of the international commitment that governments have in providing health care.

I should like to read, beginning at page 32, after it quoted Article 25 of the Universal Declaration of Human Rights:

"Everyone has the right to a standard of living adequate for the health and well-being of himself and his family, including food, clothing..."

It continues with the preamble to the World Health Organization Constitution:

"The enjoyment of the highest attainable standard of health is one of the fundamental rights of every human being without distinction of race, religion, political belief, economic or social conditions."

That is the learning and that is the commitment.

Also in the International Covenant on Economic, Social and Cultural Rights of which this country is a member, Article 12(1) states:

"The State Parties to the present Covenant recognize the right of everyone to the enjoyment of the highest attainable standard of physical and mental health."

Under the Convention on the Rights of the Child, Article 24(1):

"States Parties recognize the right of the child to the enjoyment of the highest attainable standard of health."

This magazine states that:

"The important WHO and UNICEF Declaration of Alma-Ata adopted at the International Conference on Primary Health Care in 1978, also used similar language:"

"The Conference strongly reaffirms that health, which is a state of complete physical, mental and social wellbeing, and not merely the absence of disease or infirmity, is a fundamental human right and that the attainment of the highest possible level of health is a most important world-wide social goal

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whose realization requires the action of many other social and economic sectors in addition to the health sector.’ ”

For the purpose of completeness, that is the principle also in the Convention on the Elimination of All Forms of Racial Discrimination, Article 5(e) and the Convention on the Elimination of All Forms of Discrimination Against Women, in Article 11(1)(f).

With that in mind, and we know what our law is and what our Constitution says, the question which arises is: If it is the obligation of the Government to provide health care as the highest attainable standard of health, what has been happening at the Couva Hospital? The Couva Hospital must not be regarded as a problem situation merely because two doctors are no longer there and that the Government took a decision not to have the casualty department open at nights and at weekends. I am not putting this Motion on that basis. That is only another piece of evidence to show the neglect of the Government in providing adequate health care.

The Couva Hospital has had a continuous problem over the years. I do not want to go into all the letters, but since I became a Member of Parliament, it is a problem I have inherited. Beginning as of January 1992, I made representations to the Ministry of Health. There is a situation where doctors are absent; there is a situation where the people have to be turned away because of the unavailability of drugs; there is a situation where the facilities were not sufficient; inhumane conditions.

The point I want to stress is that the Government recognized in 1992 that the facilities at the Couva Hospital should be upgraded and increased; the hospital should be replaced with a new hospital, not that there should be a reduction in staff. I want to read a circular from the Permanent Secretary, Ministry of Health:

"To: All Heads of Departments/Institutions/Units
Dated: May 5, 1992
Subject: Feasibility and Design Study for a new Couva District Hospital

Subsequent to a study carried out to investigate hospital bed utilization in 1986, the Couva District Hospital was selected to be built with an increase in capacity to 120 beds. The new facility is intended to provide Level I services in the areas of general medicine, general surgery, obstetrics and gynaecology, paediatrics, psychiatry and accident and emergency. Supporting services are

also to be provided in the areas of diagnostic radiology, clinical laboratory and physiotherapy."

In 1992 under this new PNM Government it recognized that there was the need for an increase in health care services, not a reduction in services. An improvement of the situation. I would not read the other parts of the document, at least not in this debate. In spite of that the services have deteriorated and the ministry, as recently as October 31, has reduced the opening hours at the Accident and Emergency Department at the Couva Hospital and this service would not be open on weekends; the reduced opening hours would be from 8.00 a.m. to 4.00 p.m.

I do not want to go into the reason, but if it is that two doctors are not available and the Government and the Minister of Health cannot find two doctors to be at the Couva Hospital, then obviously the Government is unable to govern. *[Interruption]* For the Government to say that the Opposition must find the doctors for the Government, is in effect an admission that the Government is unable to govern.

Mr. Valley: It is participation.

Mr. R. L. Maharaj: Participation. When I read the PNM manifesto it promised the people that if they put the PNM in office, it is entering a contract with them, that it would improve the health services in the country. We have seen the situation of the abdication of the Government's responsibility, since the Government cannot get these two doctors and would not take any steps to get them.

When we are talking about human health, it is linked with the physical environment because it is one of the key determining factors of human health. If I may refer again to this book, it talks about "Rights Violations in the Ecuadorian Amazon". It talks about the human consequences of oil pollution. I would like to read a passage from it about "Human Consequences of Oil Development" at page 83.

"The physical environment is one of the key determinants of human health. The human cost of environmental degradation has spurred a strong international movement to link environmental protection with human rights. This trend can be seen both in growing awareness of the need for sustainable development and in the recent emergence of a new right—the right to a healthy environment. The 1972 Stockholm Declaration supported the view that the environment should be protected in order to ensure established rights, such as the rights to life, health...The International Covenant on Economic,

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Social and Cultural Rights (ICESCR) recognizes the right of everyone to the enjoyment of the highest attainable standard of physical and mental health. In Article 12b, (ICESCR) states that 'steps to be taken by the States Parties to the present Covenant to achieve the full realization of this right shall include those necessary for the improvement of all aspects of environmental and industrial hygiene.' "

One sees that in providing health for a community and for a society the Government has to take into consideration the environmental degradation—or to put it another way, the environmental risk.

6.40 p.m.

Let me tell you what Couva is on. I should like to refer first to the *Guardian* of April 12, 1991.

"UWI Lecturer warns of disaster—T'dad sitting on chemical time bomb'

Trinidad and Tobago is sitting on a virtual time bomb because industries have been allowed to spring up throughout the country without any risk assessments being done."

This is the same university that the hon. Member for Diego Martin East went to.

"This is the pronouncement of Hamid Farabi, senior lecturer in the Department of Chemical Engineering, UWI, St. Augustine, in an interview with the 'Guardian.'

Dr. Farabi said a proliferation of chemical industries make the country particularly vulnerable to disasters resulting from fires, explosions and toxic chemical releases.

This has the potential to directly affect or, at worst, 'wipe out' settlements close to industrial sites such as California Village, Phoenix Park and the Couva Housing Settlement..."

These are all part of my constituency. I do not know if the Government wants to get rid of it.

"He also said the Point Lisas Industrial Estate should be declared a potential disaster zone, since there is a 'good chance' of a disaster occurring in that area. He said:

'In Trinidad, there is the possibility of disaster occurring easily as a result of all three causes—fire, explosion and chemical release.

The probability in Trinidad is higher than the developed countries...'

The lecturer disclosed that research at the Point Lisas Industrial Estate has identified several industries as 'potential hazards.'

Here life can be destroyed and settlements can be wiped out.

I am doing this to show that it is not that the Government is unaware of these hazards and the problems which exist there. Health care facilities existed at Couva, so that if there was an emergency, there would be some kind of health facility to deal with it. Although the Government knows about this explosive situation where such emergency can result, instead of beefing up the facilities, it is taking them away.

As a matter of fact, Madam Speaker, I invite you to go to the Couva District Hospital to see what the PNM Government has done and is doing to the people of Couva and its environs. It is perpetuating a situation where the facility, not only would be reduced, but listening to what the Minister of Health has said about this regional authority, there is no question of any relief being given to the people of Couva.

Mr. Eckstein: Could you be a little more specific in terms of that last remark? Precisely what have I said to lead you to the conclusion that there is no relief for the people in Couva?

Mr. R. L. Maharaj: I told you that I would come to deal with what you said in a public release about the creation of the Central Regional Health Authority. Just give me some time. I know the Members on the other side are anxious to go home, but I beg them that this involves people in Couva who can be wiped out.

There is an article from the *Express* dated March 13, 1994. It states:

"Point Lisas Estate a chemical hazard

Communities surrounding the Point Lisas Industrial Estate face serious chemical hazards and, for this reason, Cabinet recently appointed a committee to prepare a disaster preparedness plan for the Estate and its environs.

This was stated yesterday by Colonel Mahendra Mathur, Director of the National Emergency Management Agency (NEMA), at a news conference at NEMA Abercromby Street office, Port of Spain.

Mathur said the committee has prepared a draft report, which will be discussed over the next few weeks. He noted that all industries posed a

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potential hazard to life and added that areas like Caroni, Couva and California were vulnerable to any accidents which may occur at the Point Lisas Industrial Estate.

Among products made at the Estate are ammonia, methanol and steel, and it is riddled with natural gas lines.

Mathur said he has already visited three of the companies at the Estate and that they had precautions in place to manage disasters.

He said that emergencies could arise at the Estate through the leakage of toxic gases, explosions or fire. However, he noted, the Estate was located in an area where gases could be dispersed by eastern winds."

May I say that all attempts by me, to get a copy of any plan which has not been released to the population—the people of Couva do not know what plan exists in case there is an emergency—have been futile.

In any event, whether there is a plan or not, it is recognized that that area is a potential for hazards. We are talking about escape of toxic gas and substances which can not only permanently injure people, but also kill them. Here is a situation where immediate medical attention can make a difference to either a person's life or a person being permanently disabled, and this Government is reducing the capacity at the Couva Hospital.

As a matter of fact, I do not have the exact figures, but I have been told there is virtually no activity at the Couva Hospital in respect of beds and any such matters. It is a shame and scandal to have that place as a hospital. I have asked questions and there have been several promises from the Government that the hospital would be rebuilt when it gets a loan. We have had no talk about that.

What do we have now? There is the situation where the Minister is relying on the Regional Health Authority Bill that was passed. Having regard to what I have said about Couva, this is what the Minister said after he announced the members of the Central Regional Health Authority. There is an article in the *Express* dated Saturday, September 17, 1994. It states:

“The Central Regional Health Authority has the same boundaries as the local government bodies of the municipalities of Arima and Chaguanas and the regional corporations of Couva/Tabaquite/Talparo and Tunapuna/Piarco.”

Just think about those boundaries and see what the Central Authority would have to administer.

“There are 2,463 health care workers in the region: 123 doctors, 1,085 nurses, 36 in administration, 52 paramedics and 1,067 support staff. They will be responsible for the health of 409,000 people.”

The Minister cannot get two doctors to go to Couva.

We have a nine-member board administering this entire area. As a matter of fact, I am sure the hon. Minister cannot tell us today how the people of Couva and the surrounding areas can feel secure with any plan that he could announce to alleviate that situation. By its policy adopted in respect of Couva, having it absorbed with other areas and not devoting time to it as a special case, this Government has neglected the people of Couva and its environs. It is all part of the policy of this Government in not thinking about the less fortunate and the weaker members of the society. This situation demonstrates a betrayal—

Mr. Eckstein: Just to assist me in being able to respond, is the Member suggesting that it is too large an administrative area? Is he arguing that because of the size of the administrative area the board could not pay particular attention to Couva?

Mr. R. L. Maharaj: I am suggesting that the concept of the regional authority would not work. We made our position quite clear as to how it is when we debated that. We are saying that whatever is there, if that is the policy, although we disagreed with it, this would not produce any relief, not only because of its size, but also because of the composition and functions of the board.

6.50 p.m.

I will explain it.

We are dealing with a board of a health care corporation with business interests. It is there to make money, so it is business interest versus public interest. When there is a money-making policy and not really a policy to provide health care, there will be a conflict between business interest and health care interest; and in voting, the board can be in favour of business interest. That is the overriding policy of the corporation. It is not primarily to provide health care; it is to make money.

I do not want to go into a debate now on the concept of health care, but we have seen that that has not worked in other countries. We have a situation where the Government would transfer all its assets to this corporation and there is no provision for it to be retransferred to the state. According to what the Minister says, almost a billion dollars in assets will be transferred to this corporation.

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I do not want to reduce this to a debate on the policy of the regional health authority, but whatever the policy of the Government is, whether it was before regional health authority, between the existing policy and Regional Health Authority, or the future regional health authority, the people of Couva are entitled to be assured that their normal requirements for health care will be provided. Also, having regard to the fact that it is a special-risk area—and the policy of the Government of diverting resources and energies from Couva and in not committing itself even to having a hospital as promised—why is the Government allowing the Couva situation to deteriorate?

Can anyone in this House say in his heart that when he puts his head on his pillow in the night, he is convinced? How could the Government allow this hospital to reach this state and then decide to close it for a time, deny services and take no steps in the interim to improve services so as to make the hospital available for any situation which may develop? Instead, the Government—and the Minister—has the contempt and the brass face to come to this House, let me quote what he said last week:

"I received a letter from Mr. Ramesh Lawrence Maharaj in relation to the Couva Hospital. Let me make it clear that the only problem there in Couva is that there were three doctors providing a certain level of service and two of them have left, so we have one doctor."

Madam Speaker, I ask the Minister to say, when he gets up, whether the only problem in Couva with respect to health care is the lack of two doctors. Can he sincerely say that that is the only problem?

He went on:

"The Ministry is trying to get two other doctors to provide the same level of service to which the people of Couva have become accustomed. In fact, one doctor cannot do everything so we have to find more. But I do not think it is sufficient discharge of the representative's responsibility to simply write a letter to the Minister and put it in the hands of the Government.

You see, this is the intent of the Regional Health Authorities Bill: that the locals in the community must get involved—not just throw it in the ministry's hands. They write a letter to the Minister and they are finished with that. That is not, in my view, a sufficient discharge of the representational function. If you are a man of considerable influence, do something about the problem.

When I announced the names of the board ..."

and he quoted the resources of the Authority as being comprised of not only buildings, then he said:

"There are very many community groups, non-governmental organizations, business organizations, service clubs ... improving the health status of the population of the region."

Is the Minister saying that the purpose of this Regional Health Authority Bill is that when the health corporation cannot perform its functions—because we are still in the stage of the Minister being responsible for the Ministry of Health—it would do what you have to do under that Bill? I would like to get it clear. Is he saying that the Government is setting up machinery that when it cannot do what it is supposed to do the community must find the answer?

If this Government has adopted the policy that it is not an initiator and is not responsible for health; that it is a mere facilitator and that it would abandon its responsibility; when there are problems in the community it would wash its hands and say it cannot deal with them or it cannot find a doctor, and that the MP or the people should find one, in effect the Government is saying that it is not accepting its responsibility for health.

Whatever the concept of the regional health authority or the policy of the Government, it must mean that if a hospital like the Couva Hospital has a shortage of two doctors—and that is a serious problem if the Minister had considered it in the light of the special area—is this Minister saying that this Government could not find, over the last two weeks, two doctors to be put at Couva? If that is the position, then with the greatest respect to the Minister, I think, following the Westminster tradition and convention, he ought to resign as Minister of Health.

Thank you very much.

The Minister of Health (Hon. John Eckstein): Madam Speaker, the Member for Siparia spoke about the dismal quality of health care being administered out of the San Fernando General Hospital. He discussed the Accident and Emergency Department, medicines, overcrowding on the wards, minimum standards not being met, one functioning X-ray unit, one functioning ECG unit, doctors and nurses leaving the facility, financing and how the Government proposes to finance the regional health authorities.

In many respects what he has said is accurate. I cannot really deny almost everything he has said. One or two things however, are not correct—what he said

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about one X-ray unit functioning is not correct. *[Interruption]* The Ministry of Health has just put into the San Fernando General Hospital two brand new X-ray units, each one costing over \$1 million. The Ministry of Health is improving the imaging services at the hospital and we have just installed a new fluoroscopy unit in room three and a demography unit in room one. There are also other pieces of X-ray equipment in the hospital, so that particular statement is not correct.

7.00 p.m.

The Accident and Emergency Department is severely overcrowded. He is absolutely correct there. What has the Government done to deal with the overcrowding there? The Government has had built an extension wing to the old hospital. That wing is supposed to house on the ground floor, the new Accident and Emergency Department.

The present Accident and Emergency Department handles between 450 and 500 persons daily and it just does not have the capacity to deal with that volume. Until the old facility is vacated and the new wing, no relief is in sight. It is just impossible to treat 500 people daily occupied in a unit built for 100 people.

The Government has spent close to \$100 million building a new facility, and has recently awarded a contract for \$15 million to equip the new facility including Accident and Emergency Department. Until that is completed, there is nothing that can be done, save to try to manage the situation better.

One of the proposals in health care reform is to discourage people from using unnecessarily the secondary health care institutions. Many people who go to the hospital should not go there at all. They should be treated at the primary care level, but historically, they have eschewed that course and gone into the secondary care institutions. We have to build up the primary care sector.

With respect to San Fernando, there is nothing that can be done to really improve the situation in the Accident and Emergency Department until that new unit on the ground floor of the new facility is occupied. It is constructed, it has to be equipped; then we would be able to better accommodate the people. *[Interruption]* I have just indicated that the Cabinet last week or week before awarded a contract for \$15 million to source the equipment for the extension.

Overcrowding on the wards: That is absolutely correct. I cannot deny the truth of that statement. The hospital has a rated 653 bed capacity, and very often there are about 900 patients in the hospital. In fact, when international consultants on health go through the hospitals, the view is that almost half the people in our

hospitals should not be there. They do not require hospitalization, but people tend to use the hospital as a place of refuge.

Mr. Sudama: You said it is used as a place of refuge, how is this possible? Are they not admitted on a medical basis to the hospital? I cannot understand it.

Hon. J. Eckstein: One of the serious problems in our hospitals is the manning of the Accident and Emergency Department. At the hospitals there are registrars and consultants, but very often when one goes into the Accident and Emergency Department, one meets house officers, and they tend to err on the side of caution. Anyone who goes there is not turned away for fear that something might happen, and so the person is admitted. The next day the consultants come on the ward and discharge half of the people. That is what happens in the hospital over and over, so there is need to look at the staffing of the Accident and Emergency Department very carefully, so that proper decisions on admission can be taken.

In the proposed new Accident and Emergency unit there is, in fact, an area where people are to be held for observation before they are sent over to the hospital. This, we hope, will solve many of the present problems. One of the main problems with house officers and interns is that they are not prepared to send the people home. They are just not prepared to tell them that they are not sick enough to be admitted for fear that something might happen. In most cases, for the whole night they are there two to a bed and so forth. Then the consultants come in at 8.00 a.m. the next morning and discharge them.

I do not know about the one functioning ECG unit.

Doctors and nurses are leaving the facility: This is absolutely untrue. The Member did not provide any evidence to support that allegation and that is not the information that I have. The hospital has three consultants out of about 30 in San Fernando and all our registrars are still there. The doctors who have left the service are the house officers who have gone off to study. In fact, what has happened is that many of them have accumulated vacation leave, special compensatory leave and also compensatory leave and together this sometimes comes to a year. They then go off and do postgraduate degrees. That is what is happening in many cases at San Fernando.

I have here a complete listing of all the doctors at the San Fernando Hospital, and as I said, at the highest level of technical expertise at the hospital, the consultants and registrars, we have lost no more than three anaesthetists in San Fernando. As, I told you before, it is the house officers that are found in the

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Accident and Emergency Department, and when they go off to pursue specializations, this is where the problem comes.

Financing of the regional health authorities: The Government will be financing the regional health authorities in the same way that it now finances the health services, the Government will be giving subventions to the regional health authorities to discharge the health services in the particular areas. In other words, all of the institutions in the north-western region of Trinidad is now being funded by Government. The Government will continue to fund them in the same way it has been doing, through the regional health authorities. The Government intends to finance the health services and is hoping that the regional health authorities management would spend these moneys better.

7.10 p.m.

The Member for Siparia's criticisms were fair in most respects, but I think he erred in some areas. However, until the extension, is equipped, the Ministry of Health cannot solve the over-crowding problem; is not going to solve the problem in the Accident and Emergency Department and is not going to solve many of the other problems.

The Member for Siapria talked about surgery. That new facility has, if I remember correctly, seven operating theatres, in the old facility there are two. All that is needed is the equipment and the situation will change dramatically; it has nothing to do with the RHAs. The Ministry of Health is trying to operate a facility that is 50, 60, or 70 years old, that just cannot cope with the demand of today.

Mr. Haniff: Madam Speaker, I was hoping to hear that, in addition to the normal provisions—because certainly, the normal provisions have proved to be quite inadequate. For example, we have heard about the health insurance scheme. I thought the Minister would have taken the opportunity to elaborate on that for a few moments, and indicate to this House, and indeed to the nation, how soon the Government intends to implement a health insurance scheme, which would obviously complement whatever moneys are allocated from the central Government.

Hon. J. Eckstein: The National Health Insurance System is some distance off, about three years. Through the Attorney General's Office, the Government is developing what is called a "unique identifier," so that every citizen in this country can be uniquely identified for the purposes of health, and that is going to take about 18 months. All the consultants have said that the Government cannot proceed with the NHIS every citizen in this country can be uniquely identified, and

there is no such system in existence today. That is what the Government is working on now, and until that is done the NHIS cannot be introduced.

Again, as the Member correctly said, the allocations that have been given to the Ministry of Health are inadequate, but we have to manage with the resources we have.

The final point was medicines. There is a major problem with medications. The San Fernando General Hospital was allocated \$10 million in 1993 for the purchase of medicines. Every single cent of that allocation has been spent, and all that has been bought has been delivered. But it appears quite inadequate to meet the demands on the system. The Ministry of Health has managed its allocation very carefully and has sent the supplies to San Fernando. Many things have to be done in this area of drug supplies.

With respect to the prescribing practices, what tends to happen in the hospital is that a doctor who has studied at one university would learn how to treat, say arthritis using a particular drug, so he orders that drug when he comes to Trinidad. But another doctor knows of another drug that he used in his years of training and that becomes his drug of choice.

So across the entire health services, many different drugs are being bought for the same complaint, every one of them efficacious, but each consultant demanding the right to use his particular drug. Sometimes half-way through the use of a particular drug, he probably leaves, or switches to another drug, and the Ministry of Health has to dump millions of dollars worth of drugs. A year ago expired drugs worth \$15 million were dumped. It is important that the drug supply situation is, very, very carefully managed.

The Ministry of Health has created what is called a "VEN" (vital, essential and necessary) and is now buying vital drugs in the first instance, essential and then necessary. The ministry has to get the doctors to co-operate in terms of their prescribing practices; but you know sometimes a doctor might say he is comfortable with, and he has faith in a particular drug and he is not prepared, to use another, but this has implications. When small numbers of many types of drugs are bought we cannot take advantage of quantity discounts, so we will run into serious problems. It is necessary to meet with the doctors to discuss these problems and we have been doing that.

The Ministry of Health has recently—as I indicated last week—introduced a carbonized prescription pad, precisely to track all the drugs purchased, prescribed and so forth. The ministry is going to computerize the whole drug supply system

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within its institutions. In the specific case of San Fernando, most of the criticisms are justified, but as I said the ministry must get that new facility on stream before it can adequately deal with the problems that the Member has identified.

I move now to the Couva Hospital.

Mr. Sharma: The Member for Siparia raised the question about the Pathology Department, which is causing tremendous hardship. I do not know if the Minister would like to respond to that before he moves on.

Hon. J. Eckstein: I believe I have dealt with this pathology matter in San Fernando already. *[Interruption]* But it is not ever going to be solved, because on the one hand, there is the religious conviction, and on the other hand, the pathologist says that he has a duty to follow the law in terms of autopsies, and is not releasing the bodies until he has satisfied himself that he has done all that he is required to do under the law. The religious requirement is that the body be cremated, and you have this conflict. I cannot ask him to break the law.

Mr. Sudama: Are you sure that he is not really using that as a pretext?

Mr. Haniff: I was not alluding to the difficulty with the religious practices. I have had so many complaints of this individual being a law unto himself; he refuses to take instructions from the Hospital Administrator. It is a matter that has to be addressed. It is a situation where no one in the hospital can speak to the person.

Madam Speaker: There is a Public Service Commission. Can it not deal with them when they behave like that?

Hon. J. Eckstein: Madam Speaker, the allegation that the health worker is a law unto himself again has some validity, and it goes back to the system that is presently in place.

When an allegation of misconduct is made against a health worker, the ministry has to appoint an investigating officer who makes a report within 21 days to the Public Service Commission. That is the law. The Ministry has to send the investigating officer's report to the commission. There are now some 143 matters pending before the commission.

When the commission receives the investigating officer's report, the commission takes an average of three years to set up a tribunal to investigate the matter. The tribunal takes about nine months on average to begin hearing. There are matters going back to 1982 that have not been concluded since in one case one

of the tribunal members died and the matters had to be restarted. There are all sorts of confusion in the disciplinary arrangements. So that the health worker knows that there is little chance of him being disciplined.

7.20 p.m.

Very often by the time the matter comes before the tribunal, the tribunal cannot deal with it because the people who would have reported public servant would have retired. Promotion is based on seniority in the public service—so that in three years the person who reported him very probably would have either resigned or retired, and there is nobody to lead any evidence against the charged officer and the commission would take the position that the this matter is hanging over the officer's head" for far too long and that would be the end of the matter.

Therefore, under this arrangement we are fortunate to be having the level of care that we have. Until the Ministry of Health can really exercise control and authority over the workers in the ministry, there is not going to be too much improvement in the service.

We had a pile-up of bodies in the Port of Spain Hospital. I understand pathologist said, "I want a particular mortuary attendant to work with me and if I do not get him, I am not doing anything."

Hon. Member: Get someone else to do the job.

Hon. J. Eckstein: It the Ministry of Health take five or six years to investigate this matter by which time the pathologist would have retired from the public service. There is virtually no control, over the workers and that is the point I keep making. Until there is a system whereby one can exercise some control over the workers in the ministry improving the services are slim chances of—and then when you say the RHA has nothing to do with it, I fundamentally disagree with that contention.

All right, let me go to Couva now.

Mr. S. Panday: Have you finished with San Fernando?

Hon. J. Eckstein: We had a proposition being made here that these things exist to make money. I really do not know where this outrageous falsehood comes from—I just do not know. We are planning to close the Couva Hospital!

Hon. Member: What happened to Princes Town?

Hon. J. Eckstein: I get the distinct impression from the Member that the community's resources must not be tapped in the interest of serving the health

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care needs of the community. I have an entirely different perception. I feel that the authorities should work in close collaboration, with the communities representatives, a course of action which the commission cannot. That is another point.

The Member said that he is opposed to the RHA because the sector is being broken up, but suddenly he finds the central region is too large—Couva will be lost in that massive region. But what is happening right now? That massive region the central region—is just of five regions. The commission not only has the Ministry of Health, it has 21 other ministries to supervise. How on God's earth can an RHA with 2,000 workers become unwieldy and unmanageable and a particular hospital in that system is going to be neglected and the commission could efficiently manage 21 ministries? Where is Couva in that system?

Mr. Maharaj: You know the problems, but you have no answer.

Hon. J. Eckstein: Now the Member argued that Government has failed to fulfil its obligations and duties to the residents of Couva, and in the letter to you, Madam Speaker, I see mentioned that the Government has an obligation "to provide to everyone the best attainable state of physical and mental health" I should have liked to have had a definition of what is meant by "the best attainable state."

Mr. Maharaj: You are the Minister, you tell us.

Hon. J. Eckstein: Let me deal with the question of the Government's duties and responsibilities in the area of health. This is a paper written by Monica Barnes, who was the Chief Parliamentary Counsel in the Attorney-General's Department in 1989 and the Acting Chairman of the Tax Appeal Board. She wrote:

If one may reasonably say that in the case of other Caribbean countries the right to medical care and welfare is implied, it would likewise be fair to say that in Trinidad and Tobago the right is provided for by necessary implication when one considers the steps the Government has taken over the years, and continues to take, to meet its statutory obligations.

So to the extent that we have a duty, it does not rest in the provisions of the Constitution as is suggested by the member but, rather, in the fact that the Government has been discharging that function.

And in conclusion she wrote—

"Strictly speaking, therefore, it is not necessary to make a formal declaration that there is a right to health in this country. What is certain is that in Trinidad and Tobago the right can be said to be recognized firmly as a matter of settled executive practice".

In other words, we have been providing a public health care service and because we have been doing it, it is expected of us.

The situation is very different in England. Section 3(1) of the National Health Services Act, 1977, provides as follows:

"It is the Secretary of State's duty to provide throughout England and Wales to such extent as he considers necessary to meet all reasonable requirements—hospital accommodation...medical, dental, nursing and ambulance services...and such other services as are required for the diagnosis and treatment of illness."

There is a leading case that is carried in the British Medical Law Report—*Secretary of State for Social Services ex p Hincks* (1980) 1 BMLR 93 (CA), the Court of Appeal consisting of Lord Denning, then Master of the Rolls; Bridge LJ, and Oliver LJ. What is the matter with which they had to deal, on appeal? This ruling has to be seen in the context of a specific provision in the law putting an obligation—no implied obligation based on past practice, but a specific obligation placed in law on the Secretary of State for Social Services. The matter before the Court of Appeal was as follows:

"Four people living in Staffordshire have come to the court, urging that the health services are insufficient in their area. They desire a declaration of the court saying that the Secretary of State has not fulfilled his duty to provide a comprehensive health service."

The first judge who heard the matter did not agree with them and the declaration was not made. The three law lords all agreed that any obligation placed on the State had to be considered in the context of the resources available and it could not be open-ended, that the Government must do everything the community requested. That is why I was particularly interested in hearing the definition of "attainable". What do you mean by "attainable" for the people of Couva?

Mr. Sudama: Given the resources, are you providing the residents of Couva with services?

Hon. J. Eckstein: The capacity of the Minister of Health in any jurisdiction to provide a service is a function of the resources available to him. That is what the law lords argued.

Mr. Maraj: That is lawyer!

Hon. J. Eckstein: In the discharge of that function, the court ruled that the matter was not justiciable and they refused to make the declaration sought.

Let us consider further this business of a burden, duty and obligation on the State to provide health services. Let us examine the United States. The prevailing view there—far from seeking to impose any duty or obligation on the State—appears to be that the State should stay out of the delivery of health care.

7.30 p.m.

Hon. Member: The State. And you are talking about President Clinton!

Hon. J. Eckstein: President Clinton and the Democrats found this out to their regret.

The World Health Organization Pan-American Health Organization contend that a person's health is his responsibility. People cannot lay their health burdens willy-nilly on the Government, because all the Government is really doing is collecting people's taxes and spending the same on providing a health service.

Mr. Sudama: Why collect taxes?

Mr. Maharaj: Well, can the Minister answer my question? Can the Minister say whether the policy of the Government of Trinidad and Tobago is that of providing health care facilities for the people is the responsibility of the people and not the responsibility of the Government?

Hon. J. Eckstein: If we understand what is happening—the Government takes from the people say \$600 million annually by way of taxes and spends that on establishing hospitals paying health workers and then so forth and the people are free to access the care provided. What are the assumptions underlying this Government's action? That the Government can provide care very efficiently and that it is the best way to spend the \$600 million. The people out there cannot provide the care. The private individuals who dispense care cannot set up institutions and provide the care the Government provides.

The Americans have a different point of view. They feel that the private sector institutions can organize to deliver the care and that what should happen is that the Government should not take that \$600 million in taxes but instead, should reduce corporate and personal income tax, and have people pay for their care, then the Government is left with providing care only for the medically indigent.

Mr. Maharaj: I am sorry. Is the Minister saying—we should be grateful if it is possible to get an answer—that the policy of this Government is to provide care only for the medically indigent?

Hon. J. Eckstein: Under a National Health Insurance System, that is what is proposed—the employed population that is those who are able to, would pay an insurance premium and the Government would pay a premium on behalf of the medically indigent. That is what is proposed. That is what is suggested in the NHIS.

So that we expect if the NHIS is introduced, there would be some relief in respect of personal and corporate income tax, so that people could pay contributions to the National Health Insurance Board. When care is accessed, the cost of such care will be paid by the board. The Government is expected to pay premium for the medically indigent person—the old age pensioners or whatever categories of medically indigent persons exist.

Mr. Sudama: Could the Minister tell me what would then happen to the unemployed in such a situation, those who have no income?

Hon. J. Eckstein: They are medically indigent. They are poor. The Government will pay.

Mr. Sudama: I see. The level of poverty has not been determined yet for which the Government will be responsible.

Hon. J. Eckstein: In fact, all the early legislation on health contemplated that people should accept responsibility and pay for their health care. If one looks at the concept of collecting fees for medical services, that is not new. Provisions are contained in all the existing legislation which govern the present level of services. The two relevant Ordinances which are currently in force are the Medical Services Ordinance and the Hospitals Ordinance. Both of them contemplate that people would pay for the services they access, but the Government has not implemented nor enforced that; now it becomes a duty and burden on us to continue. Not because it was enshrined in any of the fundamental rights of which the Member glibly speaks.

Madam Speaker, many of the larger organizations in this country are not prepared to place their health burden on the Government and call it a duty and responsibility of the Government. Take the teachers' union, it has a group health insurance plan for all its members. When members access care, the plan pays.

Mr. Palackdharrysingh: That is only up to when one retires. When one leaves the service, what happens?

Hon. J. Eckstein: Caroni (1975) Limited has an employer-funded medical plan. Again, the burden is not on the state. OWTU has its own arrangements. The Bank and General Workers Union has a group health insurance plan. Every single Caribbean country now has user charges that recognize that the individual has a responsibility for his health. It cannot be as the Member suggests solely the duty of the Government. Nonsense! We have received a proposal from the PSA to involve 33,000 members of the PSA in a group health insurance plan for public servants.

Mr. Palackdharrysingh: For how long? Until retirement?

Hon. J. Eckstein: One of the curious things I find about this proposal is that they are the providers of health care, but they are proposing to the Government a group health insurance plan to access care, where the public hospitals do not charge. In other words, they want the Government to pay part of a premium and they would pay part. Their members would then be insured and if they get ill—

Mr. S. Panday: Private institutions.

Hon. J. Eckstein: I do not understand. It is like a man owning a restaurant and eating out. It just is not right. They probably know something about the system.

Let me now deal with the Couva Hospital. The legal and constitutional positions notwithstanding—and I must confess that those arguments were not well presented by the mover of the Motion—Government proposes to improve considerably the health services currently offered the people of Couva. Government intends in 1995 to commence on a phased basis as the resources will permit, the construction of what will eventually become the new Couva District Hospital.

The section to be built will provide primary care for catchment populations of 20,000 to 30,000 who will self-refer for injuries, diagnosis and treatment of illnesses and diseases normally managed by family practitioners. In addition, it will provide certain services for the wider population of around 135,000. These include primary care services over a 24-hour period, seven days a week, diagnostic facilities such as X-ray, ultra sound and ECG machines and specialist out-patient services provided by visiting consultants. This is the proposal we have for Couva.

Mr. Maharaj: I wonder; would the Minister agree that the proposal has been there for several years and several promises? Could the Minister tell us when the Government is going to tell the people of Couva when work on this hospital would start?

Hon. J. Eckstein: In 1995. Did the Member not hear me?

Mr. Maharaj: I will hold you to that.

Hon. J. Eckstein: Doctors and the primary health care team will provide the more traditional family health care, including prevention and health promotion for a local population in the immediate catchment area.

Staffing: There will be a full range of primary care staff—doctors, nurses (including health visitors, home nursing and psychiatric nursing) who will work in the treatment room and during clinic sessions. As part of the primary care services, antenatal and postnatal services will be provided for the local population by the midwives from the centres.

Physiotherapy and dietetic advice will be available for regular planned clinics, as will social work and other support services, appropriate to local needs, for example, psychology, speech therapy, audiology. Visiting hospital specialists will provide regular planned consultations for the catchment populations.

This is one of the attractions of the regional health authority. This is one of the attractions that are inherent in the establishment of the RHA. A consultant will not accept full-time employment at the Mayaro Hospital, but if he holds full-time employment at San Fernando, there is nothing to stop him from accepting employment on a part-time basis to deliver a service one afternoon each week in Mayaro in orthopaedics or ophthalmology or whatever it is. That is all that Mayaro would require.

7.40 p.m.

Under the existing arrangements, the Ministry of Health must get him to work in Mayaro full time. There is no flexibility in the system. We cannot do that. What we propose to do is to have the consultants rotating throughout the institutions in a region and not confining them to one institution. Right now, a consultant says, "I am an employee of the San Fernando General Hospital and I am not even going to another department." Under the RHA, he becomes an employee of the region and he can go to Tobago. Tobago cannot afford the whole range of consultants that are there.

You have one paediatric cardiologist, I understand, in the whole of the Caribbean. But that lady now works in San Fernando, and that is it. If she goes anywhere else in the system she is not compensated. Under the RHA arrangement, you can establish a unit in San Fernando and have her come down once a week, half-day, and pay her. The Tobagonians can also get her services. She has full-time employment in one RHA, but she can make her expertise available under this flexible arrangement to a number of places which now cannot afford it.

I am telling you, the likelihood of getting a range of consultants to locate in Tobago is not on the cards, because those consultants want to pursue private practice. To take full-time employment in Tobago, where are they going to get the orthopaedic work or whatever, to really make their lives worthwhile? But under this arrangement, there is nothing to stop them from holding full-time employment at the Eric Williams Medical Sciences Complex or the San Fernando General Hospital and accepting one afternoon a week to go and hold their clinic sessions. If he is a surgeon, he can do his surgery. You cannot do that under the existing arrangement. The system does not provide for it.

The equipment that we will have in that institution is a portable ventilator, X-ray facilities, including diagnostic equipment and viewing screen, ultra sound, laboratory equipment for bloods urine analysis, ECG equipment, minor surgery facilities, diathermy equipment. And I have to sit and hear that, "we are going to close the Couva Hospital." But what are we to do?

Mr. Maharaj: For 30 years you are building hospitals.

Hon. J. Eckstein: Madam Speaker, the extension in San Fernando was mooted for the last 30 years. This administration has done it and is continuing, notwithstanding that—and the Minister of Works Department has been good, for a change.

The Arima health facility was promised—I do not know how long ago—and this Government built it. You must go and visit the St. Ann's Hospital. The present Government refurbished it. So we are not talking about empty promises.

Mr. Haniff: Who was making the promises over the years?

Hon. J. Eckstein: Not this Minister.

The Member for Oropouche says that health care and health delivery are not a building. But the facility goes a long way in building the morale of the staff, and, really, it is a prerequisite without which one cannot really enter the modern era in the delivery of health care. More importantly, a new system of, that is the other

dimension that we are hoping to bring on stream early in the new year, that is the Regional Health Authorities, will bring some organization and management into the system.

What the Government did in the Ministry of Health over the years is every single thing that the hospital discovered it needed, it went into it. It did not recognize that it was in the area of health care. A classic case is a bakery we have at St. James where a loaf of bread costs us \$8.23 to produce and the loaf of bread is being sold all over for \$2.00. That is the kind of waste that we are hoping the RHAs would focus on and get rid of.

Mr. Maharaj: Before the Minister closes, since he is a very learned Minister, and since he is advocating the regional health service, can he tell us whether he has read "Decentralization and Marginalization in the Health Care in Trinidad and Tobago," by Daphne Phillips, at the University of the West Indies? Has he read her analysis of the health service? What are his views? Does he still maintain that it will work?

Hon. J. Eckstein: I have read Dr. Phillips' analysis, and I do not agree with her. My area of expertise is management.

Mr. Maharaj: That is why we cannot get health care!

Hon. J. Eckstein: The most amazing thing about the Member for Couva South's contribution is when he spoke about the Minister of Health somehow taking action to recruit doctors. In Barbados, not too long ago, Branford Taitt, who was then Minister of Health, went to North America and allegedly recruited some nurses to work in one of Barbados' hospitals, there was a motion of censure moved against him in the Parliament, and it was almost carried.

Mr. Maharaj: So you would not take steps to get doctors?

Hon. J. Eckstein: I do not understand it. Somebody who is supposed to have some nodding acquaintance with the Constitution, talking all this—

Mr. Maharaj: Is the Minister saying that Government Ministers would not take any steps to get doctors? If that is the case, why would he ask Opposition Members to get doctors?

Hon. J. Eckstein: What I am saying is that the Public Service Regulations specifically forbid a Minister's—the Member for Oropouche brought a complaint to me about a public servant and I referred it to the Permanent Secretary. The Ministry of Health wrote the public servant the strongest letter, drawing to his

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attention the provisions of the Constitution and the Public Services Regulations forbidding him to speak to a Minister in relation to his job. The intent of the Constitution is to insulate the public servant from the Minister and the politician generally.

Hon. Member: Does this mean that they are a law unto themselves and they can do what they want?

Hon. J. Eckstein: I just do not know where this reputation as a constitutional lawyer comes from. His knowledge of the Constitution is just abysmal.

Mr. Maharaj: Madam Speaker, if he is going to be personal with me, I would be personal with him. I do not think that the Minister should put his contribution on that level, because I do not think as an experienced Minister—I am two and a half years in this House, but he has a reputation of being longer in this House and I do not think that he should—

Madam Speaker: The Minister is not normally very personal. Proceed, please.

Hon. J. Eckstein: In conclusion, listen to the composition of the board that we have appointed to run the affairs of the region. You have Sam Martin, Mr. Ashram Beharry who has a Masters degree in Accounting and Finance, Dr. Omar Ali—and they say the commission that runs the affairs of the Authority does not have a doctor on it—Mrs. Beulah Duke, a Registered Nurse—and they say the commission does not have a registered nurse on it—Ms. Patricia Butcher, a Personnel Management person; the Dean of the Faculty of Medical Sciences, another professional doctor; Miss Leandra Ramcharan, Public Interest and Welfare/Law; Mr. Nazeer Sultan, a business management person.

In other words, people of the highest quality, most of them living in the Central region, and I expect, contrary to what the Member for Couva South says, that they will get into the community. They will work in collaboration and in partnership with the community members to solve the community's problems, because the community is an important and valuable resource that the board has to constantly draw on.

7.50 p.m.

Madam Speaker, we are not proposing to close the Couva Hospital. We are not proposing that the RHAs will make money. It is our intention to improve considerably the service levels in the Couva area.

In closing, I just want to apologize sincerely to the Members if I erred and became personal in the course of my contribution.

Thank you, Madam Speaker.

SITTING OF THE HOUSE

Madam Speaker: Members, there is one more Motion on the Adjournment; it is now 7.50 p.m. and normally, these matters end at 8.00 p.m. With agreement of the House we can proceed for another 25 minutes with each Member taking 12 minutes.

Mr. Haniff: Madam Speaker, I would need about 25 minutes.

Madam Speaker: No, the Member and the Minister have 12 and one half minutes, because we have to finish at 8.15 p.m.

Mr. Haniff: Madam Speaker, under the circumstances, I prefer to defer the Motion, because I would need no less than 25 minutes.

Mr. Valley: Madam Speaker, that is not a problem if the Member wishes to defer the Motion, but he must note that on Friday 18, no Motions on the Adjournment will be taken.

Mr. Haniff: I would not have enough time to deal with my Motion.

Mr. Valley: No problem.

Madam Speaker: Would you take whatever date is available?

Mr. Haniff: Yes, Madam Speaker.

Question put and agreed to.

House adjourned accordingly.

Adjourned at 7.52 p.m.