

**HOUSE OF REPRESENTATIVES***Friday, April 07, 1995*

The House met at 1.33 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. Joseph, (*Hon. Augustus Ramrekersingh*), the Member for Port of Spain North/St. Ann's West, (*Mr. Desmond Allum*), the Member for Chaguanas, (*Miss Hulsie Bhaggan*), the Member for Point-a-Pierre, (*Mr. Gideon Hanoomansingh*), the Member for Tobago East, (*Mr. A.N.R. Robinson*) and the Member for Oropouche, (*Mr. T. Sudama*).

**PAPERS LAID**

1. Report of the Auditor General of the Republic of Trinidad and Tobago on the accounts and financial statements of the Business Expansion and Industrial Restructuring Project Loan for the period July 10, 1992 to December 31, 1992 as required by Loan Contract No. 3432-TR between the Government of the Republic of Trinidad and Tobago and the International Bank for Reconstruction and Development. [*The Minister of Finance (Hon. Wendell Mottley)*]

*To be referred to the Public Accounts Committee.*

2. Annual Report of the Integrity Commission for the year 1994. [*The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley)*]

**FLAMING WORD MINISTRY (INC'N) BILL****Special Select Committee Report****Presentation**

**Dr. Rupert Griffith:** (*Arima*): Madam Speaker, I beg to present the report of the special select committee of the House of Representatives appointed to consider and report on a private bill for the incorporation of the Flaming Word Ministry and matters incidental thereto.

**ORAL ANSWERS TO QUESTIONS**

*The following questions stood on the Order Paper:*

**Government Advisers/Consultants  
(Qualifications and Salaries)**

39. Could the Minister in the Office of the Prime Minister and Minister responsible for Public Administration provide to this honourable House a list of advisers and/or consultants at the various Ministries and/or Government Departments, their qualifications and salaries? *[Mr. S. Hosein]*

**Contracts  
(Road Improvement Programme)**

53. (a) Could the Minister of Works and Transport and Minister of Local Government provide the House with the names of the contractors employed under the Road Improvement Programme which commenced in 1994 before and after the awards by the Central Tenders Board?
- (b) The respective amounts paid to them and/or owing to date before and after the awards by Central Tenders Board?
- (c) The quantity of hot mix supplied by each contractor before and after the awards by Central Tenders Board?
- (d) The length of roadway paved by each contractor before and after the awards by the Central Tenders Board? *[Mr. T. Sudama]*

**Road Improvement Programme  
(Penal/Debe Regional Corporation)**

77. (a) Would the Minister of Works and Transport and Minister of Local Government indicate to this House what works will be undertaken in 1995 under the Road Improvement Programme and under the recurrent programme on the following roads:
- (i) S.S. Erin Road between 0 mm to 10 mm;
- (ii) Papourie Road;
- (iii) Rochard Road;
- (iv) Clarke Road;
- (v) Penal Rock Road; and
- (vi) Scotts Road?

- (b) Would the Minister also indicate what secondary roads within the Penal/Debe Regional Corporation will be repaired in 1995 under the Road Improvement Programme? *[Mr. S. Hosein]*

**Community Centres  
(Chaguanas)**

- 83.** (a) Would the Minister of Community Development, Culture and Women's Affairs indicate the number of community centres which are located within the boundaries of the Caroni River on the north, the Old Southern Main Road on the east, Crown Trace up to the Endeavour Flyover along the Uriah Butler Highway heading south, to the Chaguanas Main Road heading West, to Cacandee Main Road heading North to the Caroni River (Chaguanas Constituency)?
- (b) Would the Minister list all the community centres within those boundaries and indicate the funds, if any, expended on each of those community centres in 1992, 1993 and 1994?
- (c) Would the Minister also state plans, if any, for any additional community centres within these boundaries and the planned expenditure on these new centres and the planned expenditure, if any, on the existing centres? *[Miss H. Bhaggan]*

**Pierre/Tahadille Multicultural Complex  
(Completion of)**

- 84.** (a) Could the Minister of Community Development, Culture and Women's Affairs indicate whether she is aware that the completion of the Pierre/Tahadille Multicultural Complex has been outstanding since 1991?
- (b) Whether she intends to complete that project and at what cost?
- (i) If the answer is in the affirmative, when will work begin? *[Miss H. Bhaggan]*

**Warrenville  
(Proposed Community Centre)**

- 85.** (a) Would the Minister indicate whether any steps are being undertaken to provide a Community Centre in Warrenville?
- (b) If the answer is in the affirmative, would she indicate the planned expenditure, proposed facilities and planned date of commencement? *[Miss H. Bhaggan]*

**Government Lobbyists  
(Tendering Procedure)**

92. (a) (i) Would the Prime Minister inform this honourable House whether the contract to a Washington-based firm to serve as lobbyists for the Government of Trinidad and Tobago was awarded by the Central Tenders Board, which is the agency established by law for the award of contracts for the provision of goods and services to the Government?
- (ii) If the answer is in the affirmative, would the Prime Minister provide this honourable House with a certified copy of the minutes of the meetings of the Central Tenders Board at which this decision was taken?
- (iii) If the answer is in the negative, would the Prime Minister advise this honourable House why normal tendering procedures were not followed in this instance?
- (b) Would the Prime Minister provide this honourable House with the names of the other firms that were considered for the said contract and the criteria which were used to ensure that the most suitably qualified firm was selected so that the country could derive the optimum benefits for the expenditure incurred in the payment of remuneration to the firm selected? [*Mr. B. Panday*]

**Road Improvement Programme  
(Work to be Undertaken)**

105. (a) Would the Minister of Works and Transport and Minister of Local Government indicate to this House what repairs will be undertaken in 1995 under the Road Improvement Programme and under the recurrent programme on the following roads:
- (i) The Guaracara Tabaquite Road from the Tabaquite Composite School to the Guaracara Junction;
- (ii) From the Bypass, San Fernando along to Gasparillo, Bonne Aventure through Happy Hill, Morne Roche, Poonah, Whiteland, Williamsville; and
- (iii) Forres Park/Tortuga Road? [*Dr. C. Singh*]

**Road Repairs**

- 107.** (a) Would the Minister of Works and Transport and Minister of Local Government state whether his ministry has any plans to repair the following roads:-
- (i) Torrib Tabaquite Road;
  - (ii) Realize Road; and
  - (iii) Garth Road?
- (b) If the reply is in the affirmative, would the Minister state:
- (a) the type of repairs planned for each project;
  - (b) the estimated cost of repairs;
  - (c) when will the repairs begin; and
  - (d) the anticipated date of completion?
- for each project [*Mr. M. Haniff*]

**Neonatal Unit, Mount Hope  
(Shortage of Medical Personnel)**

- 130.** (a) Is the Minister aware that there is a shortage of medical personnel in the neonatal unit at the Maternity Hospital, Mount Hope Medical Sciences Complex and, as a result, there is no medical officer every third night on call to operate the respirator, especially for premature babies' care during the critical 24-48 hours of birth?
- (b) (i) Could the Minister state how many medical personnel comprise the full complement for the neonatal unit?
  - (ii) How many of these positions are filled?
  - (c) (i) How many premature babies were delivered at the Mount Hope Maternity Hospital, spontaneously and by Caesarean Sections, over the period January 1, 1995 to February 28, 1995?
  - (ii) How many of these babies survived and how many expired?
  - (iii) What was the cause of death? [*Dr. C. Singh*]

**The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley):** Madam Speaker, of the questions on the Order

*Oral Answers to Questions*  
[HON. K VALLEY]

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Paper today the Government can answer questions Nos. 74, 93, 94, 127, 129 and 131. We are asking for a deferral of the other questions for a period of two weeks.

*Questions, by leave, deferred.*

**Balmain Slope Bridge  
(Construction of)**

**74. Mr. John Humphrey** on behalf of Mr. R. L. Maharaj asked the hon. Minister of Works and Transport and Minister of Local Government:

- (a) Could the Minister indicate whether his Government intends in 1995 to construct the Balmain Slope Bridge?
- (b) If it does, could he indicate when construction work is likely to start?
- (c) Could the Minister indicate whether his Government intends to provide any temporary relief to the residents, including school children, to facilitate them to have access across the river?

**The Minister of Works and Transport and Minister of Local Government (Hon. Colm Imbert):** Madam Speaker, the Balmain Slope Bridge was considered both in the context of the 1995 Bridge Reconstruction Programme and the IDB-funded Agricultural Access Roads and Bridges Programme. This bridge could not be included on the Bridge Reconstruction Programme for 1995, since the cost of a new bridge is estimated at \$1.6 million, while the 1995 Bridge Programme has an allocation of merely \$200,000.

Additionally, the bridge did not meet the criteria for inclusion in the Agricultural Access Roads and Bridges Programme, since the IADB minimum selection criteria for bridges is an internal economic rate of return of 12 per cent; in this case the internal rate of return was negative 15 per cent. Part (b) therefore, is inapplicable.

Pending the outcome of a soil analysis of the area, the Ministry will pursue the construction of a pedestrian bridge as temporary relief for the residents later this year.

**1.40 p.m.**

**Telephone Services  
(Provision of)**

**93. Mr. Raymond Palackdharrysingh** (*Caroni Central*) asked the hon. Prime Minister:

- (a) Would the Prime Minister state whether telephone services would be provided in the communities of Caparo, Flanagin Town, Carlsen Field and Pepper Village/Gran Couva in 1995?

- (b) If the answer is in the affirmative, would the Prime Minister inform this honourable House when work would begin?

**The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley) on behalf of the Prime Minister:** Madam Speaker, Telecommunications Services Limited of Trinidad and Tobago has advised that telephone services will not be available in the communities of Caparo, Flanagin Town, Carlsen Field and Pepper Village/Gran Couva in 1995, but would be available in these communities by December 1996. Work on the provision of the services will begin in July 1996.

**Indoor Sport Facility  
(Central Trinidad)**

**94. Mr. Raymond Palackdharrysingh (Caroni Central)** asked the hon. Minister of Sport and Youth Affairs:

- (a) Would the Minister state whether an indoor sport facility would be constructed in Central Trinidad?
- (b) If the answer is in the affirmative, would the Minister state when and where?

**The Minister of Sport and Youth Affairs (Hon. Jean Pierre, TC):** Madam Speaker, an indoor sport facility will be constructed in Central Trinidad.

Construction is scheduled to commence in April 1995. Completion is expected by September 30, 1995. This facility will be located at Saith Park, Central Trinidad.

**Edinburgh 500  
(Playing Facilities)**

*The following question stood on the Order Paper in the name of Mr. R. Palackdharrysingh (Caroni Central):*

- 95.** (a) Would the Minister of Sport and Youth Affairs state whether the facilities at Edinburgh 500 fall under her ministry?
- (b) If the answer is in the negative, would the Minister indicate whether any efforts have been made to bring this facility under the supervision of her ministry?

*Question, by leave, deferred.*

**Nigerian Doctors—Thomasases  
(Bona Fides)**

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

**127.** Could the hon. Minister of Health state:

- (a) When Mr. Blackwell Ade Thomas of Nigeria and Mrs. Shashi Ade Thomas were granted provisional registration by the Medical Board?
- (b) Whether the Medical Board enquired thoroughly into their certification as medical doctors?
- (c) Who were the members of the Medical Board at the time such decisions were made?
- (d) Whether inquiries were made by the Ministry of Health into the authenticity of the certificates and other documents provided by Mr. Blackwell Ade Thomas and Mrs. Shashi Ade Thomas after it was alleged in the press that they were not qualified as medical doctors?
- (e) Whether any inquiry was made by the Ministry of Health into the circumstances surrounding the deaths of three persons at the Scarborough General Hospital in October of 1994 while Mrs. Shashi Ade Thomas occupied the position of House Officer and, if so, what were the findings?

*Question, by leave, deferred.*

**National Insurance (NI) 15 Claim Forms  
(Non-issuance to Medical Practitioners)**

**129. Dr. Carl Singh (Tabaquite)** asked the Minister of Social Development:

- (a) Is the Minister aware that the National Insurance Board has stopped issuing National Insurance (NI) 15 claim forms to medical practitioners?
- (b) If the answer is in the affirmative, could the Minister state what is the reason for so doing?

**The Minister of Social Development (Dr. The Hon. Linda Baboolal):** Madam Speaker, the national insurance legislation requires medical certification as a qualifying condition for the payment of a sickness benefit. At the start of the

system, the claim form for a sickness benefit was separated from the medical certificate which supported the claim.

Claimants therefore, collected the sickness benefit form from the local office, and the medical form from private or public health institutions. These forms were issued to doctors and health care institutions in large quantities. As these forms were amended from time to time, it was not unusual for obsolete forms to be submitted in support of claims. In addition, our forms inventory and claims received ratio, indicated that a significant wastage of forms was taking place.

In its effort to streamline benefits, administration, improve efficiency and reduce operating costs, the board had implemented a number system and process reforms, including in this context the merger of the sickness benefit claim form which was NI 15 and the medical certificate form which was NI 17 into one form, which is now the claim for sickness benefit NI 15. This is the form that is now in use. The board has also established forms utilization standards based on claims experienced and the need to make forms available to institutions as another measure to reduce wastage. The Board no longer makes large quantities of forms available to institutions and private offices, but forms are available on request.

**Dr. Singh:** Madam Speaker, on a point of clarification. My information is that these forms are no longer to be issued, but what is required is that the employee go to the office to get the sick leave benefit form to be brought to the medical practitioner for filling in.

This creates a problem if someone has to go to a doctor on a weekend, or public holiday. What if he is acutely ill? Is he to collect a form first then go to the doctor to have it filled? What would happen on a long weekend such as Good Friday, Saturday, Sunday and Monday? People get sick all the time. It would create considerable difficulty for patients to manoeuvre this situation. I think it should revert whereby the medical practitioner should be given these forms as was done initially.

**Dr. The Hon. L. Baboolal:** Madam Speaker, my last sentence was, that although the board no longer makes large quantities of forms available to institutions and private offices, these forms are nevertheless available on request. I assume from this that all practitioners could request these forms and they would be given a certain number. They would not be given the books that they used to be given in the past, but a certain number of forms to keep in their offices.

**Road Repair  
(Princes Town)**

**131. Mr. Mohammed Haniff** (*Princes Town*) asked the hon. Minister of Works and Transport and Minister of Local Government:

- (a) Would the Minister state whether his ministry has any plans to repair the following roads:
  - (i) Nohar Road;
  - (ii) St. Julien Road
  - (iii) Nagee Road?
- (b) If the reply is in the affirmative, would the Minister state:
  - (i) the type of repairs planned;
  - (ii) the estimated cost of repairs;
  - (iii) when the repairs will begin;
  - (iv) the anticipated date of completion for each project.

**The Minister of Works and Transport and Minister of Local Government (Hon. Colm Imbert):** Madam Speaker, the Ministry of Works and Transport has planned to carry out major repairs to the Tableland Road also called Nohar Road; St. Julien Road and Nagee Road within its seven-year road repair programme 1994—2000. These three roads require that the road foundation be strengthened in certain areas, depressions be levelled, potholes be patched and the surfaces fully resurfaced. In addition, there are at least 33 landslips on St. Julien Road and two landslips on the Nagee Road to be repaired.

The present estimated costs are as follows: Repairs to the Nohar Road, levelling and strengthening—\$400,000; resurfacing—\$1 million; total, \$1.4 million.

For the St. Julien Road, levelling, strengthening work estimated at \$600,000; resurfacing estimated at \$1.3 million; repair of landslips, (33 in number), estimated at \$4.2 million; total estimated cost of repairs to St. Julien Road is \$6.1 million.

For the Nagee Road, levelling and strengthening estimated at \$350,000, resurfacing at \$800,000 and repair of two landslips \$120,000; a total of \$1.27 million.

Because of the considerable expense involved, the major repair works to be carried out on these roads have not yet been programmed, so that definite start and end days cannot be given at this time within the seven-year period 1994—2000.

**Mr. Haniff:** Madam Speaker, a supplementary question. Can the hon. Minister state whether any recurrent repairs will be done to these roads prior to the long pending major repairs?

**Hon. C. Imbert:** Madam Speaker, I cannot give precise details, but certainly some recurrent work will be done on all the roads to bring temporary relief before these long term works over the seven year period.

#### DEFINITE URGENT MATTER

#### Overhanging Boulders (Plum Mitan Road)

**Mr. Krish Jurai** (*Nariva*): Madam Speaker, earlier today I gave notice that I wished to seek leave to move the adjournment of the House to discuss a matter of urgent, public importance at today's sitting of the House. The matter relates to the precarious overhanging of huge boulders on the Plum Mitan Road which poses a serious threat to the lives and limbs of residents, farmers, and the public in general.

The severe dry season coupled with bush fires, has caused serious movements of soil on Brigand Hill. One boulder estimated to weigh over 20 tons narrowly missed a vehicle and is now partly resting on the Plum Mitan Road in the vicinity of the three and a half mile mark. The greater threat is from the overhanging boulders which can come tumbling down at any minute.

At present, among several others there is one huge boulder perhaps weighing between 20 and 30 tons that is precariously balancing about 200 feet above road level. This boulder is temporarily blocked by a tree under whose pressure the said huge tree has now been split into bits. I fear that this temporary prop will imminently give way to the pressure of this massive boulder, and it will come tumbling doom, bringing with it several others of various sizes.

If action is not taken immediately to remedy the situation, I fear that this would have a disastrous effect. The lives of the residents are in danger; the lives of road users are at risk; farmers also fear for their lives and therefore are not venturing into their fields.

From the foregoing you can see that this matter is definite, urgent and of public importance. I fear that if immediate action is not taken to remedy the

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situation, the lives of innocent people will be in danger. I therefore crave your indulgence to have this matter debated as one of public importance and of grave concern to the citizens of Trinidad and Tobago.

Thank you.

**1.50 p.m.**

**Madam Speaker:** I am satisfied that this is a matter that needs attention under Standing Order No. 12.

*Question put and agreed to.*

**San Fernando Hospital  
(New Policy at Mortuary)**

**Mr. Mohammed Haniff** (*Princes Town*): Madam Speaker, I, too submitted a letter earlier seeking leave to move the adjournment of the House to discuss a definite matter of urgent public importance. The matter pertains to a new policy at the San Fernando mortuary which prohibits the release of dead bodies before 1.00 p.m.

The matter is definite because it pertains to a policy which has been recently introduced at the mortuary and which is the source of much distress and grief to members of the public.

The matter is urgent because citizens who wish to proceed with an earlier burial or cremation of their loved ones are unable to do so because of this new policy which serves to exacerbate an already bureaucratic process.

The matter is of public concern because this policy is violating the practices of some religions which require early burial or cremation.

I have received many complaints about this situation and I have witnessed it myself when I assisted a family. It is causing much grief and as such I am calling for a review of this policy.

**Madam Speaker:** I wish to advise the hon. Member that this matter does not qualify as a definite matter of urgent public importance. The Member is advised that he can raise it under Standing Order 11—Motion on the Adjournment of the House.

**Point Lisas Industrial Estate  
(Safety of Workers and Residents)**

**Mr. Ramesh L. Maharaj** (*Couva South*): Madam Speaker, earlier today I sent to your office a notice that I intended, under Standing Order 12, at today's

sitting of the House of Representatives, to ask leave to move the adjournment of the House for the purpose of discussing a definite matter of urgent public importance. It concerns the lives and safety of residents living in the vicinity of the Point Lisas Industrial Estate and the workers employed on that estate.

A recent report, which was commissioned by Government states *inter alia*, that such persons are in danger of being killed and/or injured if an explosion occurs at the estate. I have a copy of the report of the Cabinet-appointed committee on the matter

The matter is definite and public as it involves the lives and safety of thousands of persons. It concerns the constitutional obligations of the Government to ensure that the right of security and the right to the enjoyment of property and other fundamental rights are enjoyed by the people of Trinidad and Tobago. The enjoyment of those rights is in jeopardy insofar as the affected persons are concerned.

The matter is urgent as it is imperative that the Government respond to the issue and state what steps, if any, it has taken or intends to take to prevent the potential dangers.

The Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights—which they all now want to throw out the window now—the International Covenant on Economic and Social Rights and the Constitution of Trinidad and Tobago, impose obligations upon the Government to provide relief for the affected persons.

**Madam Speaker:** I wish to advise the hon. Member for Couva South that I am not satisfied that this matter qualifies to be debated under Standing Order 12, especially as I see that it is based upon a report. The Member is advised that it can be considered under Standing Order No. 11.

#### 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 Motion No. 11, under Private Business, on page 15 of the Order Paper.

*Question put and agreed to.*

**FLAMING WORD MINISTRY (INC'N) BILL****Special Select Committee Report****Adoption**

**Dr. Rupert Griffith** (*Arima*): Madam Speaker, I beg to move that this House adopt the report of the Special Select Committee of the House of representatives appointed to consider and report on a private bill for the incorporation of the Flaming Word Ministry and matters incidental thereto.

*Question put and agreed to.*

*Report adopted.*

*Question put and agreed to, That the Bill be now read the third time.*

*Bill accordingly read the third time and passed.*

**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 Motion No. 3, under Government Business, on the Supplemental Order Paper.

*Question put and agreed to.*

**PUBLIC SECTOR (ARREARS OF EMOLUMENTS) BILL****Senate Amendments**

**The Minister of Finance (Hon. Wendell Mottley)**: Madam Speaker, I beg to move,

That the Senate amendments to the Public Sector (Arrears of Emoluments) Bill be now considered.

*Question put and agreed to.*

*Clause 2.*

*Senate amendment read as follows:*

In subclause (2), delete the words "a deceased employee and their legal personal representatives" and substitute the words "and the legal personal representative of a deceased employee" therefore.

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**Mr. Mottley:** 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.*

*Clause 3.*

*Senate amendment read as follows:*

Add a new subclause (5) to read as follows:-

"Acceptance by a person of bonds issued under this Act shall constitute full and final settlement of the arrears of emoluments owed to such person and in respect of which he accepted the bonds."

**Mr. Mottley:** 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.*

**2.00 p.m.**

*Clause 8.*

*Senate amendments read as follows:*

(a) In subclause (2) delete the words "or companies" and insert the words "companies or credit unions".

(b) Insert Co-operative Societies Act."

**Mr. Mottley:** 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.*

*Clause 10.*

*Senate amendment read as follows:*

10                      Renumber clause 10 as 10(1) and add the following new subclause (2):

"(2) The Minister shall cause Regulations made under subsection (1) to be laid in Parliament."

**Mr. Mottley:** 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.*

#### BUSINESS OF THE HOUSE

**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 Bill No. 1 on page 9 of the Order Paper for second reading.

*Question put and agreed to.*

#### AGRICULTURAL DEVELOPMENT BANK (AMDT.) BILL

*Order for second reading read.*

**The Minister of Agriculture, Land and Marine Resources (Dr. The Hon. Keith Rowley):** Madam Speaker, I beg to move,

That a Bill to amend the Agricultural Development Bank Act Chap. 97:07, be now read a second time.

The purpose of this exercise this afternoon is to seek the approval of this honourable House to make some adjustments to the existing legislation under which the Agricultural Development Bank has been operating since the last adjustments made in 1989.

For the benefit of my hon. colleagues, I would proceed by putting into perspective the Agricultural Development Bank, insofar as it exists as an institution which delivers some of the support that the Government has committed itself to delivering to the farming community.

The Agricultural Development Bank, as we know it today, has had its roots in the colourful history of Trinidad and Tobago. It has developed from an agency of colonial administration into a truly national organization which is providing a very much needed service in the agro-industrial sector in Trinidad and Tobago. The very root of the bank dates back to the 1800s when the Agricultural Bank was established as a mortgage lending institution. This was done in response to a hurricane at that time which had caused great hardship to the planters. The need for a funding agency focusing on the agricultural sector had become quite clear, and therefore, an agricultural bank was established in the country, as a mortgage-lending institution.

It was a small-scale operation and during the depression of the 1940s, which affected the world economy, there were many plantations producing agricultural products largely for export, and local exporters from the agricultural estates suffered terribly. That resulted in tremendous bankruptcy. When one added to that the fact that one of the major export crops—cocoa—had suffered a biological disaster in the form of witches' broom, the position was that the agricultural sector in this country was ravaged.

When one listens to some commentators, one tends to lose a little of this history because the impression is given that the agricultural sector has always prospered and it is only of recent vintage that difficulties arose.

However, when one looks at the history of the agricultural sector in the 1940s, one would see the colossal failures that took place in the sector at that time, and in fact, such was the level of failure that a large number of estates went out of business and the Government ended up owning those estates in a variety of ways. In some cases, by direct purchase or by default from loans owing to state funding agencies.

In 1945, there was a *West Indies Royal Commission Report* which suggested that credit be extended for the purchase of land and that it be extended to agricultural credit societies. The idea then was to advance agricultural activity funding the agricultural sector, and so benefiting from the agricultural societies' interest, drive and organizational skills at the community level. But they needed funding. The commission reported that the bank should provide funding to these societies. I remember my grandfather being an active member of one of these societies. In those days, in all the rural areas farmers accessed these societies for small loans to carry on their agricultural enterprises and, of course, the whole question of land-ownership.

At one time the Bank was meant to fund those persons who were the plantocracy, who owned lands, but what about those who did not own land? How could they be helped? The commission recommended that the bank should also lend money for the purchase of land in order to create a new land-owning class of persons with the assistance of this Bank. The Bank operated in that era under a number of financial and legislative strictures. It was never really a blooming institution, but it did provide significant support.

I have met a number of persons in the farming community who still remember in their reminiscing, how they managed to obtain their estates; the loans they obtained. The figures would astound you, Madam Speaker, at that time \$40,000

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for an estate of 400-500 acres, but at that time borrowing \$40,000 took a certain amount of fortitude and trust. The banking community would not touch that for farming and the Agricultural Credit Bank did play that significant role in ensuring that the agricultural sector survived, as the history would show.

Then in 1963, we had hurricane Flora which devastated Tobago. Up to that time Tobago was still a major agricultural-producing community. In response to this natural disaster—which interestingly enough, was the sort of impetus which gave rise to the Bank in the 1800s—the Agricultural Credit Bank set up an office in Tobago and we began to review the whole role of the Bank again with respect to lending, development, rejuvenation and so on.

A committee was set up by the Government to look at how the Government could play a greater role in this exercise towards providing funding for agriculture, supporting the agricultural sector and treating more directly and immediately with hardships which arose from hurricane Flora.

### **2.10 p.m.**

In 1965, a finance institution committee was set up and charged with the responsibility of preparing a design for the Agricultural Credit Bank. Based on this committee's recommendation the Agricultural Development Bank Act of 1968 was drafted. The Agricultural Development Bank, as we know it today, was spawned from this exercise. In 1968, the draft legislation was prepared and the Bank was mandated to encourage and foster the development of agriculture, for example, commercial fishing, and industries connected therewith, and to mobilize funds for the purpose of such development. I emphasize the phrase "to mobilize funds" because of our recent history with the Bank and the general reaction to the Bank by a significant number of persons, both inside and outside of the farming community, this point is largely missed because the Bank is viewed purely as a dispenser of the state's allocation in the annual budget. That was not the sole mandate of the Bank. The Bank was mandated to mobilize funds for agriculture; and some of those funds come directly from the Treasury but funds could be mobilized elsewhere.

For several years the Treasury was the sole provider of funds to the Bank, on terms and conditions as laid out by the Government at the time. I make the point to indicate that on coming into being, the Bank was mandated to encourage and foster the development of agriculture and to mobilize funds to do so.

The first loan was disbursed in 1969. At that time the loan portfolio of this Bank, which held out so much promise to the agricultural sector, amounted to \$5

million. I mentioned a moment ago that the need for the Agricultural Development Bank arose in a period of crisis when spoke persons for the agricultural sector felt that there needed to be an agricultural bank, but it is not that there were not other banks in the country, but it may very well have been that farmers were not feeling that they were getting the kind of support that they could use from the traditional banking sector. Therefore, the point is that an agricultural bank, whose mission is to fund agriculture was something desirable.

That sentiment is still widely held and is still strongly supported by this Government because when one looks at our present situation one will see that it is not much different today from what it was at the time when the Bank was conceived. By and large, banking is investment for a return. As it was then, it is now, that persons who have money to lend, or persons who have money to invest are not traditionally looking in the agricultural sector to invest those moneys or to lend those moneys because of a number of intrinsic problems with agriculture, one of which is the high risk involved in lending.

Secondly, the low return that follows investment in agriculture in most situations. Usually persons who are lending or persons who are going to invest tend to look elsewhere in the economy to place their investment, and are not easily disposed to lending in the agricultural sector.

This is borne out by the fact, that, if one happens to peruse that Central Bank document which shows the spread of lending in the banking sector in Trinidad and Tobago today, one will see that over the years, and in recent times in particular, I do not think—if my memory serves me right—that we have ever gotten beyond five per cent of the total lending. The agricultural sector has not been the beneficiary of anything beyond five per cent of the total lending in the country.

In fact, on an annual basis, it is nearer three per cent and in fact, if one looks at the breakdown of the lending displayed one will see that a column called “miscellaneous”, accounts for a larger amount of loans than the agricultural sector. “Miscellaneous” is that group of lending that has not been captured by all the terms in that long list of about 15 or 20 categories, and even after all of that there is the miscellaneous column, and in that column one will see that the lending there is higher than the lending in the agricultural sector.

One wonders about that, given all that is said by all those who speak about agriculture in and out of the banking sector and the investment community, about all the wonderful things agriculture can do for this country, and how the economy

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can be turned around on agriculture, and how we can save ourselves on agriculture; that we are lending less than three per cent in the banking community, because economic growth and investment levels go hand in hand.

It is in the face of this pattern of lending which, notwithstanding, Government's encouragement and persuasion and so forth, we have not seen any significant change. Given what I have said just now about the lenders wanting to ensure that their lending is secure, and investors wanting to ensure that a decent return, as compared to other enterprises, is had, we do not see a situation where a significant change is going to come with respect to lending patterns in the traditional banking sector. That is why the Agricultural Development Bank is important as a lending institution.

I do know that some banks have tried, they have opened up agricultural windows, some of the banks have made certain provisions to hire agricultural officers to scrutinize applications for loans. But even when that is done and one looks at how much change that has made to the lending portfolio one sees that these banks, which are so enlightened, are still a little cautious in their lending. We, therefore, encourage the Parliament to support the Agricultural Development Bank as a lending institution.

This raises another question: It is all in the context of conception. A point is made by those who borrowed from the bank, that the terms and conditions of the bank could be better. Yes, we all agree. In fact, some persons even object to paying interest on the loans they get from the bank, and in fact, some persons who do not object to the interest, might object to the rate at which the interest is charged.

But you see, the very first contribution that the ADB makes in the farming community is to open a door for farmers and agro entrepreneurs to come in and talk agricultural lending, because in the other banks those doors might not be opened. So the very fact that funds are available for agricultural lending is a plus and the presence of the ADB does that. It makes that agriculture window available to farmers of all levels who want to borrow money for agriculture.

Secondly, insofar as the average interest rate today at the bank is about 12 per cent, it is higher than what it used to be a few years ago. But one might argue that 12 per cent is too high for agricultural lending because the return in the agricultural sector might be such that a 12 per cent loan might be too much of a burden to bear.

For some activities, yes; on the other hand, funds cheaper than 12 per cent are not available, and if one compares the Agricultural Development Bank, 12 per cent with the open market interest rate, one will see it is 12 per cent as against 18, 19, or 20 per cent because that is what they will be charged if they have to go to the traditional banks which for a start might not make the loan, and if they do make the loan, because of the risk involved they will want a higher interest rate on it.

I should like to see loans as cheap as possible, but the interest that is charged by the bank is governed by the cost of the moneys that the bank can access—I can tell you Madam Speaker that it is very, very difficult in today's financial situation to access funds that are cheap enough to permit the bank to borrow those moneys and lend them at rates lower than 12 per cent. In fact, many of the bank's activities over the years had to do with subventions from the state which were loaned at interest rates considerably lower than the market rates.

**2.20 p.m.**

At the end of the day, if one looks at the history of the bank one would see that a considerable number of losses was attracted to the bank's books because there was not a relationship between interest rates and lending. That was Government's policy at the time when it could have afforded it. There was a fair amount of cash available, and some of that cash was put into the agricultural sector by way of subvention from the Treasury at very low interest rates. That brought about some positive growth in the agricultural sector, but it also had as its company a significant amount of wastage.

However, today Government does not have the ability to transfer large amounts of money to the Agricultural Development Bank for minimal interest loans, but it provides the ADB with funding by way of loans obtained, for example, the loans obtained from the CDB at relatively cheap rates as compared to the other commercial rates made available to the Bank for on-lending to farmers. We are looking at international institutions. We are currently pursuing an initiative to try to access European Economic Community funds which will be cheaper and to have these funds go to the agricultural sector for lending at lower rates.

The bottom line is that we are trying to put the bank in a position where it operates not as a government division—in some instances, it probably did operate like that—but as a bank which can have a viable and long-term indefinite future to make moneys available to farmers at reasonable rates, but also make small returns

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to cover its cost and to be able to be there for farmers, not only today but in the future. In other words, to lure the banking community insofar as viability is concerned to take into account its developmental role, that its primary purpose is to be available to farmers and to fund agricultural development. That can only be funded by moneys which are at reasonable rates within the context of the kinds of returns that farmers can get, given the enterprise in which they are engaged.

Today the ADB has on its books approximately 5,000 farmers, Some of them are quite successful and some of them got into trouble. But we knew that! As I mentioned earlier on, agricultural enterprise is one of high risk. In some instances, there were many persons who accessed ADB loans and have not been able to see success visit their enterprise and, of course, they got into financial difficulties in servicing their loans.

Recognizing its developmental role and not behaving as a punitive big, bad wolf in the financial sector, the bank has approached this matter in a most humane way, treating with these farmers on a case by case basis, to see who can be refinanced or who can be restructured and so forth. At the end of the day, unfortunately, some of the enterprises would have gone under or changed hands but, fortunately, the vast majority would have survived and some of them are doing quite well.

It pleases me when I go on my weekly visits to various farming enterprises—whether it is dairy, pork, or whatever—and I see success being demonstrated and being spoken about by the entrepreneurs and that success, largely, is rooted in funding provided by the ADB.

To give this honourable House an example of the role the ADB is playing in support of the farming community, I would just demonstrate how the lending pattern has been over the last five years. In the last five years, the ADB has loaned \$15 million to rice farmers. Some of that \$15 million to Caroni (1975) Limited specially for rice, but much of it to very small rice farmers who access \$4,000; \$5,000; \$8,000; \$10,000 for labour, to fix machines and so forth. The sum of \$15 million was since in 1990. For 1994, the figure was \$1.1 million but it is part of a \$15 million availability. Actually, loans have been disbursed to rice farmers.

With respect to root crops and starches which are our staples. If one goes to the markets one will see dasheen, potatoes, yams and one may not make the connection that these ground provisions are there as a result of some assistance given to many farmers by the ADB. In the last five years, loans to farmers who are growing root crops amounted to \$7 million.

With respect to vegetables, this country is self-sufficient. We produce all that we require; and importation is largely business transactions which the marketplace might beckon to some entrepreneurs. In the last five years we have loaned via the ADB \$20 million to farmers who are engaged in a variety of vegetable production. Yesterday I was in Tobago and I was very pleased to meet two farmers who are growing two products which will become increasingly in demand as we talk tourism. I am talking about broccoli, a high priced, high quality vegetable which is not a commonplace item in the marketplace.

**Mr. Sharma:** Madam Speaker, would the hon. Minister please tell us the number of farmers who received these loans?

**Dr. The Hon. K. Rowley:** Madam Speaker, I do not have the information on the actual number of farmers who received the loans but I can give the assurance that it is a large number. Today, I brought the quantum of funds. As I said, there are 5,000 farmers on the ADB books.

**Mr. B. Panday:** Half of them are bankrupt.

**Dr. The Hon. K. Rowley:** Madam Speaker, some of them, not half. Many small farmers access small loans from the ADB. By the time I get to the other place, I could get that information and make it available for the public record.

As I was saying, in the last five years the ADB has loaned \$20 million to farmers engaged in producing vegetables. In 1994, that contribution was \$3 million.

We have not been seeing many persons wanting to invest in fruit production, and that is disappointing because it is an area where we can do much better nationwide. I think one of the main reasons for the lack of movement in the fruit sector is the fear of praedial larceny. We are cognizant of that, and we are currently putting our minds to see what we can do to treat with the problem of praedial larceny. It reflects itself in low borrowing at the ADB and we read that to mean low potential realization of the farms that could otherwise be producing fruits and vegetables.

In the case of sugar cane, over and above the direct support that is made available to the state company, Caroni (1975) Limited, with respect to those individual private farmers who are now producing almost 60 per cent of Caroni's cane, the ADB makes loans available to those farmers. In the last five years, approximately \$32 million was made available to sugar cane producers and of that \$32 million, the sum of \$8.5 million was made available to farmers last year for sugar cane production.

Even the people who are producing chive and other condiments in Paramin access the ADB. In 1994, \$500,000 worth of loans was made available to small farmers producing chive, thyme and things like that. The door is open. These are farmers who would tell you that they would not get a hearing in many of the traditional banking places of business.

**2.30 p.m.**

With respect to poultry, again, we are self-sufficient in poultry in Trinidad and Tobago, largely as a result of a number of enterprises which have been undertaken by the Government, not the least of which were substantial subsidies, which were put in place to establish the industry and put it on a sound footing. That has been done. I know one will hear from time to time clamours for the continuation of the subsidy, but on analysis one would have seen that the subsidy programmes did establish an industry where, hitherto, none existed and today we can say that we are self-sufficient in poultry.

But to support that self-sufficiency the ADB, in the last five years, has loaned \$18 million to those persons engaged in poultry enterprises. In that \$18 million, as would be expected, are does not put down the plants every day and one might have higher lendings in some years than others. In 1984 ongoing lending, was \$1.8 million.

With respect to the fishing subsector, in 1984 we lent to the ADB \$1.7 million for people engaged in fishing enterprises and that was \$1.7 million out of an \$18 million loan disbursement package for the last five years; and very importantly, we have been saying that insofar as we support primary production, the next step is to encourage agro-industry to use the primary produce—prepare them to have a greater shelf life, or more importantly, to be able to sell them outside our borders—packaging.

Persons engaged in packaging can access the ADB, because we recognize packaging as an important part of the agricultural requirement, if we are going to move goods from farm to marketplace; from local marketplace to foreign marketplace. We are concerned about presentation; about minimizing post-harvest losses and so forth, and of course, about the competition.

Agro enterprises have been a growth area with respect to the agricultural sector and that reflects itself in the level of lending that one will see on the ADBs books. In the last five years the ADB has lent \$107 million to persons or companies engaged in agro enterprises. Of that \$107 million, \$34 million was lent in 1994, and a look at the growth pattern, will show that in 1990 the lending for

agro industry was under \$8 million; in 1991, \$7.5 million; in 1992, over \$15 million; 1993, \$36 million; and 1995 almost \$38 million.

What this represents is borrowing for expenditure in an area which we have targeted—a growth area; and insofar as persons are going into agro processing that augurs well for the producers, because there is a factory somewhere to take the produce and convert it into a packaged product. And I can tell you, Madam Speaker if, as I am from time to time, you are exposed to the range of packaged, agricultural produce which is now produced in Trinidad and Tobago, you will be very impressed with what our agro-industry business is doing now—attractive labels, attractive produce and, in fact, one local product is now among the world's top two. I am talking specifically about Trinidad and Tobago hot sauce which is made from local red and yellow peppers.

There are brands of Trinidad hot sauce with a variety of levels of heat, which have been catching on in the external markets and this provides a very good outlet for farmers producing things like chive, thyme, peppers and so forth. It is reflecting itself out there in the market place and when you see those products in these bottles, think of the ADB because at the beginning of it was the ADB; and ongoing annual loans sustained these aspects of national agricultural development. Madam Speaker, that basically is the picture.

I mentioned earlier that the Bank started out in its first year of lending with a loan portfolio of \$5 million; today the loan portfolio of the ADB is a quarter billion dollars, \$250 million, so you could see the growth of business. Those who are managing this Bank now, Madam Speaker, are in fact now managing a major enterprise. The Bank has moved from one unit in Port of Spain and, subsequently, one in Tobago. The Bank now operates across Trinidad and Tobago with offices in North, South, Central, Tobago and so forth, trying to be as accessible to farmers as possible and trying to be as business-like as possible without losing its primary focus of being a developmental institution whose primary mandate is to fuel the support of agricultural enterprises in the country.

So, Madam Speaker we have the ADB Act of 1968. That Act had required that as persons borrowed from the Bank they would become an integral part of the Bank's ownership. A certain percentage of the loan approved for a borrower was designated in shares, so on borrowing one automatically paid to become a shareholder in the Bank. However, after a number of years, the farmers were complaining that this was an unnecessary burden on their backs because the shares were found to be non performing they were forced to take shareholding in an enterprise where they were virtually guaranteed to get no dividend, because

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that was how the Bank was operating at the time—one was forced to take these shares and because of the Bank's relationship between its lendings and its earnings there were no dividends.

Farmers, quite correctly, said they did not want to be forced to buy these shares. The previous administration listened to the farmers' plight and in 1989 an adjustment was made under Act No. 13 of 1989 to remove from the Bank's operations this requirement which forced farmers to buy these worthless shares. The State bought back those shares and, then became the sole owner of the Bank and in the amendments before us today, Madam Speaker, you will see where we are asking to repeal certain sections of the 1968 Act. This is really to take off the record books these clauses about ownership changes, because initially it was conceived that as farmers continued to borrow from the Bank and buy these shares, the Government's shareholding would have been diluted as we progressed, therefore provision was made for this change in ownership. Since the 1989 Act had removed that operation, there is no need to have on the books these considerations.

So, what exactly am I asking my colleagues in this honourable House to do today? I am asking them to make certain amendments to modernize the ADB, to bring it into the modern era where it can operate as an institution that is not just a department of Government. Initially, you will see where provision was made for public servants to be seconded to the Bank and so forth. That is not really banking. We spent the last year and a half reviewing the entire situation—consultations between all the interested parties; and we have come up with this amending Bill.

I should just like to go through the high points of the amendments for the benefit of hon. Members.

We are asking in clause 3 where the word "President" occurs, to delete that and replace it by "Minister". That is because we are bringing the Bank closer to management and away from the President having the responsibility for operational aspects of the Bank. We believe that is not required in a modern banking institution and the responsibility would lie now with the Minister who would be accountable to the Parliament, and the Bank would be managed by a managing director and as we say, we will be deleting the words "General Manager" and replacing them with the words "Managing Director".

In clause 5, which repeals section 9 of the Act, we are pointing out that the Bank shall now be managed by a board comprising seven directors to be

appointed by the Minister and we specify that four of those must have certain specific skills, or range of skills, or technical expertise which would be of use in managing this kind of enterprise. We spell out the terms in clause 5 which replaces, "a director shall be appointed for a term not exceeding three years and shall be eligible for reappointment".

These are simple management conditions to designate how the management operation should go. In clause 5 we identified that:

"The Minister shall appoint a Chairman and a Deputy Chairman"...

How they should perform and how they can leave office, and so on.

### **2.40 p.m.**

We repealed sections 11 and 12, as being not relevant in the context of the amendments that we made in 1989 where the bank is 100 per cent state-owned, so there was no need to make these provisions for diluting of shareholding by virtue of borrowing.

In section 14 which is clause 8 of the Bill, we spoke about the managing director being an *ex officio* director of the board and shall attend board meetings but shall not vote. He shall be charged with the day-to-day administration and control of the Bank.

Clause 8(5) states:

"The Managing Director shall be answerable to the Board for his acts and decisions."

We talk about the term for the Managing Director. We talk about the person holding office at the ADB at the moment and with the coming into effect of this Act shall do so until the present term expires. Then in clause 8(8) we say:

"No person who is a director of the Board, or is a member of Parliament or of a Municipal Corporation, or of the Tobago House of Assembly, shall be appointed Managing Director."

We make these things very clear so that in the future we can have no ambiguity or controversy over these matters.

Section 15 of the Act is repealed and replaced by clause 9 which says:

"In this section 'office established by this Act' means the office of-

- (a) Chairman;

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- (b) Deputy Chairman;
- (c) Director; or
- (d) Managing Director".

We made some amendments to section 16, which is clause 10, replacing the word "President" by:

"The Authority may terminate any appointment made by the Authority."

(c) adding the following:

'(2) In this section the expression 'Authority' means the Minister or the Board, as the case may be.'

We repealed section 17, as I mentioned earlier on.

We repealed section 20 of the Act and we replaced it by clause 12(2) which says:

"The Board may make no appointment to any post which carries remuneration that exceeds \$120,000 per annum, without the approval of the Minister."

This is meant to give the board the authority to make appointments to positions where holders of those positions will earn less than \$10,000 per month. Positions earning beyond that would require the approval of the Minister.

We are moving in a direction, as we have heard so eloquently expressed by my colleague the Member for Arouca South, the Minister of Health, that we are placing responsibility with authority. We are giving the board the authority to look after its staff and their conditions but we set a limit where, beyond \$120,000 per year—which of course we expect to be top management—those appointments will be subject to the approval of the Minister. Before it was in the law and the figures were lower, but with time, you would expect that where limits of \$5,000 were placed in 1968 or thereabout, we are now putting realistic limits within which the Board can operate.

Clause 15 is important in the context of what we are saying, that the Bank must now be unfettered to conduct banking. It is banking, yes, specifically in the agricultural sector, yes, but it must be able to bank using the instruments available to other banks. Therefore in clause 15 we say:

" The Bank shall have the power to -

- (a) open accounts for and accept savings or time deposits from the public..."

And a host of things that we say the Bank can do:

"(c) secure the repayment of money..."

But I shall come back to that because we want to make some slight amendments to the language here. In recent consultation and on the recommendations of other parties, we have agreed to make some changes, not in substance but in the language, and we would be circulating an amendment at the appropriate stage. But the gist of it remains.

It has been brought to our attention that persons have been going to court after borrowing people's money and using legal loopholes to determine that they are not liable for repayment because the person who lent them the cheque did not have on the right colour socks, and things like that. So we have been very careful here to ensure that we put in clauses to cover all these eventualities. Because we believe that if we are knowledgeable of these things at this time and we are making these amendments, we should take them into account and put them into the legislation. That amendment should be circulated now. It is just a change of language as against what is published in the Bill.

We are also repealing a host of regulations and forms that are in the Act where the ADB is probably the only bank where all the forms it has to use are spelt out the Act at the back of that chapter there, which unnecessarily fetter the management of the operation while not providing any increased guarantees in the operation. We are saying simply:

"The Board may, with the approval of the Minister make regulations relating to the conduct of the affairs of the Bank."

So we are giving the Board the authority to use banking considerations to conduct the banking business of the ADB without being fettered by what have now outlived their usefulness. The Bank has moved now to become a full-fledged member of the local banking community.

Basically, we have examined the legislation to see where we need to make changes to make the Bank more efficient; to make management more accountable to the board; to give the board the authority to carry out its responsibility and to make the ADB an instrument of support of the farming community. Nothing in this legislation is meant to do otherwise.

Insofar as we move to make the ADB viable, what we are doing is securing the future of those persons who invest in agriculture and those persons who make their livelihood in agriculture. Because in the absence of the ADB, many persons

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who make their livelihood agriculture, many persons who invest and make returns in agriculture, many persons who are now facing the high prices of external food supplies, would be exposed to even harsher conditions. Because insofar as we are able to produce any significant quantity of our local food supply, much of that success rests on the shoulders of the support provided by the ADB.

I would close by mentioning that we have had our experiences in the ADB where a significant number of loans have not performed. In fact, at one stage, the very existence of the Bank as an institution, was in question. Because when one looked at the hundreds of millions of dollars in losses which the bank was carrying on its books, had not something been done to rectify that situation and to redirect the course of this Bank, the end of such a pathway would simply have been the demise of the ADB. But we have agreed that the ADB ought not to suffer such a demise. In fact, it ought to be strengthened; it ought to be supported; it ought to be put on a footing with a guaranteed future.

To do that, what was done was that the non-performing loans were removed from the Bank's main activity; its books were cleaned up; the way it does business has been reviewed, strengthened, regularized. The ADB's relationship with its clients has been improved; it has been strengthened, so that the strong can become stronger, the weak can be helped, and those who after analysis have been found not to be able to be revitalized, to be culled and for some starting over to take place in some instances.

**2.50 p.m.**

We believe that this approach guarantees the survival of the ADB. It guarantees the state's involvement as a supporter of the agricultural sector, not only as we do at the ministry by providing technical, advisory or regulatory services, but in this case—where the ADB is concerned—a supporter in the form of a provider of cash resources. That is what the ADB represents.

Insofar as we are doing that, I—

**Mr. Sharma:** Can the hon. Minister advise us of the total losses suffered by the ADB over the last five years?

**Dr. The Hon. K. Rowley:** Let us not talk about "losses" because that is an accounting term which means different things. If my memory serves me right, that figure might have been in the order of \$300 million.

I can give information relevant to the question raised. As of August 31, 1994, the amount of non-performing loans was \$173.3 million. These are the loans that

have been disbursed and after a period of time were found not to be performing; by that I mean, not making any contribution with respect to repayment, and in some instances, the enterprises have gone out of business.

It was that body of non-performing loans that has been removed from the bank's books, and the rest of the development portfolio is there now—a pretty healthy portfolio, doing quite well.

I made those points to put in perspective what the ADB is; the contribution it is making; the contribution it would continue to make as long as it does its business with prudence and with an understanding of its role. It is the only Bank in the country that carries the term "development," but that does not mean that it is a free-for-all. Development means that it has a higher responsibility to the agricultural sector. It is in that context that loans are made at lower interest rates—though not at zero interest—and technical support services are also made available. In conjunction with the extension services of the Ministry of Agriculture, we believe that this bank could play, and would continue to play, a considerable role as we seek to strengthen our agricultural sector.

The amendments proposed today are meant to put the operations of the Bank on a more modern and efficient footing. On that basis, I solicit the support of my colleagues.

Madam Speaker, I beg to move.

*Question proposed.*

**Mr. Basdeo Panday** (*Couva North*): Madam Speaker, while I agree with the hon. Minister of Agriculture, Land and Marine Resources, that there is need for restructuring the Bank, I do not agree that the proposals put forward for doing so would redound to the benefit of people in the agricultural sector.

First of all, I do not believe that the Minister told us the story when he said why the Bank should be restructured and in this way. What is the purpose of restructuring the Bank in this way?

We see that the Bill—

". . . seeks to vest in the Agricultural Development Bank greater corporate and management independence particularly for the determination of interest rates and other fees in order to assure financial self-sustainability."

That is the object of the restructuring; nothing to do with farmers or people in the agricultural sector, but to do with the financial viability of the Bank.

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In order to achieve financial self-sustainability, as the Government calls it—to achieve that objective, the Act is being amended in a way that would have the effect of assisting in the smooth and expeditious transformation of the Bank.

The Bill seeks to amend the provisions in the Agricultural Development Bank, Chap. 79:07 in two areas, according to the Government, that is, governance and operation. Remember, the Minister said that the purpose of this was to give the Bank a kind of independence.

The first area in which the Government seeks to amend the present law is to remove the involvement of the President of the Republic in the affairs of the Bank and to change the composition of the board of directors.

The Minister knows that in our Constitution there is a provision which says that unless it is otherwise provided, where the word "President" is used, it means Cabinet—Cabinet can exercise the function. So, it is a misunderstanding to say that this will remove the involvement of the President of the Republic in the affairs of the Bank, because that is only nominally or notionally so. In fact, it is the Cabinet.

Now, the Government is seeking to remove the function from the Cabinet to the Minister. I want to know how that is going to make any difference. If the decision to appoint the directors of the Bank is removed from the Cabinet and placed in the hands of the Minister, is that any structural change of any fundamental nature that is going to affect the way the Bank operates? *[Interruption]* Would that not deeply politicize the Bank even more?

Insofar as appointment of directors of the Bank is concerned, this provision is totally useless. The Minister is going to have that power without any control. At least he would have had the control of his Cabinet colleagues, if that is any control at all—when the power is exercised effectively by the Cabinet. This country is known for its political patronage. It is steeped in political patronage, nepotism and so forth. By putting this power in the hands of the Minister, would that not deepen that suspicion? Would that give the Bank the kind of confidence that is expected from it?

The second area of operation is to broaden the category of loans and security documents, to revise the object and powers of the Bank, including the involvement of the Bank in equity investment and joint ventures, and the fixing of interest rates and legal charges. The Act does not really do that. Maybe, that is the kind of change that is needed. One needs to get out of the syndrome of a bank in the traditional sense and create an institution that would promote agriculture.

Surely, the purpose of this amendment should have been to promote the farming sector. As a matter of fact my Friend the Member for St. Augustine—who, I suspect, knows the PNM manifesto better than he knows that of the UNC [*Laughter*—says he knows them both and I take his word for it—has drawn my attention to a provision in the manifesto. The PNM was talking about the existing Act on page 19 which says—

"The PNM is aware that the Agricultural Development Bank (ADB) is not fulfilling its intended role of a development agency, and instead is now providing strictly commercial lending."

**3.00 p.m.**

That was their observation when they wrote the manifesto. But they come here today and say it has degenerated to the position where it is not strictly commercial and the purpose of the amendment is to make it so—unfettered to conduct banking business like any other bank." Those are the exact words that were used. In fact, what they had promised in the manifesto was, having said that the Bank is now providing strictly commercial lending, "consequently, under the PNM the ADB will provide loans at concessionary rates to farmers with specific reference to efficiency and accountability." They back-tracked on that.

They almost said the right thing when they wrote this manifesto. It went on to state that:

"The ADB would be directed to work closely with Caroni". That does not matter. What are they doing now? They are changing the whole structure of the Bank to make it like a commercial bank? The very thing that they were criticizing the Bank for. The truth is that this has really nothing at all to do with farmers. They are restructuring this bank to satisfy World Bank requirements, part of liberalization programme. That is what we are really doing. This is really part of a structural adjustment programme. I must read it for them. I am afraid they do not read their own documents.

"Agricultural Development Bank."

In order to improve the efficiency with which financial resources are allocated to the agricultural sector, the Agricultural Development Bank, (ADB) will be appropriately strengthened and restructured, and the ADB Act will be amended accordingly. These reforms seek to transform the ADB into a financially viable and self-sustaining intermediary, free to select its borrowers according to prudential lending criteria and to charge fees."

*[Dr. Rowley rose]*

**Madam Speaker:** Is the Member willing to give way?

**Dr. Rowley:** Madam Speaker, just for my own benefit—not being contentious—but could the Member identify the document he is reading from, please?

**Mr. B. Panday:** The Member knows very well that I would have done so, but it is for dramatic effect that I read it first so that he may deny it and then I would tell him where it came from. You can be assured that I am going to tell the Minister where it came from.

I must ask him if that is incorrect. Tell me, is what I am reading correct or incorrect? Does its correctness or incorrectness depend on from where I read it?

**Dr. Rowley:** Yes.

**Mr. B. Panday:** I see it does. I will tell you. Do you notice the words being used here are the identical words being used by the Minister today.

"These reforms seek to transform the ADB into a financially viable and self-sustaining intermediary, free to select its borrowers according to prudential lending criteria and to charge fees and final retail rates of interest which will cover full costs.

...the Government is also committed to refrain from making loans to the ADB below its cost of funds."

Do you know what I have been reading from? I have been reading from a letter to the Inter-American Development Bank—Mr. Enrique Iglesias. *[Interruption]* Yes, a letter signed by your Minister *[Interruption]* In order to meet the conditionalities these were the promises Members opposite had to make and these are the promises they made. Is it true now?

**Dr. Rowley:** It is very true.

**Mr. B. Panday:** All I want to know is that the Member says, that is the real purpose of the amendment. Now we know why the Bill is before the Parliament. This is part of the conditionalities to which they must succumb in order to get money.

If the UNC had to revise this Act, restructure it, it would do so in a quite different context. The object would be to promote agriculture, including fisheries, and to promote agriculture for local consumption and export and to create jobs. That is the context in which this Bill should be amended.

The function of the ADB should really be to promote agriculture. Here they are really converting it to a commercial bank. If they are going to promote agriculture they have to ask, of course, what kind of agriculture, what is the purpose of promoting agriculture? Surely, their purpose for providing agriculture should be to provide a measure of food security for the country *[Interruption]* He laughs at that. *[Interruption]* That is what they said in their manifesto*[Interruption]*

**Dr. Rowley:** Tell us how you would do it.

**Mr. B. Panday:** It should be to provide jobs and foreign exchange.

**Dr. Rowley:** Tell us how you would do it.

**Mr. B. Panday:** I will.

### **3.10 p.m.**

First of all, the Government have to decide what it they want to produce for local consumption such as fruits, vegetables, beef and fish. These are the things that should really influence the setting up of the bank or changing the structure.

Government must decide if they are going to produce for the export market and how the production of food for export would be organized. In so doing, the problem would have been approached by, first of all, asking what are the needs of farmers, because the mere lending of money—we have seen from the record of the ADB, does not solve problems. This is a really bad habit of the present regime to think that the only way to solve a problem is to throw some money at it.

The fact that there is so much loss and so many persons are unable to pay their loans at the Agricultural Development Bank proves that it is an institution which is not working in favour of the farmers. Now the Government wants it to work in favour of the Bank, not in favour of the farmers. The Government cannot have a system of providing finance to farmers that is successful, unless it also deals with the whole question of land reform. That is one of the big problems in the country. There must be laws that provide security of tenure. Instead, since 1981, there are laws on the statute books of this country relating to land which this Government refuses to recognize.

One cannot deal with the ADB in isolation, and that is what the Government is doing. If the purpose of the ADB is to assist farmers to be successful to grow food for local consumption and export, then it has to look at all the problems of farmers and not look at the problems of the Bank alone, and not engage in the rhetoric that my learned Friend has engaged in today about how this will improve the lot of farmers, this is really not to understand the problem. If farmers are to be

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successful, not only must they have land and security of tenure, but also secured markets.

In their manifesto, there is a very ironic and cynical photograph of venders on the roadside. To show how much the Government cares about agriculture, there is a photograph here of venders, and the moment they got into office they broke down the very shack that is photographed in the manifesto. That is how much the Government cares, so they cannot come to talk about the Agricultural Development Bank as if it exists in isolation. These people are photographed here and as soon as the Government got into power, the same fellow is crying at the side of the road because the Government broke down his stall, but they want farmers and the whole agricultural sector to succeed.

The Government has spoken about infrastructure. Let me say what is said about infrastructure. Following infrastructure, access roads must be urgently addressed. Every day in this House, there are Members on this side who stand to complain that the Government is failing to provide access roads for farmers. Do you know why the farmers have failed to repay the bank? Because the Government has failed to provide all the other infrastructure to make them viable. If they grow the food and they cannot get it out how will they be viable?

The Government has a penchant for saying the right thing and doing the wrong thing. Every year in the dry season, there is a shortage of water for the farmers, and in the wet season there are floods. These are perennial problems and the Government wants them to succeed and the bank to be viable. The Government would make the bank viable by converting it to a commercial bank. The bank can only be viable if the farmers are viable. That is the first point. The farmers have to be viable. Therefore, instead of restructuring the Bank, restructure the farming community and ensure that the farmers are viable.

The Government has fallen down awfully on its promise for drainage. We on this side have spoken about drainage and irrigation and we have put forward very feasible plans about how flooding can be prevented, and at the same time provide irrigation in the country.

In order for farmers to succeed—I am telling the Government this because I am going to give them the answer—they need to have access to modern technology. Let me put it another way, appropriate technology. By modern technology one may think I am talking about computers. I am not talking about that. They should have appropriate technology and methods. This Government does precious little to ensure that the farmers are exposed to appropriate

technology and methods. They need high quality seeds and affordable inputs. These are the things that make farmers viable. Having provided the external motivating factors, the Government has to provide internal motivation for the farmers, and that involves rural development.

This Government has totally neglected the rural areas. Life for the farmers must be of an acceptable quality. They must have proper roads, water, proper schools and shopping areas. Instead, the people of Mohess Road had to demonstrate because they could not get to their houses, far less to get to their farms. The Government has to make an acceptable standard of life for people in the farming community.

There is the problem of praedial larceny. There is a Praedial Larceny Act and farmers are forever complaining about praedial larceny. How can the Bank survive if when farmers produce their goods and they cannot enjoy the fruits thereof? Probably, the most wilful neglect that one can think of is the whole question of damage to farmers. For example, I think for the past 20 years this Government has failed to set up the Oil and Water Board. We do a lot of drilling in Trinidad and Tobago and oil causes a lot of damage particularly in the south. Do you know that if the farmers suffer damage, they cannot go to court? Do you know why?

Because there is an Act that says that if one has suffered damage from oil pollution, one must go to an Oil and Water Board, an Oil and Water Board that does not exist and has not existed for 20 years. The Government wants to talk about an agricultural development bank and hopes that that would help farmers. The Government has never given a reason for its failure to set up an Oil and Water Board. A simple Act to protect farmers from damage and the Government cannot do it.

I am told that there are about 2,335 farm accounts that are not being serviced. I know about one. I would tell the Government how the ADB operates and it would see why the ADB cannot survive in its present condition, only in the condition that is suggested. There was a farmer in Central who had borrowed about \$70,000 to establish a pig farm on his own land, about 15 acres. They lent him money to buy shares. He bought his shares and mortgaged his 15 acre plot to them. The floods came—the very thing the hon. Minister was talking about—and completely destroyed his farm.

### **3.20 p.m.**

The man's farm had been in operation for six or eight months and was damaged by the floods; of course, he could not repay the loan and interest. The

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interest kept piling up and he kept approaching the ADB for some kind of assistance, until he was advised that he could apply for a flood loan. He did so. All this time the interest was accumulating. The bank gave him a loan of \$30,000 and he was told that the purpose of the loan was to re-establish his farm so that he could repay the bank. That makes a lot of sense.

He entered a second mortgage of \$30,000 and as they handed him the money with one hand, they took it back with the other, and said that the \$30,000 was being taken to pay the interest he owed them.

I quote this example so that everybody could know how the bank operates. He was given a flood loan to re-establish his farm, but instead of allowing him to establish his farm, they took it back right there. In fact, they just gave him receipts; they never gave him any money at all, and said that instead of his owing them \$35,000 in interest, he only owed them \$5,000 because they had taken the \$30,000 to pay the interest.

What is that gentleman's position today? The Bank has put his property up for sale. And if you look at the newspapers you will see that the ADB is already operating as a commercial bank. What they want to do is to make it more stringent, to make it worse, I think, not better. Every day one can look in the newspapers and see advertisements selling out farms.

Their latest "gambage" has been to set up a company called Taurus Services Limited. My understanding is that it is a limited liability company incorporated under the Companies Act. Originally it was intended that it deal with the problems of the National Commercial Bank, I believe. It has a nominal share capital of \$50,000 divided into \$1.00 shares which are held mainly by the Minister of Finance for the Corporation Sole. That company was established to carry on the business of debt collection agents. So, the Government sets up a company to become a debt collector for recovery of contract debts, including bills of exchange and promissory notes etc.

I am sorry. I think the company was originally created to deal with the problem of the non-performing debts of the Workers' Bank when the Bank suffered financial trauma in 1989. It then extended its portfolio to include the FCB, Investment Recoveries Company and the ADB. It is my information—tell me if I am wrong—that they have transferred some 2,335 farm accounts to this Taurus *[Interruption]* But you transferred it at 35 cents in the dollar! Why did you not offer the same deal to the farmers? They transferred it at 35 cents in the dollar and—

**Mr. Valley:** Madam Speaker, a matter of explanation. If one has bad debts and is transferring, one ought not to take it dollar for dollar because the probability of getting dollar on the dollar is extremely low. One has to put a valuation, and in transferring it, the valuation was placed at 35 cents on the dollar. If the farmer gives us 35 cents on the dollar for his indebtedness to the Bank, we would gladly accept it.

**Mr. B. Panday:** Thirty-five cents on the dollar for the money that is owed to them was offered to the farmers?

**Mr. Valley:** Madam Speaker, I am saying that these debts are transferred to the bad debts company, Taurus, and if the farmer pays 35 cents on the dollar for his debt, Taurus would gladly accept it, I am sure.

**Mr. B. Panday:** Interestingly enough, the Manager of this Taurus is one Lennox Koylass, a former employee of the NCB, who signed a letter forgiving Dr. Lenny Saith of his debt. You do not agree with me? Am I spreading rumour again? The Minister is chuckling to himself? I think he is going crazy.

I read from a letter from First Citizens Bank, signed by Mr. Koylass and dated June 21, 1994. It is addressed to Mr. Graham Gregoire. The subject is Arima—Property Development Limited.

"Further to my memo to you dated 10th June, 1994, I am to advise, based on my discussions with Mr. Leslie Mohammed, Senior Corporate Manager, First Citizens Mortgage and Trust Company Limited, we have agreed to accept 22.5 cents on the dollar towards satisfaction of the subject's indebtedness."

Mr. Koylass is not offering that to the farmers because I know that if they decided to accept 22 cents on every dollar owed by the farmers, they would clear up many debts. If they liquidated the interest exactly as they did for the Deputy Prime Minister, the farmers would not have their lands sold.

**Mr. Valley:** Madam Speaker, let me say that I feel certain that Taurus is negotiating with every individual who owes the company. When a debt gets to Taurus it means that it is very bad; it means that they do not expect to get dollar on the dollar and they would negotiate a settlement on that indebtedness. If that Member knows of any farmer who has an obligation at Taurus, I am sure he can negotiate 35 cents on the dollar.

**Mr. B. Panday:** Their lands are being put up for sale every day in the newspapers. No discount off. It would be extremely important, when Taurus

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begins to exercise its right as debt collector, to see to whom these lands will be sold.

We understand the purpose of this Bill. It has nothing to do with the farmers. They will reap no benefits. What will be done is that commercial bank will be set up and money lent.

The hon. Minister has spoken about loans being made for agro-processing, and it is a pity he did not give us the details as asked for by the Member for Fyzabad, because I should have liked to know how many loans given for processing went to large companies that import their raw materials.

**3.30 p.m.**

For example, it might be very interesting to find out how much of the loan portfolio with respect to agri-processing went to reconstituted orange juice and all the other products we import powdered milk etc; that kind of industry. If a lot did go, that was designed to destroy the local farmers, not to promote them.

Local farmers cannot sell their milk, and powdered milk is being imported to be reconstituted and sold on our shelves. Farmers cannot sell their oranges, they rot on the ground. I do not know if they realize that Caroni has been unable to get a market for its citrus fruits and so on—they must have seen that in the newspapers. While Caroni's production plan is going to pieces, we are importing powdered orange juice.

The Government really does not have any policy for agriculture, it really does not care anything about the farmers in this country. All this is a hoax. It is an attempt to hoodwink us and make us feel that the Government is doing something for farmers when, in fact, precious little is being done.

Can the Government explain, why out of 5,000 people who have taken money from the Agricultural Development Bank, the enterprises of almost half of them—2,300—collapsed? *[Interruption]* The Member is right; it is a risky business. So that what we need is not an agricultural development bank structured as a commercial bank, we need an institution, that instead of lending money at high or even medium interest rates, that would not lend money on interest. If a farmer has a project that the Bank thinks is viable, the bank advances money on the purchase of equity, and the bank becomes a partner with the farmer, giving him the necessary technical help, marketing skills and so on to ensure that his business becomes viable. It is upon the viability of the business and the income upon the shares, that the Bank recoups its loan and recoups a profit.

That is a system which will work and that is a system which the UNC says it will put in place when it forms the next Government. Not if! When it forms the next Government! Not an agricultural development bank that is selling people's property every day. The poor farmer of whom I spoke has become a pauper because he went to the bank. If he had done nothing with his land and left it abandoned he would have owned 15 acres of land today. He is going to lose that and would still owe the bank over \$120,000, only because he made the mistake of going to the ADB for a loan.

Instead therefore, the Government need imagination. They need to have new ideas! Do not rehash everything that the IADB, the World Bank and the IMF say. Do not rehash; come up with ideas that would make your farmers viable. If the bank takes equity in the undertaking, then the bank would lose if the business loses. So it is in the bank's interest; and if the Government has an interest in the Bank, it is in the Government's interest to make sure that there are proper roads, to make sure that there are proper markets, to make sure there is irrigation, to make sure there is flooding control, and so a bank in that situation would survive. *[Interruption]* I am sorry, I did not hear.

**Mr. Humphrey:** That is beyond the Member's imagination and beyond his commitment to people.

**Mr. B. Panday:** Oh, he said— I heard the Member and I want it on the record, that the Member for Diego Martin said, "that was a communist idea." I want that on the record! I have to get that on the record, because that is probably going to be the most telling statement in the next election campaign. So the Member says to set up an institution—well I want to tell him something. It is also part of the Islamic banking system, are they communists? They are communists, I suppose.

Madam Speaker, you know it is better if this Member does not say anything.

**Mr. Humphrey:** They have him down to speak next. *[Interruption]*

**Mr. B. Panday:** I do not believe you. *[Interruption]*

An institution like that would ensure that everyone to whom the bank lends money—because they have their expertise they will examine the feasibility of the project. So that the person whom I spoke about who borrowed \$60,000—\$70,000 in order to build a pig farm, they would looked to see whether that project was viable and if they found that it was, they would have become part owners—*[Interruption]*

**Dr. Rowley:** What if it is not viable?

**Mr. B. Panday:** If it is not viable then the bank should not lend the money.

**Dr. Rowley:** When the bank does not lend the money, then you would come here and talk discrimination.

**Mr. B. Panday:** Wait a minute, I do not believe this! My friend is saying that the Bank must lend the money even if they know the project is not viable!

**Dr. Rowley:** I did not say that.

**Mr. B. Panday:** Did you not just say that, when you asked me, if it was not viable what would happen? I said, if the bank thinks the project is not viable then it should not make the loan. If it does make the loan and makes the man mortgage his land, then it is setting him up to take his land.

**Mr. Maharaj:** We would come and cry discrimination?

**Mr. B. Panday:** So I cry it, and you point out my wrong to me and reduce me to humiliation and ignominy and so on, that is all right, my duty is to point out these things to you. Is the Member saying, that the bank actually makes these loans when it knows the projects are not viable because it is afraid that the Opposition would come here and talk? Is that what he is saying? Is that what he just said? *[Interruption]* No, do not steups, tell me if I am wrong! The Member just made a statement that the Bank lends money because it is afraid the Opposition would get up and talk, so it lends the man money on a project that would fail.

**Dr. Rowley:** I never said that.

**Mr. Maharaj:** You said that.

**Mr. B. Panday:** What did you mean when you said— You said that!

**Mr. Manning:** He did not say that.

**Mr. Maharaj:** You just came and you want to speak.

**Dr. Rowley:** Madam Speaker, just for the record, the Member is setting up his own straw men and shooting them down, insofar as he is purporting to say that I said that. All that I have said is a statement of fact. He is advancing a solution, and I am saying that even with that solution, if when the bank analyzes—I am not saying no to his proposals; I am saying if that proposal is at work and the bank analyzes applications and some applications are found not to be suitable, I could guarantee, when the bank does turn down those applications the Member would

come here or at other places, and in response to the bank's turning down the applications he would call discrimination. That is a statement of fact.

**Mr. B. Panday:** Let me follow the converse of that argument. What the Member is saying, is that the bank only lends where the projects are viable?

**Dr. Rowley:** I did not say that.

**Mr. B. Panday:** Okay, you are saying that they are lending when the project is non-viable.

**Dr. Rowley:** That does not follow.

**Mr. B. Panday:** Oh, they do not lend when it is viable and they do not lend when it is not viable. No wonder this bank bust!

**Mr. Maharaj:** The Government bust too.

**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. B. Panday:** I did not finish the argument and that is why my tall Friend who is short on patience jumped up. The culmination of the proposal which I was putting forward, the kind of institution which I thought should be set up is that the bank would recover its money and recover an income on its money from the income of the business. The final part of it is, once the bank recovers its money the bank now sells its shares to the owner of the business; the bank gets out of it now. After the business becomes viable the bank gets out and moves on to other projects and the man owns his own business. Is this still communist? I think the Government should have taken the opportunity to convert the Agricultural Development Bank into that kind of institution instead of converting it to a commercial bank.

Every time one sells a farmer's holding one reduces the capacity to produce the food we need.

**3.40 p.m.**

**Dr. Rowley:** Suppose he sells it to another farmer.

**Mr. B. Panday:** Well, if it is non viable as the Minister is saying, then he will be taking away the land for a second time from that person.

**Dr. Rowley:** Madam Speaker, I am very grateful that my Friend has given way. I should like to ask him, if a homeowner cannot afford to pay his mortgage and his house is sold by the lending agency, does that mean that the number of family houses in the country has been reduced?

**Mr. B. Panday:** Also, there is the other argument that the land may not be sold for farming at all, because from the law that the Government are seeking to put before us here, I see that they may sell the holdings or subdivide them, and it means that they may subdivide them for housing. So it is going to be very interesting as to whom these lands will be sold.

**Dr. Rowley:** Madam Speaker, again, I do not want to interrupt the Member too many times, but I just want to follow the argument. The ADB has no responsibility for determining land use, that is another government agency, and that is not as a result of who is the owner of the property. I am trying to follow the argument but I am having some difficulty.

**Mr. B. Panday:** I am not surprised that the hon. Member cannot follow it, let me continue. It is because of this total lack of understanding that we had a Minister who could stand up before this country and say—do not leave as yet Mr. Manning it is you I am speaking about—that in 1995 prices will fall flat.

**Mr. Maharaj:** And then he said that they had no control over the prices.

**Mr. B. Panday:** So that the argument was that with the influx of cheap imported goods, following upon trade liberalization prices would fall. I was surprised the other day, to hear the Minister speaking to his party faithful say that he had no control over this increase in prices in the world market; that GATT had created the problems; that is to say that GATT has since removed subsidies and so forth and because subsidies are removed costs have gone up and because costs have gone up—

**Mr. Manning:** True or false?

**Mr. B. Panday:** False. Anything you say. Does the Member know how to bring prices down? There is a simple economic theory of supply and demand, that is to say if you want the price of food to fall in Trinidad and Tobago you increase the supply. How are you going to increase the supply if you are selling out the farmers' land?

**Mr. Manning:** Madam Speaker, I thank the Member for giving way. Is the hon. Member suggesting by that argument that the more one increases the supply

the lower the prices fall, and therefore in theory the prices could be brought to zero? Is that what he is saying?

**Mr. B. Panday:** Ooh! that could only be said by a geologist! No one who had read first year economics would say if one increased the supply prices would be brought to zero.

**Mr. Manning:** Madam Speaker, what therefore is the floor price?

**Mr. B. Panday:** An equilibrium is arrived at when the supply begins to equate the demand. If one is doing O' level economics one would tell you that.

**Mr. Maharaj:** Even the Minister of Finance would tell you that, but you did not even invite him to the lunch on Tuesday. You invited him late.

**Mr. B. Panday:** You see, the Government knows that, because in the Food and Agriculture Policy—the White Paper that was laid before this House earlier—at paragraph 40, it says:

"The main consequences of the more liberalized trade will be increased competition for local producers especially the small farmer category which comprises the backbone of the production base for many commodities and lower prices to consumers.

Reduction of subsidies as required by GATT will also result in increased production costs for local producers who are already high cost producers when compared with their trading partners. The current level of production and export subsidies available in excess of US \$400 billion per annum for agricultural commodities in the developed countries allow those commodities to enter into our domestic market at artificially low prices."

Madam Speaker, if the Member knew this, why did he tell people that prices will fall flat? How could he write this here and at the same time tell people that prices will fall? It cannot be right, there has to be a problem here of credibility. It continues:

"Local protective regimes and subsidy programmes are therefore required to counter the effects of those subsidies on domestic production thereby ensuring a more equitable competition."

What did the Government do instead? Remove all the subsidies and say, "No, no, no we are not going with that regime, we are going with the regime of increased duties.

**Dr. Rowley:** Madam Speaker, I hate to interrupt a Member like this but that is not a correct statement to make. This Government has not removed all the subsidies. In fact, I should like the Member to tell this House what of the package of subsidies available before this Government came into office which ones have been removed.

**Mr. B. Panday:** File a question and at the proper time I will answer.

**Dr. Rowley:** Madam Speaker, since the only time a question can be filed to him, "is never-never", I should like for the benefit of Members in this House and the general public, who were misled, to ignore the statement because it is not correct to say that the Government have removed all subsidies. We have been at pains to ensure, and we have said time and time again, that we maintain our commitment to the existing subsidy regime.

To the extent that we have capped one subsidy, that is, the subsidy on rice, it cannot be said that we have removed subsidy; we have put this subsidy at a fixed level where it was in 1994. The single item was rice. It remains on copper, dairy, cocoa, coffee, sugar. Madam Speaker, I fail to see how my colleague the Member for Couva North could come here and like someone on the street who does not have the document, say that the Government has removed subsidies. Playing to the gallery.

**Mr. B. Panday:** As a matter of fact I made that statement because I am from the streets. I made it because I am down there, and you are up there.

**Mr. Maharaj:** It is only election time the hon. Member is going down there.

**Mr. B. Panday:** It is only because this Government is totally incompetent as far as agriculture is concerned—and this Minister is the most incompetent of agriculture Ministers that this country has ever had. In fact, when we are talking of producing food and increasing our food supply so the prices will go down, he sells National Fisheries.

When that whole matter of National Fisheries is examined somebody would go to jail.

**3.50 p.m.**

**Mr. Maharaj:** You raped the country. You better look out.

**Mr. Manning:** Make sure it is not you.

**Mr. B. Panday:** I am sure it would not be me. You would try to send me to jail for other things such as sexual offences and so forth.

**Mr. Manning:** Madam Speaker, I assure the Member for Couva North that I have no such aspiration. At any rate, he seems to be much more capable of doing that than I am. He will send himself without any assistance from me.

**Mr. B. Panday:** You are backing out now that you have failed. When Ramesh Chan rang you, you told him to ring Rowley. That was in the newspapers. Do you remember that?

**Madam Speaker:** Will the Member proceed, please.

**Mr. B. Panday:** Yes, Madam Speaker, I shall proceed. My friend knows much about laying cases and when it boomerangs, like Pontius Pilate he tries to wash the blood from his hands but if one looks one would see that they are getting redder and redder.

When one looks at the history of the ADB's portfolio one would see that it has really had very few successes among the smaller farming community. It is not being restructured in a way that will change that. Therefore, I suggest that the hon. Minister of Agriculture, Land and Marine Resources and his Government review this piece of legislation and take the opportunity to set up an institution—such as the one that I have suggested—that will really assist the farmers and also the people of this country by producing food—increasing the supply therefore lowering the prices—and providing the farmers with a decent living while dealing with the unemployment problem. That should have been the function of agriculture and the bank should fit into that circle.

I await the hon. Minister's reply on this matter and after that we shall decide whether we shall support this Bill or not.

*[Mr. C. Imbert and Mr. H. Bereaux rose.]*

**Madam Speaker:** The Member for Diego Martin East caught my eye. I do not know why the Member for La Brea stood up. Except the Member for Diego Martin East is willing to give way to the Member for La Brea. Are you willing to give way?

**Mr. Imbert:** Yes, Madam Speaker.

**Madam Speaker:** All right. The Member for La Brea.

**Mr. Hedwidge Bereaux (La Brea):** Madam Speaker, firstly, I thank the hon. Member for Diego Martin East for giving way to me. I wish to make a very short intervention in this debate on the Bill to amend the Agricultural Development Bank Act, Chap. 79:07. This Bill seeks to vest in the Agricultural Development

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Bank greater corporate and management independence. The Act, as it exists, contains certain provisions which can adversely affect the smooth and expeditious transformation of the Bank.

Before I proceed with the main part of my contribution, I should like to make some comments on the contribution of the hon. Member for Couva North. He is very experienced and his wit is so embracing that one sometimes does not notice that he contradicts himself so often. As an attorney of some note, I am a bit surprised—as a matter of fact, I think he did not read the Bill at all. He said that if the UNC ever comes into power—maybe in the year 2050—in the event that a farmer has a good project, the UNC would so structure the bank that it would be able to examine that project and make an investment in equity, that is, buy shares in the company, put money so that the project would be able to move forward. Clause 15 of the Bill reads as follows:

"Section 34 of the Act is repealed as follows:

34. The Bank shall have the power to -

- (a) open accounts for and accept savings or time deposits from the public;
- (b) grant or underwrite loans for the development of agriculture, commercial fishing and industries connected thereto to such persons;
- (c) secure the repayment of money;
- (d) undertake equity investments in companies."

I am not sure if he completely understands what that means. With all due respect, equity investments are the same type of investment that he explained. I wonder whether on the basis of that he would agree that the bank is being restructured in a manner which would permit it to invest and assist the general public or the farmer in the way in which he suggested.

**Mr. Humphrey:** That was described as communist by the Member for Diego Martin East.

**Mr. H. Béréaux:** Is the Member for St. Augustine speaking for the Member for Couva North?

**Mr. Humphrey:** That is what he said.

**Mr. H. Béréaux:** Madam Speaker, that was not the sole contradiction in his speech. He made the point that farmers cannot sell their oranges; they drop on the ground. Earlier in his speech he said that they could not get the oranges because

of praedial larceny. Which one does he mean? If the oranges are there to fall on the ground, how could there have been praedial larceny?

**Miss Nicholson:** Wasting time!

**Mr. H. Bereaux:** That is not a waste of time.

**Hon. Member:** They will steal it from the ground.

**Mr. H. Bereaux:** That is the point. I am not going to deal any further with what the hon. Member said but just to underscore some of the points made by the hon. Minister.

It is not the first time that this country has had a Bill which has as its basis the fostering and promoting of agriculture. Indeed, there was Chap. 23:05, the Agricultural Bank Ordinance, and the purpose of that Ordinance was to foster and encourage agriculture in the colony and to assist in the development, maintenance and improvement of agricultural lands.

#### **4.00 p.m.**

Madam Speaker, one would know that that particular Act, No. 12 of 1924—had a land bias, as it focused more on the development and purchase of land. The Agricultural Credit Bank Ordinance of July 1, 1995, also had a bias towards the purchase of land, but the Agricultural Development Bank, section 6, identifies the bank's mandate to:

"The objects of the Bank shall be to encourage and foster the development of agriculture and commercial fishing and industries connected therewith and to mobilise funds for the purpose of the development."

In order to fully appreciate the amendment which is proposed today, we also need to look at Part III, of the Agricultural Development Bank Act which deals with the business of the bank, deposits, loans, etc":

"34. For the purpose of giving effect to its objects the Bank may, subject to this Act—

- (a) open accounts for and accept savings or time deposits from the public;
- (b) make or underwrite loans for the development of agriculture and commercial fishing to individuals, agricultural credit societies, agricultural co-operative societies and to such other bodies whether corporate or unincorporate as the Board may approve;
- (c) act as agent for Government or any department or Ministry thereof for the collection of moneys due and owing to Government or any

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department or Ministry thereof in pursuance of an agreement or undertaking relating to the grant, lease or other disposition of lands for agricultural development schemes;

- (d) raise money for the financing of its operations by issuing securities;
- (e) assist generally in the development of the agricultural co-operative movement;
- (f) do such other things as are incidental to the attainment of its objects as specified in section 6."

There are, immediately discernable two significant elements. Firstly, there is a total lack of reference to that portion of the Agricultural Development Bank's objects, namely, "and industries connected therewith". Secondly, one would also note that on the question of the mobilization of funds, there are only two vehicles available to the bank as the Act now has it: by taking of savings accounts and deposits of the public and by issuing securities—by securities, it means, mortgages, promissory notes and so forth.

It has always been said that the range of a bank's ability to obtain money, conditions its ability to lend or invest money. Since the Agricultural Development Bank really, by and large in its present mandate, deals particularly with deposits—and most of those deposits come from the State—and it can issue securities, the nature of its investments in agriculture is by nature, circumscribed. *[Interruption]* I shall deal with that in due course.

**Mr. Sharma:** Madam Speaker, would the Member be kind enough to tell this House at what rate we obtain money from the IADB, the CDB and the IDB?

**Mr. H. Béréaux:** Madam Speaker, I am certain that the Member can direct that question to the relevant Minister at question time, or read the book. *[Interruption]* Madam Speaker, the Member for Fyzabad is trying to obstruct me, but he is not intelligent enough to do that.

As I was saying, there is the situation where the ability of the bank to obtain funds was circumscribed. That would, in turn, circumscribe its ability to invest. What we have seen in the proposed amendment to section 34 is that it seeks to widen the Bank's ability, not only to invest, but also to obtain funds. The Bank is able to exchange property; surrender; do reconveyancing; assign mortgages and a series of other things, but more importantly, section 34, as it is proposed to be amended, would enable the Bank to play a greater role in agriculture.

The Member for Couva North read from the draft Food and Agriculture Policy, paragraph 40 on page 13, but he did not continue. It states—

"It must be noted, however, that with reduction of food subsidies in developed countries as a result of GATT agreement, export prices are likely to increase in the immediate future. This would result in higher food prices for food importing countries like Trinidad and Tobago. Over the medium to long term, such increases in food price could stimulate local production."

That is the point on which I need to amplify further.

To some extent the Trinidad and Tobago producer is normally a high-cost producer, and when one is thinking in terms of agro-processing, one has to deal with technology, equipment, machinery and education. Some of the persons who are competent in agro-processing are not the type of persons who might have the wherewithal to invest or have the kind of security that the Agricultural Development Bank, or any bank, would require.

Therein lies the importance of the bank's ability to go into equity investments and into joint ventures.

#### **4.10 p.m.**

Moreover, a joint venture into which the bank could go is not necessarily a joint venture with two parties alone. It is quite possible that a local producer who has the product and liaised with and found a foreign partner who has the market, will be able to have the Bank fund his or her portion of the investment. So that we have a nice arrangement. By nice, I mean a fine arrangement between a foreigner with the market, local producer and the bank with the investment.

The Bill seeks to amend the Act in respect of section 9 to remove the ability of certain agricultural societies from appointing members to the board. The reason for that is some of these societies do not have shares anymore in the ADB. But more importantly, if the Bank is to play the role which its new mandate must, of necessity, cause it to play, it must have persons on its board of directors who are competent. Accordingly, clause 4 (2) of the Bill says:

"At least four of the seven directors shall be selected from among persons who are qualified by reason of their experience and capacity in matters relating to agriculture, fisheries, finance, economics, accountancy, industry, commerce, law or administration."

Section 10, which is repealed is a section that has to do mainly with the manner in which, and the number of persons, would have been appointed as

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directors in the event that the shareholding of the state should fall. That will not now come into effect. That is no longer relevant.

Section 14 of the Act is repealed and replaced. That was the section that had to do with the general manager. The Act at present provides that the bank should have a general manager and although the general manager is not a member of the board, he is responsible to the board for the full management and control of the Bank. He can be called to board meetings if the board so requires, but he is not there to advise when the board is holding discussions. That is not a position that is tenable in modern business practice, or any kind of business practice.

All this particular provision seeks to do is to bring the chief executive officer to be the managing director, and although he is *ex officio*, that means he will hold his position on the board for as long as he remains managing director, but he has no vote.

When I looked at the mandate of the Bank, I pointed out that one of the things that seemed to be missing in the authorizing business section was any concern about dealing with industry. Industry is connected to agriculture. I want to underscore this. Even in the ADB's "Application of funds", under the regulations which this Bill proposes to abolish, section 4 says:

"The Bank shall apply its funds for the following purposes:

- (a) the payment of salaries fees, remunerations and other allowances of the officers and servants of the Bank;
- (b) payment of interest on sums borrowed by the Bank or other credits and repayments of such sums;
- (c) payment of interest on sums deposited under the terms of section 34(a) of the Act;
- (d) the making of loans and advances under the terms of the Act;
- (e) the payment of rates, taxes, insurance premiums and other outgoings and of expenses of maintenance and disposal in connection with lands, buildings or other properties which become vested in the Bank;
- (f) any overdraft at a commercial or other bank at which the Bank may have an account;
- (g) the payment of all other sums and expenses authorised by or incidental to operations under the Act."

As you see, again, we had no reference to the industrial and agro-processing part. Not that I am suggesting that the Bank did not lend for that. The Minister indicated in his presentation that the Bank lent \$107 million over a five-year period for agro-processing. Indeed, the importance of it is that we are observing more and more that substantial areas of employment have been opening up in respect of agro-processing.

Only last week Thursday I was privileged to visit an agro-processing enterprise in Erin where we noticed an industry that arose from the work done by a family was now hiring more than 100 persons, and in fact, making its contribution towards preventing the rural/urban drift. There are substantial numbers of agro-processing industries like these requiring assistance and getting it from the Agricultural Development Bank.

**4.20 p.m.**

I want to go back again to the question of the mobilization of funds, because I believe that the mobilization of savings is the way in which we could foster investment.

An amendment has been circulated that we have "to grant or underwrite loans for the development of agriculture, commercial fishing and industries connected thereto to such persons." By "underwriting" we mean you may get a loan or you may need a loan. You have a bank, some institution or even a person willing to give it, but you need a guarantor or a co-signer. The Bank would be able to do that.

Finally, Madam Speaker—

"The Board may with the approval of the Minister make regulations relating to the conduct of the affairs of the Bank".

That gives the board the full control of all the operations of the Bank, of course, subject to the caveat that where it proposes to hire somebody with a salary in excess of \$120,000 per year, it would have to seek the approval of the Minister. The only way a business operation can be conducted efficiently is if those persons who are involved are given the responsibility and are held accountable.

This Bill seeks to do just that—to give the Agricultural Development Bank, its board of directors and its management the responsibility to carry out the work of the Bank and to hold the Management and the board responsible. The Agricultural Development Bank, as the Minister pointed out earlier, has made, and is continuing to make, a tremendous contribution to life in Trinidad and Tobago. It

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is true that there are non-performing loans of \$173 million, but those are not the only ones in Trinidad and Tobago; and agriculture has been for many years in a difficult situation and I am not predating it to this Government, or any previous government of the PNM.

I can remember my grandfather telling me about when cocoa was king and I was a boy in those days. That tells you that we have always had these problems, and the attempt in this amendment is really to make the Agricultural Development Bank more flexible, so that it could meet the challenges which exist out there and which the country and the agricultural sector must face if we are to do anything about reducing our food bill and attempting to earn foreign currency via agriculture.

Once again, I should like to zero in on a few areas mentioned. It happens in this House at all times that whenever the Government seeks to bring a measure to provide for the welfare and good governance of the country, we hear charges made about the IDB, the World Bank, the IMF and everything else. What appears to me to be strange is that when this country, correctly or incorrectly, went to the World Bank and the IMF it was not the Government of the PNM that took the country to the World Bank—

**Mr. Maharaj:** The PNM caused that.

**Mr. H. Béréaux:** I said correctly or incorrectly.

The Members on the other side and, in particular, the Member for Couva North, who was then a Deputy Political Leader of that party—

**Dr. Rowley:** In name.

**Mr. H. Béréaux:** Well, whether in name or not, he was part of it. That was what he was; and now that we are trying—

**Mr. B. Panday:** Very short.

**Mr. H. Béréaux:**—to grapple with the problems which this party has inherited, we hear references to the IMF and World Bank. But I want to point out, Madam Speaker, that in terms of this amendment on page 27 of the *Food and Agriculture Policy—Institutional Support*—we have:

- "a. Strengthening the institutional capacity and capability of the Ministry of Agriculture, Land and Marine Resources to conduct policy analysis and to monitor sectoral performance.
- b. Provide more relevant education and training programmes.

- c. Enhance the market intelligence capabilities of NAMDEVCO, etc.
- d. Develop the trade facilitation service of NAMDEVCO"

and so forth. Then there is:

"l. Undertake financial restructuring and institutional strengthening of the ADB."

**Madam Speaker:** Would you give way?

**Mr. Sharma:** Thank you very much, hon. Member. Would the Member relate that to what is in their manifesto, which was presented a while ago?

**Mr. H. Breaux:** I shall be getting to that. Do not get excited.

**Mr. Maharaj:** He is asking about the manifesto and the promises made in it.

**Mr. B. Panday:** Why are you renegeing on the manifesto?

**Mr. H. Breaux:** I continue:

"m. Amend the ADB Act to give the Bank greater autonomy."

This is in the Food and Agriculture Policy, so I cannot understand why we have this complaint. Is it that the Members opposite have nothing else to say?

I have listened carefully to the Member for Couva North. He says there can be no agricultural policy without land reform. If he is talking about agrarian re form that is something else; and security of tenure. A previous PNM Government is on record as trying to deal with security of tenure. It is a PNM Government that gave out Wallerfield, Carlsen Field and everywhere else to farmers.

**Mr. Palackdharrysingh:** Oh yes?

**Mr. H. Breaux:** Yes. It is not a question of how many millions were lost. It was said that agriculture is a high risk business but the first attempt at putting landless people on the land has been by a PNM government; and when it came to dispossessing—and do not try to disown what happened.

All of us know that if you do not pay your mortgage, after various notices have been given, the mortgagor is entitled to seek to exercise his rights, under the mortgage, to recover the money. The complete claim has been: how many properties have been put up for sale by the ADB. That is not it. There is to be a proper analysis of the processes that have been gone through by the Bank before you come to chastise them for putting properties up for sale.

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I know of several people who have owed the Bank for years. The Bank has been writing and doing a number of things, so when you look at a Bank with 2,335 bad accounts, if they were really putting up those properties for sale, that is all you would have in the newspapers. So you have to match the advertisements for sale with the size of the delinquent loan portfolio.

**4.30 p.m.:** *Sitting suspended.*

**5.05 p.m.:** *Sitting resumed.*

**Mr. H. Béréaux:** Madam Speaker, when we took the tea-break I had actually completed my contribution.

Thank you.

**Miss Pamela Nicholson (Tobago West):** Madam Speaker, it is always a privilege to rise in the House in any debate where the Member for Diego Martin West is involved. I am always excited.

When I looked at the Agricultural Development Bank (Amdt.) Bill, you would be surprised to know that the first page I opened was page 6, clause 4. It was the first area that I looked at:

- (1) "The Bank shall be managed by a Board comprising seven directors who shall be appointed by the Minister"

As I read further into it I saw that one of the main purposes of the Bill was to replace the role of the President and put that role into the hands of the Minister.

I became very concerned because one of the things I want to stress, which I hope would not be happening, is that there would be no political interference by the Minister, which is something very prevalent in Trinidad and Tobago. That is one of my major concerns and I only hope that the directors of the board and the chief executive officer or the managing director would be left, after given policy, to perform the duties of the Agricultural Development Bank.

I do not want to be too disrespectful to the present Minister. I always remember National Quarries and I recognize that, this is an area where an overview of work should be done to improve at the company to make sure that we do not lost the kind of funding that we lose there. I hope with this change there would not be any interference by the Member for Diego Martin West in the duties of this Bank.

I wish to support very strenuously the point made by the Member for Couva North. I believe that what would really be happening is that we shall be opening

up something like a commercial bank. I do not believe that there is anymore room in Trinidad and Tobago for a bank functioning against that background, because when you read clause 15 subclause 34(a) to (m), one gets that kind of impression.

When one remembers the Workers' Bank; when one remembers the National Commercial Bank, one gets a little worried. When one looks at the Bill one gets the impression that this Bill is not one that will represent the small farmers' community, that it would not benefit small fishermen. One gets the impression that it would be to the advantage and the development of the large farmers, the plantocracy kind of farmer and this is bolstered by the offering of the representative for Diego Martin West earlier in the evening.

I am sorry I do not have a clipping of this—it was some day recently I was reading one of the dailies and I saw one of that category kind of farmer advertising the importance, the significance and the generosity of the Agricultural Development Bank. I think it was one Mr. Bovell, a farmer at that level.

I believe that the Agricultural Development Bank should be used for the development of employment and if one is to deal seriously with unemployment in the community it ought to be used for that role. If we can employ thousands of small farmers in our communities, we would be feeding ourselves, which is very important. That should be the role also of the Agricultural Development Bank, and then we can go further.

I do not get the impression from clause 15 of this Bill that this is the role of the Bank. One gets the impression that this is another commercial bank; one gets the impression it is another Workers' Bank; one gets the impression that it is another National Commercial Bank, and when one looks at the history of those banks—they were for the advantage of a certain class in the community and they were destroyed by a certain class in the community. That is my concern. I do not know what checks and balances there are to take care of that situation.

I am also very concerned with the links in agriculture. If we want to develop agriculture and we want it to be meaningful to the Trinidad and Tobago economy, we must address certain other infrastructural areas in the community.

Madam Speaker, I will use Tobago from which to draw my examples. It was only a week or two ago I was saying in this House that from the Tobago perspective—Tobago is an island, two-thirds of which is very hilly and rolling—I raised the question of the tractor pool and the meaning of the tractor pool to agriculture in Tobago.

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When one looked at the national budget certain funds were requested—I believe it was around \$750,000—for the institution to be able to have attachments and parts so that the old tractors could be repaired and maintained. Not a single penny was given.

**5.15 p.m.**

There are some tractors seven to 11 years old, and this PNM Government that so cares about the people, did not even give one when the people asked for more. As far as agriculture is concerned, when the farmers pay the tractor pool to plough and bank their lands and cut anything in the area, the Tobago House of Assembly is left with endless liabilities as far as the farmers are concerned because they are unable to meet the demands of the farming community. If the Government wants the Agricultural Development Bank to be meaningful to the farming community, they must pay attention to the infrastructural links.

Another example I shall use is that of the IDB access roads. I think it was late in 1993 or early 1994, four access roads and a bridge were given to a particular contractor to be constructed. For over seven months there was no contractor on those projects. One road, Government Farm Road, is almost completed but without any drainage; three-quarters of Belma Trace is not fully paved and there is no drainage to take care of the water from the hillsides.

Belmont Road in Mason Hall—my hon. colleague the Member for Diego Martin West would know that road very well—the tractor only passed and did some basics. Two-thirds of the work was left unattended. Nothing has been done in Windsor Road which runs through the Mt. St. George area. That is the IDB Access Roads Fund.

There is no contractor around. The bridge is in a condition in which—even though a contractor is not doing the work, the work should be continued because it is an area that is very problematic. It is at the bottom of a hill and it is very narrow. If a driver runs into any problem, there could be a serious accident.

If the Government is bringing this Bill to deal with the Agricultural Development Bank, it must tell us what it is doing with infrastructural links, because if the farmer does not have these infrastructural links attended to, having an agricultural development bank is meaningless to the farmer. Here, I am speaking particularly about the small farmers because they are very important to the community.

In every village in Tobago there is a plantation owner, but outside of him the villagers will own the rest of the land. In Tobago, as the hon. representative for

Diego Martin West would know, there is a problematic thread running through the title situation. Most of the people are faced with a title problem with those lands. The land titles are entangled and because of this the small farmers cannot make use of the Agricultural Development Bank.

I am sure that the Government is trying to involve the small farmers. If the Government cannot do so, then they would be doing nothing. It is very critical to address land titles in Trinidad and Tobago. I am speaking specifically about Tobago. If this Bank is to accommodate the Tobago farmer, Government must deal with land titles.

When the Government was thinking about changes here, I thought that one of the things they would have done before bringing this amendment was to bring some document to deal with land titles in Trinidad and Tobago. I know that Tobago would have had to be dealt with very specifically. To me, if we are to involve those farmers and create an interest in the community with the smaller people, land titles must be addressed, so that they could have security if they are going to this Bank.

One of the recommendations I would like to make is for a land court to address the title problem in Tobago. I suggest that, because some of the Latin American countries have tried it and I know with the specialist lawyers like the hon. Senator from the other place and the Attorney General, they would be able to do home-lessons in that direction and make recommendations to the Member for Diego Martin West. *[Interruption]* Do not interfere with our side. Leave us alone. We are talking to you over there.

We must look at the Bill seriously if this Bank is to have any meaning to the people. When I say the people, I mean the small farmers in the community. Land titles from a Tobago perspective is very critical and significant, and it must be addressed. The lands are on the names of the grandparents of those farmers. When the farmers go to institutions like these they cannot get loans because they have no security to offer. I am appealing to the hon. Minister of Agriculture, Land and Marine Resources, to take that area seriously into consideration. Then the area of RPO will have to be addressed in a serious way.

The second grouping from an agricultural perspective would be fishings. At present in Tobago one of the areas which show the most growth or development in the community is fishing. If the Act is to address the small fishermen, that is those with the smaller boats who might want to buy a bigger boat and who could go out and spend a week or two weeks at sea, this same land title issue is very critical.

As I understand it, the Agricultural Development Bank would not give a loan without security. That is an impossibility. Tobago is suffering because of that; lands of a number of farmers' are being put up for sale because of the argument the Minister made. The Member for Couva North also articulated it with a case. I am talking about the fishermen now.

**5.25 p.m.**

One of the areas, from an economical perspective, that one must look at in Tobago, is fishing. In addition to the fishermen doing their jobs with their small boats and so forth, there are four fish-processing plants in Tobago. This is something very encouraging in the economy, if we are dealing with the development of agriculture in our community.

I see in clause 9(2) of the Bill that at least four of the seven directors shall be selected from among persons who are qualified, by reason of their experience, in matters relating to agriculture, fisheries, finance and so forth.

I stress fisheries because if fisheries must be dealt with and Tobago is to benefit—I do not mean a few people coming into Tobago and taking advantage of that situation, I am talking about Tobagonians, the men and women of the villages—we must address the land title situation because it hinges on that. There must be some opening where one can allow the farmers the scope to change from the smaller boats to the bigger boats in which they can have ice.

In the four processing plants in Tobago, when the flying fish season is down, they might employ 30 or 40 persons; when it is really in season some of them employ 75 to 80 persons. It is significant for Tobago. They do not only package and sell in Trinidad and Tobago, but they also package and sell in the international market, for example, Canada.

One cannot have a situation where a very important area in fishing, that is the Bon Accord/Crown Point area is asking for a facility with ice to chill their fish when they come in late, and the Member for St. Ann's East is saying there are no funds. These facilities are very critical for the processing plants if fishing is to be developed in a meaningful way. One cannot take fish that is spoilt to the processing plants. They do not accept it. It must be quality fish. When the fishermen come in, there must be a facility there at which they can leave the fish to chill. So, it is very critical that the infrastructure be addressed if the Agricultural Development Bank has to be meaningful.

I believe that these are very, very serious areas that we must look at. We cannot come here with this Bill and expect it to be advantageous to small men.

Other representatives on this side, I believe, will go into detail on the Trinidad perspective. I am pointing out that this has no meaning unless infrastructure is addressed. I support strenuously the arguments made by the Member for Couva North. We cannot open an organization like a commercial bank. I support him again very strenuously in that area. One has to be creative and visionary in one's ideas.

When the institution is set up, it must not be open to political interference, with only certain persons getting assistance. Also, because of the state of our economy, now that we are a little on the upswing—which I am very proud to talk about because I was a part of that development—we must address the people in the villages—the small man. It must not be that we are looking only at the plantocracy.

When the small man cannot pay, it is because he has not been guided. He has not been educated. The marketing structure has not been put there for him. These poor people have a few acres of land which are being put up for sale. We are looking for all kinds of actions in the community—social actions that we would not like to see. Who would be purchasing the lands? From a Tobago perspective, we have another dilemma with which I shall be dealing in another week or two. I shall not raise it in this debate. Everyone is lining up for Tobago. Gold! Diamonds! *[Interruption]* The Member wants me to raise the issue. I will say a few words.

When we changed from the Aliens (Landholding) Act to the Foreign Investment Act, it was to open a stagnant economy in Trinidad and Tobago. The whole of Trinidad and Tobago was happy about that. I also should like to point out that section 6 of that Act deals with the whole scenario.

Section 6 states very distinctly that when development takes place, if one sees one's country—any of the islands—going in a direction one does not want, the Minister who is in charge can bring that area under his licensing purview. The problem with the Foreign Investment Act is not the National Alliance for Reconstruction, the problem is the People's National Movement Government. I say that without any fear. But, as I said, on another day I shall go into more detail on that.

For the Act to be meaningful, the Minister must look at those areas that I pinpointed. For the Act to be meaningful to all the small people of the communities of Trinidad and Tobago, the Government must look at those infrastructural areas. For the Act to be meaningful, there must not be political interference by any Minister. And that was the purpose of the President of the country holding a particular decision.

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I am not against the direction in which they are going, but I am appealing to them to make sure we do not have political interference. I am also appealing to the Government to look at the important sectors of the community—the small people—and take care of the community to make this Bill meaningful.

I thank you.

**Mr. Raymond Palackdharrysingh** (*Caroni Central*): Madam Speaker, after listening to the presentation made by the Member for Couva North, I thought that the Government would have set up a joint select committee and asked that the Bill be considered by that committee before trying to get the consensus of this House on this matter.

What was said by the Member for Couva North has encapsulated the real feelings of farmers and, indeed, he has brought to the attention of the national community the facts pertaining to the setting up of a commercial bank. *[Interruption]* I know that you are a lovely lady, but I shall pay attention to you in due course.

### **5.35 p.m.**

The Bill seeks to achieve greater corporate management independence, as is stated, particularly for the determination of interest rates and other fees in order to assure financial self-sustainability. Also in terms of administration and governance, the Bill proposes to vest the responsibility for the selection of directors in the hands of the Minister.

The point has been made about the implications in putting that power in the hands of the Minister. That I do not need to restate, but also there is a view, and I believe it has been implied by the Minister that there is need for the restructuring of the Bank's operation and such approach would include the review and amendment of the Act governing the operations of the ADB. When we look at the Bill we are going to see very specific matters that we cannot feel comfortable with.

The board of directors would be appointed by the Minister. Again, there are two issues here. One has a direct link with the Minister in terms of appointment, and therefore, it is not unreasonable to assume that political patronage is going to be the order of the day. The reason given by the Minister for his pronouncement on this matter was that there was going to be greater management efficiency by this arrangement. I do not believe that. I think that management efficiency is going to be open to all sorts of abuses, especially by the Minister.

Secondly, that clause of the Bill has really removed from the previous arrangement some of the representation by the practitioners of agriculture in terms of certain organizations. That is indeed very critical because now we are having persons who will be appointed—I quote from clause 9(2):

"...by reason of their experience and capacity in matters relating to agriculture, fisheries, finance, economics, accountancy, industry, commerce, law or administration."

This really takes away the consideration of having somebody on the board that is linked directly to some of the large agricultural associations and indeed, who would represent the feelings of the number of organizations outside there.

Clause 10(1) says:

"The Minister shall appoint a Chairman and a Deputy Chairman from among the directors of the Board."

We should like to know whether or not the functioning of that chairman is going to be full-time or part-time, and what his remunerations will be and so on. These matters are left hanging in this Bill and I think they ought to be clarified.

Again, we are now talking about a managing director in clause 14(1):

"There shall be a Managing Director who shall be the Chief Executive Officer of the Bank."

What will be the requirements of the managing director in terms of the filling of that vacancy? Will his be an indirect appointment by the Minister, since the Minister appoints the board? Will there be advertisements and transparency with respect to the appointment to such post? These matters are important, because more and more these days we are seeing this Government moving in a direction that destroys even the little transparency of parliamentary perusal. That would be a particularly difficult pill to swallow in the sense that from the time there is no accountability and no transparency, we are heading for a sort of unbridled power by the Government that could possibly lead to deep corruption and direct nepotism.

This Bill has indicated how this director is going to be appointed, but ought there not to be a provision for the removal of any of the directors for indiscipline, or conflict of interests or bringing the organization into disrepute? How is this director to be removed for such behaviour?

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In clause 10(c) of the Bill—I am no legal expert but I find this definition is really out of place. It says:

"(2) In this section the expression "Authority" means the Minister or the Board, as the case may be."

I thought that this definition more appropriately belongs to the section on definitions in the Bill. Let the Government consider why it has that definition at this section of the Bill.

I am, indeed, worried about the power of the board and the Minister. Clause 12(2) states:

"The Board may make no appointment to any post which carries remuneration that exceeds \$120,000 per annum, without the approval of the Minister."

In our society any appointment between the range of \$5,000 and \$10,000, I consider to be a very serious appointment. Therefore, as a consequence, I think there is too much arbitrariness here. What has happened to some of the appointments that have to go through some of the commissions and so on? If this Bank is a statutory body I believe that there must be some sort of filtering into the system so that the right categories of persons with the right competencies would be appointed. I cannot see an appointment between the range of \$5,000 and \$10,000 as being an appointment of a non-professional or semi-professional.

But worse than that, the Bill gives the Minister the right to approve any job, any appointment, in excess of \$12,000. That I think is very objectionable. The Minister here is now becoming a law unto himself, and that would militate against the selection of people—not giving others a fair opportunity to be employed. None of us in our wildest imagination would believe that those who have the law on their side, for political nepotism would not use it so to do.

Clause 15, "Powers of the Bank"

"34 (a) open accounts for and accept savings or time deposits from the public;"

This Bank is now open to John Public and this is an indication of a full-blooded commercial bank. I believe that this bank would now have to set in motion procedures for the cash ratio and moneys recalled at short notice and so forth. This defeats the very purpose, as we all recognize, of the Agricultural Development Bank. Clause 15(b) says:

"grant or underwrite loans for the development of agriculture, commercial fishing and industries..."

**5.45 p.m.**

**Mr. Bereaux:** Is the Member aware that that very provision in clause 34(a) is in the present Act?

**Mr. R. Palackdharrysingh:** Then why is it here as an amendment in the new Bill? Madam Speaker, you see I believe it was in the old Act which is why it is here. You see all the conditions coming down here and so forth, but when we look again, we recognize that the Bank could not function effectively previously because certain mechanisms were not put in place to service those loans. Later on, perhaps, I would deal with that.

Of course, in some of the new clauses in this Bill there are provisions to—

- "(i) convey, assign, surrender and yield up mortgage, devise re-assign, transfer or otherwise dispose of, or deal with, any movable or immovable property vested in the Bank;
- (j) accept surrenders, assignments or reconveyances, exchange any property and enter into contracts;"

These seem to be the Taurus clauses which would give that sort of power to the Taurus company that is now being set up to rip off the farmer. The Member for Diego Martin Central got up and glibly said that they would invite the farmers in the first instance. To date, farmers have not had the courtesy of a call from the Ministry of Agriculture, Land and Marine Resources or the Bank to indicate that this was an option, whereby the farmers, perhaps, could have contributed that percentage towards settlement of the debts. I have to wonder really.

**Dr. Rowley:** Madam Speaker, for my own benefit I just want to understand what the Member is saying. Is the Member saying that the Bank has not made that option available to any farmer in difficulty, the opportunity to liquidate his debts other than by foreclosure?

**Mr. R. Palackdharrysingh:** Madam Speaker, I am not saying that, I am saying that the option that is now given to Taurus has not been given to the farmers. That seems to have been quite an attractive option for the farmers. If one talks about rescheduling and refinancing as options those are not options at all. As the Member for Couva North indicated, that just gives the farmers additional loans; and then the loans keep building and the interest keeps building and then all disappears. That is it. The hon. Minister knows that very well.

I just want to come to one or two other matters. I have here a statement on loans approved for 1992, 1993 and 1994. Here we see in 1992 in terms of

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livestock the loans approved by the Bank, 20 per cent; agro-industry, 25.5 per cent of a total of \$60 million. In 1993, there was a reduction in livestock from 20 per cent to 6.4 per cent and 59 per cent for agro-industry; and in 1994 for livestock 43 per cent of the loans approved and for agro-industry \$37.6 million which is about 60 per cent.

The question that really has to be asked here is: If this is how the loans are going to be disbursed, is it the policy then to pay little or no attention to livestock and to really plow the money back into agro-industry? This Parliament has had no breakdown on the projects in the agro-industry. Madam Speaker, do you see what we are witnessing here?

That point has to be seriously considered because it is moving the soil under the feet of the small farmers and moving into a direction where one is creating another class, and, at the same time, destroying a number of persons who were employed in the livestock industry, as in some of the other food crop industries. This has to be explained. So one sees where the Bank is going.

We have to look also at one or two other matters. It is well known that—

"The Bank was established by an Act of Parliament (Act No. 3 of 1968). Its principal activity is the granting of loans, in keeping with the Bank's objects of encouraging and fostering the development of agriculture and commercial fishing and industries connected therewith and the mobilization of funds for the purpose of such development. "

In terms of loan balances, the note states:

"Loans are stated net of the provision for bad debts. Since 1989, full provisioning for the principal in arrears six months or more has not been computed on loans for which full recovery action was in progress."

Incidentally, Madam Speaker, I am taking this information from the "Agricultural Development Bank of Trinidad and Tobago—Notes to the Financial Statements for the year ended December 31, 1992." It continues:

"Such departure from the Bank's policy over the last four years was necessary to give effect to the treatment of such loans as distinct from the rest of the loan portfolio in furtherance of action commenced in 1988, when the Bank wrote off significant amounts of principal against such loans, and in recognition of the Bank's plan to transfer such loans to a separate legal entity; this is expected to occur during the last quarter of 1993."

Note when all these things are happening—under the tenure of the Member for Diego Martin West. That is not unimportant—that is why he refuses to treat with farmers. Madam Speaker, it is real and fixed there.

We see from that same document that the loan balances outstanding, the principal and interest for 1992: \$280 million—I think today he said that it is now \$173 million. If the capital portfolio of the Bank is about a quarter of a billion dollars then this is more than half of that portfolio. We must be worried about what has happened.

The point has been made and I just want to repeat it: The bank cannot be viable until the farmers are viable; and if the farmers are viable then one would have had the Bank functioning in a manner that would not have been a drain on the Government's purse or having the need to mobilize funds elsewhere.

**5.55 p.m.**

The Bank has now gone in to access loans from the IADB. There was a time when the Bank used to lend money at the rate of between three and seven per cent to farmers, but now that rate is up to 12 per cent. If the rate of 12 per cent exists, what is the real difference of the functioning of the ADB vis a vis the other commercial banks? These are some of the matters that we can look at.

This afternoon I want to touch on a matter which I do not think the Minister addressed in his presentation. That matter concerns the poultry farmers. The Minister stood up and said that subsidies have not been removed in many areas of agriculture. That might be so. But can he stand up and tell this Parliament whether or not subsidies have been removed, since 1982, from the poultry farmers of this country. If he could, I would give him the opportunity to make an explanation. If not, I would have to get down into the matter of the poultry farmers. There is a very sinister movement in that industry.

The ADB encouraged poultry farmers to get involved with the Ministry of Agriculture, Land and Marine Resources and the ADB to access loans with respect to setting up poultry farms. When they did that the bank advised them that they ought to develop a relationship with contractors, and with these contractors they sought an arrangement of a PAYE relationship that does not work out to any advantage of the farmer. They facilitated meetings. The bank said that the contractor was reputable—and that the farmers rely on the Bank and Government for advice. They took the advice.

After the farmers got into the arrangement, then the problems became evident. While the subsidy was there they met their obligations. This is important because

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if the subsidy was not removed, the poultry farmers would have been able to survive. The stopping of the subsidies doubled the bad payment to the Bank.

**Dr. Rowley:** Madam Speaker, I thank the hon. Member for giving way. Could the Member identify the subsidy which was provided to poultry farmers to which he makes reference?

**Mr. R. Palackdharrysingh:** Madam Speaker, I am saying that the poultry subsidy was removed since 1982. I want the Minister to stand up and say that is not so.

**Dr. Rowley:** Madam Speaker, the Member is making reference to subsidy to poultry farmers. I am simply asking the Member if he could identify the nature of the subsidy to poultry farmers which has been removed.

**Mr. R. Palackdharrysingh:** Madam Speaker, was there not a subsidy to poultry farmers?

**Dr. Rowley:** Madam Speaker, is the Member asking me that question?

**Mr. R. Palackdharrysingh:** Madam Speaker, he is the Minister!

**Dr. Rowley:** The Member does not know.

**Mr. R. Palackdharrysingh:** Madam Speaker, how does the Minister mean I do not know?

**Dr. Rowley:** Madam Speaker, the Member does not know what he is talking about.

**Mr. R. Palackdharrysingh:** Madam Speaker, the ADB got into a situation in which it encouraged a contractual arrangement between the farmers and the contractors and that contractual relationship did not work out to the advantage of the farmers.

**Madam Speaker:** The time is now 6.00 p.m. There is a motion which has been stood over which we would now hear from the Member for Nariva.

#### MOTION ON THE ADJOURNMENT

#### **Overhanging Boulder (Plum Mitan Road)**

**Mr. Krish Jurai (Nariva):** Madam Speaker, the present Motion under "Definite Matter of Urgent Public Importance" is the precarious overhanging of a boulder at Brigand Hill, Plum Mitan Road. There is a severe threat to life and limb as a result of boulders rolling down from Brigand Hill. It is a miracle that lives have not been lost as a result of these falling boulders. When I say

“boulders” and I refer to a single boulder but I mean that when this boulder is crushed there can be several truckloads of material. This is the size of the boulder that I am referring to.

At the moment, there is one such boulder lying at the side of the Plum Mitan Road at the three and a half mile mark. Perhaps, I should give an idea of where Brigand Hill is and the situation of the road. Brigand Hill is the highest range in the eastern side of the Central Range and Plum Mitan Road was carved on the side of Brigand Hill, so it is a very narrow winding road with the hill on one side and on the other side there is precipice all the way along.

**Mr. Casimire:** Macka farm

**Mr. K. Jurai:** Madam Speaker, my Friend the Member for Toco/Manzanilla is quite familiar with the area and he is assisting me with the description. As I said, the road is very narrow, winding, rough and riddled with potholes. When vehicles go by, clouds of dust are raised and, as a result, the vehicles which are following cannot see this huge boulder which is lying at the side of the road and posing a serious threat to other road users—drivers in particular.

We have to understand that Plum Mitan Road is a very busy one. Considering that the other roads in the area are very rough, the drivers use this road. Also, the vibration of the heavy lorries transporting rice and other farm produce, to some extent, causes movement. I am not saying that it is the sole reason but I am sure the vibration from these heavy vehicles assists these boulders in rolling from their fixed position.

**6.05 p.m.**

**Madam Speaker:** You said boulders overhanging. There was one that was actually on the verge of falling. That is the only urgent one that is really important here. If I knew you were not going in that direction, I would have put it for the Adjournment of the House. The really serious one is the one that is hanging over.

**Mr. Jurai:** This is the one I am referring to here now. This is a massive rock that is—

**Madam Speaker:** Just refer to the other one *en passant* and come to the really dangerous one. Do not stay on, because that certainly is not a definite matter of urgent public importance.

**Mr. Jurai:** This massive one is precariously perched about 200 feet above the road level. As I said, the pressure of this huge boulder has split that tree that it is resting on into several bits and at any minute this boulder will come tumbling

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down. Not only will that one come down—and that is why I was referring to the others—it bring along several others of larger size as well as smaller ones.

When this happens, I shudder to think what would take place, because I fear for the people who live on the opposite side of the road and also the farmers of the area. As I said earlier, the farmers are scared to go to their farms, but because that is the way they earn their livelihood they have to take the risk. We need to give some urgent consideration to this.

This massive boulder that is resting there would need a delicate operation to bring it down safely. I do not think it can simply be brought down by blasting, because once it is interfered with, it would bring along, many other boulders with it. The entire area is part of a quarry. It is not being mined at the moment but the boulders are all exposed and any blasting or anything of the sort would bring a lot of stuff down. So there is need for some sort of delicate operation.

I fear that when this operation begins, the road will be closed and as a result, people will have great difficulty in moving to and fro. It means, therefore, that once the road is closed—as I said this is a delicate operation—it would take a long time for this exercise to be completed. In the meantime the people who live on the other side will have great difficulty in getting their truckborne water supply; farmers would also have difficulty in transporting their goods to the market, and so on.

I would urge the Minister of Works that as this road would have to be closed, to give some consideration to repairing the Cunapo Southern Road which is the only alternative route that people can use to get to and fro.

The important thing about this boulder is that if action is not taken immediately and the rains come it will have disastrous effects. Because when the rains begin to loosen the dirt, many other boulders would come down and I am sure they would block the entire roadway. So now is the time to give some consideration to easing the plight of the road users of that area.

I know that this Government says it cares and this is one time I am sure that it can transform words into action. I eagerly await a response from the other side for dealing with this matter which is so critical at this time.

Thank you, Madam Speaker.

**The Minister of Works and Transport and Minister of Local (Hon. Colm Imbert):** Madam Speaker, a site visit this afternoon—as you are aware you were informed of this matter today—could only discover one large boulder resting in a

stable position at the side of the Plum Mitan Road. This boulder does not threaten the road with closure. The ministry was not able to find the boulder referred to in the Motion. In particular, the ministry could not find the massive boulder precariously perched about 200 feet above the road that could come crashing down at any time, so that it is very difficult to deal with this Motion.

Over the weekend and on Monday, we are going to carry out further investigations to determine the location of this boulder, and perhaps the Member would be able to assist the officers of the ministry in locating it. As I said, from the report that I have, we cannot find the overhanging boulder the Member is referring to. We found a boulder on the road. The road, as far as the information I have goes, is not threatened with closure—

**Mr. Jurai:** Madam Speaker, if the Minister is willing, I would take him there tomorrow morning.

**Madam Speaker:** I think what the hon. Minister is saying is that members of his staff would again pursue the problem over the weekend and I was telling him that maybe you could assist in locating it, so if there is a problem it could be alleviated.

**Mr. Jurai:** Yes, Madam Speaker, I am willing to go, but the impression that the Minister of Works and Transport is giving this House is that I am misleading the House. I want to assure him that this is not so.

**Madam Speaker:** It may be that they are not looking in the place that you are mentioning and that is why they must do another search.

**Hon. C. Imbert:** Madam Speaker, as I said, I have a report here from the engineer who visited the site. He found one boulder at the side of the road. The report indicates that the engineer went up the hill in question to a height of close to 200 feet and could not find the boulder referred to. What I am saying is that my engineers will continue the search for this boulder.

#### **AGRICULTURAL DEVELOPMENT BANK (AMDT.) BILL**

**Mr. R. Palackdharrysingh:** Madam Speaker, with respect to the subsidy, raised earlier my information is that Government used to pay seven and a half cents per pound on chicken at the grow-out stage. I hope that I have answered the question posed by the Member for Diego Martin West.

I have here a document called the Broiler Production Agreement. I would not go into the details of it except to state that the farmers find this document extremely oppressive, because all the terms and conditions seem to be against

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them. The ministry would not really interfere in this contractual agreement because they believe that an arrangement made between the farmer and the contractor is a private arrangement.

However, I think it is important that where you have a situation in which one party feels the negative impact of any agreement, the Ministry ought to take a look at the matter and advise accordingly. If there is no such advice and with much escalating costs these days, a number of poultry farmers would virtually have to go under. That is the position.

The farmers need a bit of encouragement in terms of having some more balance in the contract. That contract, if you see it here, is easy to explain in terms of quantity and quality and pick-up period, and so on

**6.15 p.m.**

Madam Speaker, the farmers have now reached the point where they are unable to service their loans because they are often meeting a problem with respect to the collection of moneys, even from the contractors. Because of the contract agreement it is the contractor who seems to be getting the better of this arrangement all the time. The farmers with the difficulty of not receiving their moneys on time nor receiving what they consider to be a fair return for their efforts with respect to the grow-outs of chicken, are not able to service their loans properly.

They have pointed out that the ADB has taken the position where they have called in the farmers. and offered them either rescheduling of the loans, which we have pointed out will not work; or even the refinancing of loans. Again, that cannot work.

What perhaps, I think is an option and as it is being raised today in this Parliament where there is a company that is going to now look after the non-performing loans, those people who have worked as farmers a large part of their lives, ought to be given that option to see how they are going to respond. Otherwise, there would seem to be some collusion somewhere in the administration of the banking authorities especially as to whom would then buy these properties.

One has to be concerned about the operations of the bank. In many instances the farmers have complained that even the minimal service and advice suggested by the Bank to them, they were not getting with respect to their loans.

One of the important things to note is that between 1980 and 1990 while several of the farmers were shareholders of the Bank, there was never a shareholders' meeting to put the position of the Bank fair and square to the farmers and at the same time to have what one would consider a proper feedback by the farmers. What is happening in the Bank has left it open to much suspicion.

As a matter of fact, I have the name of a manager of the Bank which I would not call. He seems to have had a sort of interest whereby when properties were forfeited and went to security services—as a matter of fact these security services arose from within the bank whose personnel would set up canine companies, and would get the job of looking after the properties and so forth.

Another problem which the local farmers have is the threat of competition from imported chicken. Chicken is no longer on the negative list. One would see what has been happening to them? The long and short of the story is that if the farmers are not given the opportunity to have an arrangement with the Bank to service their loans there is going to be problems. Many of the farmers feel they are going to be out of lodging soon because there seems to be the imminent threat that some of these farmers might be evicted.

What also is very obvious is that while some of the farmers were able to make contributions to the Bank, they were not able to make them on a timely basis but the sum total of their efforts was that they were able to repay more than their capital and probably their original interest. However, because of the time lapse factor they still seem to have the original capital on their hands and that suggests to them that they have worked all their lives in their industry and because of circumstances beyond their control, they would be out of lodging, out of employment and so forth.

Therefore, the time has come for this Government to take a very serious look at the poultry farmers on a case by case basis. Where farmers have tried and have repaid the original loan, some serious consideration must be given to them with respect to retaining their properties.

#### **6.25 p.m.**

On the other hand, yes, it is also well known that a number of farmers abused the loans they got from the ADB. Some of them took their loans and did other things apart from agriculture. In this situation we found that if the Bank had carefully monitored the system, some of these farmers would not have abused the facility which the Bank provided for them. That too, is well known, but it can only happen when the monitoring and service mechanisms of the Bank are

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ineffective. Some persons got loans and enjoyed themselves, and others, while waiting to make an honest living, found it difficult to really honour their obligations because of changing circumstances. Today, that is the plight of the farmers.

I hope that the Minister of Agriculture, Land and Marine Resources would consider the plight of those poultry farmers; call them in and work out something because I know there are many of them who would be willing to have another proposition that would be reasonable in the circumstances. I wish to state that case on their behalf.

I want to close my contribution with a simple bit of information that I have found. The mission of the Bank was really to become an efficient financial institution, providing funds for the progressive balance and sustained development of the domestic food and agricultural sector. The corporate objectives of the Bank were to channel loan funds to investors in the food and agricultural sector in a manner which aimed to considerably enhance the capacity of the sector to contribute to national economic activity and save foreign exchange.

Secondly, to aggressively mobilize loanable funds from non-government sources to the point where its loans programmes are completely independent of additional Government advances, and to conduct its lending operations in accordance with the best principles, and the practice of sound financial management and prudent credit management.

These, we have no problem with, but at the same time there was need for review of the Bank's performance in terms of the rate of achievement of the loans programmes such as available resources, loan repayments, loan support for projects, strategy and implementation, the maximization of internally generated funds, finance, accounting and management information systems which the bank seemed to have lacked, and, of course, human resource management, where perhaps the officers of the Bank ought to be brought up-to-date with modern and effective practices especially with a view to helping the farmers.

It is a sad day for the Bank to start going in the direction of the commercial banks. The old maxim, as was stated today is, "if the farmers are viable, the Bank will be viable". In this context, I do not think it would be very difficult to really support the measures as proposed in the Bill before us.

Thank you.

**The Parliamentary Secretary in the Ministry of Legal Affairs (Mr. Andrew Casimire):** Madam Speaker, I am very happy today to support this Bill presented by my colleague the Minister of Agriculture, Land and Marine Resources.

I want to touch on just a few matters and to comment briefly on some points raised by some of the Members, before I make two other brief points. I am sorry that my friend the Member for Tobago West, as usual, made her salvo and left because I wanted to discuss certain issues with her. However, I just want to make hash of what she said about political interference. I would say if there is one Minister with whom I have worked; who knows public administration; who has a commitment to good and efficient public administration and who is always loath to interfere with any public servant it is the current Minister of Agriculture, Land and Marine Resources. I say so because I have worked with him for a year and a few months and I understand his *modus operandi*.

The other question is that of a land court which was raised by the Member for Tobago West. As you know, that Member gets carried away sometimes. I think that matters pertaining to courts should be properly addressed to the Attorney General. We are now in the process of examining the requirements of Tobago with regard to localizing whatever court activity pertains to Tobago. We just came from there and none of the lawyers or the representative bodies raised any question of any land court, because the RPO system and the land registry system which we are putting in place are working well. I do not see what the Member was actually talking about.

I also want to touch on another matter—infrastructural links. The Member spoke about access roads and bridges to agricultural plots. I did not see a direct link between that matter and the Bill before us. I do not want to detain the House, but I think I would touch briefly on it because there are many things which this Government is doing to assist in the development of access roads, bridges and other amenities for agriculture. Some other time I would speak about that.

The main question before us is the amendment of the Agricultural Development Bank Act. What is the purpose of this amendment? As I see it, the purpose is to give the Bank better flexibility in dealing with the farmers of this country. Regardless of what some people say about plantocracy, my experience is that the Bank assists from the smallest farmer to the biggest one. It assists in agricultural development which does not pertain only to the small farmer, but it also touches the biggest farmer in this country, because sometimes they too cry out for help.

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I want to at least congratulate the Minister of Agriculture, Land and Marine Resources on bringing this Bill. I do not want to use a strong term but I see that this Bill should have been here probably a year and a half ago. It was not here then but it is here now. I represent a constituency where there are a number of large and small farmers, fishermen and beekeepers. I am happy today, and so I thought I would not allow this opportunity to pass without making a contribution in this honourable House.

We looked at the question of clearing the books of the ADB. That is something we must agree with. If we are going to restructure the Bank, we must clean up the books, start afresh and at least give the Bank an opportunity to work and assist the farmers.

Under the present law the Bank can accept only first mortgages on properties. This does not give the Bank any flexibility, but this Bill which we are now would enable, the Bank to expand its activities to second mortgages, other equities and securities.

If a farmer gets stuck on a first mortgage the Bank can probably give a him a second mortgage or accept some other security; not sell his property. That is the clause which has motivated me to speak on this Bill. I think it goes to the root of the matter and the farmers in my constituency are happy with this provision.

As I indicated, the Bank does not have to move to sell his property. It can do other things. What I am seeing here is that the Bank can also seek to determine the rates of interest for a particular sector of the agricultural economy. That too has motivated me because 10, 12 or 15 per cent across the board is not an equitable distribution. Some parts of the agricultural sector can carry 10 per cent; other parts can carry probably 6 or 8 per cent, while other parts can hardly carry anything at all. The Bank must be given that flexibility to deal with farmers in the particular sector, and determine on its own the rates of interest that will be effective and work for the farmer in the particular sector. This amendment gives the Bank that flexibility.

**Mr. Humphrey:** Madam Speaker, would the hon. Member indicate whether the Bank still retains an interest in any of the 2,300 debts that were discounted and sold to Taurus.

**Mr. A. Casimire:** Madam Speaker, I will leave that question for the hon. Minister concerned to answer. As far as my knowledge goes, the loan would be bought over by Taurus Company and every farmer would have the opportunity of

probably negotiating with Taurus to repurchase the loan, or do some business with Taurus company.

In other words, if Taurus takes over tomorrow morning, nothing prevents a farmer from offering Taurus 26 or 40 per cent and repurchasing his loan. That would be a massive interest. As a businessman, I see nothing wrong if I buy at 35 per cent and two days or one week after I am offered 40 per cent. Why should I not sell? I would sell. That flexibility did not exist before. They could not have gone to the Bank, because it had no power under the law to change interest rates.

Another issue is the question touching non-performing loans. I had a question which was answered for me during the tea break. At this point, the Bank can determine which is a non-performing loan and which is a performing loan.

What happened before is that even if the loans were non-performing, interest accrued over the years and at the end of four or five years, even if the farmer got nothing from the venture, on the books he still owed interest on these. Under these arrangements, the Bank can now determine a cut-off point beyond which interest will not accrue on these non-performing loans. That is a major plus for the farmers. [*Interruption*] You do not want political interference, but yet you want the Minister to direct.

### **6.35 p.m.**

We are seeking to change that and to give the Bank the authority without the interference of the Minister to determine their own interest rates and policies on lending.

Another plus is that the Bill provides for the Bank to enter into negotiations with farmers early. In other words, if the Bank discovers that two or three months' payments have been delayed, it can now go to the farmer, understand what is happening and assist the farmer to bring his debts up-to-date. Hitherto, the Bank did not have the flexibility, to meet this commitment. The Bill before us provides the Bank with the facility to go to small farmers and assist them in meeting their payment on a timely basis.

Yes, the Bank will also have a faster response time. Instead of taking four or five years to come to a decision on whether a loan is non-performing and what action to take, the Bank, by timely intervention, will be able to make a determination within six months or less. It can reach farmers on a continuous basis, determine difficulties and assist them where possible.

The Member for Caroni Central had some difficulty with the Minister being the final arbiter on the operations and directions of the Bank, but the buck must

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stop somewhere. I believe that there must be some influence; one cannot divorce the Cabinet and the Minister from all decisions, whether banking, Church or otherwise. He represents people. If the Minister has to come to this Parliament and be responsible to us for the Bank, how can he not have any say or direction in the policy of the Bank? The Minister must have some say because the Parliament would hold him responsible and the public would hold him responsible for the Bank. Authority and responsibility must go hand-in-hand with public administration. That is what this new Bill seeks to give to the Minister concerned.

The Member for Caroni Central raised the matter of transparency. I could not understand the point because this Government has always been transparent in all appointments. We have always looked for qualified persons. We do not put party hacks or anybody else in positions. We put qualified persons to man and to organize whatever we are doing and that is what we stand by—transparency in all our appointments. I give this House the assurance that this Minister will never ever try to put someone who does not have the qualifications, in any position in this Bank.

We are looking at this from the point of view of sale of land because this is a matter which is dear to the hearts of most of the farmers in the country, especially in the Toco/Manzanilla area, which I represent. Some people have lived on these lands for generations and sometimes through mismanagement or rank dishonesty, a member of the family might take a loan, not work the land, do other things with the money and get the property they inherited from their forefathers tied up. Then there is difficulty and some of the lands are put up for sale. They come to me every day as if I can work miracles. If someone has taken money from a bank—any bank—and does not pay up, something would happen.

Madam Speaker, I should like to let you know today that most of these lands that are put up for sale are lands where people have been delinquent; they did not apply most of the money to agricultural activities; some of them are not even in Trinidad and Tobago any more—they have gone away—the lands are in secondary forest and there is no hope of the Bank recovering from them except by forfeiture and sale.

Then what we hope to see is that the Bank would turn a human face in dealing with members of the public, and it does that all the time. But there are farmers who would deserve harsh treatment if they do not meet their responsibilities. The buck must stop somewhere.

If farmers repay loans, more moneys would be available to assist other needy farmers. The country must understand that; all farmers must understand that. By

their delinquency in repaying their loans, they are depriving some other needy and well-meaning farmer of getting a loan. The Bill provides an avenue for the Bank to get in there, collect its moneys and roll it over to other needy farmers.

Someone raised the question of the granting of loans to fishermen. I must touch on this because a sizeable number of my constituents are fishermen. I must push a little plug for them this evening. For some years the facilities available to fishermen have not been up to the standard they are accustomed to, especially in my district of Toco/Manzanilla. I make no bones about that—my district of Toco, Matelot and other fishing villages. Sometimes the landing facilities are in disrepair, no lights on the seafront, but thanks to the Minister we have received a couple of lights. But some of these farmers still owe money to the Agricultural Development Bank.

I am saying to the ADB today that although some of them are not up-to-date with these loans, to touch them with a human heart. *[Interruption]* Wherever the fishermen are—all over the country; all fishermen. I am asking, and I know that the Bank, in dealing with our fisherfolk, will deal with them with a human face.

**6.45 p.m.**

I do not intend to go much further with this representation, but I thought I ought to intervene today, because today, April 7, 1995, marks one year since I was in a bed with a complete stroke.

At this time last year I was at the Mount Hope Medical Sciences Complex and today I am here to look at a 200-ton boulder perched on a tree. Thanks to my good friend the Member for Nariva, today, on my anniversary, I have seen other things apart from my remarkable recovery—I have seen a 200-ton boulder perched on a tree.

**Mr. Haniff:** Madam Speaker, if the Member would allow me. This Member just said that he saw the boulder while the Minister said that the officers went and they did not see it. *[Interruption]*

**Mr. A. Casimire:** Madam Speaker, the boulder that the Member for Princes Town is talking about—

**Madam Speaker:** —the boulder is not part of this debate.

**Mr. A. Casimire:** I must reply, just lend me 20 seconds, Madam Speaker. When one is looking for a boulder one would not look for it on a tree; one would look on a tree for birds, fruits and corbeaux sometimes, not boulders.

I thank you, Madam Speaker.

**Miss Indera Sagewan** (*Caroni East*): Madam Speaker, on that very humorous note, on behalf of the Members on this side, I wish to begin my contribution this afternoon by congratulating the hon. Member for Arouca South on his elevation to Chief Whip, and to extend our sympathy to the Members who may have had such aspirations and who may have been bypassed in the process.

**Mr. Maharaj:** For example. [*Interruption*] The Member for Diego Martin West.

**Hon. Member:** No, for Diego Martin East.

**Miss I. Sagewan:** Madam Speaker, the Agricultural Development Bank (Amdt.) Bill, 1995 before us seeks to restructure the Agricultural Development Bank. The question I wish to ask this House, because I am a little confused, is: What is the purpose of this restructuring?

**Mr. Imbert:** To become financially viable.

**Miss I. Sagewan:** I am very glad that the Member for Diego Martin East answered because it concerns me gravely that the ADB is being restructured primarily, and almost as its only purpose, to become financially viable.

The ADB, as the Member for Diego Martin West was at pains to explain to this House today, was set up with a purpose—the primary purpose was to facilitating the development of the agricultural sector. As it would be the only institution of its kind in this country, it was to provide this very significant sector with a source of financing that would be appropriate to the special needs and requirements of this sector, which in itself has special characteristics. These characteristics render it almost impossible—as the Member also made the point—for members in the sector to go to a traditional and normal financial institution and obtain financing in order to get into the kinds of investment which we speak about in the agricultural sector.

Madam Speaker, as I said, my concern is grave when I read the Bill and I quote from the Explanatory Note to the Bill. The first paragraph reads:

"This Bill seeks to vest in the Agricultural Development Bank greater corporate and management independence particularly for the determination of interest rates and other fees in order to assure financial self-sustainability."

If, as presently obtains with the current rates of interest, the ADB is unable to become financially viable, then obviously, we are speaking—as I would show a little later—about the ADB moving towards charging market interest rates to the

agricultural sector for loans acquired by these people. We are certainly not concerned about the development of the agricultural sector, if this is so. I am very disheartened, when I hear Members on the other side who represent largely agricultural constituencies stand and say that the restructuring proposed by this Bill would facilitate the development of fishermen in this country.

The point was made by the Member for Toco/Manzanilla. As currently obtains, fishermen are unable to meet their repayments to the Agricultural Development Bank. If at current rates of interest they are unable to do so, one could hardly see that they would be able to do so when restructuring takes place and this Bank moves towards being financially viable; and that being its sole purpose for existence. If that be the case, then we should simply do away with the Agricultural Development Bank and allow this country to have a private financial sector.

**Dr. Rowley:** Madam Speaker, I am trying to follow the logic of the Member. I am asking this question to assist me. Is the Member saying the pre-requisite for the Bank supporting the agricultural financial sector, is financial unviability?

**Mr. Humphrey:** No, the Member did not say that.

**Miss I. Sagewan:** Madam Speaker, if the Member were to listen to my entire contribution, it would all flow and he would understand. No, I am not suggesting that this Bank operate as a non-financial entity. I shall show in my argument that a government has to prioritize and develop its policies based on the special needs of a country. That being the case, there may be certain sectors—as is the agricultural sector—that may have special needs.

It may be such that the Government would need to determine how it treats with that sector. It may be the case, as is the case in Trinidad and Tobago, that that sector needs to be subsidized, particularly, with respect to financing. It is the mandate of the Government to ensure that this sector is provided with all the infrastructure—financing being one of them—so that it can survive.

The second paragraph says:

"To achieve the objective of being financially viable..."

That, as far as this Bill goes, is the primary objective. We are here to talk about the ADB becoming financially viable. If it is to mean the destruction of the agricultural sector then so be it, for we have liberalized trade and therefore, we would simply import all our food requirements. Madam Speaker, I wish to move on and quote from a document that those on the other side in this House quoted from as if it is the gospel. *[Interruption]*

**Hon. Member:** It is.

**Miss I. Sagewan:** I am sure you would like to say it is. If it is the gospel to those on the other side, then they are certainly betraying their own gospel. To us on this side the Agricultural Development Bank is a major institution. It has a very significant role to play in the development of the agricultural sector, and therefore it has to be treated with, in a particular way.

Throughout the PNM's manifesto we see, "We Care about You", oh, I think it is really a beautiful motto to have. In fact, Madam Speaker, when one reads what they have suggested with respect to agriculture, if it could have been translated into reality, it would have been very good for that sector, with respect to finance. I will therefore read again what the Member for Couva North read to this House from that manifesto, with respect to financing in the agricultural sector:

"The PNM is aware that the Agricultural Development Bank (ADB) is not fulfilling its intended role of a development agency,..."

It recognized that in its existing form the Agricultural Development Bank was not achieving its objectives and instead, it is now providing strictly commercial lending.

The restructuring being proposed in this Bill is about moving the Agricultural Development Bank towards doing primarily what they were complaining about in their manifesto, because the ADB was strictly operating as a commercial lending agency. It goes on to say:

"Consequently, under the PNM the ADB will provide loans at concessionary rates to farmers,..."

At concessionary rates!

They recognized in 1991 that the agricultural sector was a special sector that required loans at concessionary rates; concessionary is below market rates. It also spoke about efficiency and accountability.

**6.55 p.m.**

More than that, this manifesto located the Agricultural Development Bank within a context, within the agricultural sector, which is important. Because this institution is only important if it can facilitate the efficient development of the agricultural sector, which we all agree in its current form it has largely been unable to do. Then we have to ask the question: why has it been unable to do that? This question we can easily answer as well; because it has not been operating as a

development bank, but as a commercial bank, towards which the Government is moving it even more quickly.

It is very instructive to listen to what the PNM manifesto says about the agricultural sector. I quote:

"The PNM is committed to the development of our agricultural sector as a major generator of employment, economic production and foreign exchange, and as a primary instrument in the economic diversification process."

**Madam Speaker:** Would the Member kindly indicate the page please.

**Miss I. Sagewan:** On page 16, it goes on to talk about the constraints

"During the decade of the nineties, the issues of agricultural development, food production and food security will become some of the most critical matters with which small developing nations will have to reckon.

These developments give rise to this view, viz.

- economic globalization
- trade liberalization
- earning of foreign exchange
- the unification of Europe due to begin in 1992."

Madam Speaker, the Government was recognizing that our agricultural sector was threatened by these things. On page 16, it goes on to say:

"For countries such as Trinidad and Tobago, immediate attention needs to be focused on the consequences of these developments on:

- levels of employment
- traditional export agriculture and the food security insofar as foreign exchange will be available to import food."

The PNM was saying that we need to concentrate on food security, we needed to move away from spending more and more of our scarce foreign exchange on importing food, and yet we have liberalized agriculture. This is communism! The PNM manifesto from which I am speaking is communism!

**Mr. Humphrey:** At least it is not stupidity.

**Miss I. Sagewan:** Misinterpretation! I trust that the Member would enlighten us on his particular interpretation of what I am quoting. In terms of the PNM's vision for the agricultural sector, it goes on to say:

"Trinidad and Tobago must improve its level of food production. This makes sense for the following reasons:

- the current levels of dependency on imported food place our nation's nutritional security at an unacceptably high level of risk "

Madam Speaker, I am sure a primary school student can interpret that.

This is communism!

**Mr. Humphrey:** Hitler says that is communism.

**Miss I. Sagewan:** The vision continues:

- "- world economic history has shown that in a vast majority of cases, agricultural development has been a prerequisite for industrial development. "

In this country, agricultural development is a side issue.

Another area that is very instructive in terms of what this manifesto spoke about is the infrastructure, for we cannot talk about agricultural development if we only have finance—that is only one of the major issues. Agricultural development can only take place if there is a facilitative environment—those on the other side speak about this all the time, about the Government's major role being to provide a facilitative environment within which productive activity will take place. Infrastructure is recognizing that. Page 20:

"The following infrastructural requirements must be urgently addressed:"

- access roads
- drainage
- irrigation
- resources, both physical and human, for soil management"

We are in 1995. It goes on to say:

"The State should assist in the provision of these resources for without them food production becomes difficult and agriculture generally not

commercially viable if producers must provide such infrastructure from their own resources."

The final quote I will read from the PNM manifesto is what it identifies as the role of the state—Communism? The Member for Diego Martin East wrote some communist literature?

"The Role of the State

The State has to assume the responsibility for creating an environment in which agriculture can succeed. This will require an appropriate combination of incentives, protection and infrastructure in support of agriculture."

We come here today and we talk about restructuring the Agricultural Development Bank for the prime reason of making the Bank viable. The objective here is about the Bank, not about the agricultural sector. *[Interruption]* Yes, it will have much more money available because those whom it is targeting may not be able to borrow. It will be an institution that will be very liquid because it will be holding all its money, unable to lend it because the people whom it is targeting will not be able to repay these loans.

**Mr. Casimire:** Madam Speaker, would the Member for Caroni East concede that if the Agricultural Development Bank is viable, then it means that it is servicing farmers well and it is doing what is required? Would she concede that?

**Miss I. Sagewan:** No, Madam Speaker, I will not concede such a thing. If the institution is viable, the institution is providing to clients who can afford to borrow from it; it does not mean that it is providing financing to the totality of the clients who are seeking funding. That is a different issue. The only way I can concede that the institution is achieving its objective is if the sole objective of this institution—*[Interruption]* Madam Speaker, intimidation from the Member for Diego Martin West really does not affect me so he can carry on from now until doomsday.

**Madam Speaker:** The Member is becoming quite seasoned in the House. I think in a couple of months she would not even hear when they are interrupting. Proceed, please.

**7.05 p.m.**

**Miss I. Sagewan:** Madam Speaker, if the ADB is an institution that is simply concerned with itself; if its objective is to simply be viable, then, yes, it would be doing well. But if its objective goes beyond that and it is to provide financing in

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order to promote and develop the sector, and the sector is not developed, then it would be failing miserably.

The Member for Couva North said that the new policy that is being espoused comes not from the thinking of the Government but as conditionalities for loans which those on the other side are assessing. When that point was made it was contradicted loudly. I just quoted from the PNM's manifesto which speaks of a different kind of policy from the one we are talking about now. Let me quote from the *Medium-Term Policy Framework 1993—1995*. What I would show to this honourable House this evening is how the Government's policy has changed and from where the change came. I quote from page 35:

"Government is committed to the development of the agricultural sector as a major generator of economic production and foreign exchange, and as a primary instrument in the economic diversification process. In this regard, strategies for agricultural development will be directed to the expansion of non-traditional export agriculture, reduction in the current levels of dependence on imported foods, and increasing productivity and efficiency of traditional exports."

What we are talking about here today is not being facilitative to this.

I go now to the *Medium-Term Policy Framework 1994—1996*. I quote from page 28:

"Government is cognizant of the fact that development of the agricultural sector could be negatively impacted by the process of trade liberalization."

We move from the manifesto saying we do not want trade liberalization. Our agricultural sector is not operating in a facilitative environment, yet we implemented trade liberalization and we now recognize that the sector could be negatively impacted by the process. It goes on:

"Consequently, Government will continue its efforts to put in place appropriate support mechanisms which will cushion the severest effects during this transition period. Specifically, protective mechanisms will be targeted to critical producer groups and sub-sectors."

Is that right? Maybe they should ask the farmers in the areas which form the critical producer groups and subsectors because they are telling a different story. As far as they are concerned, what they are seeing is the end to their ability to produce what they are producing.

In the *Medium-Term Policy Framework 1995—1997*, page 26 states:

"...Government will institute, *inter alia*, a comprehensive trade and price reform policy by utilizing appropriate tariffs and incentive measures. More specifically, these measures will seek to:

- convert all quantitative restrictions on trade of agricultural products to equivalent tariffs with a phased reduction in tariff rates in accordance with the 1993 GATT Agreements.

This is significant.

- contain the cost of Government's direct support payments and subsidies to the sector; and
- provide a framework ..."

Well, this does not apply because there is no anti-dumping legislation in this country.

Those on the other side are talking about restructuring the Agricultural Development Bank. I do not know why it is being restructured. When one says that it comes from conditionalities attached to loans, one is asked: "How can you say that?"

May I quote from an action plan from the Investment Sector Reform Programme that was implemented between the IADB and the Government of Trinidad and Tobago.

**Dr. Rowley:** Madam Speaker, where did the Member get that?

**Miss I. Sagewan:** The first paragraph of that agreement says:

"The Government is committed to pursuing long-term trade and price policies and will encourage domestic resource use consistent with international comparative advantage and will increase the contribution of the agricultural sector to national income. To achieve these objectives, the Government will undertake to contain and rationalize governmental and consumer subsidies to agricultural producers and increase import competition in a managed fashion."

What we read about in the *Medium-Term Policy Framework*—this is where it comes from—satisfy conditionalities or one cannot draw down on loans. With specific reference to the Agricultural Development Bank the action plan on the investment sector states:

"movement towards market determined pricing in terms of lending rates, fees, spreads and funding."

Not concessionary rates that are spoken about in the PNM manifesto. They are saying that the agriculturists in this country should be treated like any other person, and surely there will be a bank that will provide funding primarily to the agricultural sector. But when one goes there one would be faced with the same rate of interest as if one were to go to a normal private banking institution. It goes on:

"Improvement in lending criteria, risk analysis, and portfolio management and a more focused lending programme including recognition and accommodation of differentiated borrowers."

We have no problem with the bank moving towards the use of more managerial kinds of criteria in determining whom it lends and whether the project is viable or not. We do not wish to support a *vaille-que-vaille* type of lending to anybody simply because that person is a farmer and he approaches the bank for money.

As the Member for Diego Martin West stated, to date, the Agricultural Development Bank has simply acted as an institution to lend money to the farming sector of Trinidad and Tobago without any kind of follow-up with respect to managing how this money is used by the farmers to ensure project effectiveness and, therefore, the ability of the farmer to repay loans.

If it were a true development bank it would carry lending beyond simply handing the money over to the farmer and it would ensure that supervision is carried out. It would ensure that it provides managerial skills to the farmer. It would ensure that it gives technical assistance to the farmer. It would ensure, as far as possible, that the money is used in an effective manner to ensure that the farmer is able to repay the money. The agricultural sector by its very nature is a particular one and we have to understand the particular characteristics of that sector. The document further states:

"To encourage the ADB's financial self-sustainability, the government will not make loans to the ADB at a rate of interest which is below the government's cost of funds, defined as the yield on treasury bonds of similar maturity to the ADB portfolio."

The Government has stated that it is simply not prepared to provide any form of concessionary financing to the agricultural sector in Trinidad and Tobago.

**7.15 p.m.**

This is really how we have moved from a gospel—when we go to church does the Bible change from one day to another and we read from a different one each time. Apparently that is what happens on the other side. And that is very, very worrying.

The agricultural sector in a petroleum/natural gas economy is one that is riddled with even worse constraints than might be found in an agricultural sector where tourism is the major form of livelihood. Because, you see, the agricultural sector suffers from inheriting a remuneration structure that is significantly higher than it is able to pay to its workers.

Secondly, because the petroleum or energy sector is so overwhelming in a small economy, such as that of Trinidad and Tobago, and because it facilitates such high salaries and such high purchasing power, the prices in that economy tend to be high and the farmers are unable to go to the market and pay those prices. So when we are talking about a clientele that needs to be treated in a special way, in a concessionary way the agricultural sector is it. Because the agricultural sector, traditionally, and especially where technology is extremely low, where it is largely subsistence agriculture, the risk factor in investment is extremely high.

The agricultural sector is prone to any act that nature wants to perform upon it and those involved have to survive under those circumstances. We are talking about the infrastructure. We are currently undergoing one of the worst droughts in this country. Which is going to be the productive sector that will be hardest hit? The agricultural sector of course.

Many farmers are planting on state land and if they do not have security of tenure they are unable to go to a normal bank to borrow. And the point has been made that they cannot either because a normal financial bank will not entertain them. They plant their crops with the intent that when they are reaped, they would repay the Agricultural Development Bank, but then flooding hits, and that is the end of the crop. That is the nature of this sector.

We have to ensure that we provide the infrastructure to upgrade that sector so that it becomes in many ways much like the petroleum and energy sectors, where it uses a high level of technology, appropriate though, so that it could protect and shield itself from conditions such as these over which it has no control. We must provide a conducive and a concessionary environment within which they can operate. That is the first constraint to this sector.

The second constraint is the existing nature of our private commercial banking sector. The Member for Diego Martin West made the point that, it is cautious by nature; it is not prone to taking risks. If I were to go to a commercial bank the best idea in the world for making a lot of money, if I do not have the collateral to back that up, that bank would not lend me money. Our commercial banking sector is very cautious by nature. Because of this, and because of the kinds of conditionalities in terms of collateral and the repayment terms and the interest rate that it charges, it is totally inaccessible to the agricultural sector.

Then I made the point about the nature of our economy, the petroleum/energy sector which, unfortunately, is unable by itself to provide jobs for the entire country. Because if the petroleum sector was able to do that we would not have to worry about the agricultural sector. We could simply say, "Fine, let us import all our food and nutritional needs." But, unfortunately, our petroleum sector is highly capital-intensive and provides jobs for only a small portion of the population. That is what makes the agricultural sector even so much more important. The petroleum sector because that sector in itself, because of its nature, is putting additional constraints on the agricultural sector. Therefore it is important that as part of our policy we pump part of the benefits accruing to the petroleum sector into the agricultural sector in order to develop it. So when we talk about policy, that is what the UNC policy would be.

We know that the ADB in its current form is rife with problems. It has not been performing as it was mandated to do in the laws of this country. The Member for Toco/Manzanilla said that, and he made the point that the loans were not supervised and he created a case. But that was always here. I quote section 34 (e) of the Act which says the Agricultural Development Bank can:

- "(e) assist generally in the development of the agricultural co-operative movement;
- (f) it can do such other things as are incidental to the attainment of its objects as specified in section 6."

In this, the purpose of the Agricultural Development Bank is to facilitate the development of the agricultural sector. Therefore subclause (f) gives it the authority and the mandate to be able to provide whatever support is required in order to facilitate and achieve that objective. But we have had an ADB that has simply lent to farmers and then waited for farmers to repay.

The Bank was lending money without proper supervision to a clientele which largely does not have—probably, in many cases—the ability to effectively

manage the spending and the investment of this money. This has resulted in loans which are now unserviceable and have been transferred to Taurus. I ask the question: Have these farmers whose bad loans have gone to Taurus, been given the first option to purchase at this discounted rate? I think that in all fairness they should be given the first option.

The Member for Toco/Manzanilla said that what we are doing here is cleaning the books of the ADB—we are giving the Bank a chance to clean its book and to survive. Why do we not give the farmers a chance to survive? Why do we not clean their books? Because the ADB is supposed to be about the development of the agricultural sector. I cannot overemphasize this point because I think that somewhere along the line we are missing that critical point—that we are supposed to be concerned with developing the sector. If you clean the books of the Bank, clean the books of the farmers. Understand that they were largely unable to repay their debts because they were faced with conditions over which they had no control and the interest piled up.

Clean their books; give them back their lands and let them start over also. The Government is doing it to the Agricultural Development Bank; it is cleaning its books. The Government is willing to give freeness to certain classes in this country, but it is unable and unwilling to give freeness to the most deprived and to the most deserving. It is not willing to give even support, much less freeness.

### **7.25 p.m.**

An agricultural development bank is supposed to be a development bank; it is supposed to be about allowing the agricultural sector to develop. Therefore, there is a very valid case why the rate of lending should be subsidized, why they should be concessionary rates and not market rates. If these farmers could have paid market rates they would be accessing the private financial sector as well, but they are not doing so, are they? That in itself tells us that they would not be able to pay market rates. In an economy such as ours there is a very valid case for the Government to subsidize the rates that are provided through this institution.

Secondly, the restructuring that takes place should be such that it ensures that it is supervised lending that takes place. As the Member for Couva North said, when money is lent it should be carried straight through to make sure that every support is given to the project to make it viable—managerial, technical support; supervision of the project on a timely and ongoing basis; infrastructure, drainage and irrigation—all these things should be put in place. When one is talking about restructuring an institution like this, that is what we should be talking about. Those are the areas that should be given priority.

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There is a large financial sector in this country and if we want to move the ADB away from being this great burden on the state, then we should be about creating special incentives to the existing financial sector so that it introduce private-sector type programmes, window-type programmes to which the farming sector would have access. This is existing in other parts of the world. Nova Scotia, for example, has recently copied the Grameem Bank system out of Bangladesh. It is providing soft-window lending at concessionary rates to farmers and to agricultural projects in other parts of the world.

**Mr. Casimire:** If the Agricultural Development Bank buys at \$0.35 and sells back to the farmer at \$0.40, buys back the loan, is that not a major concession?

**Miss I. Sagewan:** Madam Speaker, I am sorry I do not understand what the Member is speaking about.

**Mr. Casimire:** If the Agricultural Development Bank pays \$0.35 on the dollar for the loan and then—*[Interruption]*

**Mr. Humphrey:** Taurus can sell back to the ADB; is that what you are saying?

**Mr. Casimire:** That Taurus can sell back to the farmer. The farmer can negotiate with Taurus and buy at \$0.40.

**Miss I. Sagewan:** Can the farmer borrow from the ADB to pay Taurus?

I do not know. We are not the ones who are putting Taurus together. The answer should have been provided by the other side. We do not have a problem.

I am suggesting if we are cleaning the books of the ADB—I am not suggesting that this must be done, if the Member had listened carefully he would have heard what I said—that in the case where the Government is now putting the bad debts in Taurus, we are saying that the initial owners of the debt should be given the first option to purchase from Taurus or from the ADB.

Madam Speaker in terms of the Bank becoming eventually, in itself viable, one of the methods—and it is stated here—is that the Bank should be allowed—

**Madam Speaker:** The speaking time of the hon. Member has expired.

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

*Question put and agreed to.*

**Miss I. Sagewan:** Thank you, Madam Speaker. We are not suggesting that the Government subsidize an ADB in perpetuity. If it is restructuring, it should be

done in such a way—it is almost like cutting off the bloodline of these farmers if one is to do what is being suggested by this Bill. One way in which the Agricultural Development Bank can eventually move away from its dependence on some form of subsidy from the Government is, by using part of the funding that is available for lending for investing in profit-making ventures and enterprises, use the profits that are generated from that in order to cross-subsidize the concessionary rates it should give to small farmers.

[MR. DEPUTY SPEAKER *in the Chair*]

**Miss I. Sagewan:** Mr. Deputy Speaker, these are tried and tested mechanisms that have been used with respect to development financing. One is then moving towards what one wants to achieve, which means the Bank is moving into its own and becoming a viable entity and doing the requisite cross-subsidizing that is required, for the small farmers.

A small farmer who has moved into larger scale farming, obviously if it is more profitable and he has the relevant technology, would be able to pay a higher interest rate. We are not suggesting that we should subsidize the sector in perpetuity. We are suggesting that the Government create an environment to help these farmers to develop to a level where they do not need assistance any longer. That has not been tried nor done in this country.

As a final mechanism that can be used very effectively in the concept of development financing, targeting the agricultural sector, is the provision of crop insurance. If there was some facility of crop insurance in this country, then farmers would be protected and they would be able to repay the loans when a crop fails. That does not exist here. We are suggesting that these are some of the things that should be introduced in this country.

In most, if not all developing countries, agriculture is a sector that is subsidized. It is a sector that is protected even in developed countries, because the issue of food security is a critical one. Being able to feed oneself and not being dependent on the rest of the world to feed one is critical. We have to decide whether we are willing to pay the price to ensure that we have that level of security or whether we are willing to sacrifice that security and the measure of employment it is creating. We have to be willing to answer those questions.

I, therefore, do not think that those on the other side have thought through their policy carefully when it comes to the agricultural sector. It is certainly not about "We care for you.": it is about "We care for the figure at the end of the book," unfortunately.

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Mr. Deputy Speaker, unfortunately, we on this side cannot support this Bill as it stands. Thank you.

**The Minister of Agriculture, Land and Marine Resources (Dr. The Hon. Keith Rowley):** Mr. Deputy Speaker, let me begin by thanking all Members who participated in this debate, particularly my colleagues on this side who saw the gist of what we are seeking to do and who put some perspective on the Bill before the House.

I shall try to address on a point-by-point basis, very briefly, some of the issues raised on the other side. The one common position taken by the other side is the passion with which they spoke for the farmer. Immediately following that, it was the confusion in which the various issues were raised—and I say ‘confusion’ in the context of contradictory positions.

One of my colleagues on the other side said something to the effect that I am the worst Minister of Agriculture or the worst Minister. That should be understandable. If I wanted a portfolio from which to solicit praise, I would never have accepted the portfolio of Minister of Agriculture. The position is that regardless of who the Minister of Agriculture is, there will be statements, as we have heard this evening, from Members who represent constituencies; persons who invest in agriculture; or persons who simply want to be seen as spokespersons for agriculture. That is not the issue, so let me go to the point of the PNM manifesto.

**7.35 p.m.**

It is very heartening indeed to see the interest that is shown in the PNM manifesto by Members on the other side. That augurs well for this country, because at the end of the day, they would not admit it in here, or on a public platform anywhere, but in the privacy of their own minds in their own homes, they would have learnt something which would make them better leaders in their communities. That PNM manifesto which is always in the hands of Members on the other side is a masterpiece because it addresses the problems. It is a masterpiece, and they are having difficulty in understanding how such a document could have been made available to the public in 1991, and be the basis of so much governmental action at this time.

[MADAM SPEAKER *in the Chair*]

Madam Speaker, I can understand the position if those on the other side, hammering away like the ram with the dam, seeking to show that this Government is deviating from some commitment or the other.

Let me take one point made by Members on the other side. They read at length from the manifesto where very early we identified the role of the ADB, saw the need to maintain a developmental posture, concessionary rates and identified the role of the international developments as they would impact on the agricultural sector. That manifesto was written in late 1991. What was the situation then? We said we did not agree with the Bank moving "strictly"—the word is there—to a commercial position.

At the time that document was written, the Bank had moved from a situation of purely concessionary rates towards an interest rate which was very close to the commercial bank lending rate. At the time in 1991—I am not inventing these figures, anyone who cares to check will understand—we were concerned about the Bank moving strictly towards commercial conditions, the market—

**Mr. Humphrey:** Let me interrupt the hon. Minister by quoting their manifesto. Page 19 states:

"The PNM is aware that the Agricultural Development Bank (ADB) is not fulfilling its intended role of a development agency, and instead is now providing strictly commercial lending."

That is the context in which the word "strictly" was used.

**Dr. The Hon. K. Rowley:** Thank you very much. Madam Speaker, I endorse that statement. I told you that manifesto is a masterpiece.

At the time in 1991, the Bank had moved very quickly up to a 12 per cent lending rate and the commercial lending rate was 15 per cent. The commercial banks were lending at 15 per cent and the ADB was lending at 12 per cent. We felt, as we still feel now, that the gap between an ADB loan and a commercial bank loan should be wider. We said that the Bank ought not to move strictly to a commercial position. We stand by that position. That is the position today.

The position today is that prime lending rate—that is the rate at which the commercial banks lend to their preferred borrowers: the securest of the borrowers where their money has virtually little risk—is 16 per cent. What is the ADB lending at almost four years after we made that statement in the manifesto? It is lending at 12 per cent. When the manifesto identified the need for concessional conditions and the need to keep the gap wide between the commercial banks and the ADB, it was 12 per cent as against 15 per cent; today it is 12 per cent against 16 per cent to the prime. A farmer does not get prime lending rate.

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A farmer represents the highest risk to a commercial bank. What he or she will get is the normal commercial bank lending rate if he or she gets a loan at all, that is, 18 to 22 per cent. The commercial bank rates are 18 to 22 per cent while ADB is 12 per cent.

Madam Speaker, I am sure you will have no difficulty in seeing where we are coming from when we say that the ADB, in its developmental mode, must have a concessionary posture. That is what we meant. We did not mean that we were going to borrow money for the ADB at 8 per cent and lend it at 6 per cent, and whatever business the ADB does is guaranteed to make a loss.

We part company with our Friends on the other side who have stated a policy here this evening to which we cannot subscribe. My friend the Member for Couva North outlined a policy which I presumed is his party's. I would not be surprised to discover that Members on the other side were hearing it for the first time. He said that a UNC Government would make moneys available through the ADB with no charge. That is absolutely amazing.

In our society, I am unaware that we have a banking philosophy of any kind which says that there can be a bank which is lending money at no charge. Why have a bank to do that? The money may as well be put in the ministry and there should be an officer to hand it out because there is no charge. Just call the name—

**Mr. Humphrey:** On a point of order. The Member is misrepresenting what the Member for Couva North said. To straighten his head out let me advise him that this is something I proposed 20 years ago.

**Dr. The Hon. K. Rowley:** I thought so! I had a mind so! I knew that!

**Mr. Humphrey:** It is a principle of development banking where the bank invests with its client and it takes the risk. If the venture makes profit, the bank enjoys part of the profit, and if the venture suffers loss, it suffers loss as well. That is not communism, as the Member for Diego Martin East said in the debate, that is a principle of Islamic banking. It is a principle of the Quran—to advise the Member for Diego Martin East.

**Dr. The Hon. K. Rowley:** Madam Speaker, I have warned my Friend the Member for Couva North that my other Friend the Member for Couva South get him in trouble. I take that back. My colleague the Member for St. Augustine would get him in even more trouble because that is in the same ballpark as the advice to Dr. Eric Williams to abolish money.

**7.45 p.m.**

A certain Member of this House advised Dr. Williams to abolish money, but, of course, Dr. Williams had better advice which he took. In fact, the Member for Tobago East who was the Minister of Finance at that time, was advised to print a certain kind of currency. He wrapped it up by just dismissing the Member summarily. We do not have that problem.

When I heard the position of my friend the Member for Couva North, I knew it was not his doing. But, of course, we now know where it came from. The Member for Couva North outlined what his party's position would be if they were in a position to restructure. What they would offer is not what we are putting before this House today. They would institute a system where the ADB would lend money at no charge. The only money that the ADB can lend at no charge is money from the Treasury. So the Government would provide that money to the ADB to lend at no charge.

**Mr. Humphrey:** Madam Speaker, I rise on a point of order. The Minister keeps insisting that what the Member for Couva North said was that the ADB should lend money at no charge. That is not what he said.

**Dr. The Hon. K. Rowley:** He said that!

**Mr. Humphrey:** He never said any such thing! He said that the money would be invested in partnership with the farmer. That is a very different thing. No interest would be imposed because we would be investing with the farmer. If profits are made, we share in the profits as a shareholder in the farm; if there are losses, we share in the losses as well. It is a system of equity which the Minister will not understand. Does he understand now?

**Dr. The Hon. K. Rowley:** I do appreciate the attempt by my colleague the Member for St. Augustine to explain—

**Mr. Humphrey:** You bought your degree, or what?

**Dr. The Hon. K. Rowley:** At least I stayed until the course was finished.

The Member for Couva North outlined his party's position saying that if they were restructuring the ADB, what they would have done was to have the ADB charge no interest. What would happen is that—

**Mr. Humphrey:** He is saying it again! I will not sit here—

**Madam Speaker:** Let the Member finish his sentence and then you can say whether or not it is so. He went on to say what the Member said [*Interruption*]

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Hon. Member for St Augustine, we must be fair. The Member had finished one aspect of the sentence and he was about to continue.

**Dr. The Hon. K. Rowley:** Madam Speaker, under the Member for Couva North's restructuring programme the ADB would be allowed to lend money at no interest to farmers.

**Mr. Humphrey:** He did not say that! He did not say that!

**Dr. The Hon. K. Rowley:** Madam Speaker, why is he behaving like that?

What the Bank would do is to take equity for its money in the project as advanced by the farmer. It is in *Hansard*. We can adjourn the House, get the *Hansard* and read it. I do not know what my friend the Member for St. Augustine is carrying on with. I am not surprised by his conduct because now that he is hearing it, it sounds so ridiculous it gets him uptight.

Look at what they are telling us to do. They are telling us that the ADB as a bank would lend money to farmers—and I presume it means all farmers. *[Interruption]* Madam Speaker, I seek your protection.

**Mr. Humphrey:** No! That is not what he said! There is a difference between lending and investing—a fundamental difference that he does not seem to understand.

**Madam Speaker:** Would Members like to adjourn the House to check the *Hansard*?

**Dr. The Hon. K. Rowley:** Madam Speaker, the Member for Couva North said that the ADB would no longer make any loans. What it would make are investments. *[Interruption]* That is his interpretation. Under the Standing Orders, I am responding to what was said in this House and I await your ruling as I speak.

**Madam Speaker:** Hon. Gentlemen, I cannot remember the exact words, but I do remember the question of equity being raised. If Members wish, the House can be adjourned to check the *Hansard* to see whether the word is "lend" or "invest". I would willingly allow Members to check, but we cannot have this on and off and "to-ing and fro-ing" in the House. If the Minister is wrong, the Member will stand up and show us the *Hansard* where it is not correct.

**Mr. Humphrey:** Madam Speaker, let me refresh your memory. The Member for Diego Martin East said that is communism, and the Member for Couva North replied that it is in the Islamic Quran *[Inaudible]*. That clarifies it.

**Dr. The Hon K. Rowley:** Madam Speaker, if only the Member for St. Augustine would observe the Standing Orders, we would get down to business, you know. He wants to tell me what to say. He had an opportunity to take part in the debate and espouse as many hare-brained schemes as he chose for 75 minutes. He did not do that, but he is coming now to behave like a petulant school child defending the Member for Couva North, who is not even here.

What we have been told, and if I now accept his interpretation, is that the Agricultural Development Bank under their tenure, God forbid, would no longer make loans to farmers, it would take equity investment instead on farmers' ideas and projects.

I started off my contribution by saying that this side takes a completely different position.

#### SITTING OF THE HOUSE

**The Minister of Health (Hon. John Eckstein):** Madam Speaker, I beg to move that this House continue in session until the completion of the matter now before it.

*Question put and agreed to.*

#### AGRICULTURAL DEVELOPMENT BANK (AMDT.) BILL

**Dr. The Hon. K. Rowley:** Madam Speaker, I crave your indulgence for the injury time for all the interruptions; and for the intervention of my elevated colleague the Member for Arouca South.

Let us for one minute understand what I am saying. This side is fundamentally opposed to the propositions that Members opposite have advanced. We are seeking to restructure the Bank for it to be able to continue to make loans to farmers. There seems to be a problem on the other side. They say that the Bank will no longer make loans to farmers; it will now be an equity investor in projects. So, John Doe comes down from "O-he-o-ho" and says to the Bank that he wants to plant one half acre of tomatoes. What he really requires is \$15,000 for incidentals of all kinds. The Bank would not be in a position under their approach to lend him \$15,000 on trust, as we do now, so that when he sells his tomatoes, he would return and pay the bank—as is done now. That would not happen.

What they say would happen is that the Bank would put in \$15,000 and become a partner in this business. Of course, this country is made up of 1.3 million honest persons—every one above board. So the tomatoes become ready for the market, they are taken to the market, sold and the next Monday morning,

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the bloke from "O-he-o-ho" comes to the bank and says, "Here is your \$15,000". And all the reasons like, "The cow ate " and "The farmer stole it" and "The river washed it away": all those excuses would be things of the past. That is what they are saying would be their policy.

I should like you, Madam Speaker, for one minute, to envisage an ADB which is a partner to every single farm in this country where money has been borrowed. My Friend the Member for Fyzabad asked a very pertinent question earlier. I did not have the information then, but I have it now and I should like to assist him with it. Madam Speaker, I should like you to see this in the context of the ADB in partnership with every single person involved. He wanted to know how many farmers were borrowing under the various subheadings I had mentioned. Let us take 1994, and I am talking here mainly about half of the new loans, the other half being repeat loans.

**7.55 p.m.**

I am advised with respect to sugar cane, about 50 per cent of the lending is to new farmers; with respect to rice, about 30 per cent new borrowers and other sectors average about 15 per cent new borrowers. In cereals, which is rice, 75 farmers borrowed; vegetables, 178; cocoa, 23; sugar cane, 784; plant propagation, 2; poultry, 20; dairy, 68; forestry, 70; aqua-culture 3; agro-industry, 50, so a total of 1,406 borrowers from the Bank.

Under the system as proposed by the other side, the ADB would have had a shareholding in equity fashion in 14,016 businesses in Trinidad and Tobago. Of course, we would expect that all these farmers, when they market their produce, would all come and tell their partner, which is now the ADB, which is no longer a lender but a partner, here is your share. Madam Speaker, I leave that for you to contemplate.

My friend the Member for Caroni Central who read a statement from persons known to me, gave the impression that there is no such thing in this country as a delinquent farmer. No farmer who borrows from the ADB—

**Mr. Palackdharrysingh:** Madam Speaker, on a point of order. The hon. Member cannot say that because I made the statement that there were delinquent farmers, so how can he come and say that now?

**Dr. The Hon. K. Rowley:** Madam Speaker, am I entitled to my impression? *[Interruption]* A significant number of the loans in default has to do with a certain level of delinquency on the part of the farmer. Much of it has to do with

the farmers who tried very hard, but their investment did not work out. In other instances, the simple matter of age has caught up with some farmers. In some cases, unforeseen circumstances have caught up with them.

I have had interviews with farmers who told me their plight; they borrowed when they were 58 years old and they were still moving about strong then and they thought they had another 10 years of working the farm, but soon after they borrowed \$250,000 they were struck down with some kind of ailment, their children had left home and so on. These circumstances, put this particular farmer in a certain position.

Of course, there are the other farmers who, because of the change in market conditions, could not repay their loans; but there are those farmers whom, the lure of a new car, or an additional woman, could have influenced their expenditure patterns. All these things are reflected in the delinquency at the level of the ADB. So it is quite wrong to give the impression, that there are all these perfect situations there and the only villains of the piece, are the ADB and the Government. That is not so at all.

There was a time, as I mentioned earlier, when the ADB was funded solely from the Treasury. This country's economy has gone through a period where the unavailability of funds, for all purposes, including farming, has come under serious scrutiny and pressure. As a result of that, this Government and the previous government saw the need to find additional sources of funds for the ADB, because it was recognized and accepted that the required level of lending could not have been sustained by supply from the Treasury.

In anticipation of sourcing funds outside the Treasury, we had to take a policy, that if the Bank was going to borrow at 8 per cent, it would lend at 8+ per cent as the case might be, but in any case it would be lending way below the current commercial market rates. That is why in the document which seems to be of such great interest to my Friends the Members for St. Augustine and Caroni Central, which I would come back to in a minute, we said that the ADB would not lend at lower rates than the rates at which it sourced its funds.

That is a position of reason which we could defend anywhere. If we now have to go out and source money elsewhere, if we source that money at cost x, then the ADB would lend it at x-plus a little something, so that it would not be making automatic losses on its business. That seems to be a problem with Members on the other side and we disagree with their position.

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I tried to make the point earlier on this afternoon that even though the commercial banking sector is very liquid, it does not improve the availability of funds to the farmer, because these traditional lenders do not see lending to the farming community as being attractive, for a variety of reasons. The first thing that the ADB does for the farmer is to make funds available. The second thing is to make those funds available at a rate which is lower than the commercial rate.

So today, the ADB is using funds sourced from the IDB. Those funds are to be made available to farmers but they are sourced at 9 per cent—that is the cheapest money available. We are borrowing money from the CDB, specifically for farmers, but the CDB would lend at 8 per cent which is half the rate one could borrow at from any commercial bank on Independence Square.

If we go out there and borrow money for the farmers at 8 per cent and we lend them at 12 per cent, I beg to propose that that is a benefit for the farmers of Trinidad and Tobago. All those who are blowing the popular trumpet to sound good, that they would give money at low charge and no interest—the question is, where will that money come from?

My colleague the Member for Caroni East passionately spoke about Government not providing support for the farming sector, and did so in the context of the ADB, because whatever issue comes up, whatever topic is before the House at any point in time that becomes the single focal issue. I made the point earlier on that one ought not to see the ADB in isolation. The ADB is but just another support mechanism for the farmer. Let me put this in perspective in the context of the national budget.

My esteemed colleague the Member for Arouca South holding the elevated position of Leader of Government Business, in his substantive position of Minister of Health, would say that if one perused the documents of the national budget, one would see that the allocation for drugs—and when I say “drugs” I mean medication—for the hospitals across the country is \$49 million dollars.

For the entire population, for the entire country we have been able, as we divide up the national cake, to make available for pharmaceuticals at our public institutions, the sum of \$49 million. We would love to be able to make much more available. The Minister walks around with a list in his pocket, a number of pages, of medication that is not available in the hospital which he is desperately trying to get. Forty-nine million dollars for medication across the country.

Listen to what the level of support for the agricultural sector is. Agricultural Development Bank, which is cash liability to farmers—and only those farmers

who wish to borrow—not every farmer borrows from the ADB, some farmers borrow from the commercial banks too and some do not borrow at all—this applies to those farmers who access loans, \$60 million.

For medicine for all the hospitals, \$49 million, but in terms of cash availability to farmers \$60 million. Is it fair then, for any spokesperson for farmers, to get up and say that the Government has turned its back on farmers? And that is only one of the many legs of the centipede. In terms of cash subsidy—this is cash payment to farmers, over and above what they can borrow, I am talking about cash hand across, \$55 million. Do you understand?

**8.05 p.m.**

All the talk one hears about subsidy being withdrawn and so forth, that is just something to make politicians look good, it is furthest away from the truth. If one looks at the national budget, one will see an allocation there for passing cash to farmers to the tune of \$55 million. Rice farmers alone will receive \$17 million, dairy farmers will receive \$12 million. How then can they come to the Parliament and try to sound good and beat populist drums by saying that the Government is not doing anything for farmers? And it does not end there. Capital support to Caroni Limited to improve its machinery to allow it to more efficiently extract sugar from cane, \$45 million.

The Government also funds a Ministry of Agriculture which exists for the benefit of farmers: there are the extension officers, the vets, the plant pathologist, and the whole bureaucracy of the Ministry of Agriculture which is there to support farmers—cost to the state \$200 million. Over a 5-year programme the Government, again, has committed the State to expenditure on access roads, cost over a 5-year period, \$240 million; forestry, \$50 million in the investment at Tanteak to make the forestry sector come of age.

On top of that package of support the Government has also forgone all taxes on agricultural inputs. In the face of that record, which I stand here without fear of contradiction, how could it then be said that the agricultural sector is not receiving any support?

I want to move on to a few other points of confusion. We put in our 1991 manifesto this whole thing about trade liberalization and international agreements, because we perceived that there were happenings in the international sphere with which we would have had to treat when we became Government. When we were displaced as Opposition in 1990 there were those who expected that we would have made a fuss about displacement, but we made the point then, that we are not

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fighting for Opposition, we were fighting for Government. One year later we were the Government of Trinidad and Tobago, so we had to prepare ourselves to run this country.

That is why one will see in the manifesto pertinent references to the international developments which were coming to a head and which came to a head while we were in Government. I make particular reference to the conclusion of the General Agreement on Tariffs and Trade; the Uruguay Round, which involved seven years of negotiations. There were those who felt that it would never have been concluded, because the gap between the developing countries and the developed countries is so wide that the two ends would never meet.

That was the position of certain learned persons right here in this Parliament. Even as late as 1992, there were parliamentarians here who were saying that there would never be a conclusion to the Uruguay Round on tariffs and trade. I remember speaking in this House outlining Government's policy in the context of the coming into being of a world trade organization which would be the basis of international agricultural trade I was told by my colleague on the other side that the Government was being misled.

What has happened in the interim? Contrary to the advice or the expectation of many persons who are not part of this Government, the Uruguay Round came to a successful conclusion and today we are moving into the creation of the World Trade Organization. This country, along with many others, has already ratified that document. The General Agreement on Tariffs and Trade has gone out, and agricultural trade has now been put on a different track in the world. Trinidad and Tobago is a part of that world. What does it say?

When we were moving towards trade liberalization—because as we seek markets in the understanding that only additional markets could bring about significant growth for this country, and international trading regimes were changing—trade blocs were forming, we had to find out where we fit between these moving blocs.

Even within our bloc, Caricom, we were driven to create a common external tariff where the gap between Antigua and Trinidad and Tobago was wide, and between Montserrat and Jamaica was wide, but in Caricom right here in Trinidad and Tobago we were able to establish a common external tariff which would keep Caricom as a trading bloc with all its benefits and its potential, but the rules had changed.

For example, the new rule applies to subsidies both for developed countries and developing countries. In developing countries, what these countries have agreed to vis-a-vis what they have demanded of developed countries is that, yes, in developing countries one will be allowed to subsidize the agricultural sector in terms of direct cash subsidy. I am not talking about ancillary support such as roads and drains and so forth, I am talking about cash subsidy. When one hears a spokesperson talk about subsidy one is talking about “solid liquid” cash, if I quote my ex-friend the Member for Caroni Central.

The new rules are for developing countries—I do not mean Trinidad and Tobago—are that one will not be allowed to provide cash support in excess of 10 per cent of the contribution that agriculture makes to one's GDP. Those are the rules that we have agreed to internationally. Developing countries have agreed to reduce their subsidies on a spelt-out regime.

What is happening? In Trinidad and Tobago, notwithstanding all the “ole” talk one has been hearing from persons who purport to be champions of the farmer, we do not have to make any adjustments to our cash support to farmers. Do you know why? Whereas in some countries they now have to either bring it up to that 10 per cent or cut back from where they are to 10 per cent, in Trinidad and Tobago, we have an agricultural sector that is providing about \$550 million to the GDP, and 10 per cent of that is \$55 million.

So without batting an eyelid we comply with the international arrangement between developing countries and developed countries. If the sector grows as we expect it will, then that 10 per cent could rise from \$55 million to something a bit higher. Of course, if it shrinks then the cash transfer will have to be less if we are to be in compliance with our international agreements.

The side of the developed countries have agreed to reduce their support—and they have begun to do that—and immediately what we are seeing is a disappearance of the so-called cheap foods that we were being warned about by persons who did not take time to study the analyses of those who had burnt the midnight oil doing the work.

### **8.15 p.m.**

When we talked about trade liberalization and bringing the agricultural sector into our trade reform package, many persons on the other side sounded good, trumpeting a statement that what the Government was doing was abandoning local agriculture on a policy which says we would survive on imported cheap food. We were saying that this is an international global arrangement and the

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whole game has changed, so there will be no pool of cheap food to flood any country. After three months, what are we seeing?

Cheese, butter, beef, all these heavily subsidized items which were the pool of cheap foods that were being accessed, are rapidly disappearing. One heard about the threat that Irish beef posed to local farmers because there was cheap Irish beef subsidized in Ireland being dumped on the Trinidad and Tobago market. After three months' Irish intervention, beef has increased considerably in price and the outlook is that it will not be available in the very near future. Where is this cheap food that would flood the country?

The issue now is not cheap food flooding the country and destroying local agriculture; the current hot topic is food price increase. It cannot be both. It cannot be that the present policies are causing cheap food to flood and kill the farmer and, at the same time, high prices killing the consumer. It cannot be that. It is either one or the other! We are cognizant of price changes but we have committed ourselves to protecting our local farmers by putting certain tariff charges at the border, so that food coming from outside would enter our country at a higher price than it normally would, so as to protect the local farmers' market. All that happened is that the local farmer raised his price to meet the other price.

The bottom line is, nobody can honestly and fairly say that the Government did not put protection in place for the local farmer. In fact, because of the change in cost price in the producing countries we are now having to review whether the surcharges which were the barrier for protection of the local farmer are in fact warranted at the level at which we had placed them. If we discover that the level of protection is sufficient based purely on the import price then there ought to be no need for any surcharge which the Government is placing. The Government is looking at both sides of the matter.

Madam Speaker, I make the point only to tell you that not every advice is good advice. The Government got no end of bad advice from the other side in the last few years. Fortunately, we have not taken much of it; we have taken the good points and we have ignored the points which did not make any contribution to national development.

**Mr. Humphrey:** Who advised the Prime Minister when he said prices would fall?

**Dr. The Hon. K. Rowley:** Madam Speaker, the Prime Minister's statement was made in the context of a regime of surcharges which the Government had put in place to protect local manufacturers. When we began to visualize the local

economy, local manufacturers with the support of those on the other side, quite correctly, called for protection because they needed time to put their act together; and that time was bought by way of high surcharges placed on imported items.

It was a schedule which systematically was phased out over a period of time and that was made known at the beginning. In some cases we started with 100 per cent surcharge in the first year which went down to 60 per cent odd in the next year and down to zero later on. It was in that context that the Prime Minister said that as we remove those tariffs and the surcharges, over time prices should go down. If the surcharges were of permanence all one had to do was to add those surcharges of 50 per cent, or whatever, on the present price and that would have been the market price.

The Prime Minister was talking in the context of a regime of surcharges which was governmental action on prices. Government has removed them. The last surcharges were removed in the 1995 Budget. The Government has control over that. I fail to see how persons, other than those who are seeking to get elected to waste another five years, can be talking about the Prime Minister misleading the country. He was talking in the context of governmental policy and action.

**Mr. Humphrey:** He was talking nonsense.

**Dr. The Hon. K. Rowley:** Right now, with respect to prices on the local market, unless the Government is going to take money from the Treasury and pay for some of those food items at the point of source the Government's leeway for influence on prices resides purely in the surcharges.

With respect to the common external tariff (CET) of 40 per cent which is to move down to 20 per cent by 1998, this Government is part of Caricom and it is a Caricom Heads of Government Agreement which established the CET. It was the action of this Government alone that added the surcharges on top of the 40 per cent CET; and that is where the Government has the leeway to remove those surcharges insofar as they apply to products. Not all products carry surcharges.

I make this point if only to correct the record and to dispel the mischief that is being put across that the Prime Minister said prices will drop just so, in no context. In what context did he say that? In the context that his Government was committed to removing the surcharges. There were those "doubting Thomases" who said that Government would never reduce those taxes. We kept our word and we did! Suffice it to say, we have grown accustomed to that.

There are a few other matters which I want to deal with. One Member spoke about not providing infrastructural support. I can give a whole list of

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infrastructural supports that are provided in terms of physical structure, but we have heard them before, so at this time of the night I would not repeat them.

Somebody suggested that what the Government should be doing is encouraging farmers to use modern technology with respect to seeds, genes and so forth. That accident of correctness on the other side is very opportune because that is precisely what the Ministry of Agriculture, Land and Marine Resources is doing. The ministry has been reorganized, redefined and has developed a strategic plan to do just that and we are now conducting Government's business in support of farmers along that same line; putting things in place to allow farmers of 1995 to farm using the most modern technology for our dairy herds.

Long ago, there were six bulls at Aripo and they supplied semen for all the farmers who wanted the artificial insemination service, and it was those six bulls that determined the dairy herd. We were using livestock that was producing a fraction of what the competitors were using outside. Modern technology permits us now to do two things: we can import the best quality semen from the best bull in the world by simply accessing from a magazine the pedigree of a bull—the same bull that is being used by New Zealand or Canadian farmers.

**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.*

**Dr. The Hon. K. Rowley:** Madam Speaker, I thank my friend, the Member for Caroni Central. I make that point because there are some things which we have to do. If we do certain things that we can do, then we would be visited by a certain measure of success.

With respect to the artificial insemination service provided by the Ministry of Agriculture, Land and Marine Resources, there are trained technicians and they go to any quarter in this country, from Charlotteville to Cedros. A farmer with one cow or 20 cows, if he wants the best semen from any bull in the world, the ministry provides that through artificial insemination, so the calf that he gets would be of a better quality than the one he got in the previous generation of animals. That is modern technology.

**8.25 p.m.**

We have gone one step further. We are now importing frozen embryos into this country, not just the semen, which means farmers can get the male and the

female input. The embryo is brought here frozen and the local cow is used as a surrogate mother. We have had tremendous success with that. Those farmers who have done that will tell you that they have seen dramatic yields in their milk production because they are using modern, high-quality technology and livestock. That technology brings to the farmer in Carlsen Field an availability of top class progeny which hitherto was not available.

This country, is the host of the Caricom seed project funded initially by the Government of Italy in conjunction with the FAO at Chaguaramas, where we are producing high-quality seeds, not just for Trinidad and Tobago farmers but also for the rest of Caricom. We are moving in conjunction with other agencies to establish a seed certification unit here. So as we produce this quality material we can have checks and balances and certification. That is what we are doing in the ministry.

With respect to small machinery, only last week I had the pleasure of looking at a private sector mounted exhibition in Chaguanas where small farm machinery was demonstrated for the second year in succession with tremendous success, where farmers were able to see machines from all over the world available now in Trinidad and Tobago for a small outlay, to move the farmer from back-breaking drudgery to modern technology, doing the things that bigger machines can do and getting the benefit in food technology. These are the kinds of things that we are doing.

With respect to training, that is an area of emphasis in the ministry and will continue to be so. But someone accused the ADB of not playing a role. Within the wider programme of the ADB, in the context of that manifesto pledge, we have something called a youth window. Those who want to talk about what we are not doing, never heard about that before. We are moving now to put in place a \$36 million facility in the ADB, specifically over and above its normal business and this window is specifically for youths between the ages of 18 and 25, or thereabouts.

That is meant to address a very serious problem that we have in this country. Analyses have shown an increasing age profile in our farming community. That means only the older persons who started off in farming are still in farming.

These older farmers are not being replaced at an adequate level by young people for a variety of reasons, not the least of which is that today's generation do not see farming as the kind of occupation they want to pursue, because farming involves work. It also involves "wait." A large proportion of our young people

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are in a great hurry and want to plant nothing to have to wait for nothing; they want it now—I am sorry to say—even at the expense of putting a gun to somebody's head.

So we are trying to rectify that by seeking to identify those among our youths who are not so inclined but are inclined to till the soil and wait. The ADB is moving towards having this window in conjunction with the ministry's extension programme and training institute, to bring these young people into farming, but this time around not farming for subsistence to put food on their plates and in their home alone, but farming as a business.

It is in that context that the ADB is very important. If you see farming as a business, then you will see money as a required input and if you are going to borrow money from your brother, your sister or the ADB, one expects that you will repay it. It is quite wrong to give the impression to people that you can borrow money from the ADB and it is Government's money so you do not have to repay it.

As Minister, I can tell you, the ADB falls under my portfolio and I defy any person to raise one instance where this Government, through this ministry, has interfered in any aspect of the ADB. The ADB is run by a board but farmers come to the ministry to file their complaints and to raise issues. I heard my friend on the other side raise one or two examples of farmers and their plight, but they would not raise the issue of the farmers who come and tell you "I want my loan written off."

About a month ago I had to reply to a farmer and told him, while I sympathized with his position, I did not have the authority to instruct the ADB to write off his loan of \$275,000, because that was the request he made of me. He borrowed \$275,000 from the ADB and then writes me, as Minister, and asks me to instruct the ADB to write off his loan. That is one category.

Another category is an old pensioner who would come to you and say: "Mr. So and So", a Minister of an earlier era, gave me this farm and gave me this money and those people in the ADB want me now to pay it back." I see that all the time and I try to explain to them how this thing works.

There is another category which was very stoutly supported by the other side, which is the mathematician. Listen to one example. "I owe the ADB \$1 million; I have not made an instalment in the last four years because the business has gone bust." For whatever reason.

But when you read the file you would get a good idea as to some of the reasons why the business has gone bust. "I have gone to the ADB and I told them to lend me \$2 million. I will pay off the \$1 million I owe them and I will use the other million to operate the farm. The ADB has refused because officers have some conspiracy to sell my farm to 'Mr. X, Y, Z.'" That is the kind of thing I hear all the time from persons who have a funny kind of mathematics.

Insofar as we say the ADB is for making loans available to farmers, those kinds of things cannot be entertained. Insofar as the other side talks about making equity investments, that is another story. Heavy weather was made about political interference, that this amendment opens the door to political interference in the ADB. Nobody has shown me how a Minister who is so inclined can be prevented from so doing under the present arrangement.

Because if one wants to talk about this heinous Minister who must have nothing to do with the ADB except to come to the Parliament and be responsible for it, and that the President is the bulwark that stands between the bank and this interfering Minister, well I hazard a guess—I want to put it in this context—that one forgets that we elect a President in this country by electoral college and after that it is the Cabinet, as my friend the Member for Couva North pointed out, that makes recommendations to the President and the President approves those recommendations.

What is this heinous deviation, where all of a sudden they cannot trust the Cabinet, they cannot trust the Minister except that he must answer to them? We are saying we are putting the Bank in a position to conduct its business in an unfettered manner, but accountable. The managing director would be accountable to the board; the board would be accountable to the Minister; the Minister accountable to the Cabinet and the Government accountable to the Parliament. That is how we see it.

I do not have a difficulty there. I heard a comment—it must have been my colleague the Member for Caroni Central—that he totally disagrees, and I want to quote his exact term because it was a very interesting term. He said, "The Minister would be a law unto himself if he has the right to veto appointments above \$10,000 per month." He is sure that between the range \$5,000 to \$7,000 important people are appointed. If I understand him correctly, what he meant to say is that the Minister should have control at that level.

Again, there is a fundamental disagreement between this side and the other side, because in one context they are saying the Minister should not interfere with

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the Bank, but in the other context the other Member says the Minister must have a say in the appointment of a Loans Officer II in the ADB. Because at \$5,000 in the ADB, what you get is a Loans Officer II. Why would a Minister want to have to get involved in that, if you appoint a proper board and hold the board accountable?

We disagree on that score. If there is a problem with the Minister having a say—Nature abhors a vacuum. Wherever there is a vacuum something will come in. If the Minister is not in charge, somebody else will be in charge. In my ministry under my portfolio appointments are made in certain agencies for substantially higher emoluments.

I do not hear anybody calling on those persons to account for whom they hire. It seems to be that anytime the person who is responsible and who has to account, has any say in the matter, other people object, but anybody else could exercise authority, and of course, that is okay with the objectors.

**8.35 p.m.**

There are employees in state agencies enjoying terms and conditions fixed by persons not even known to the Minister, but that is okay. However the Minister who has to account to the Parliament and the country must have no say in the matter. It cannot be so, Madam Speaker.

We give you responsibility and authority; we hold you accountable. That is all that the Bill is saying.

Madam Speaker, I wish to wind up on one positive note for the Member for Caroni East who raised the question of crop insurance. There are many things which we can do and which we must do in the agricultural sector, and we are doing many of those things.

I would be the first to admit that some things that ought to be done are not being done, because of a lack of resources or because they simply take time. The question of crop insurance has attracted our attention. In fact, at present in the ministry we are analyzing a document produced by the university to see whether we can come up with some method of crop insurance which can be suitable for Trinidad and Tobago.

The point is well taken and we are analyzing the presentation and maybe, some time in the not too distant future we could advance some aspect of crop insurance which would protect those serious farmers who want to know when they labour in this vineyard and some misfortune overtakes them they would not

be wiped out. It has happened to some, and it may be possible to put something in place which would allow them to survive.

Madam Speaker, there are many other things which I could cover tonight but I am sure that in the context of the presentation, what I did cover—

**Mr. Humphrey:** Before the Minister concludes, Madam Speaker, there is one matter I should like clarified. Could the Minister indicate—and I think the Member for Toco/Manzanilla would like to have an answer to his question—whether the newly restructured Agricultural Development Bank would be able to lend money to those farmers whose debts Taurus has purchased at a discounted rate so that they may re-purchase their farms from Taurus

**Dr. The Hon. K. Rowley:** Madam Speaker, the lending arrangements for those farmers and any other agricultural enterprise would be dealt with by the ADB on a case-by-case basis. If, in fact, the ADB had an experience with a particular farmer who delinquently used up a certain amount of funds, made no effort to repay it and lost his farm, I would be very surprised if the board of the ADB would chose to lend that same individual another large sum of money to get back the same farm, to do the same thing all over again. Of course, there are those persons who may have lost their farms through circumstances totally unfortunate and may warrant a second chance.

I would not stand here and make any *carte blanche* policy that the ADB will provide funds to farmers to get back their farms. The ADB lends on a case-by-case basis and that is how those loans got to Taurus in the first place, examined, managed and massaged on a case-by-case basis. It was only when they are found not to be part of the working portfolio that they are deemed to be unmanageable, unserviceable and therefore put in the category of bad loans.

One last matter I want to touch on is the question of land titles in Tobago. I was very surprised that my colleague the Member for Tobago West made such a fuss about this amendment, especially in the context of the problem of Tobago land titles. This amendment permits the ADB such wide flexibility in its lending pattern, that it can deal effectively with any strictures that are placed on borrowers especially in the Tobago scenario. It was as a result of misunderstanding the document that my colleague the Member for Tobago West took that position.

If the Member understood how, on the passage of this Bill, the Tobago borrowers would be put in a position to use collateral, which otherwise could not have been used, and therefore would be able to access funds more easily, she would have stayed here if only to cast a vote in support of this measure. But,

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Madam Speaker, we do find from time to time that Members misunderstand some of these things. I am sure it is not malicious but all in the context of making a contribution.

Having said that, and I acknowledge the penchant of Members on the other side—farmers in developing, underdeveloped and in developed countries always have tremendous lobbying power. In every country you can think of—Italy, Spain France, England, America, Chile, and Trinidad and Tobago the special case of the farmer is in the forefront.

I do not take the Members' contributions in any context other than seeking to get the best for farmers, but I do exhort them to support this measure because this would put the ADB in a position to be there for all times—hard times and good times. It would not have to depend only on those times when the exchequer can provide funds because we did see in the period 1986 to 1992, when the exchequer could not provide funds that the ADB was in danger of going under as an institution.

If it relies purely on handouts from the Treasury, and one has difficulty with the Treasury with handouts, then the ADB would fall. If the ADB fall, then every farmer would suffer.

I do not agree with Members on the other side who said that the ADB is doing nothing for farmers. Those farmers who are benefiting from the ADB would not share that point of view and those to come onto the portfolio of the ADB.

Madam Speaker, having said that, I beg to move.

*Question put and agreed to.*

*Bill accordingly read a second time.*

*Bill committed to a committee of the whole House.*

*House in committee.*

*Clauses 1 to 9 ordered to stand part of the Bill.*

*Clause 10.*

*Question proposed, That clause 10 stand part of the Bill.*

**Mr. Palackdharrysingh:** Madam Chairman, I had questioned in my presentation (c) as introduced by clause 10. I wanted to know why a definition should find itself in this part of the Bill and why it could not be inserted under the definition section of the Bill.

**Sen. Robinson-Regis:** Madam Chairman, the term 'authority' is specific to this section, and that is why it is placed at this point in the Bill.

*Question put and agreed to.*

*Clause 10 ordered to stand part of the Bill.*

*Clauses 11 and 12 ordered to stand part of the Bill.*

**8.45 p.m.**

*Clause 15.*

*Question proposed, That clause 15 stand part of the Bill.*

**Sen. Robinson-Regis:** Madam Speaker, I beg to move that clause 15 (c) be amended by deleting in the proposed section 34 paragraph (c) the word "secure" and substituting the words "take any form of security for".

We feel that this amendment will better define what we want the Bank to be able to do. We feel that it is necessary to be very specific in how the powers of the Bank are defined. Consequently, we move this particular amendment.

*Question put and agreed to.*

**Sen. Robinson-Regis:** There are other amendments to this particular clause. I beg to move that paragraphs (h) and (i) be amended by deleting the words "immovable" and "movable" and substituting the words "real" and "personal" respectively.

Those two words that we are using instead are the words that are in the normal parlance of the legal document before us. Instead of the words "movable" and "immovable" we feel the words "real" and "personal" better express what we would like to see in this piece of legislation.

*Question put and agreed to.*

**Sen. Robinson-Regis:** I beg to move that paragraph (k) be amended by inserting before the words "deal in all forms of security" the words "engage in the factoring of trade indebtedness and the discounting of negotiable instruments and".

**Mr. Sharma:** In the same clause 15 (h) and (i), I want to enquire what safety machinery is in place to prevent the ADB from moving on the property of any of its customers to assign, transfer or otherwise dispose of. What we have just done is to permit the ADB to enter the mortgaged property of any of its customers, assign, transfer or otherwise dispose of. It I want to enquire what safety

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precaution might be put in place to give the customer of the Bank an opportunity to ensure that what is being done is within the law, or he has all the options to safeguard his property.

**Sen. Robinson-Regis:** This is the normal law of the land. Any lender has the ability by law to assign and repossess. It is a normal procedure by law and consequently if the Bank determines that it has to move in this way against one of the borrowers, the borrower on the other hand also has recourse to the law. It is a situation that is normal in law and any lending agency has recourse to this action.

**Mr. Sharma:** That is not correct because if we look at the hire purchase agreement for instance, where payments have exceeded 70 per cent, that law does not apply. Is the Minister saying that if the customers pay off 50, 60, or 75 per cent, they can move in and dispose of his property? That is incorrect.

**Sen. Robinson-Regis:** This is an entirely different situation. I do not think the hire purchase agreement can be equated with the type of legislation that is before us. That example is entirely different from what is before us.

**Madam Chairman:** What this clause is doing is spelling out the powers of the Bank.

**Sen. Robinson-Regis:** May I just reiterate that this is a normal power of any bank or lending institution. A hire purchase is not a loan by any stretch of the imagination.

*Question put and agreed to.*

*Clause 15, as amended, ordered to stand part of the bill.*

*Clauses 16 to 18 ordered to stand part of the Bill.*

*Clause 19.*

*Question proposed, That clause 19 stand part of the Bill.*

**Mr. Palackdharrysingh:** Madam Chairman, the board may, with the approval of the Minister, make regulations relating to the conduct of the affairs of the Bank. I do not know how these regulations would be brought to the attention of the Parliament and whether or not we ought to stipulate whether these regulations ought to be by the affirmative vote of Parliament. I am not happy with the fact that the board just makes regulations and we do not know the content of these subordinate regulations.

**Dr. Rowley:** This is one of the things which we are trying to get away from. There exist in the present Act a series of forms and spelt out procedures in steps in

law which are being repealed. As I tried to point out earlier in my introduction, in the evolution of this institution, there were legislative strictures on its operation. We are saying that we are putting a board in place to conduct banking business and it really does not require parliamentary control at that level.

Parliament puts control at a different level. If a form states certain things that ought not to be really required for parliamentary approval, we are saying that the board will make its recommendations and we hold the Minister responsible and he will account to the Cabinet and the Parliament. That existing package of forms and strictures is now repealed. That is why we are saying that this amendment is to give the board greater control and autonomy over the management of the banking affairs of the Bank. I take the point that the Member noted, but it is the policy that we want to pursue.

**8.55 p.m.**

**Mr. Palackdharrysingh:** The word "regulations" does not really apply to what the Minister is indicating. In the real sense, legislation could also mean subordinate legislation.

**Dr. Rowley:** No, he misunderstands.

**Mr. Palackdharrysingh:** I do not understand very clearly what the Minister is saying. If that is the case, I think we ought to be advised properly. If these regulations are made without notification to the Parliament, that would be a lack of transparency. I do not care whether the Minister likes the term or not. I want to feel comfortable with it.

**Madam Chairman:** These are regulations relating to the conduct of the affairs of the Bank. I think this is why the hon. Minister specifically referred to that package of forms.

**Sen. Robinson-Regis:** Madam Chairman, as you rightly said, the regulations referred to in this clause relate to the conduct of the Bank—the way the Bank operates on a day-to-day basis—and not to any subsidiary legislation.

The Act is very specific as to the powers of the Bank. By no stretch of the imagination does this clause have any intention of allowing the board to make legislation which can be deemed subsidiary legislation.

**Madam Chairman:** It qualifies it. The conduct of its affairs—I think that should assist you.

*Clause 19 ordered to stand part of the Bill.*

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

*House resumed.*

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

#### ADJOURNMENT

**The Minister of Health (Hon. John Eckstein):** Madam Speaker, we have come to the end of a long day and the time has come for me to move the adjournment of the House, but before I do so, I crave your indulgence to do just two things very briefly.

First, I should like to offer my sincere thanks to my colleagues on both sides of the House who have marked with enthusiasm and goodwill my very brief elevation to high office.

Next, I would like to urge Members to proceed with caution as they wend their weary way homewards, for, as we have heard earlier, there is somewhere out there, no one knows exactly where, an urgent and definite matter, to wit, a 200-tonne boulder angling precariously from a tree which is threatening, if disturbed, to unleash destruction of a public nature.

Let me also advise Members that the Order Paper circulated today, listing Government Bills, will be followed on that day.

I beg to move that this House do now adjourn to Monday, April 24, 1995 at 1.30 p.m.

*Question put and agreed to.*

*House adjourned accordingly.*

*Adjourned at 9.00 p.m.*