

THE
PARLIAMENTARY DEBATES

OFFICIAL REPORT

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

SESSION 2002—2003

VOLUME 2

HOUSE OF REPRESENTATIVES

Friday, January 17, 2003

The House met at 1.30 p.m.

PRAYERS

[MR. SPEAKER *in the Chair*]

LEAVE OF ABSENCE

Mr. Speaker: Hon. Members, I have had communication from the hon. Member for Fyzabad, Mr. Chandresh Sharma, seeking leave of absence from today's sitting. I have also had communication from the Minister of Culture and Tourism (Hon. Penelope Beckles) seeking two weeks leave of absence with effect from today's sitting.

SEASON'S GREETINGS

(TOBAGO HOUSE OF ASSEMBLY)

Mr. Speaker: I have also received a letter from the Tobago House of Assembly which I would like to read. It is dated December 27, 2002, addressed to the Clerk, House of Representatives, Parliament Building, Red House, Port of Spain, Trinidad:

“Dear Madam,

The Tobago House of Assembly 2001/2005 at its plenary sitting, 13th meeting, held in the Tobago House of Assembly Chamber on Thursday, December 19, by resolve, directed that the season's greetings for a blessed Christmas and a Happy New Year be extended to the honourable Speaker of the House of Representatives and his family and other Members of the House of Representatives and their families.

Yours faithfully,”

And it is signed by the Clerk of the Assembly.

Papers Laid

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PAPERS LAID

1. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Sangre Grande Regional Corporation for the year ended December 31, 1997. [*The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley)*]
2. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Tunapuna/Piarco Regional Corporation for the year ended September 30, 1999. [*Hon. K. Valley*]
3. Report of the Auditor General of the Republic of Trinidad and Tobago on the accounts of the North West Regional Health Authority for the period December 19—31, 1994. [*Hon. K. Valley*]

Papers 1 to 3 to be referred to the Public Accounts Committee.

4. The Minimum Wages Order, 2003. [*Hon. K. Valley*]

ORAL ANSWERS TO QUESTIONS

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Mr. Speaker, may I request that Question No. 1 be deferred for later in the question period? The Minister is not here yet, but the answer is ready.

Mr. Speaker: The Leader of Government Business has given us the assurance that the Minister will be here before 2.15 p.m. to answer that question.

Hon. K. Valley: Mr. Speaker, if the Member wishes, I will answer the question, but I assume that as a Member for some time in the House, he would have supplementals, and not simply supplementals, penetrating supplementals.

Mr. Speaker: I do not want you to take up too much time with this.

Hon. K. Valley: Thank you very much, Mr. Speaker. But if the Member wishes—

**National Entrepreneurship Development Company
(Loans Disbursement)**

4. **Mr. Harry Partap** (*Nariva*) asked the hon. Minister of Labour and Small and Micro Enterprise Development:
 - (a) Would the Minister state how many loans were issued under the National Entrepreneurship Development Company (NEDCO) since the formation of NEDCO to October 31, 2002 and the amount of money disbursed in loans from the company?

- (b) Would the Minister give a breakdown of recipients according to geographical region and state the dates by which the loans are due?
- (c) Would the Minister indicate what criteria were used in granting these loans and what, if any, monitoring mechanisms are in place to ensure that loans are used for the purposes intended?
- (d) Would the Minister state what was the cost for the launch of NEDCO on the Brian Lara Promenade by the ministry, including entertainment and advertising?

The Minister of Labour and Small and Micro Enterprise Development (Hon. Lawrence Achong): Mr. Speaker, from the formation of NEDCO to October 31, 2002, the sum of \$17.4 million was disbursed in loans from the company. The sum was disbursed to 826 entrepreneurs.

The breakdown of these loans by geographical region is as follows:

North	102 loans, a total value of \$3 million
South	216 loans, a total value of \$2,700,000
East	247 loans costing \$6,400,000
West	97 loans, a total value of \$2,100,000
Central	93 loans, a value of \$2 million
Tobago	71 loans, a value of \$1,200,000

The dates by which the loans are due vary from one month to five years. The due date for each loan is stipulated in the relevant loan agreement.

Given the way the question is worded, it would appear that the hon. Member wishes the due date for each of the 826 loans. That would surely be too time-consuming. However, this honourable House should note that 5 per cent of the loans were for one year or less; 13 per cent for one to two years; 62 per cent were for two to three years; 16 per cent for three to four years and 4 per cent for five years.

The criteria used in granting these loans are:

1. that the business be a small or micro enterprise within the terms of Government's policy;
2. the prospects for viability of the project is assessed by NEDCO's business analyst;

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3. the realism of financial projections;
4. the relevant experience and preparation of the applicant.

Of course, the business must be owner-managed.

Eligible applicants must also provide valid documents to support their application. These include:

- proof of Trinidad and Tobago citizenship;
- proof of business registration;
- a sound business plan;
- cash flow statements;
- invoices for items or services to be purchased;
- a profit and loss statement where it is an existing business.

With respect to monitoring mechanisms, the following is the position: Wherever feasible, the proceeds of the loan are disbursed directly to suppliers of goods or services on behalf of the borrower. The relationship with the loan applicant starts with the pre-investigation before the loan is disbursed and continues up to and beyond the time when the loan is repaid. Loans are therefore monitored on a continuous basis. To ensure that loans are being used for the purposes intended, site visits are conducted before and after the loan is disbursed.

The initial post-loan visits are geared to ensuring that items that are requested in the loan applications are, in fact, purchased. Serial numbers and other identifiers are checked against the appropriate invoices and receipts. Facilitative arrangements have been put in place with NEDCO's bankers to make it easy for borrowers to make their repayments at any branch.

With respect to (d), the launch of NEDCO at the Brian Lara Promenade cost the Ministry of Labour and Small and Micro Enterprise Development \$112,757.50. Thank you.

Gran Couva Road (Paving of)

5. **Dr. Adesh Nanan** (*Tabaquite*) asked the hon. Minister of Works and Transport:
 - (a) Would the Minister indicate when will the Gran Couva Road be paved?
 - (b) Would the Minister state whether work on this section of the road was budgeted for in the 2001/2002 fiscal year?

- (c) If the answer to (b) is in the affirmative, would the Minister explain the delay?

The Minister of Works and Transport (Hon. Franklin Khan): Mr. Speaker, comprehensive rehabilitation of the Gran Couva Main Road (Couva Main Road) will commence in February 2003.

Work on the Couva Main Road was, in fact, budgeted for in fiscal 2001/2002. This is one of the packages under the National Highways Programme, Year II Roads that is jointly funded by the Government of the Republic of Trinidad and Tobago and the Inter-American Development Bank and falls under the Roads and Bridges component of the IDB Loan, No. 932 OCTT.

Under the IDB Loan there is a lengthy procurement process to follow. Part of the delay is attributed to the lengthy procurement process since international tenders needed to be invited. I am pleased to report to this honourable House that the evaluation report was completed and has been sent to the IDB for their comments and no objection has been received, which is part of the procurement process prior to going to the Central Tenders Board. It is anticipated that all things being equal, physical works on this road should commence in early February, 2003.

Dr. Nanan: Could the Minister indicate the date of the award of the tender and can he also indicate the name of the successful contractor?

Hon. F. Khan: I am not in possession of that information yet. I was informed only today that the Central Tenders Board did, in fact, make the award a couple days ago. Once that information comes officially to my desk I will make it available to the House.

Guaracara/Tabaquite Road (Paving of)

- 6. Mr. Adesh Nanan** asked the hon. Minister of Works and Transport:
- (a) Would the Minister indicate when will the portion of the Guaracara/Tabaquite Road that traverses Reform, Ben Lomond, Williamsville, Ecclesvillage and Hardbargain be paved?
 - (b) Would the Minister state whether work on this section of the road was budgeted for in the 2001/2002 fiscal year?
 - (c) If the answer to (b) is in the affirmative, would the Minister explain the delay?

The Minister of Works and Transport (Hon. Franklin Khan): Mr. Speaker, the question is in a similar vein to question No. 5.

Comprehensive rehabilitation of sections of the Guaracara/Tabaquite Road is also scheduled to commence by the second quarter of fiscal 2002/2003. Rehabilitation works are to be undertaken on approximately 14 kilometres of roadway, that is, from the intersection at Harmony Hall and Guaracara/Tabaquite to Morichal Quarry Road. That is the 14 kilometres in question.

Work on the Guaracara/Tabaquite Road was, in fact, budgeted for in fiscal 2001/2002. This is one of the packages under the National Highways Programme, Year II Roads that is jointly funded by the Government of the Republic of Trinidad and Tobago and the IDB.

Under the IDB loan there is a lengthy procurement process to follow. Part of the delay is attributed to the lengthy procurement process since international tenders needed to be invited. Again I am pleased to report that the evaluation report was completed and has been sent to IDB for their comments and no objection has been received, which is part of the procurement process prior to going to the Central Tenders Board. It is anticipated that all things being equal, physical works on this road should also commence in early February, 2003.

Before I take the supplemental question, the same answer applies. I understand that the contracts are being awarded. When they have reached my desk officially in the next couple of days, you would be so informed. It does not matter to me who is the contractor.

Esmeralda Development Project

7. Dr. Adesh Nanan asked the Minister of Agriculture, Land and Marine Resources:

- (a) Would the Minister inform the House of Government's overall plans for the abandoned state lands of the Esmeralda Development Project?
- (b) Would the Minister indicate whether any consultations were held with the farmers who presently occupy these lands, on Government's plans for these state lands?
- (c) If the answer to (b) is in the affirmative, could the Minister state whether the farmers' suggestions were taken into consideration in the determination of selection criteria?
- (d) If the answer to (b) is negative, would the Minister identify the criteria to be used in the selection process?

The Minister of Agriculture, Land and Marine Resources (Hon. John Rahael): Mr. Speaker, the Minister of Agriculture, Land and Marine Resources proposes that those farmers and/or their representatives who originally had accepted standard agriculture leases, be regularized on the lands they presently occupy. The abandoned state lands will be subject to the policy for state lands which have been allocated for agricultural purposes. In addition, the Government will undertake a study to determine the capability of the land to sustain dairy farming or other approved agricultural activities.

The Minister of Agriculture, Land and Marine Resources met more than once with the farmers and/or their representatives who presently occupy these lands.

The answer to (c) is, yes.

Dr. A. Nanan: Could the Minister give a time frame for the implementation, and could he also indicate what is the budgetary allocation, if any, for this particular project?

Hon. J. Rahael: Presently both the Director of Surveys and the head of Land Administration is pursuing the exercise to determine, first of all, the surveying of the land and also what purpose and what is the best agricultural use that the land can be put to before we can determine a time or a budget.

Unemployment Relief Programme (Total Budget Allocation)

8. Mr. Manohar Ramsaran (Chaguanas) asked the Minister of Local Government:

- (a) Would the Minister inform this House what is the total budget allocated to each of the fourteen regional corporations in Trinidad and Tobago and the Tobago House of Assembly for the fiscal year 2001—2002 for the Unemployment Relief Programme (URP)?
- (b) Could the Minister explain to this House why the Chaguanas URP office was removed from Chaguanas?
- (c) Would the Minister tell this House when will the Chaguanas URP office be returned to the Chaguanas Borough Corporation?

The Minister of Local Government (Hon. Jarrette Narine): Mr. Speaker, for the fiscal year 2001/2002 under the Unemployment Relief Programme, there was no budgetary allocation to the 14 municipal corporations while the sum of \$11 million was allocated to the Tobago House of Assembly.

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The office of the Unemployment Relief Programme was removed from the premises of the Chaguanas Borough Corporation owing to a request for its removal from the council of the Chaguanas Borough Corporation in order to house the borough's municipal police force. However, the Ministry has since received a letter from the Chaguanas Borough Corporation confirming its interest in having the Unemployment Relief Programme returned to the borough of Chaguanas.

The Ministry of Local Government established the regional office for the Unemployment Relief Programme on January 13, 2003 in Chaguanas.

Thank you very much.

Mr. Ramsaran: Could the Minister give us any information as to why, and give us evidence of the request to move from Chaguanas? My understanding is that it was to move from one building to another.

Hon. J. Narine: Mr. Speaker, I have a letter here from the honourable Mayor of Chaguanas, Mr. Orlando Nagessar, which I would read into the record of this House:

"December 4, 2002

The Honourable Jarrette Narine

Minister, Ministry of Local Government

Kent House

Maraval Road

Port of Spain.

Dear Sir,

Reintroduction of Unemployment Relief Programme

to the Borough of Chaguanas.

I refer to our recent discussions on the above subject, which has culminated in your favourable consideration and decision that with effect from January 2003, the Unemployment Relief Programme will once again operate from an office within the boundaries of the Chaguanas Borough.

Given the keen interest this matter has generated in the Chaguanas unemployed community, I am certain that your favourable decision has brought relief to these burgesses and for this we express our sincere gratitude. All efforts will be made to have the office prepared before January 2003.

You are hereby also informed that as Mayor of Chaguanas, my support and that of the members of the Advisory Committee is pleased of this measure.

Yours respectfully,

Orlando Nagessar

His Worship the Mayor,

Chaguanas Borough Corporation.”

Mr. Ramsaran: Mr. Speaker, that does not answer my question. My question was: Could the Minister inform this honourable House of any evidence that the URP was to be transferred out of the Chaguanas Borough Corporation?

Hon. J. Narine: Mr. Speaker, I do not have the evidence with me. It is in a copy of a minute which was when the corporation was in existence some time early last year, where the councillors asked that a lock be placed on that office because we had failed to move by March of last year. This is the answer to that question. If the Member wants to pose another question, I will prepare the answer for him.

Cumuto Main Road (Rehabilitation of)

9. Mr. Harry Partap (*Nariva*) asked the hon. Minister of Works and Transport:

Would the Minister state when will the Ministry begin the rehabilitation and paving of the Cumuto Main Road from Little Cora Junction to Tamana in the Nariva constituency now that the recent heavy rains and flooding have further deteriorated this main thoroughfare?

The Minister of Works and Transport (Hon. Franklin Khan): Mr. Speaker, rehabilitation works of the roadway as well as landslips from Little Cora Junction to Four Roads, Tamana in the Nariva constituency are programmed to commence in April 2003. These works are budgeted for under the Road Improvement Fund and the Programme for Upgrading Road Efficiency (PURE). I thank you.

North West Regional Health Authority (Employment)

10. Dr. Hamza Rafeeq (*Caroni Central*) asked the Minister of Health:

(a) Would the hon. Minister of Health inform this House of the number of persons employed by the North West Regional Health Authority for the year 2002?

- (b) Would the Minister submit a list of names, positions, qualifications and salaries paid to each employee?
- (c) Would the Minister inform this House of the procedure used for recruitment to these positions?

The Minister of Health (Hon. Colm Imbert): Mr. Speaker, I would ask for a two-week deferment of this question.

Dr. Rafeeq: Mr. Speaker, on the last occasion we were given a promise by the Leader of Government Business that the question would be answered today and it is on that basis that we agreed to the deferral on the last occasion. This question has been on the Order Paper for quite some time.

Mr. Speaker: Hon. Members, let me indicate that when a Member asks a question, it is an order coming through the Chair to you, and I would ask Members to take note that it would be the wish of the Speaker that questions be answered promptly.

Question, by leave, deferred.

HIV/AIDS (Projects Undertaken and Sums Allocated)

11. Dr. Hamza Rafeeq asked the Minister of Health:

With respect to the \$500 million allocated for HIV/AIDS, would the Minister list the projects to be undertaken on an annual basis, and the sum of money to be allocated for each project?

The Minister of Health (Hon. Colm Imbert): The implementation costs per year for the five-year HIV/AIDS strategic plan are as follows, in US dollars:

The first area will be prevention: In year one, 2003, the plan calls for expenditure of US \$4 million; in year two, the plan calls for US \$4.3 million in prevention; in year three, 2005, the plan calls for US \$4.2 million in prevention; in year four, the plan calls for US \$4.3 million in prevention and in year five, the plan calls for US \$4.1 million towards prevention of this disease—a total of US \$21 million.

The second priority area is treatment, care and support: In year one, the plan calls for US \$9.6 million in this area; year two, US \$11.2 million; year three, US \$10.8 million; year four, US \$12.3 million; year five, US \$14.6 million—a total of US \$58.6 million on treatment, care and support over the five-year period.

The third priority area—advocacy and human rights: The year one programme would be US \$100,000 and that continues for the five-year period, giving a total of US \$.51 million on advocacy and human rights.

Surveillance and research is the fourth priority area where in 2003 the plan calls for US \$.7 million; year two, US \$1.6 million; year three, US \$.6 million; year four, US \$.5 million and year five, US \$.6 million—a total of US \$4.13 million on surveillance and research over the five-year period, 2003—2007.

Finally the fifth priority area—programme management, coordination and evaluation: In year one, US \$1.1 million; in year two, US \$1.2 million, and that continues for the next four years for a total of US \$5.96 million for programme management, coordination and evaluation.

The grand total for the strategic plan is US \$90.33 million over a five-year period, or approximately TT \$500 million. I thank you, Mr. Speaker.

Dr. Rafeeq: Mr. Speaker, I thank the hon. Minister for his answer, but according to my calculation here, in year one you will be spending close to \$100 million on this programme. I just want to find out from him the source of funding for this, because the budget allocated \$10 million for AIDS.

Hon. C. Imbert: Certainly, Mr. Speaker. As we indicated in the budget debate we have a variety of sources for funding. We have our own revenues, from tax revenues; we have also been offered money from the World Bank, from the European Community and we have also applied in the year 2002 to a fund which the Member is very familiar with, which is the Global Fund for HIV/AIDS, as part of the Caricom movement towards accessing the Global Fund and we believe that we would be successful in tranche two of the Global Fund which should kick in, in 2003.

Cardiac Surgery (Data on Beneficiaries)

12. Dr. Hamza Rafeeq asked the Minister of Health:

- (a) Would the Minister inform this House how many persons benefited from the \$2.5 million allocated for cardiac surgery in the 2001—2002 budget?
- (b) Would the Minister state the dates that the procedures were carried out, where they were carried out and the cost of each to the Government of Trinidad and Tobago?

The Minister of Health (Hon. Colm Imbert): Mr. Speaker, as at November 20, 2002, the number of persons who benefited from the cardiac surgery programme was as follows: The institutions that performed the procedures were, Cath Lab Services Limited at the Eric Williams Medical Sciences Complex. They performed 12 angiograms and two angioplastys. The cost of the angiograms was \$48,000 and the cost of the angioplastys was \$60,000. The second institution, Medcorp Limited, St. Clair Medical Centre, did 31 angiograms, five angioplastys. The cost of the angiograms was \$124,000; the cost of the angioplastys was \$150,000. The third institution, Caribbean Heart Care, Medcorp Limited, Eric Williams Medical Sciences Complex, did two coronary by-passes at a total cost of \$120,000 as of November 20, 2002, making a grand total of \$502,000 as of November 20, 2002.

Of the \$2,453,500 provided to the Ministry in 2002, the Caribbean Heart Care Medcorp Limited is contracted to perform an additional 27 cases of coronary by-pass surgery. So that the additional funds out of the \$2.4 million allocation will be 27 coronary by-pass surgeries, five angiograms, making a grand total of \$2.4 million.

Dr. Rafeeq: Mr. Speaker, I wonder if the Minister can tell us the criteria that were used to select these patients.

Hon. C. Imbert: The patients were selected from the list of existing patients at institutions based on a process involving the medical social workers, the Principal Medical Officer of the Ministry of Health, the Chief Medical Officer and discussions with the institutions themselves and the other persons involved with these patients.

Best Village Division (Employment of Persons)

1. **Mr. Manohar Ramsaran** (*Chaguanas*) asked the Minister of Community Development and Gender Affairs:
 - (a) Could the hon. Minister tell this House the number of persons employed in the Best Village Division over the last year?
 - (b) Could the Minister submit a list of these persons, their positions, their qualifications and the salaries paid to each?
 - (c) Could the Minister explain the procedure for recruitment to these positions?

The Minister of State in the Ministry of Community Development and Gender Affairs (Hon. Eulalie James): Mr. Speaker, I wish to inform hon. Members that there was an urgent need to resuscitate the Prime Minister's Best

Village Competition Programme as a result of widespread disenchantment and disappointment with the absence of the core activities in the programme during the fiscal year 2000/2001. The only activity for that year was a symposium on Best Village.

Besides resuscitating the programme, an underlying objective was to widen the participation base through promotional activities and strategies for encouraging greater involvement by all social and cultural groups.

The Best Village Unit had been functioning with approximately 50 per cent of its staff establishment, which was grossly inadequate for the management of an expanded Best Village Programme.

The position of Best Village Officer I was advertised by the Director of Personnel Administration towards the end of the year 2000 and over 500 applicants responded. The process for arriving at the final selection of the Best Village Officers I still has to be finalized.

Against this background, the Ministry of Community Development and Gender Affairs decided to recruit by contract personnel for the Best Village Division on the basis of three guiding principles:

- i. Selecting persons with specialized skills and knowledge from among participants in the Best Village Programme.
- ii. Giving preference to demonstrated competence and experience.
- iii. Offering contracts to persons who qualify in accordance with the above criteria.

Twenty-five persons were employed on contract over the last year based on the following specific criteria for recruitment:

- i. Manager Best Village Programme:

The Ministry signalled to the best village community that the Best Village Competition would have been bigger and brighter in 2002 and that a competent person would have to be recruited to manage the programme. Two persons with wide knowledge and skills in the management of Best Village activities applied. The person selected brought to the unit skills and experience as a technical director in Best Village Programme and as a former Coordinator of the Best Village Unit. He has experience as a former Chairman of the National Drama Association, and producer/director of cultural activities locally and

regionally. Initially, employment was by short-term contract. By Cabinet minute, No. 2071, dated September 19, 2002 the short-term contract was replaced by a two-year contract.

ii. Media Relations Officer:

Similar to the Manager Best Village, this position was filled by short-term contracts and replaced by a two-year contract based on the same Cabinet minute. The person contracted received training in mass communication in Canada and has experience as a consultant and producer of programmes for a television channel in Canada.

iii. Executive Assistant:

The person selected also received a similar contract of employment. He acquired professional training both locally and abroad and has the experience to provide administrative support services to the manager of the Best Village Programme.

iv. Liaison Tutor:

This position was also filled by a short-term contract but it is now being reviewed for a two-year contract with the approval of Cabinet. The person contracted is a renowned dancer and choreographer and has the experience and training to promote culture at the community and national level.

v. Twenty-One Best Village Assistants:

i. The co-ordinator and field officers of the Best Village Unit selected outstanding and experienced participants in the Best Village Competition for a one-week residential training programme.

ii. The trainers were given the responsibility to:

- a. Sharpen the participants' skills in the technical aspects of the Best Village Programme.
- b. Assess their aptitude for leadership/management roles.
- c. Facilitate team building.
- d. Recommend participants for selection as Best Village assistants.

Thirteen Best Village assistants were selected through this process. The remaining positions were filled through interviews for borderline participants and persons who were unable to

participate in the training programme. The interview panel comprised the manager and the coordinator of the Best Village Programme, as well as the Director of Community Development.

The Best Village assistants possess the knowledge and skills desired to complement the efforts of the Best Village officers in the implementation of the Best Village Programme. They have been among the most outstanding participants in the various aspects of the Best Village Programme and have won merit awards and/or public accolades. The Best Village assistants assist the Best Village officers to mobilize communities to participate in the Best Village competition.

REMUNERATION FOR TWENTY-FIVE (25) CONTRACTED PERSONS
FOR THE BEST VILLAGE PROGRAMME

POSITION	REMUNERATION	
Programme Manager	1. Short term contracts for the period February to September 2002	\$12,000 monthly
	2. Cabinet approval for two-year contract from October 2002	\$9,000 monthly plus travelling allowance of \$1,500
Executive Assistant	1. Short term contracts for period April to September 2002	\$4,000 monthly
	2. Cabinet approval for two-year contract from October 2002	\$4,500 monthly
Media Relations Officer	1. Short term contracts for period April to September 2002	\$5,500 monthly
	2. Cabinet approval for two-year contract from October 2002	\$5,000 monthly plus travelling allowance of \$1,000
Twenty-one Best Village Assistants	Cabinet approved for one-year contracts from October 2002	\$2,200 plus monthly travelling allowance of \$500 per month

Mr. Ramsaran: Mr. Speaker, I am terribly disappointed so I would like to repeat the question to the Minister:

“Could the hon. Minister of Community Development and Gender Affairs tell this House the number of persons—

Mr. Speaker: Hon. Member, you can ask a supplementary.

Mr. Ramsaran: Okay. But I am repeating the question—

Mr. Speaker: No, no. You cannot repeat the question. You can ask a supplementary to elucidate something from what was stated.

Mr. Ramsaran: Mr. Speaker, I would like to have a list of these persons, their positions, qualifications and the salaries paid to each. I am not at all satisfied that the recruitment process—

Mr. Speaker: No, take your seat, please. The purpose of a question is, you cannot be engaged in a debate. Now I hear you with respect to (b), and this calls for a written answer. So (b): “Could the Minister submit a list of these persons, their positions, qualifications and salaries paid to each”, that you have to provide to the Member in writing.

Mr. Ramsaran: Thank you very much, Mr. Speaker. Also, Mr. Speaker—

Mr. Speaker: Is it a supplemental?

Mr. Ramsaran: Yes, supplemental. I would like the Minister of State in the Ministry to tell this honourable House and the nation what was the procedure and how were these people selected. Were these positions advertised?

Hon. Member: She just gave you that! [*Crosstalk*]

Mr. Ramsaran: No, no, this question was not answered, Mr. Speaker.

CARE Project (Budgetary Allocation for)

13. Mr. Manohar Ramsaran asked the Minister of Community Development and Gender Affairs:

- (a) Could the Minister of Community Development and Gender Affairs indicate to this House what was the budgetary allocation for the CARE project for financial year 2001—2002?
- (b) Could the Minister outline the procedure to access the programme, and indicate how applications are processed and under what authority?

- (c) Could the Minister submit a list of the recipients of CARE subvention for year 2001—2002, the amount paid and for what projects?

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Mr. Speaker, you would note that of the 11 questions on the Order Paper, the Government has so far answered nine. I have noted what you said earlier with respect to questions on the Order Paper. As a fact I had given a commitment that we would have done 100 per cent today, but, you know, sometimes you miss your goal, and I want to ask that Question No. 13 be deferred for one week, as the answer is not ready today.

Question, by leave, deferred.

**DEFINITE URGENT MATTERS
(LEAVE)**

**Health Sector
(Escalating Crisis)**

Dr. Hamza Rafeeq (Caroni Central): Mr. Speaker, in accordance with Standing Order 12, I seek leave of this House today to move the adjournment of the House for the purpose of discussing a definite matter of urgent public importance, namely the escalating crisis in the health sector.

The matter is definite since it relates to the current crisis in the nation's hospitals. The matter is urgent because the vast majority of junior doctors have not had their contracts which have expired, renewed, thus worsening the crisis in the health sector.

The matter is of public importance since a large percentage of the population of Trinidad and Tobago seek attention at the major public health care institutions.

Mr. Speaker: Hon. Members, I have given consideration to the Motion as moved by the Member for Caroni Central and I am satisfied that it qualifies. [*Desk thumping*] Is it the wish of the House that this matter be debated on the Motion for the Adjournment as a definite matter of urgent public importance?

Assent indicated.

Mr. Speaker: In that case, I must inform you that this Motion will stand down to 6.00 p.m. Let me inform Members that in order to afford as many Members who wish to participate, I am suggesting that there would be a time limit of 15 minutes for each Member to participate. We have only one hour, and bear in mind that the mover of the Motion has a right to reply as well as—in Standing Order 34—the Minister himself has a right of reply.

Dr. Rafeeq: Mr. Speaker, you said that each speaker will be allowed 15 minutes, but if there is only one speaker on this side—

Mr. Speaker: Then 30 and 30. But you do have a right of reply and so, too, does the Minister. You have to make suitable arrangements depending on the number of Members wishing to speak. All I am saying is that there must be some equality in Members speaking.

**British Foreign Website
(Terrorist Threat)**

Miss Gillian Lucky (*Pointe-a-Pierre*): Mr. Speaker, in accordance with Standing Order 12, I respectfully seek your leave today to move the adjournment of the House for the purpose of discussing a definite matter of urgent, public importance, namely the report that Trinidad and Tobago is believed to be one of a number of countries where there may be an increased terrorist threat and which said report appears on the British Foreign and Commonwealth Office website.

The issue is definite because it relates to a specific matter. The matter is urgent because it suddenly arose within the last three days and has a direct relation to escalating crime in this country. The matter is of public importance because the said report is accessible worldwide and has condemned our country as a place that is unsafe for foreigners and by necessary extension, nationals. The adverse effect on the economy and the stability of our country as a whole is obvious. [*Desk thumping*]

Mr. Speaker: Hon. Members, the leave for which the Member for Pointe-a-Pierre seeks is denied. May I suggest to you that you make use of the provisions of Standing Order 11, particularly subsections (2) and (3).

**BRITISH TRAVEL ADVISORY
(TRINIDAD AND TOBAGO)**

The Prime Minister and Minister of Finance (Hon. Patrick Manning): Mr. Speaker, December 06, 2002, there appeared on the website of the Foreign and Commonwealth Office of the United Kingdom, a change in the travel advisory on Trinidad and Tobago. Under the heading “Summary”, the advisory stated:

“Most visits to Trinidad and Tobago are trouble-free. However, sensible precautions should be taken. Following recent developments, including the terrorist bombing of a night club in Bali on the 12th October, UK nationals worldwide should be aware of the risk of indiscriminate attacks on civilian targets in public places, including tourist sites.”

Under the heading “Terrorism” the advisory indicated:

“We believe Trinidad and Tobago to be one of a number of countries where there may be an increased terrorist threat. British nationals should exercise vigilance, particularly in public places frequented by foreigners such as hotels, restaurants and shopping malls.”

Mr. Speaker, consistent with the view that the advisory was unwarranted, on December 05, 2002, the Trinidad and Tobago Acting High Commissioner in London who had become aware on December 4 of the proposal to update the advisory, on instructions from the Ministry of Foreign Affairs, wrote to the Foreign and Commonwealth Office seeking to dissuade the British authorities from issuing the advisory. On December 17, Baroness Amos, Parliamentary Under-Secretary of State in the Foreign and Commonwealth Office, who shortly before had herself safely returned to London from a visit to Trinidad and Tobago, responded to the Acting High Commissioner's request to reconsider the change in the travel advice for Trinidad and Tobago in the following terms:

“Whilst we understand the concerns you outline in your letter, the lessons of Bali and Mombassa make it clear that no one is free from risk, and no group of individuals or countries is exempt from the threat of terrorism. We therefore believe the current travel advice for Trinidad and Tobago is measured and entirely appropriate.

The international community has a joint responsibility to tackle global terrorism. Such incidents have all too clearly demonstrated that we must take each and every threat seriously and act to advise and protect our citizens accordingly. To fail to do so would be a dereliction of our duty, particularly in the light of the press reports now circulating in Trinidad about the threat to UK nationals and interests.”

The travel advisory that was updated on December 06, 2002 remains in effect. This advisory has already caused real economic harm to the tourism industry in Trinidad and Tobago, including the cancellation of visits by two cruise lines, P&O and Princess Lines, and it has the potential to do damage beyond the tourism industry. Quite unjustifiably, the tragic occurrence in Bali has now become a cautionary tale for some British visitors contemplating a visit to Trinidad and Tobago. We have every confidence that when the true situation is accepted, such concern will be dispelled. [*Crosstalk*]

Mr. Speaker: Order please! Order!

Hon. P. Manning: Mr. Speaker, there is no getting away from the fact that the spectre of terrorism and the constant threat of terrorist attacks anywhere and anytime have become a feature of today's world. In these circumstances, the Government of Trinidad and Tobago, cognizant of our own vulnerabilities, remains vigilant and condemnatory. However, we do not believe that there is anything happening in Trinidad and Tobago which warrants our being singled out for special mention and treatment. [*Interruption*]

Mr. Ramnath: Every day you have kidnapping! [*Crosstalk*]

Mr. Speaker: Please, Members, there is a Standing Order that says when a Member is on his feet, Members should allow him to speak; please.

Hon. P. Manning: I continue, Mr. Speaker. I must remind you that notwithstanding any local difficulties that we may have, there are many British citizens happily living here amongst our people, enjoying the same level of comfort and security without undue complaint. While we may appreciate, and I dare say understand, the position advanced by Baroness Amos and those who do not know our circumstances or who reside thousands of miles away, there is absolutely no excuse for the damaging, irresponsible rhetoric of the Leader of the Opposition and his mouthpieces who, fully conscious of the damage that could result, continue to seek out persons of influence and the media in the United Kingdom, Canada and the United States to deliberately misrepresent our situation and besmirch the reputation of our country. [*Desk thumping*]

Mr. Valley: Treason! Treason!

Hon. P. Manning: For example, Mr. Speaker, an article under the byline of Scott L. Wheeler of *Insight* magazine which was posted on January 14, 2003, on the news bulletin site on the World Bank's intranet quotes extensively from an interview with a certain Sen. Sadiq Baksh, "a Muslim who says he is concerned about the threat posed by radical Islam to the safety of the citizens of Trinidad".

Mr. B. Panday: Common knowledge!

Hon. P. Manning: Mr. Speaker, it is quite clear that Members have not been seized by the significance of what I have just said. Accordingly, let me repeat it, please:

For example, Mr. Speaker, an article under the byline of Scott L. Wheeler of *Insight* magazine which was posted on January 14, 2003, on the news bulletin site on the World Bank's intranet quotes extensively from an interview with a certain Sen. Sadiq Baksh, "a Muslim who says he is concerned about the threat posed by radical Islam to the safety of the citizens of Trinidad".

According to *Insight* magazine, Sen. Baksh avers that there is reason for “profound alarm over the escalating crime rate in our Republic over the past 11 months”. [*Crosstalk*]

The goodly Senator has conveniently forgotten the preceding 11 months when his political leader, then Prime Minister and Minister of National Security, despairingly threw his hands up in the air and publicly confessed his own impotence in the face of rising crime. [*Desk thumping*] The same Sen. Baksh, well known to all of us here in Trinidad and Tobago, reports to *Insight* magazine that he is concerned about the threat posed by radical Islam to the safety of the citizens of Trinidad and Tobago, knowing fully well that such alarmist references made in the current international climate could elicit nervous, negative reaction acutely damaging to the interests of the people of Trinidad and Tobago. This follows numerous references from the Leader of the Opposition that terrorists form part of the business of Trinidad and Tobago. Sen. Baksh is so concerned about crime that he joins his Leader to block the reform measures which were designed by previous bipartisan agreement to improve the effectiveness of the police service in its daily battle against the criminal elements in our midst.

Recent press reports in Trinidad and Tobago highlighting exaggerated threats to the British High Commission and British interests by a Princes Town Muslim cleric have been picked up by the foreign media and have done damage to Trinidad and Tobago. Mr. Speaker, following the carnage in Mombassa, Dar es Salaam and Bali, Governments around the world now wish to be "safe rather than sorry" insofar as the provision of information on foreign travel to their citizens is concerned. Unfortunately, in this instance, with a little help from our own subversives, it is the Government and people of Trinidad and Tobago who are being called upon to pay the price, economic and otherwise, for the new doctrine of "just in case". We in the Government of Trinidad and Tobago do not believe that the travel advisory is warranted.

Mr. Speaker, a country's reputation is a precious asset which can be so easily damaged or destroyed. We intend to repair any damage that has been done and to ensure that the good name of the Republic of Trinidad and Tobago as an attractive investment and tourist destination is protected and preserved.

Mr. Speaker, the Cabinet has therefore decided to dispatch a team of experienced Ministers to London, New York and Washington, D.C. in the coming week in order to counteract the negative effects of the British travel advisory. Sen. the Hon. Knowlson Gift, Minister of Foreign Affairs, is being dispatched to London. There he will hold discussions with the Right Honourable Jack Straw,

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British Secretary of State for Foreign and Commonwealth Affairs and with other British government officials. [*Crosstalk*]

Mr. Speaker: I have appealed once before. Hon. Members, you have a Hansard reporter getting great difficulty in taking her notes; you have a public; please behave yourselves—both sides of the House!

Hon. P. Manning: Thank you very much, Mr. Speaker. May I continue, Mr. Speaker?

Mr. Speaker: Yes.

Hon. P. Manning: Thank you very much.

Sen. the Hon. Dr. Lenny Saith, Minister of Public Administration and Information is being sent to Washington, D.C. where he will hold meetings and discussions with the World Bank, the International Monetary Fund (IMF), the Inter-American Development Bank (IDB) and the Inter-American Investment Corporation (IIC). In New York, former Minister of Foreign Affairs and National Security, Ambassador John S. Donaldson, will hold discussions with United Nations officials and Ambassadorial counterparts of selected countries with a view to setting the record straight insofar as these perceived threats referred to in the advisory are concerned.

These representatives of the Government of Trinidad and Tobago will also meet with officials of the host governments, members of the media, business leaders and nationals of Trinidad and Tobago in order to inform them of the true situation in Trinidad and Tobago.

2.30 p.m.

It is worth noting, that in the case of one of the international financial institutions, the World Bank, these advisories are taken so seriously, that even nationals of Trinidad and Tobago employed with the institution are required to seek and receive the support of management before they can travel to their own country. In diplomatic circles in Port of Spain, such developments have not gone unnoticed.

For my part, earlier today, at his invitation the Prime Minister held discussions with His Excellency Josh Marcus Vinicius de Sousa, Ambassador of Brazil and Dean of the Diplomatic Corps; His Excellency Peter Harbone, High Commissioner of the United Kingdom and His Excellency Prof. Roy Austin, Ambassador of the United States of America to apprise them of these initiatives. I regret to inform you and hon. Members that this initiative is not our first response to misrepresentations of the situation in Trinidad and Tobago.

Not too long ago, during a visit of the former prime minister and Member for Couva North to the United Kingdom, he met with a number of British parliamentarians and members of the Commonwealth Parliamentary Association. During these meetings Trinidad and Tobago was painted in the worst possible light with respect to terrorism, loss of democracy and the existence of a dictatorship. I found it necessary at that time to dispatch one of our experienced Cabinet Ministers, Sen. The Hon. Dr. Lenny Saith, to these same corridors of influence in the United Kingdom, to assuage the fears of the British and all those whose minds had been poisoned by the misrepresentation of such so called authoritative sources in Trinidad and Tobago.

We make a connection between these developments and this unwarranted advisory. We trust that our friends in the United Kingdom will continue to support our efforts in the ongoing international battle against crime, including terrorism and that our people will make clear to those who seek their mandate to govern, their own conviction that local politics must stop at the waterline and that the national interest must prevail at all times. Our people must be under no illusion that in this troubled world, we can expect few favours and we must therefore demand of our leaders, that they refrain from acting in a manner that reinforces other people's negative views of our beloved country.

Thank you.

Mrs. Persad-Bissessar: Mr. Speaker, on a point of order. The point of order has to do with previous rulings made by your honourable self. When a Member makes a contribution in this House, any document quoted from must be laid. I am very interested in seeing the entire document. I have seen a copy. The document quoted by the hon. Member for San Fernando East selects one or two parts. It is important not just for us in the Parliament but the national public. That document must be laid and made public so the nation would know the scandalous situation.

Mr. Speaker: I did rule some time ago that when Members are quoting from a document, they must state the source of the document. I think the hon. Member did say that.

ORDER PAPER

(WITHDRAWAL OF BILL)

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Mr. Speaker, under "Introduction of Bills", you would note that the Finance (Variation of Appropriation) (2002) Bill, 2003 is included. That was included in error. The Government is not ready to introduce

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this Bill. There is an established procedure to be followed before the Bill can be presented to this House. We are asking that it be withdrawn.

Mr. Singh: Could the hon. Member indicate when the Government would come with this Finance (Variation of Appropriation) (2002) Bill, 2003?

Hon. K. Valley: Mr. Speaker, as I mentioned a while ago, there is an established procedure. Perhaps, this is an appropriate time to inform the House that the Finance Committee meeting would be held on January 24, 2003. After the Finance Committee meets the report would be presented on January 27, 2003. We cannot assume that Members would agree to the submissions. The procedure is that we wait until the Finance Committee meets.

CONSTITUTION (ELECTION OF PRESIDENT) BILL

Bill to provide for the extension of the period during which the election of the next President shall be held, [*The Attorney General*]; read the first time.

Motion made, That the next stage be taken at a later stage of the proceedings. [*Sen. The Hon. G. Morean*]

Question put and agreed to.

TREASURY BILLS ACT (INCREASE IN BORROWING)

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Mr. Speaker, I beg to move Motion No. 1 standing in my name. In moving this Motion, I seek the leave of the House to debate with this matter, Motions Nos. 2, 3 and 4 on the Order Paper which relate to the same subject. They would be taken separately. All that is requested—as is the custom as was done on September 12, 2001 in this House—is that the debate be taken together, but the vote be taken separately.

Question put and negatived.

Mr. Singh: We could take 1 and 2 together.

Hon. K. Valley: We would take each separately. Mr. Speaker, every day I interact with my colleagues opposite, I see clearly their double standard. I make the point because I have the *Hansard* of September 12, 2001, when the same matters were debated in this House. At that time, as is the custom in this House, the matters were taken together.

Mr. Speaker: You can make reference to that during the course of your presentation.

Hon. K. Valley: Mr. Speaker,

Whereas it is provided by section 2(1) of the Treasury Bills Act, that the Minister of Finance may borrow in Trinidad and Tobago such sum or sums in the aggregate, two thousand million Trinidad and Tobago dollars or the equivalent thereof in any foreign currency or currencies and such further sum or sums as may be specified by resolution of Parliament, or the equivalent thereof in any foreign currency or currencies, by the issue of Treasury Bills:

And Whereas it is necessary for the Minister of Finance to borrow further sums of money for the purpose of facilitating the conduct of open market operations by the Central Bank of Trinidad and Tobago:

Be it resolved that for the purpose of facilitating the conduct of open market operations by the Central Bank of Trinidad and Tobago, the Minister of Finance is hereby authorised to borrow such further sum or sums in Trinidad and Tobago, not exceeding in the aggregate three thousand million Trinidad and Tobago dollars or the equivalent thereof in any foreign currency or currencies.

At this point, may I inform the honourable House that the \$3,000 million mentioned in the penultimate line should really be \$5,000 million. Rather than increasing the amount that the Government can borrow or use for open market operations under the Treasury Bills Act by \$1 million, it is to be increased by \$3 million. While I do not want to anticipate Motion No. 2 on the Order Paper, this Motion, as well as the other motion on the Order Paper, is to facilitate the Central Bank in the management of the economy, more specifically, to allow for monetary and liquidity management by the Central Bank. In any economy, the Central Bank plays an extremely important role in the control of inflation. As a matter of fact, one of the fundamental purposes of the Central Bank is to allow for non-inflationary growth in the economy. The Central Bank has certain tools in its arsenal to provide for this. The simplest of course, we know as moral suasion. That is simply calling a bank and talking with them, whispering. Like you, Mr. Speaker, when the Central Bank whispers, bankers fall in line. It is the same here, Mr. Speaker. When you whisper, we fall in line. Mr. Speaker, that is so because, like you, if the banks fail to fall in line, the Central Bank has other things it can do. For example, in the House, if we fail to fall in line, you can do us all types of things as has been the norm.

Mr. Speaker: The Speaker is well aware of his powers. [*Laughter*]

Hon. K. Valley: I am using the analogy to indicate the powers of the Central Bank. We have a former Governor of the Central Bank among us, soon to be an advisor at UNDP, I understand.

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Other than moral suasion there is the reserve requirement. For quite some time, the Central Bank would have used the reserve requirement as its major tool in designing its monetary policy. When it feels that it ought to tighten the money supply, it would increase the reserved requirement and when it feels that things are too tight in the economy, the Central Bank would reduce the reserve requirement, thus signalling to the banking sector that they ought to follow an easy money policy. These are important instruments because they affect the amount of money in circulation and can guard against inflation by tightening the money supply. In a situation in which monetary conditions are too tight, by reducing the reserve requirement the Central Bank sends a signal for easy policy, thus allowing some ease in the economy.

The problem with the reserve requirement is that it penalizes the banking sector. When you tell the bank that some percentage of its currency must be set in reserves at nominal rates, that is a cost the bank has to bear. Other things being equal, interest rates would be higher. Because of that, most central banks would use open market policies. They would achieve the same thing as the reserve requirement but, perhaps, more efficiently. This is the purpose of the Motion before us. Open market operations talk in terms of the Government via the Central Bank issuing securities in the market or purchasing securities in the open market.

Because the Central Bank is the banker for the Government, when it issues securities in the market, that are taken up by the public, the money comes from the banking sector to the Central Bank and in that way there is a sterilization of those funds. If the sum of \$100 million is issued in the market, it comes from the banking sector to the Central Bank and, effectively, that sum is sterilized. That sum of \$100 million affects the monetary base of the banking system. Because there is a multiplier effect, in the banking sector there would be a multiple of \$100 million. It all depends on the reserve requirement. Assuming a reserve requirement of 10 per cent, other things being equal, you would find the effect would be \$1,000 million. You can see how effective it is as a monetary tool.

Similarly, if the Central Bank were to feel that the system is too tight, the bank would purchase securities from the public and by doing that, there would be the opposite effect. The Central Bank would put \$100 million into the system. Because of the multiplier effect, it means that they would be monetizing the system. It is a very effective tool used in most economies. We are signalling that we are moving away from the reserve requirement and using open market operations. The plus is that by using open market operations we can reduce the reserve requirement because that would no longer be required as a tool of

economic management. One has seen the reduction in the reserve requirement. Even though the legislation before us was passed in the Lower House on September 12, 2001, Parliament was dissolved before it could have been passed in the Senate. All these things have been debated and passed in this Lower House other than for quantum. The intent has been agreed. It is nothing new. I am ashamed of my colleagues that they refuse to allow for one debate on these matters. So be it.

In the absence of the legislation the Central Bank issued notes on its own. That was while the last governor, the Member for St. Augustine now, was there. At present the sum of \$960 million is outstanding. When this Motion is approved it would allow for that amount to be taken up on the legislation. The Treasury Bills Act is the old legislation which requires that issues under this legislation must mature within a 12-month period. One would see under Motion No. 2, the Treasury Notes Act, No. 14 of 1995, there is some more leeway allowing for issues up to five years. One had to go with that legislation in 1995, because given the limitation of the Treasury Bills Act, there was a need for legislation that provided for the medium term. This Motion, as well as the next motion, has very little to do with any financing requirement of the Government. It is to allow for monetary management by the Central Bank. I feel certain that we would have the full support of Members on the other side.

I have been given a note that there is a typographical error in the notice of amendment. The word “thousand” was omitted before the word “million”. A new one is being circulated. *[Interruption]* I am not very good at typing. I must let you know.

With those few words, I beg to move that Motion No. 1 be approved.

Question proposed.

Mr. Winston Dookeran (*St. Augustine*): Mr. Speaker, may I indicate at the outset, that the arguments put forward by the Member for Diego Martin Central are very valid. Why do we come to Parliament to have an amendment to the limits of the borrowing requirements for the Central Bank for open market operations? We do so, Mr. Speaker, so that Parliament may get an opportunity to examine the management of monetary policy in the country and to identify the path that must be followed in the future. Today, I use this opportunity to put on the record of *Hansard* and for the benefit of Members of Parliament, some of the critical issues that we face in the area of monetary management. Motions Nos. 1 and 2 deal essentially with the same instruments, except for the duration. Open market operations in Motion No. 1 is a shorter duration as the Minister pointed out. The

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Treasury Notes deal with a longer duration. It is true that there is need from time to time to suck up the liquidity in the banking system. The Minister did not indicate that the reason for the liquidity is related to the financing of government's operation and the extent to which the Government goes into major financing of operations. That would tell you the extent to which there would be need for open market operations. I was surprised to see the amendment raising the limit which was originally set at \$3,000 million to \$5,000 million that was circulated today. Does that mean that the Minister anticipates major governmental deficit financing over the next years to come. Is he taking "front before front" to establish the limit as high as \$5,000 million? The advice was originally for \$3,000 million limit. There has been some change in terms of what has happened in the economy in the last three years. Why has he increased the limit to such an extent?

He indicated that the Central Bank had gone into issuing its own notes to the tune of \$960 million during the last year. This was the result of the fact that there was no possibility of issuing open market bills due to the limits that were last approved by Parliament. Does that mean that within the next year, he expects to have more deficit financing and more injection of liquidity into the system, and there would be need for more open market operations?

I agree that we are dealing with essentially an important tool of monetary management. It is fair to say that within the last few years in Trinidad and Tobago, one of the great successes in policy determination and formulation has been in monetary management. When the monetary system has fixed injection into it, there is need to manage those funds to ensure that the level of liquidity in the system is adequate to allow trade and growth to take place, but not so large as to generate inflationary pressures. That is what these measures are meant to do.

For the benefit of Members, we can use this opportunity to ask a few questions as to the open market operations. There has been an ongoing debate. There has been a restriction with respect to the agents that have access to open market operations and whether there should be wider participation of the financial agents. This is a policy issue that the Government would have decide upon in consultation with the Central Bank. Would we widen the participation so we move away from restricting it only to the primary dealers, or bring in the secondary dealers in that operation?

The Minister did indicate that the Central Bank intended to reduce the reserve requirement by having more open market operations. In this respect, there is need for a clear direction to be pursued in trying to ensure that we can reduce the reserve

requirements, both for the commercial banks and for the non-banking institutions. We must work towards setting reserve requirements at levels more or less along the standards that are the norm today.

I raise these issues because they fall under the broader concept of accountability, independence and transparency of monetary policy. If it is one area of public policy that we have not been able to come to a conclusion is that of accountability, independence and transparency. Perhaps, this is a good opportunity for the Government to outline its plan as to what it intends to do to enforce the accountability, independence and transparency of monetary policy. It is an ongoing debate throughout the world that monetary matters have been kept within the borders of central banks and there is need now to have wider assessment of that. I know that the Central Bank has put a number of measures in place over the last few years in this direction.

We have encouraged the publication on the Internet of the IMF's staff reports. We have produced a monetary policy report independent of the other reports. We have taken steps to enforce that. There comes a time when you may need to go further than that. You may need to look at a parliamentary committee to which Central Bank may be accountable, as opposed to being accountable to Parliament via the Minister of Finance. This would allow an independence of the Central Bank and the Minister of Finance would not be accountable for the actions of the Central Bank which shall account to Parliament, rather than through the Minister of Finance.

Mr. Manning: Mr. Speaker, I thank the hon. Member for St. Augustine for giving way. How would the Member suggest that the Governor of the Central Bank be held to account in respect of monetary policy? What instruments does he suggest that we use to do that?

Mr. W. Dookeran: Perhaps the time has come; it has been discussed over the years and it is under review at the moment to have the Governor of the Central Bank account to a parliamentary committee. This is done in many countries of the world, for example the federal reserve where the chairman reports to Parliament. Accountability is not only the issue of hiring and firing. Accountability is accounting for performance.

Mr. Manning: What happens if a situation arises in which it is felt that the Governor of the Central Bank has been dismissed because of poor performance?

Mr. W. Dookeran: There is security of tenure for a fixed period to ensure independence of the bank. The Government has the option when that time is up to decide what it shall do.

The Prime Minister sees accountability in terms of control. I am seeing accountability in terms of performance and transparency of operations. You need to work out the formula. I am suggesting that this is a time when the Minister could indicate the Government's thinking on this. It has been debated for a long time but it has not seen the light of day. Previous governments have not taken this as a major issue. This is an appropriate time to look at transparency, accountability and independence. You need to have an independent monetary policy being discharged and accountability to Parliament for so doing. It is done in other countries of the world.

The reason for bringing this Motion to Parliament is to give Parliament an opportunity to look at the exercise of monetary policy and issues. This is perhaps the only time that Parliament would have such an opportunity under the current legislative system. Proposals have been put forward for the establishment of a financial service ombudsman. Proposals have been laid for some time and we suggest that it is more urgent. That gives a new area of protection for consumers. I am making the call that we need to accelerate our plan for the financial service ombudsman in Trinidad and Tobago. We cannot wait indefinitely. This has been delayed because of the absence of Parliament for over nine months and there is need to deal with that issue.

The strategy that the Government has in trying to look at the rating status of Trinidad and Tobago is very important. I would be happy if the Minister would outline the strategy he intends to follow. Trinidad and Tobago was upgraded in status in 1998. We had moved to an investment grade of BB+. There is need to develop a strategy to increase the rating of Trinidad and Tobago. A strategy for improving the rating of the country and the establishment of a rating agency are some things we have not discussed. I make the proposal that we accelerate plans for the establishment of a rating agency in the Caribbean context. That is essential to promote the soundness of the banking system. This agency is an important instrument in today's world. We can no longer devise monetary policy in a narrow context. We have to recognize the global environment in which we live. Such an agency would need to be promoted by the public authority but need not be controlled by the public authority. I would like to get the Minister's views on that proposal to establish a rating agency.

In that context, there has been some discussion with respect to the establishment of a Caribbean regulatory authority in the region as opposed to a national regulatory authority. The world has cross-border transactions of a large number. We see e-commerce and e-banking which are about to explode in the world. We cannot control our banking system without looking at it in a global

context. Today, \$194 million is transacted through e-banking in the world. The projections are that by 2004, that would be in the order of \$7 trillion. We have to face the advent of dealing with e-banking on a massive scale in Trinidad and Tobago. Would our regulatory systems have the strength to stand up to those developments, or would Trinidad and Tobago take an isolationist position and try to backtrack to regulate itself, when that would be no longer possible in the globalized world? The Minister may wish to indicate the Government's thinking on these matters which have been on the agenda for some time. The Government has been in office for more than a year. They have had ample time to deal with these matters. This is the opportunity that comes to us to look at monetary policy and the issues pertaining to it, as we agree on the Motion to increase the limit of open market operations and Treasury Notes. Legislation has been prepared for the introduction of greater scrutiny of the banking system under the Financial Institutions Act. There is some urgency in dealing with those amendments that would affect not only the banking sector but also the deposit insurance sector.

I go on to an issue which I believe ought to be placed on the policy agenda. We have been talking about the single market economy. One way of facilitating the single market economy is by pursuing greater collaboration on monetary affairs. It has been a very difficult proposition but one in which it may be necessary to state a clear position, as to whether or not we are pursuing that goal. In that respect major studies have been done. I do not know if the Minister has had the opportunity to look at these things in the year that he has been in office. It is an important area to identify the policy with respect to monetary union and where we stand on that issue. It is a difficult issue that needs to be addressed if one is looking at the establishment of a single market economy.

Today, I received communication that the United States has begun negotiations with the Central American countries for the establishment of a free trade area. One of the critical issues in that negotiation to be conducted this year is that of sugar. One of the key issues is the protection that the United States provides for its sugar industry and the subsidization that it brings to the industry. When the Minister of Agriculture, Land and Marine Resources said that he has one variable of public finance; it is costing the Government too much and you have to remove them, he was only seeing this in the context of a single objective. Today, in the negotiation with the Central American Common Market is the issue of the subsidization of the sugar industry in the United States. I advise the Minister of Agriculture, Land and Marine Resources to get his researchers to look at the ways and means by which this is done, to protect the development of the sugar industry in the United States.

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On one hand, the United States is pursuing a free market policy and on the other hand, they are pursuing a protectionist policy in areas of national interest. It is important for him to recognize that. I have listened to all his speeches on this issue and I have been following them closely. I have never heard him mention this. I have heard him mention that the people must go with or without negotiations. If they do not go this year they would go next year and it is non negotiable. I suggest that the Minister look at how it is done in that country which promotes free trade. How is it done? What are the mechanisms and instruments for subsidizing the sugar industry? That is likely to be a thorny issue in the negotiations taking place between the Central American Common Market and the United States. We cannot deal with monetary policy in isolation. The Minister's presentation, while accurate, he should elaborate on some of these issues. In the final analysis, monetary policy must be discharged in the interest of the prosperity of the nation and not in the interest of serving the instruments outlined here.

It is also necessary to find ways and means by which we can introduce financial intermediation to deal with some of the problems in the sugar industry. There is the need to have the financing of transformation placed on the front burner. How do you finance the transformation, rather than simply looking at it in the context of displacing workers? The Member for Diego Martin West may take the opportunity to suggest how he intends to use the financial sector to generate the transformation that is required for economic change in this country. Those issues would come up in a debate on monetary policy and financial intermediation. We can deal with the symptoms if we want, but if we do not understand the working of the transformation process, these symptoms would continue to be there now and forever.

In dealing with open market operations and Treasury Notes, we must see that in the context of the ultimate objective of setting up financial intermediation in the country, to bring about the transformation in those areas where it is needed. I make that suggestion to the Minister of Agriculture, Land and Marine Resources, so he can look at the development of the banking system. I have been hearing that they are meeting with investors and that things are happening. I cannot rely on the press. It gives partial information. Parliament is where we should get all the authentic information. I hope that the Minister would use the opportunity to tell us how he can get financial intermediation as an instrument for transformation in our economy. We are facing a very difficult period. There is no doubt that we have suddenly come to terms with some realities in Trinidad and Tobago where the economy needs to be transformed rather quickly. We need to start a whole new process.

I am not sure that the proposal of the Minister of Planning and Development to establish a 20-year plan is all that is necessary. That is part of the equation, but not a part of the equation that would solve the problem immediately. There are other issues that the Minister may wish to outline. We have had an archaic payment system with respect to the monetary sector. We need to transform that within the next few years. Much of what I have said has been ongoing exercises in which I had the honour and privilege to be involved in the last five years. We want to ensure that these initiatives continue with the urgency that is required.

In this context, it is said that an economist is an expert who would know tomorrow why the things he predicted yesterday did not happen today. I am not suggesting to the honourable House that we have all the answers, but that we have to be very vigilant in pursuing the changed agenda in the monetary matter, or sooner or later we would find that we are very obsolete in many of the areas in which work has been done.

On the issue of transparency, a critical issue is to find mechanisms by which confidence would be built in the business sector and the community at large, as to the monetary management in the country. To that extent, measures have been initiated to try to improve the reporting of monetary matters. It is an area that needs to be further addressed. Seminars and workshops were established once to look at journalists' interpretation of monetary matters. These should be continued in the context of transparency of monetary policy.

One of the critical issues facing us today is the interest rate policy of the Government. That needs some elaboration. Within recent times there has been a policy to ensure exchange rate stabilization, the lowering of interest rates and whether or not this policy would continue in the future. To some extent there is a fiscal side to that debate that needs to be handled.

The open market operations is a means by which you can sap up the liquidity in the system that is generated by public sector borrowings and fiscal imbalances. In that sense we have no technical objections to the proposals before us. We do believe it should be put in a context of developmental goal and we can see the results of monetary management to the prosperity of the country.

3.30 p.m.

Mr. Speaker, this is essentially what we would like to see at this point. We hope the Government would have the ability to continue the "prudency" of monetary management that has been—

Mr. Valley: "Prudency"? "Prudency"?

Mr. W. Dookeran: It has been very prudent and sound for the past few years—the past five years. The Central Bank will continue to honour its position as one of the institutions of high performance in our country.

Mr. Speaker, I close with these words and look forward to hearing the Minister outline what the policy thinking is with respect to the issues that I have raised in this debate. Thank you.

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Thank you very much, Mr. Speaker. As I listened to my friend's contribution, I could not help but recall his ending statement in the budget debate where he informed us that after spending five years as the Minister of Planning and Development, he did a lot of planning but achieved nothing.

Mr. Speaker, the Member for St. Augustine and former Governor of the Central Bank, the former main advisor to the Government on monetary policies up to July last year, comes to the Parliament to ask the Minister of Trade and Industry and Minister in the Ministry of Finance what he is doing about the archaic payment system; what he is doing about a number of other things that I would have hoped he would have been able to inform us about. [*Interruption*] Yes, I will give way. Let me finish this sentence. I would have thought that the Member for St. Augustine would have been able to enlighten us on some of the initiatives that he took as Governor of the Central Bank with respect to these areas. After I give way, Mr. Speaker, I would inform him what the Government is doing.

Mr. Dookeran: The Member for Diego Martin Central is trying to put me in a difficult position. What I have said was that these are measures that were ongoing and I want to know what is your policy now and whether you intend to pursue these measures or not. It is in that sense that I am raising the issue. I am asking whether you would continue these initiatives, because I am proud of the initiatives you have taken in the past and I hope I can be proud of them in the future.

Hon. K. Valley: Mr. Speaker, I am sorry I misunderstood the Member for St. Augustine. I cannot remember him outlining any initiatives with respect to these matters. [*Interruption*] I attempted to, you know. But let me look at some of the issues raised by the hon. Member.

The hon. Member asked the question whether by going for an increased amount as we are, we plan to increase fiscal deficits. I want to say two things on that. I want to remind the hon. Member—because I know that he knows it is not simply a question of the fiscal deficit but it is really what is known as the net

domestic budget deficit, which is different. Let me explain. The Member knows, because in every Central Bank Bulletin there is a table clearly outlining that.

Mr. Speaker, the Government of Trinidad and Tobago is in a unique position. The Government earns most of its revenue in US currency, for example the oil sector revenue, so there is that foreign revenue. So that when one looks at the budget one may see a budget where there are revenues and there are expenditures. There is a surplus and looking at that surplus one would think that that is fine, because in economics they tell you that if there is a surplus it means that the Government is not “monetizing” the economy. In other words, it is not sowing the seeds of inflation.

Mr. Speaker, in Trinidad and Tobago one has to go further. One has to analyze the Government’s revenue and separate that revenue into its foreign revenues and into its domestic revenues. One has to look at the foreign revenues as a financing item, in a sense, and look at the difference between its domestic revenues and its domestic expenditures to determine the size of the domestic deficit. Then one has to net off whatever domestic borrowing is contemplated and then one gets the real injection into the economy—the net injection. That is what one has to look at. It is not simply the level of the deficit, it is a question of what is the domestic budget deficit as shown quite clearly on Table 15 of the Central Bank Bulletin.

Now, Mr. Speaker, it is on the advice of the Central Bank—and this advice came early in 2002, so one has to assume that it came with the consent and approval of the Governor of the Central Bank. It says:

“The Central Bank of Trinidad and Tobago has reviewed its position given further fiscal injections of the order of \$3.4 billion emanating from the 2002/2003 budget are likely to create additional liquidity in the economy. The Central Bank has informed that in light of these injections an extensive sterilization effort will be required in order to preserve domestic price stability and maintain external balance.

The Central Bank has recommended that the issue limit on treasury securities be increased by a total five thousand million which should comprise an increase of three thousand million in treasury bills and two thousand million in treasury notes. Some of these securities will be used to convert outstanding Central Bank notes utilized in the absence of treasury securities for the conduct of open market operations.”

So that the Government is relying on the Central Bank advice with regard to this matter.

Mr. Dookeran: The Minister indicated that was in the context of the 2002/2003 budget. Is that not what you said? I would just like to clarify.

Hon. K. Valley: Yes. I take the point. Mr. Speaker, here we are at \$3.4 billion and that is, again, looking at domestic revenues vis-à-vis domestic expenditure, that this is the excess and, therefore, if we want to avoid inflation, we have to provide for sterilization of this amount. A very important concept, I must say, Mr. Speaker, a concept that was really developed by the former Deputy Governor, Dr. Euric Bobb, in 1978/1999—a very useful concept in monetary economics.

The Member had a number of issues and wanted answers to a number of questions. He tells me he knows the answers now for most of them, since he has initiatives on the way. Although I was Minister in the Ministry of Finance for the past year, I do not think I have received anything from the Member with respect to these initiatives. So perhaps I should ask him if he would send me those initiatives, I would send it to the committee that is looking at financial reform. There is a committee right now that is looking at that. I can say that way back in 1994, the Government of the day established a committee to look at positioning Trinidad and Tobago as the business and financial centre of this part of the world. That committee did quite a lot of work. In coming into Government at the beginning of 2002, a committee was established to look at financial reform; the stock markets and most of the issues the Member spoke about. That committee has not reported yet, Mr. Speaker. I would gladly share that information with the Member as soon as it is obtained. I really do not know where they are with their assignment at present.

Upgrading in the credit worthiness of Trinidad and Tobago, Mr. Speaker. Again, you would know that way back, I think, in 1994 we got our first good rating and since then there has been an improvement, and that effort would continue, all in our quest to position Trinidad and Tobago in a particular way.

A rating agency for the Caribbean? Quite frankly, Mr. Speaker, I am market-oriented. Over the period 1997 to present, a number of islands in the Caribbean have come to our markets in Trinidad and Tobago to raise funds. We have done a number of US dollar offerings in Trinidad and Tobago and the market has priced those issues. There was no need for three persons sitting in a room saying this country is rated “X” or that country is rated “Y”. The market, acting in its best interest, has decided that Dominica can raise funds in this market at a particular rate. When a lead manager goes out on a transaction it is sold in the market, so that the insurance companies, the pension funds and so on, look at what rates they can get, and if it is a good transaction they take it. If they are taking Dominica risks at a particular rate they compare that with what they can get in the Jamaica

risks; or in St. Vincent risks, or in St. Lucia risks. The market has now developed its own rating for different countries. Quite frankly, I am saying that the market is perfect. I do not know but this is my view. The market has done its job. I am always afraid of one or two persons doing ratings. I like to depend on the market—a whole body of people all over, let them decide. That is my personal view.

Mr. Dookeran: I think the Minister is talking about sovereign rating. What I was referring to was sovereign rating as well as enterprise rating. That is an important issue as well in the region. But there are proposals on the way on that. It will come to you shortly.

Hon. K. Valley: Mr. Speaker, if you determine your sovereign ratings and then you go to, what I would call the lower risks, they also would be rated because they would be rated off the sovereign ratings. Let me ask this: If the country Dominica is rated, let us say a 10-year bond at 11 per cent, and there is a company in Dominica coming to the market, I would be extremely surprised if that company will obtain a rating better than 11 per cent.

Mr. Dookeran: Thank you for giving way. There are cases in Trinidad and Tobago where enterprises are rated better than the sovereign rate in Trinidad and Tobago.

Hon. K. Valley: Mr. Speaker, if that happens something is wrong and that is not a market transaction. A Government is the best risk in its host country. There is no other institution that could be rated higher than the Government in its host country. That is a basic fact of economic life. *[Interruption]* It is at its best risk in its home country. It must be. *[Interruption]* Where? You show me one. *[Interruption]* Well, that is wrong, it cannot happen. *[Interruption]* Somebody give away something. I am sure it must have been within the UNC period. *[Interruption]* That was an excellent transaction. I am telling you it was the best transaction. Everybody involved was happy; all the unions, they owned shares in the company; they got money from the pension plan; the only people who were not happy were those who thought that the freeness was finished; that the free ride—you know jumping on the plane—*[Interruption]* I am not talking about you, I am talking about those who had it.

Mr. Speaker, let me deal with one other issue, monetary union. Mr. Speaker, up to last night in discussion there are some people in the Caribbean who believe that perhaps there is already monetary union in the Caribbean, that the common currency is—*[Interruption]* What is the common currency? The US dollar. There are some people who believe that that is not an issue. I want to thank the Member for St. Augustine for his contribution on this Motion. I beg to move.

Mr. Speaker: Before you beg to move, is it that these Motions stand with the amendment?

Hon. K. Valley: Yes. Mr. Speaker, I think for “abundance of doubt”—because looking at the Motion it talks about “such further sum or sums” in Trinidad and Tobago not exceeding in the aggregate—[*Interruption*]

Mrs. Persad-Bissessar: You mean for the avoidance of doubt.

Question put and agreed to.

Resolved:

That for the purpose of facilitating the conduct of open market operations by the Central Bank of Trinidad and Tobago, the Minister of Finance is hereby authorized to borrow such further sum or sums in Trinidad and Tobago, not exceeding in the aggregate three thousand million Trinidad and Tobago dollars or the equivalent thereof in any foreign currency or currencies.

**TREASURY NOTES ACT
(INCREASE IN BORROWING)**

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Mr. Speaker, I beg to move Motion No. 2, standing in my name:

Whereas it is provided by section 3(1) Treasury Notes Act, that the Minister of Finance on the written advice of the Governor of the Central Bank may, for the purposes of promoting monetary credit and exchange conditions most favourable to the economy of Trinidad and Tobago, borrow money in Trinidad and Tobago in such sum or sums not exceeding in the aggregate one thousand million Trinidad and Tobago dollars or the equivalent thereof in any foreign currency or currencies and such further sum or sums as may be specified by resolution of Parliament, or the equivalent thereof in any foreign currency or currencies, by the issue of Notes:

And whereas it is necessary for the Minister of Finance to borrow further sums of money for the purposes stated in the said section:

Be it resolved that for the purposes stated in the said section, the Minister of Finance is hereby authorized to borrow such further sum or sums in Trinidad and Tobago, not exceeding in the aggregate two thousand million Trinidad and Tobago dollars or the equivalent thereof in any foreign currency or currencies.

Mr. Speaker, the arguments advanced with respect to Motion No. 1, holds for this Motion and therefore I beg to move.

Question proposed.

Question put and agreed to.

Resolved:

That for the purposes stated in the said section, the Minister of Finance is hereby authorized to borrow such further sum or sums in Trinidad and Tobago, not exceeding in the aggregate two thousand million Trinidad and Tobago dollars or the equivalent thereof in any foreign currency or currencies.

**DEVELOPMENT LOANS ACT
(INCREASE IN BORROWING)**

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Mr. Speaker, I beg to move Motion No. 3 on the Order Paper standing in my name:

Whereas it is provided by section 3(1) of the Development Loans Act that the Government is authorized, *inter alia*, for the purposes of financing general development in Trinidad and Tobago, or repayment of borrowings effected for general development, *inter alia*, by a statutory authority within the meaning of the Statutory Authorities Act, Chap. 24:01 or by an enterprise that is controlled by or on behalf of the State, from time to time to borrow money externally or internally in a sum or sums not exceeding in the aggregate ten thousand million dollars in the currency of Trinidad and Tobago and thereafter such sum in such currency as may from time to time be specified by resolution passed by the Senate and the House of Representatives:

And whereas it is necessary for the Government to borrow further sums of money for the purposes stated in the said section:

Be it Resolved that for the purposes stated in the said section, the Government is hereby authorized to borrow money externally or internally in a further sum or sums not exceeding in the aggregate three thousand million dollars in the currency of Trinidad and Tobago.

Mr. Speaker, this matter, as I said, was debated in this House on September 12, 2001. As a matter of fact, Mr. Speaker, this matter was considered by the Cabinet of the last administration in May 23, 2001. At that time the Motions Nos. 1 and 2 that were passed earlier, were also approved by the Cabinet. *[Interruption]* It was not the last Cabinet of the UNC, but it was approved by that

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Cabinet. Pursuant to those decisions, the Motion for the Development Loans Act was approved by this House on September 12, 2001 and as I said, before the matter could have been debated in the Senate, however, it lapsed.

It is the same Motion, Mr. Speaker, not a comma was changed. We are asking the Parliament to approve an increase in the amount the Government can borrow by the same \$3 billion. In that context I am tempted simply to quote the former Minister of Finance but I do not think that is necessary.

I think we owe the Parliament a bit of information. As the Motion states the current limit is \$10 billion. The balance outstanding under the Act right now is \$9.9 billion. Of course, as you know, the whole concept of having the Executive responsible to the Parliament is evidenced here. The Executive cannot exceed the limit without getting the approval of this House. That is the purpose of this legislation, Mr. Speaker.

Mr. Speaker, when faced with that problem, the UNC really transferred the burden on state enterprises; getting them to do borrowing and using what they call a letter of comfort, which we will come to in a while. I want you to know that in December 1995, the amount outstanding under this legislation was some \$5.38 billion; in other words, roughly \$5,380 million. Thus over the period since 1995, \$4.52 billion has been borrowed under this legislation. Over the period December 2001 the amount, which is the responsibility of the UNC or the last administration, is some \$3.9 billion.

Now Mr. Speaker, why is it that two administrations have agreed that this legislation should be increased by \$3 billion? Mr. Speaker, first of all, as I said, the Development Loans Act is used also for monetary management and especially in the environment in which there would be a reduction in the reserve requirement. I made a point a while ago that there is a multiplier effect on reserve requirements. In other words, if the reserve requirement is 10 per cent, rather, for every dollar that comes into the economy, then it means \$10 will be created, assuming other things being equal; a closed economy, no escape via imports and so on. Similarly, when the reserve requirement is reduced from 21 per cent to 17 per cent, that reduction releases quite a lot of money in the economy and it is not simply the difference between 21 and 17 per cent, it is the multiple because of the multiplier effect.

As that happens, Mr. Speaker, the Central Bank has to consider whether there is need for a sterilization of those funds. So while it is efficient to reduce the reserve requirement, at times open market policies of a longer term, perhaps, may

have to come into play to sterilize the liquidity that is released because of the reduction in the reserve requirement. The Development Loans Act is used for that.

In addition, Mr. Speaker, whenever there is a deficit that has to be financed, for example, if the Government runs a deficit—revenue minus expenditure—before taking financing items into consideration; if there is a deficit of \$600 million that has to be financed, generally, either from past surpluses or via borrowings, the limit of \$3 billion provides for the medium term, for the funding of Government's deficit, as well as for any reduction in the reserve requirement. This Act, Mr. Speaker, dates back to 1964, where there was an original limit of some \$30 million. Over the years it has been increased. For example, in September 1998, there was a limit of \$7.5 billion and in July of 1999 that limit was increased to \$10 billion, which is the existing limit.

Mr. Speaker, again, this legislation is routine in the sense that not only both administrations have agreed that it is necessary but this Motion or similar motions have been brought to this Parliament on a number of occasions in the past. I feel certain therefore, that we can depend on the support of our friends opposite the same way they relied on our support in 2001. I beg to move.

Question proposed.

Mr. Gerald Yetming (*St Augustine*): Thank you, Mr. Speaker.

Mr. Ramnath: Listen to a real Minister of Finance.

Mr. G. Yetming: Mr. Speaker, let me begin by acknowledging these Motions did come before Parliament in September 2001 when they were piloted by the then Minister of Finance. It is also true to say that these Motions were approved. What the Member for Diego Martin Central did not say is that the Members on the other side did not vote in favour of the Motions. [*Interruption*] In fact, I can quote what the Member for Diego Martin Central said in the debate because I have the *Hansard* but it is not material.

Mr. Speaker, I do not really have a fundamental problem with the fact that at one time you take a particular position and on a subsequent date you take a completely opposite position. That happens every day in public life. One day you are a worker, you take up a position; the worker gets promoted to management, and when that worker gets into management he would take a totally opposite position than he would have taken when he was a worker.

Mr. Ramnath: Please do not attack me “eh”. I have been demoted.

Mr. G. Yetming: In court if you are an attorney, Mr. Speaker, and you are providing a defence on a matter, you will frame your defence in a particular way. If you happen to have been on the prosecution side, on the same case, you would have taken a totally opposite position. It all depends on your perspective and on the circumstances.

Mr. Valley: Would the Member give way please? Mr. Speaker, just for the record, I have the *Hansard* of that day and there is no evidence—It says: “Question proposed. Question put and agreed to.” There is no evidence of a division and there is no evidence here that the Opposition voted against this legislation.

Mr. G. Yetming: Mr. Speaker, the *Hansard* of September 12 has reported Mr. Valley, the Member for Diego Martin Central as saying: “This is not a time to increase the public debt of Trinidad and Tobago.” “Oh no”, he says, and I am quoting:

“Mr. Deputy Speaker, let me wind up. I am saying that we will not support these Motions.”

This is on page 314 of the *Hansard*. But as I said, Mr. Speaker, that is not material. I do not have a fundamental problem with taking a position one day and changing that position the next day. With experience, with different circumstances we would take different positions. As I said it happens in everyday life.

Although we politicians come under a lot of stick, are abused almost daily by columnists—as you know politicians are insulted almost every day as a bunch of hypocrites. In fact, some columnists call all politicians rats, as was quoted in a newspaper recently. What I think a lot of people fail to realize is that those of us who are engaged in politics, whether at a representative level or at a party level, have to make sacrifices: sacrifice of personal time, sacrifice of professional life, sacrifice of family to contribute to the politics and to the development of the country. A lot of those who criticize us and call us rats and what have you because we may change positions on issues, are themselves deceitful but we would not go there. The point is that we recognize that the Government ought to have the legal flexibility to borrow. I do not think we have any fundamental differences on that. Therefore, the fact that we brought the Motions in 2001 and this administration comes with the Motions in 2003; there is no problem with it. They decided to vote against the Motions or did not wish to support the Motions then, because they questioned a number of things. They questioned the level of borrowings at the time, they questioned what we were borrowing the money for

and today we may take the same position. We may not wish to support the Motions for the same reasons they used in September 2001.

The Member for Diego Martin Central, in getting up to pilot the Motions, said very little about the circumstances of today that would warrant the increases in the borrowing limits. That is not to say that we do not agree that you ought to have the legal flexibility to borrow. The Government's ability to borrow or anybody's ability to borrow has to be on condition of a number of facts; one is the level of borrowings. In the case of the Government we tied the level of borrowings to the Gross Domestic Product; that is one of the yardsticks used. We also have to consider, in the context of the borrowings, the ability to repay. We need to consider what you are using the money for when you get it and whether you need to borrow at all. Those are the four factors, Mr. Speaker, that I want to touch on in the debate on the Motions before us.

Mr. Speaker, borrowings should not be viewed in absolute dollar terms. The question that was raised in this very debate in September of 2001 about the level of borrowings of the Government in 1995 and how the Government had increased borrowings by \$5 billion or \$8 billion, whatever it is, and the Opposition at the time never recognized—conveniently, only for political purposes—the fact that the Government's borrowings and any individual borrowings is tied—in the case of the Government—to something and this is to GDP.

What is the current level of borrowings of the Government? When I responded in the budget debate and I quoted some numbers on the level of borrowings of the Government some of the Members on the other side shouted that I was talking rubbish and giving false information and so forth. I want to raise those numbers again, because I think it is important that in speaking about increasing the borrowing limits of the Government that we understand where the current level of borrowings are.

In the budget debate I quoted some numbers from a document I received from within the Ministry of Finance, which suggested that the total public sector debt which will include both domestic and external, including contingent and letters of comfort was \$37.6 billion. I suggested that that \$37.6 billion was equivalent to 66 per cent of GDP. That number was at September 30, 2002. Mr. Speaker, in fact, in Appendix 22 of the *Review of the Economy 2001/2002* the total public debt for that period was quoted at \$29 billion rather than at \$37 billion, except that there was the footnote that said that these figures did not include letters of comfort and off balance sheet items and the open market operations figure. When I added the off balance sheet items and open market operations to that \$29.8 billion, I came

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up with the \$37 billion total public debt figure that I had received in this document from the Ministry of Finance, and which was suggested to be false information.

The point I am really making for further clarification today is the numbers I quoted. They were correct and, in fact, are fully supported by public and official information that is published in the *Review of the Economy*. I would have expected that the Minister in piloting these Motions would have given us some sense on the current level of debt in the country. I also want to suggest—and I believe I made the suggestion in the debate—that Government gives consideration in future publications of the Review of the Economy to providing comprehensive information on the total public debt, so that there is no misunderstanding about which is really the correct figure.

Mr. Speaker, the fact of the matter is that when the IMF comes, when Moodys comes; when Standard and Poor's comes to do their due diligence, they go to the Ministry of Finance or to the Central Bank to get their information, but the information is never public in a total sense. I am simply suggesting, again, to the Government that it considers publishing the information on the total public debt as comprehensively and as accurately as possible so that we do not guess because, Mr. Speaker, 66 per cent of GDP is too high. Now when we extract the open market operations from the figure, \$37 billion—which is what I called the total public debt—will go down to \$33 billion and that \$33 billion is 60 per cent of GDP—from 66 to 60.

Mr. Speaker, Members on the other side would recall that in 2001—in fact I believe when I had piloted these Motions in Parliament I had stated the policy position of the Government of the day—which was the UNC government—was that 60 per cent of GDP ought to be the cap, and that we had stated the policy position that we should seek to reduce that 60 per cent of GDP to 50 per cent by 2005. That is a policy position. In fact, what we sought to do was to project on the basis of the GDP growth what lending flexibility we would have had to bring that debt down from 60 per cent to 50 per cent, recognizing that GDP would grow; what kind of borrowing flexibility we would have had which would have informed how much we would have had to borrow down to 2005 to meet that 50 per cent target.

What the Government has not done today—which I think they should have done—is to have told us what is its policy position on public debt. Does it subscribe to the view that it ought to bring the debt down from 60 per cent, excluding the open market operations, to 50 per cent of GDP, and within what time frame? Mr. Speaker, when you have reflected in Moody's investors services;

because Moody's is one of the international agencies giving Trinidad and Tobago the investment grade rating, and the Member for St. Augustine in his contribution spoke about the initiatives that the Government should take, and whether they should not announce the initiatives that they ought to take or whether they will take initiatives to try to get an improved rating. I think the Member for Diego Martin Central suggested that those are things in the mill that would come to us. But one of the most critical things that impact on the rating is the question of the level of public debt.

Now in this Moody's Investors Services, Global Credit Research on Trinidad and Tobago, dated August 2002, they produced this report. When they came sometime in 2002 to do their due diligence, they reported the public debt at 66 per cent of GDP for 2002 and reported projections for 2003 at 77 per cent of GDP. Now that would be absolute disaster for Trinidad and Tobago. If we exclude open market operations from that 77 per cent—and they must have gotten these figures from talking to the people at the Ministry of Finance; from talking to the Central Bank; from reviewing the information that would have been made available to them. Mr. Speaker, if we are talking about total public debt, excluding open market operations of 70 per cent of GDP, we are looking for downgrade; not an upgrade. Should there be a downgrade of Trinidad's rating, the cost of our borrowings on the international markets will increase substantially.

Now I want to urge the Government, and maybe the Minister in winding up the debate would give us some clarification on this 77 per cent debt to GDP as reported—and this Moodys Investors Services publication is an international publication, everybody who wishes to know about Trinidad and Tobago and its investment rating would have access to this. I think the Minister ought to make some clarification and in fact, give us an indication of what is Government's policy on the borrowing limits it wishes to recognize. Notwithstanding the fact that the Government would have the borrowing flexibility when these Motions are approved—because they will be approved whether we support them—we on this side would like to know and I think the population would like to know what is the Government's policy position on that.

The second issue that I wanted to raise is the question of the Government's ability to service debt. As I said, Mr. Speaker, the limit that the Government—it has the legal right to do so or not—the limit should be predicated on some level of prudence and recognizing what the international and other agencies would recognize as acceptable. As I said, Mr. Speaker, we are at 66 per cent of GDP, 60 per cent without the open market operations, projected to 77 per cent; 70 per cent

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projected without the open market operations, and that cannot be allowed to happen.

We also have to consider Government's borrowings in the context of its ability to service debt. Now the Government's ability to service debt would be limited by a number of factors. I think it is a well-known fact that for Government's revenue, too high a percentage of our expenditures go to public sector wages, go to debt and interest servicing, and go to transfers and subsidies. Now insofar as the public sector wages are concerned, successive governments have been talking for years about public service reform. It would be interesting to hear from the Government on where it is with public service reform, because it has a direct bearing on the cost of running the Government, it will have a bearing on the percentage, a bearing on the percentage of the revenues that we would apply to that fixed expenditure; it could have a bearing on whether we have surpluses or deficits and if we are going to run deficits it is going to have a bearing on the levels of borrowings that we are going to have to do.

I think it is recognized that public service salaries are low in relation to the private sector. I think all of us would wish that the professionals in the public service would be recognized and paid competitive salaries. But that is not going to happen unless there is public sector reform because it cannot be simply a case of increasing salaries for professionals in the public service without other kinds of adjustments. While I do not think that we would have a fundamental problem, even if the 30 or 35 per cent of revenues we spend on public sector salaries remain at that figure, if we could only have the professionals being paid professional salaries, after you do your reform that we would have achieved what, I think, ought to have been achieved to raise the level of professionalism and efficiencies within the public service.

Another major cost; a disaster waiting to happen is in the cost of pensions. I repeat, a disaster waiting to happen, Mr. Speaker.

Mr. Manning: It would not happen.

Mr. G. Yetming: Now we have spoken a lot about pension reform. In fact, I would make reference to part of my contribution on the budget speech on September 14, 2001 when I recognized that we had to take initiatives to undertake very fundamental changes to the pension system. I also recognized that that is not a condition that was peculiar to Trinidad and Tobago. It is a problem that exists throughout the world. I stated unless we embarked on pension reform with some seriousness, future generations would have to pay taxes to support pensions we would have to pay to retirees down the road.

I had announced at that time that a reconstituted pension reform team had been appointed by Cabinet to devise strategies to deal with the country's fragmented pension system. I indicated that some of the things that pension reform had to address, include the anomalies between the national insurance and the old age pensions—people complain every day about that. I recognize that the actuarial study within national insurance is intended to be completed before any kind of adjustment could be made to that. But at some point in time, maybe over a period of time there has got to be a harmonization of the pension payments under the national insurance and old age pension. That is going to cost a lot of money, Mr. Speaker, but we also have to deal with the cost of Government's pension for public sector employees. That is a cost that nobody has a clue about. As of now we do not have a clue on the cost of pension for Government employees projected down the road. We have Government employees who have retired years ago receiving a pittance of a pension, senior public servants of years ago.

Mr. Speaker, the other major costs which could have an impact on your ability to service debt have to do with transfers and subventions both to state enterprises and to statutory bodies. I think it is recognized by both sides because the Prime Minister has spoken about the need for tighter management and accountability within the state enterprise sector. A lot of the right intentions have been articulated. What is not clear is how does the Government intend to force accountability on the state enterprise sector or on these statutory bodies?

I did mention, the last time I spoke in this honourable House, a short term mechanism that the Cabinet of 2001 had approved which was the formation of the audit unit within the Ministry of Finance, which the Member for Diego Martin Central confirmed had been put in place and is operational. *[Interruption]* Beg your pardon? *[Inaudible]* A good UNC idea, Mr. Speaker. What I would have liked to have heard from the Member for Diego Martin Central in piloting this Motion, is what is Government's policy on that state enterprise sector?

With respect to the question of divestment: Now it appears as if Government's policy is a bit ad hoc.

Mr. Speaker: Hon. Members, the sitting is suspended and would be resumed at 5.00 p.m.

4.30 p.m.: *Sitting suspended.*

5.03 p.m.: *Sitting resumed.*

[MR. DEPUTY SPEAKER *in the Chair*]

Mr. G. Yetming: I was making the point that, in piloting the Motion for the increase in the level of Government borrowings, this side recognizes the need for

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Government to have that legal flexibility to borrow, but that what we ought to have heard a bit about is the current level of Government debt and policy position with respect to its debt targets, bearing in mind that debt to GDP ratio currently is reported as 66 per cent of GDP and in the Moody's Investors Services document, they are projecting, based on a due diligence that they would have done in Trinidad and Tobago, a debt to GDP ratio of 77 per cent for 2003. It would be useful if the Minister in the Ministry of Finance would provide some clarification on that. I indicated that 77 per cent of GDP, even discounted by 7 per cent for open market operations, is a prescription for a downgrade; is a prescription for a severe negative impact on the economy of Trinidad and Tobago.

I went on to speak about the constraints on borrowing being partly informed by the ability to repay. I made reference to four items of expenditure by the Government, which severely impact upon the ability of the Government to do its business; one being public sector salaries, which have been the subject of concern for a while and, of course, if there should be any serious reduction in the price of oil, we would have that as an expenditure. Members would remember that caused the reduction in salaries that led to this very long outstanding arrears of increment settlement to the public service.

I made reference to the pension obligations of the Government and to the fact that this is a disaster waiting to happen unless the Government continues the path of reform of pensions. I was on the point of transfers, subsidies and subventions. In the context of any upgrade by the international rating agencies of Trinidad and Tobago, apart from the level of debt, one of the things that has always brought negative comment, both from Moody's and Standard and Poor's and from the IMF, is the level of inefficiencies within the state enterprise sector and the fact that greater government oversight of the state enterprise sector and statutory bodies is so very important. One of things which requires some comment by the Government is its policy position on the state enterprise sector. It might be clear to the other side what that policy might be and maybe there have been frequent occasions when that policy might have been articulated, but this would be an excellent opportunity to remind some of us who might not be aware of it.

I made the point that it appears—it may not be so in reality—that the approach might be ad hoc. We had a recent case of Government's decision to divest the National Broadcasting Network, which I do not have a fundamental problem with, but the UNC government had taken a decision to divest the EXIM Bank and this has since been reversed by this administration. That is why I asked about the policy position of the Government with respect to the state enterprise sector. EXIM

Bank is involved in a business to facilitate the development of export trade, but since the formation of EXIM Bank, all the services of the EXIM Bank are now provided by a number of other private-sector institutions. The question arises: Does the Government need to be involved in this type of business?

We talked about First Citizens Bank (FCB) and Taurus. I make reference to Taurus because it has paper outstanding of pretty close to \$2 billion. Taurus, as you know Mr. Deputy Speaker, is a company that was formed to take over the bad debts of three failed commercial banks in Trinidad and Tobago, formed by the PNM government in 1994 to rescue three banks and save the depositors' money. Taurus, not only assumed the bad debts of three failed banks, but assumed, I believe, debts of about \$700 million of the old BWIA, when that was being restructured.

As of now, the Government is obligated to Taurus to the tune of maybe \$2 billion. My question is: What does the Government intend to do about Taurus because none of the debt in Taurus at the moment is collectible. In fact, the UNC had taken a decision that FCB was to be privatized, the proceeds of which would have reduced Government debt load by in excess of \$1 billion, but it appears that the decision was reversed by the current administration.

Privatization of FCB. I do not know whether the policy position is that Government should remain in commercial banking; whether they believe that maybe if they allow FCB to develop further they could get more for it later on. There has been a lot of public comment about the billion-dollar debt for the airport and there is an accurate statement being made that the billion dollars, borrowed over say 20 years, will cost the Government \$3 billion. The Chairman of the Commission of Enquiry into the airport expressed considerable concern that the airport was not really a \$1 billion airport, but a \$3 billion airport, bearing in mind the money to be repaid over the period of time.

I suggest to the Government that the billion-dollar debt of Taurus over that period of time will end up being \$3 billion to \$4 billion and not \$1 billion. There is no question in my mind that a substantial portion of the debt that Taurus is carrying is uncollectible, and that Government should write it off sooner rather than later. I was only making the point relative to Government's policy position on the state enterprise sector. What does it intend to do with FCB? I was making the point that the UNC government had taken a decision to sell it, partly to retire the debt of Taurus. I was asking whether the intention of the Government is to keep FCB indefinitely.

Mr. Valley: The Member is really confusing me. Taurus is a bad debt company. Taurus is to collect debt. I do not understand when the Member tells me that he wants to sell FCB to liquidate the debt of Taurus. Taurus has no debt. Taurus collects debt.

Mr. G. Yetming: I make a direct relationship between Taurus and FCB only insofar as Taurus was born out of FCB, so to speak. I was only making the point that one of the ways in which the debt stock of the Government could be reduced from the 60 or 66 per cent of GDP is if that \$1 billion of Taurus debt could be repaid.

Mr. Valley: Taurus has no debt.

Mr. G. Yetming: When I say Taurus' debt, I mean the Government's obligation. Government has guaranteed paper that cannot be repaid because the loans within Taurus—*[Interruption]* You understand. I am only making the point—this is not politics—that if the debt to GDP, which could impact upon the investment grade rating of the country, at 77 per cent, is excessively high, the obligation that is carried under Taurus of an excess of \$1 billion, if repaid, could reduce our debt stock and put us in a better light. That is the point I am making. One of the mechanisms that can be used to raise that \$1 billion or \$2 billion is to sell FCB.

I was raising it in the context of the Government's policy position on the state enterprise sector. We have been hearing about the Port Authority and the fact that it owes pretty close to \$3 billion. There is a plan, developed I believe with the assistance of external consultants, PricewaterhouseCoopers, to restructure the Port Authority. We have no fundamental problem with that either, except that when that proposal came before this Minister of Finance, I asked for an assessment to be made of the viability of those four enterprises. Up to the time I left office, nothing was presented that would have suggested that those four entities would be any better off than the one that exists at the moment.

What is Government's policy position? In spite of the \$3 billion in debt—and I am only making reference to this in passing—we have the Port Authority putting an ad in the newspaper because the Minister visited the port. They took out a picture and placed an ad. The Port Authority did that, so I am not really blaming the Minister. I would have expected the Minister to pick up the phone and call the Port and ask what nonsense they were doing—spending the public's money to put an ad in the newspaper to advertise the fact that the Minister visited them. What absolute rubbish! If the Minister with responsibility for the port did not pick up the phone and tell them to cut the ad, I would have expected the Minister of Finance to do it. I do not know if this has to do with the concept of waste.

Then, we have Caroni (1975) Limited and we know that Caroni (1975) Limited, like the Port, also owes a substantial amount of money. We hear about Government's intentions with respect to Caroni (1975) Limited. I do not think we have a fundamental problem with the fact that there ought to be some reorganization of Caroni (1975) Limited. There was the plan that had been accepted by the unions and so on before now.

Mr. Valley: Mr. Deputy Speaker, I am really sorry to ask the Member to give way once more, but we are doing the Motions one at a time. I note the concentration on companies, which, to my mind, really belongs under the Guarantee of Loans (Companies) Act, which is the next Motion, unless we are doing both Motions together.

Mr. G. Yetming: We do not propose to speak on the fourth motion when the time comes. We are dealing with Motions Nos. 3 and 4 at the same time. We had asked for the Motions to be dealt with that way. We had asked for Motions Nos. 1 and 2 to be dealt with together and for Motions Nos. 3 and 4 to be dealt with together. I understand that was refused. I am dealing with Motions Nos. 3 and 4, Mr. Deputy Speaker.

With respect to Caroni (1975) Limited, I make the point—one that we have been making for quite a while—that the problem of Caroni (1975) Limited is not a financial problem only; it is also a human problem and a social one. I do not believe that the approach that the Government, through the Minister of Agriculture, Land and Marine Resources, is taking is recognizing the fact that we have a severe human and social problem to deal with. The Member for St. Augustine made reference to the autocratic and dictatorial approach being taken by the Minister of Health: “We are offering you this.” “Everybody must go.” “We are not going to talk to you.” We had the gallery full today of people from the Cane Farmers' Association who circulated documents, which suggested that they spoke to the Minister since February last year about increasing the price of cane and up to now they have not had a response from him.

Just as an aside, we have the same problem with the Minister of Health. We are going to talk about that later. There is a common thread. There appears to be a bit of a dictatorial approach to governance and a perception of arrogance. I just wanted to ask that in dealing with people, in the very way that the Prime Minister would reach out to community leaders, we expect the Ministers of Health and Agriculture, Land and Marine Resources to talk to people whose lives are affected by the decisions that are being made.

Continuing on the state enterprise sector, we had the Agricultural Development Bank (ADB)—it is really in the context of the policy position of the Government

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on that sector. The ADB was the subject of review before 1994. It has always been a problem. It has always been calling on the Treasury for money. Right now there is need for substantial investment in the ADB. I can recall that a committee was established subsequent to 1994 by the UNC administration, headed by Mr. Amjad Ali, a prominent private sector individual, with representation from the Divestment Secretariat.

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

Motion made, That the hon. Member's speaking time be extended by 30 minutes. [*Hon. P. Manning*]

Question put and agreed to.

Mr. G. Yetming: Mr. Deputy Speaker, I thank the Member for San Fernando East and the House for extending my speaking time.

I was on the point of the ADB and the fact that a committee, subsequent to 1994, when I believe this process started, was appointed to review the role and future of the ADB. That committee, which was made up of private sector and public sector representation, eventually had help from a consultant from the Inter-American Development Bank. So this committee, with the assistance of the IDB consultant, recommended that the ADB be liquidated; that the functions of the ADB could easily be provided elsewhere and that we could not afford and should not continue the ADB in its current form. As I understand it, that decision has also been reversed by the current administration.

In the context of the state enterprise sector and the cost of transfers and subsidies which impact upon the Government's ability to govern, could the Government make some statement to clarify its position on the state enterprise sector?

Apart from the level of debt and the ability to service the debt, what are we borrowing the money for? There has been no indication from the Government of what its borrowing programme is likely to be and what the money will be used for. The UNC was criticized for borrowing a lot of money over its term in government, but they would have to accept that there was substantial improvement in the infrastructure in the country in that period and a lot of the borrowing that had been done was for improvement in infrastructure: roads, bridges, water, electricity, ports, airport. I do not think that there would be many people who would question the substantial upgrade of the infrastructure in the country, which is a prerequisite to investment in this country and, of course, health, education and security. Just as a passing comment, because I am sure the

Members here will speak about it, two of those three critical areas are in deep disarray and trouble at the moment—health and security.

In raising the question, what are they using the money for, we would have no problem if they talk about building because a lot of money was borrowed for schools. We borrowed money for building roads. This administration last term borrowed money for roads. We did it through Tidco; they did it through Nipdec—same thing. What we would have a severe problem with is borrowing pretty close to \$100 million over a period of 7 to 10 years to create short-term jobs. That is bad for business. Therefore, we have no problem in giving the Government the flexibility to borrow. If they will be borrowing more of that nature—\$75 million one way, \$15 million another way—to create short-term jobs—brush cutter jobs that add absolutely nothing to the country's ability to earn—we would have a severe problem with that. That is bad business.

The fourth issue is: Do you need to borrow at all? This is where I want to raise the issue of the Revenue Stabilization Fund (RSF). The budgeted price of oil was \$22; current price is in excess of \$30. The average for the year so far, between October 01 and now, will probably be around \$29 to \$30. With the situation in Venezuela and Iraq, the projection is that the price of oil will go even further, notwithstanding OPEC's recent decision to pump up some more oil. If we end the year with an average price of \$30 a barrel, that would add in excess of one billion new dollars to the Treasury. I believe there might have been some passing comment by one of the Ministers in the Ministry of Finance that the Government intends to come to the House with the Revenue Stabilization Bill.

I believe that Government ought to make a very clear statement on it because it is not just whether they will come to the House with the legislation, but what formula they intend to apply for putting moneys into the fund. I will tell you what the UNC government had intended. We had intended to put two-thirds into the Revenue Stabilization Fund (RSF) and one-third into the Consolidated Fund, so that Government would have had one-third more of the surplus money for expenditure during the year. The reason—and I have explained that to the House before—the bill was slow in coming to Parliament was that we changed the formula to say 60 per cent will go into the fund; 20 per cent to the Consolidated Fund and 20 per cent to be put aside for the Dollar-for-Dollar Programme as the financial means by which we could push the number of students going on to tertiary-level education from the 8 per cent to our target of 20 per cent by 2005.

We have heard nothing from the Government, apart from a passing comment that they will be coming to the House with the Revenue Stabilization Bill, but on

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what basis? We need, in the context of the borrowings, a clear statement as to their intent with respect to the surpluses they expect to get from the oil revenues to the end of the year in excess of \$1 billion. If they are going to benefit from in excess of \$1 billion of unbudgeted revenue, then we must question whether they need to borrow at all.

There may be many arguments on the Revenue Stabilization Fund. Some people suggest that it is sleight of hand if we have the Revenue Stabilization Fund on one hand, putting money in, but borrowing on the other hand. However, we have to look at the RSF in context, which would explain—you may not buy, but when we took the position on the RSF, we had at the time already announced our policy position on reduction in borrowings. In other words, at 60 per cent of Gross Domestic Profit on loans, to go down to 50 per cent by 2005 to reach one's international bench mark, at the same time putting aside surplus revenues, rather than spending or borrowing, into the Fund, to me is prudent fiscal management.

It is not unlike the public servants today. They will get their arrears of increment. They may get a \$10,000 cheque. As far as I am concerned, we should not encourage them to spend it. *[Interruption]* We are not only talking government debt. Public servants have debts outstanding to credit unions and banks. The idea is, rather than blow it all on consumer items, put aside some for the child's university education in Unit Trust or whatever and based on current and projected revenues—salaries and so forth—they can then borrow to buy their house and car—two separate things. I do not see that the same cannot be applied to unexpected surpluses from oil and revenues as in the case of the arrears of increment.

Mr. Manning: I thank the hon. Member for St. Joseph for giving way. I do not agree with the way he has argued it. If an individual has debt and is in receipt of a capital lump sum, then the question really is interest rate. If he puts that on account and it accrues interest at a lower rate than his debt service is, then the sensible thing to do is to retire the debt.

Mr. G. Yetming: If we were to apply that principle, nobody would have savings in this country and nobody would have debt. Every individual will have a different approach. The approach on this side is simply to say that where you have unexpected revenues, put aside some for a rainy day, but at the same time we had embarked on a policy of reducing our debt. *[Interruption]* I am not taking basket from the Member for San Fernando East.

The point is also that whether it be the IMF, Moody's, Standard and Poor's, all of them have commended the Government for the establishment of this Revenue

Stabilization Fund: all of them. [*Interruption*] All the arguments are not equally weighed. Some are strong and some are weak. You will dismiss them when they are weak.

I was making the point, in dealing with whether the Government needs to borrow at all, it needs to make a statement on its position on the Revenue Stabilization Fund and, more particularly, what it intends to do with the in excess of \$1 billion it is likely to receive by the end of the year, assuming the price of oil remains at current levels. The other issue on whether we need to borrow, apart from the Revenue Stabilization Fund, has to do with a couple minor matters that have been in the mill for a while. Two most important would be the question of the reforms taking place in the Inland Revenue Department. I believe there is a bill to deal with the Inland Revenue Department on the Order Paper.

I hope that the Minister, when he is piloting that bill, will tell us a lot more about the reforms that are taking place and that are intended for Inland Revenue Department. There is no question—and this has been said in this House a number of times—that there is severe leakage of taxation revenues in this country. There was an article in the newspaper about the large business case unit where 10 per cent of the businesses that provide, say 70 per cent of taxation revenues, will come under a new unit being created within the Inland Revenue Department as part of the reform. For the benefit of the entire population, the Government could say more on these things so that we can be aware of what is taking place in that area.

We have spoken a lot about leakage of VAT and the need for tightening up in those areas. We have spoken a lot about the review of the energy sector taxation. I believe that in the budget debate there was the acknowledgement by the Government that they are pursuing that and, hopefully, pursuing it aggressively. If there is that review of the taxation of the energy sector, particularly relative to gas, in light of the increasing role of gas in the economy, these things could relieve the need for further borrowing.

I hope that when the Minister is closing the debate on this Motion, he would provide some clarification. I really thought that the piloting of this Motion by the Member for Diego Martin Central was a bit lacking in substance and explanation for us to appreciate the need for Government to increase its borrowing authority.

Thank you very much, Mr. Deputy Speaker.

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Mr. Deputy Speaker, I feel as though I am playing three cards. We agreed that we will do these Motions one at a time and in

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dealing with the Development Loans Act, I dealt with just that. My friend and colleague, the Member for St. Joseph, dealt with the Development Loans Act as well as the Guarantee of Loans (Companies) Act—those are Motions Nos. 3 and 4—and then commented, in ending his contribution, that I did not do justice to the Development Loans Act. So, perhaps I should do justice and deal with Motion No. 4 right away because that is really the fun Motion.

I thought they were very good in getting that Motion as No. 4 on the Order Paper. That Motion deals with the Guarantee of Loans (Companies) Act. That shows that the last government seemed to have gone, where the common folk would call, gallivanting with the people's money.

Mr. Deputy Speaker: I am trying to decide what we are doing. We are doing Motion No. 3.

Hon. K. Valley: Mr. Deputy Speaker, what the Member said was that he was doing Motions Nos. 3 and 4 because that was what they had agreed to do. That is what I heard. It does not matter to me.

Deputy Speaker: Maybe you can speak to the Chief Whip.

Hon. K. Valley: Mr. Deputy Speaker, it really does not matter. We can limit it to Motion No. 3.

Mr. Deputy Speaker: Let us limit it to Motion No. 3.

Hon. Member: We did Motion No. 4 already.

Hon. K. Valley: I will do Motion No. 4 when I come to it, so I will leave that. Therefore, I will deal with some of the issues raised by the Member.

I said, in opening this debate on Motion No. 3 that it is a simple motion to increase the limit on the Development Loans Act from \$10 billion to \$13 billion. The reality is that the last government came to the Parliament and got approval for a similar motion in September 2001. Therefore, one did not see a need really to be expansive on the Motion.

I want to correct a few things, however. The Member stated he would like to hear what was outstanding under this legislation. I thought I had made it clear. Looking at my notes here, it is note A: that the current limit is \$10 billion and the balance outstanding under the legislation at present is \$9.9 billion. I thought I said that as point 1. I thought I said also that it moved from \$5.38 billion in 1995 to \$4.52 billion in 2002 and that the amount the UNC borrowed under this legislation was \$3.9 billion.

He is talking about the total debt. In the budget debate, we dealt with that. In addition to that, the borrowing of the Government for 2002 is about \$800 million. That is new borrowing. In addition to that, the Government—I am talking about guarantee debt—provided Letters of Comfort in 2002 amounting to \$678.6 million, of which \$223 million represented commitments arising out of decisions made by the previous administration. For example, there was Maintenance, Training and Security Company Limited (Secondary Education Modernization Programme) Phase 2 loan, \$175 million; National Security (Vehicular Management Company of Trinidad and Tobago), \$13 million; Tidco, \$35 million. These were all left over—decisions made by the previous government, which we had to finalize.

In addition to those, the Government in 2002 had to issue the following Letters of Comfort for the financing of Caroni (1975) Limited (1975) Limited's operating deficit, \$177 million; National Entrepreneurship Development Company (NEDCO), the new micro enterprise company, \$36.8 million; Solid Waste Management Company Limited, for community improvement projects, \$91.3 million; UdecOTT, for the Siparia Administrative Complex, \$45 million. So, the total amount of Letters of Comfort issued in 2002 was \$632.1 million. That is the guaranteed debt. When we add the direct borrowing by the Government of \$800 million, we would see that it is \$1432.1 million addition in 2002.

If the debt outstanding in 2001 was \$32 billion, therefore the debt outstanding at 2002 has to be \$33.4 billion. I go a bit further because he spoke about the debt to GDP ratio. I think the former minister needs to make a distinction between overall public debt and internal indebtedness. What causes difficulty is external indebtedness. I made the point earlier today that the Government is the best risk in its home country. A government, if one goes to the extreme, can turn on the printing press. So, although the domestic indebtedness is important, what is critical and what the rating agencies look at is external indebtedness. If the Member were to look at the *Economic Bulletin* of the Central Bank, he would see that the external indebtedness has been reducing over time. As a matter of fact, in 2002, there was no external indebtedness. [Interruption] Great, but he lumped everything, talked about the percentage of GDP. He did not give the impression that he noted the distinction between external indebtedness and domestic indebtedness. He was talking about overall public debt as a percentage of GDP.

Mr. Yetming: The overall public debt includes your external debt. The \$33 billion includes that too. I was only making the point that the international agencies, including the IMF, would be looking at your overall debt, which would

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include domestic and overseas and open market operations and guaranteed debt in one figure. You called \$33 billion. I called \$33 billion and \$4 billion to make it the \$37 billion is open market operations. We are saying the same thing.

Hon. K. Valley: I am not going to fight this afternoon. The point I am making is that the IMF and others will concentrate on the external indebtedness because the argument is that you have to find the foreign currency to pay the debt, so they will look at export and so forth. I do not want to get into any debate. I simply ask that he notes the difference.

More significantly, I make the point that we looked at that relationship with GDP. I wanted the Member to note that in the submission of the note for the borrowing—and I am quoting from an addendum because when the officials came with the note in the first place, they had to tell us why we needed this borrowing. I am quoting from an addendum to the original note for the financing and I would just read one paragraph:

“Based on the above, the debt stock is projected to grow by \$7 billion over the next three years. From \$32 billion to \$39 billion, the Gross Domestic Product is estimated to grow a minimum of 4% or by \$2.5 billion annually, that is from \$59 billion to \$67 billion. Therefore, there would be no deterioration in Government's debt position.”

Mr. Yetming: He could have said so.

Hon. K. Valley: I was saving it for the winding up. Let me deal with some other issues. The Member spoke about state enterprises policy. Sometimes I do not know whether Members are listening when we say things. In the *Budget Statement 2002* of the Minister of Finance, I quote page 15.

“State Enterprises

Mr. Speaker, the state sector has been undergoing considerable reform over the past seven years. This process will continue in the context of the overriding strategy to divest those enterprises where continued ownership by the state cannot be justified on strategic grounds; and improve the operating efficiency of those enterprises that remain in the purview of the state.”

Our state enterprises policy was approved by a PNM Convention in 1988, and it guided us for the period 1991 to 1994 when the state enterprise sector was reduced from some 87 enterprises to 41—an active programme of divestment. Basically, the policy states that Government would maintain an investment in the

state sector on strategic grounds and even so, if we feel that a normal state is no longer strategic, we will get out. Where we are involved, we will get out in normal fashion. That is what this is reflecting.

I go further because the Member spoke about EXIM Bank and FCB. I am quoting from the *Budget Statement 2003*, which was delivered on October 21. It says at page 16:

“Over the next fiscal year, the Government plans to pursue the following initiatives:

We will recapitalise the Export-Import Bank of Trinidad and Tobago Limited to give a greater role to the local private sector and international institutional capital. The revitalized EXIMBANK will assist manufacturers in securing new export markets, in particular, in Central and South America.”

We came in, we were aware that they wanted to sell EXIM Bank. We have a vision. We know how we want to position Trinidad and Tobago. We are busy trying to position Trinidad and Tobago as a centre of this part of the world. We are busy trying to get BWIA to go into Cuba. Only yesterday Cabinet agreed on an air transport initiative to assist BWIA to go into Cuba, Costa Rica, Santo Domingo and Northern Brazil. If we are doing that, we need a strong EXIM Bank to go into that market and take the risk of the manufacturers going there, so we have to recapitalize EXIM Bank and try to encourage the Unit Trust to come in there. We are not closing it or selling it. We have put a strong board in there and told them they are a critical part of that initiative. More than that, last week Cabinet approved the setting up of a repair and maintenance facility at Piarco, all part of making this country the centre of this part of the world. We are clear of the direction with state enterprises.

The Member spoke about First Citizens Bank; on page 16 of that budget statement we state:

“We are now taking steps to structure and strengthen the balance sheet of First Citizens Bank Limited.”

It goes on to talk about the Port Authority. I have on my desk a proposal from the Chief Executive Officer of the First Citizens Bank on his ideas concerning the divestment of First Citizens Bank. We have been talking about that since last year and it is on the cards. It has to be approved by the Cabinet. It is all here. I thought he was here for the budget debate.

Then there is the Port Authority of Trinidad and Tobago. We spoke about National Broadcast Networking Limited. We spelt it out. It is not as though we

are guessing. We knew what we wanted to do with state enterprises in Trinidad and Tobago since 1988 and we have been following that policy.

6.00 p.m.

We followed it with BWIA; we are restructuring Caroni now. We know what we are doing and we are going forward. So that I wanted to make that point—state enterprises—Taurus, FCB, where the Member got himself a little tied up. Let me tell you what it is basically. Taurus—we took the bad debt from FCB, put it in Taurus and Taurus gives notes to FCB to evidence that and those notes are backed by a government guarantee.

DEFINITE URGENT MATTER

**Health Sector
(Escalating Crisis)**

Mr. Deputy Speaker: Minister, it is now 6 o'clock and we would adjourn for a definite matter of urgent public importance. [*Desk thumping*] Before we do that, we need to get the—originally it was indicated that it was a motion. It is not a motion. I have been advised—and I have looked at the Standing Orders—it is a matter and, as such, there is no right of reply. You would speak and if there is more than one person, two persons will speak and then the Minister would speak.

Mrs. Persad-Bissessar: How much time per person?

Mr. Deputy Speaker: Well, it depends. It is one hour so there will be 30 minutes on each side. In the event that the Member who discusses the matter originally begins the discussion, and he takes more than 15 minutes—if it is intended to be two, we would from now decide that it will be 15 minutes each and then the Minister will have his 30 minutes to reply. So, would you—I do not know at this time, have you decided how many speakers there will be from the Opposition?

Mrs. Persad-Bissessar: Just one.

Mr. Singh: Mr. Deputy Speaker, the mover of the matter of urgent public importance, Dr. Hamza Rafeeq, Member for Caroni Central, will be the only speaker on this matter.

Mr. Deputy Speaker: You will have 30 minutes. [*Desk thumping*]

Dr. Hamza Rafeeq (Caroni Central): Mr. Deputy Speaker, I am very grateful to you and to Members of this House for giving me the opportunity to raise the issue of the escalating crisis in the health sector in Trinidad and Tobago in this House today. The fact that, for the last eight or nine years or so, this is the first

motion that has caught the eye of the Speaker and qualified under this Standing Order, gives additional credence to the fact that the issue of the health sector crisis is indeed very grave. [*Desk thumping*] This fact, that this is the first such motion to be entertained for the last 10 years or so, I want to confess, does not give me any pride or pleasure because the worsening situation in the health sector can no longer be categorized as a crisis but as a national disaster and, if it is not arrested immediately, it can have catastrophic consequences.

Mr. Deputy Speaker, over the last year, and particularly over the last two and a half weeks, the health services have continued to deteriorate to the extent that at present over one million people in Trinidad and Tobago have no access to basic health care. This is indeed a scandalous situation when more and more people are suffering, more and more people are in pain and, while we do not yet have the figures, people may even be dying because of a lack of medical attention. Mr. Deputy Speaker, when you are insulated in the protected environment of Whitehall or in the protected environment of the office at Duncan Street, you do not come face to face—[*Interruption*] the head office of the Ministry of Health—with the pains and suffering of poor, sick people but, as an elected Member of Parliament and as a former minister of health, I am inundated on a daily basis by poor and suffering people with requests for assistance.

There are many incidents that we can relate but I will just refer to one which did not make the newspapers, but which I can tell you, Mr. Deputy Speaker, represents many more. A few days ago there was a gentleman who was involved in an accident and he went to one of the public health institutions. He was told there that there was no doctor to look after him and he should visit another hospital. He was taken to another hospital and when he got there the situation was the same. He was told that he should visit a private nursing home; he went to the nursing home and was told that there was no room for him. Mr. Deputy Speaker, the entire situation, or disaster as I call it, has been caused by two things: first of all, the incompetence, the high-handedness and the arrogance of the present Minister of Health, [*Desk thumping*] and, secondly, the lack of concern for life and suffering of people by this Government.

This lack of concern for life and suffering is amply demonstrated in this Government's flippant and totally ineffective response to the crime situation where people are being kidnapped, robbed, terrorized and murdered on a regular basis, and in the present situation—

Mr. Deputy Speaker: Hon. Member, please let me just explain. The definite matter of urgent public importance is a special procedure adopted for matters of

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this nature. It is therefore not proper for you to intrude any other matter in it or try to bring in what was refused earlier by the Speaker. So would you please keep on the health situation?

Dr. H. Rafeeq: Thank you, Mr. Deputy Speaker. I was only saying that in passing.

Mr. Deputy Speaker, today I could have walked with a whole stack of newspaper articles detailing the woes of the population but I did not do that. I walked with one newspaper and I know they will say this is a—this is *The Probe*, [Laughter] of Sunday, January 19, 2003 and I quote from an article on page 6 which is headlined, “Imbert bad for our health”. [Interruption] It is written by Ken Ali, and I quote just two paragraphs of this article. It says:

“Even without psychic powers, I can anticipate Imbert continuing to be a humbug to progress in health care, the same way...”

[Interruption] Well I am quoting, Mr. Deputy Speaker:

“...the same way the adolescent Howard Chin Lee doesn’t have the foggiest clue about how to...”

deal with crime.

“But Prime Minister...Manning would hold onto his less-than-able ministers, of course, because to sack them would be—horror of horrors—to acknowledge that he made bad Cabinet choices, which would serve as chinks in his political armour, not to mention his ego.

So, Imbert would continue to pull himself to his full height, talk tough and take senseless wars to health care professionals—even as poor people slump to their deaths at hospitals.”

Mr. Deputy Speaker, I want to inform Members of this House that there are many people in this country, hundreds of thousands of people, who do not have any savings and who simply do not have the means to go to a private doctor or to a private nursing home. These are the people who are being condemned by this Government to suffer and to die because of their uncaring attitude.

This Minister, in one of his usual flippant responses, said that he has a contingency plan which is to send critically ill patients to nursing homes at the expense of the Government; but this Minister is really out of touch with reality and I hope that someone would wake him up because many of the private nursing homes in this country are now refusing to treat patients who are sent there by the

hospitals. This means that the population of this country, unless they have their own money to pay to go to the nursing homes, they have no access to treatment in the public health care institutions and now they have no access to treatment in the private medical institutions. As I said, all of this is happening because of the incompetence and arrogance of the present Minister of Health and the lack of caring by the Government. [*Desk thumping*]

Mr. Deputy Speaker, there is also the question of the lack of confidence in the health system. Even though we have never had in this country a perfect health system, the entire population knows that there are hospitals with highly qualified professionals to which they can go when they get ill. This gives them some degree of comfort and security especially when they are ill. They know that in their hour of greatest need they can go to the hospitals and get attention by, as I said, some of the best professionals in the country, some of the best professionals in the world. What has happened over the last three weeks, however, has served to erode that confidence to the extent that poor people now feel very much exposed and vulnerable.

Do not forget that the present situation in the health sector is not the only shutdown of the system we have had within the last few weeks. Not so long ago the system was shut down when doctors were not given their increments and the Minister had to get an injunction to send them back to work and, Mr. Deputy Speaker, I hope that when the Minister is responding he will tell this honourable House and this country what is the present position with that injunction that was granted some weeks ago.

More recently, there have been several incidents of violence in the nation's hospital, which resulted in closure of the Accident and Emergency Department at the Port of Spain hospital and the clinic for several days. Mr. Deputy Speaker, when I spoke in the budget debate I said at that time and I warned the population that because of the attitude of this Government and this Minister, they should not hold their breath and wait for the situation in the health sector to improve. In fact, it can only deteriorate. [*Desk thumping*]

What has happened over the last few weeks? Let us go back a little to what has happened over the last few weeks. Mr. Deputy Speaker, we have had a situation where the doctors who were employed by the Regional Health Authorities (RHAs), their contracts expired—[*Interruption*]

Mr. Deputy Speaker: Please, order, hon. Members.

Dr. H. Rafeeq:—on December 31, 2002. In an ideal situation, negotiations for a new contract should have been started much earlier and concluded and new

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contracts signed by December 31, 2002. No negotiations were held and no new contracts were signed. The least the Minister and the RHAs could have done was to meet with the doctors and agree on a procedure and on a timetable for the negotiations so that the health system would not have collapsed. What, however, was the Minister's response? The Minister's response was that the doctors whose contracts had just come to an end should take all their leave—some of them had two months', three months' leave—and no negotiations were started.

Mr. Deputy Speaker, the health service offers continuous service. The health service is not like a company where you close down, after Christmas, for stocktaking. The health system offers continuous service. The doctors' response, however, was "Let's talk; let's negotiate for a new contract", and in normal industrial relations practice for any contract, both sides sit, they talk and they negotiate until they come to an acceptable contract. Just let me read into the record again a letter, which was sent by the Medical Professionals Association of Trinidad and Tobago, which I think all Members of Parliament have got. It is dated January 13, 2003 and it says:

"The current health crisis in Trinidad and Tobago has caused undue suffering to the public. MPATT feels that this situation is easily resolvable. There have been numerous fragmented reports and misinformation regarding the underlying issues.

The doctors under the employ of the Regional Health Authorities have repeatedly reiterated their commitment to dialogue. The present stance taken by the Ministry of Health, and specifically the Minister of Health, is that he has refused to dialogue with the bona fide representatives of the doctors. He has further given instructions to the Regional Health Authorities to cease all communications with the parties involved.

We reiterate the doctors are willing to work, but are unable to do so under the present substandard contracts offered. They would like their opinions to be heard and considered in the deliberations and negotiations of an appropriate contract.

The situation will not be solved by the Administration refusing to dialogue with the doctors' bona fide representatives.

This is an appeal to you to use your good office to act as a mediator and to assist in opening the avenue of communication."

It is signed by the President of the Medical Professionals Association of Trinidad and Tobago. Well, Mr. Deputy Speaker, you know what happened? [*Interruption*] Before the contracts came to an end—[*Interruption*]

Mr. Deputy Speaker: I am having difficulty hearing you.

Dr. H. Rafeeq: Before the contracts came to an end—[*Interruption*]

Mr. Deputy Speaker: Could you allow the hon. Member to continue undisturbed?

Dr. H. Rafeeq: Before the contracts came to an end and when the doctors made approaches to the Regional Health Authorities to begin negotiations, the chairman of the South West Regional Health Authority entered into discussions with the doctors and immediately he was given a letter by the Minister of Health saying—he was rebuked by the Minister and he was given a letter saying to desist from negotiations immediately.

What did the Minister do? He did not engage in any discussions [*Interruption*] with the doctors but instead, after a few days in this year, when the doctors did not work because they had no contract, the Minister dropped a hastily prepared contract and gave them three days to sign the contract—Mr. Deputy Speaker, no room for dialogue. There was no room for dialogue for that as far as that contract is concerned. They were given a take it or leave it contract. “This is your contract; sign it or leave it.” Even if their name was wrong on the contract, there was no dialogue in that. Sign the contract or leave it. Mr. Deputy Speaker, that is the height of arrogance and dictatorship.

We understand very clearly that the doctors have contract employment, they do not have permanent employment, and we understand the difference in concepts between the negotiations that have to take place for permanent employment and for contract employment. So there is no collective bargaining as far as contract employment is concerned. The doctors bargain on their own. The doctors bargain one by one. We understand that. [*Desk thumping*] The doctors’ response, as I said, was that they were willing to talk individually or they were willing to talk collectively. We understand also that when you negotiate, as far as a contract is concerned, the decisions there are not registrable in the Industrial Court. We understand that because it is not collective bargaining.

However, Mr. Deputy Speaker, two years ago when we faced a similar situation with the doctors—we faced a situation as the present Government is facing where you have 200 doctors and you have to negotiate individually a contract with each one of them—we asked them at that time, “Do you want to negotiate individually or shall we sit and speak with you and come to some kind of gentleman’s agreement, if you want to call it that, and at the end of it we will put it in a contract and each of you will sign?” They, Mr. Deputy Speaker, in one

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voice at that time said, “Yes, we want to speak collectively and we want the Public Services Association to speak on our behalf—to be there with us, to speak on our behalf and to be our advisor.” We entertained that and we spoke with them. We came to certain broad decisions and we put them in contract form. We went to the doctors and the doctors signed them individually.

Mr. Deputy Speaker, is that wrong? Is that illegal? If that is illegal, then what is happening at present? What is happening today? Not only that, but just a few months ago the Tobago House of Assembly sat with the Public Services Association for the same contract officers, negotiated and signed an agreement with them under the watchful eyes of this Minister of Health and the Minister of Labour. If it is good for the doctors in Tobago, what is wrong with the doctors in Trinidad? Why can they not sit? You know something, Mr. Deputy Speaker? The doctors are speaking at present. One doctor is speaking to the South West RHA. The South West Regional Health Authority at this point in time is speaking to one doctor and accompanying that doctor are representatives from the Medical Professionals Association of Trinidad and Tobago. Why could that not have been done six weeks ago so that the country would not have had to be put through the trauma that it is undergoing at present?

You understand, Mr. Deputy Speaker, that when you negotiate with one doctor and you come to an agreement, what will be the purpose of negotiating with the other doctors? Are you then opening the doors for other doctors to negotiate a contract that is different from the first one that you negotiated? If you negotiate with the first doctor, come to an agreement and you sign that contract and the second doctor comes and he asks for superior terms and conditions, are you going to say, “No, this is the same contract that you have to sign because this is the one that was negotiated”? If not and you give him the opportunity to negotiate, then you will have 200 doctors with 200 different contract terms and conditions. Where is the sense in this?

Not only that, Mr. Deputy Speaker; negotiations took place yesterday and the Minister must answer, when he gets up to respond, when are negotiations going to restart? It started yesterday. When is it going to restart? My understanding is, it is going to restart next week Wednesday. Why are you treating this thing so flippantly? Why is there no urgency in treating with the doctors, having negotiations with them and giving them their contracts? People are suffering, people are in pain and people are dying. You had one session of negotiations yesterday with one doctor and you postponed negotiations until next week Wednesday.

Mr. Deputy Speaker, I want the Minister to tell us today whether his refusal to meet with the doctors and the wrap on the knuckles that he had for the chairman

of the South West Regional Health Authority had anything to do with a commitment that this Government gave to the President of the Public Services Association (PSA). [*Desk thumping*] He must tell us today whether this is now payback time for the President of the Public Services Association for the support that the PSA gave this Government during the elections. [*Desk thumping*]

He must say whether it has anything to do with support that the PSA has given this Government over the last year and the continuing support that it has given them over the last few weeks in this year. He must also tell us, Mr. Deputy Speaker, whether it has anything personal to do with the present President of the Medical Professionals Association of Trinidad and Tobago because my understanding is that the present President of the Medical Practitioners Association of Trinidad and Tobago is now under investigation by the Minister to find out—intimidation—and it is not the first time—[*Interruption*]

He is saying across the floor that that is my nephew. I want to make it categorically clear here today that I have no blood or marital relationship with Dr. Furlonge. The same relationship that I have with Dr. Furlonge is the relationship the Minister has with Dr. Furlonge. When I was Minister I treated with him as a professional, but this Minister refuses to treat him as a professional. Mr. Deputy Speaker, this Minister's response has been to terrorize the doctors, to threaten the doctors to jail them, to lock them up, and his response has been to bring in Cuban doctors to replace the Trinidad doctors. Let me make it abundantly clear that our position on this side is that we have nothing against foreign doctors coming to Trinidad and Tobago to practise. In fact, there are many foreign doctors who already practice in this country and many of them have done quite well, but we would not like anything to be done that will lower the standards of medical practice in this country. [*Desk thumping*]

The irony of all this is that you have to go to Cuba, you have to take your team with you, you have to sit and negotiate terms and conditions with the Cuban doctors, but you cannot sit and negotiate with your own doctors here in Trinidad and Tobago. [*Desk thumping*] You cannot give the same courtesy to your own Trinidad doctors. [*Interruption*]

Mr. Deputy Speaker, I want to echo what the Member for Couva South is saying and that is that the Minister intends to bring Cuban doctors here to be used as scab labour. I would be very interested to know what the President of Cuba has to say about that, his doctors coming down to Trinidad to be used as scab labour. Mr. Deputy Speaker, the Prime Minister has already issued a threat to the medical board that if it does not support that initiative then he will come to Parliament and

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amend the law in order to give the Cuban doctors registration. There is a process of registration for doctors in this country and, if that process is bypassed by legislation, there is a possibility that we can have doctors of substandard quality practising on the people of Trinidad and Tobago but we will say more on that when that time comes.

Mr. Deputy Speaker, as I wind up, because I only have a few minutes left, the usual response of the Minister is flippant and dismissive. I hope that today he will give a serious response. Usually the Minister seeks to lay blame at the feet of everyone else except himself. He blames the RHAs, he blames the doctors, he blames the managers, he blames the administration and he blames the past government. I hope today that he acknowledges the fact that he is the Minister of Health and accepts that he is ultimately responsible for the health sector and that the buck stops with him. I know that he is under heavy manners because I know that the Minister of Public Administration wants to take over a substantial part of his portfolio. *[Interruption]* I know that the Minister of Public Administration wants to take over the entire human resources portfolio of the Ministry of Health and, Mr. Deputy Speaker, because of his closeness with the Prime Minister, I know that this Minister has a right to be worried.

However, on behalf of the hundreds of thousands of citizens in this country who seek medical attention in the public health institutions, on behalf of the thousands of persons who are in pain and suffering because of lack of medical attention, on behalf of the relatives of persons who may have died because of lack of medical attention, I ask this Minister to take steps to immediately end the impasse and get the doctors back on the wards. *[Desk thumping]* I hope that he will not come and say that the doctors' proposals for a new contract are outrageous. If the negotiations only started yesterday and the doctors turned up with a proposal, then that, I am sure, is a negotiable position. I say that even as the doctors will be willing to compromise, I am sure that with clauses on that proposal, this Minister must be willing to compromise so that we can get the health sector working again and we can stop the suffering of poor people in this country.

Thank you very much, Mr. Deputy Speaker. *[Desk thumping]*

The Minister of Health (Hon. Colm Imbert): *[Desk thumping]* Thank you, Mr. Deputy Speaker. I recognize that the Member for Caroni Central did not expect the Speaker to grant leave for this matter to be debated because of the very poor contribution that we have just heard. *[Desk thumping]* Mr. Deputy Speaker—*[Interruption]*

Mr. Ramsaran: “Change the opening remark, nah”?

Hon. C. Imbert: No. He obviously was not ready. It is necessary, Mr. Deputy Speaker—

Mr. Deputy Speaker: Members, could you—this is what was required. Now the Minister is replying, let us hear him, please?

Hon. C. Imbert: Yes, Mr. Deputy Speaker. Now it is necessary to deal with the facts as opposed to the fantasy that has been given to us. Let me take, as my point of departure, that infamous, illegal two-year memorandum of agreement agreed to by the former minister and by the former government. It is necessary for the population to know, Mr. Deputy Speaker, that illegal two-year agreement, which could not be enforced in the Industrial Court, which had no force of law, which had no effect, which was void, was entered into by the last administration three days before the 2001 general election. Three days before the 2001 general election is when this illegal document was entered into and, Mr. Deputy Speaker, the CEOs of the Regional Health Authorities had no say in this, you know. They were instructed by that ex-minister and that administration to sign this or else. That is what occurred. That is why we are in this situation, because of this illegal document, Mr. Deputy Speaker.

Now, the other reason we are at this sorry impasse, is because that former administration allowed a system of abuse to creep into and develop in the health sector and this is why we have a situation now where a medical practitioner can have a contract that says he is required to be in the hospital when necessary and when you seek to determine what “when necessary” means, it means “when his supervisor thinks that he should be in the hospital”. When you ask the supervisor what does this mean, of course you do not get an appropriate answer. You do not get the—it is “when necessary”. So that, you have a ridiculous situation now where the whole country knows that there is a crisis in the health sector.

The former minister had even brought a matter, and when the Ministry of Health communicated with the hospitals to determine what was the level of service being offered, what services were available and what services are not available to the general public—about a week ago, in the morning, we communicated with the Eric Williams Medical Sciences Complex and we asked, “Well, what is the current situation?” We were told: “It is not good; a number of doctors have absented themselves. We can only offer an emergency service” and so on. So in the afternoon we decided to reduce that to writing. We sent a letter and we said, “Please tell us exactly what is going on, which doctors are at work,

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which doctors are not at work, which services are affected?" and so on. We got back a ridiculous response that every single doctor was on the job.

This is the kind of abuse, Mr. Deputy Speaker, that has crept into this system where you have a situation of medical practitioners not being in the hospital and there is no system of dealing with it. In the contracts that are currently being discussed, we are dealing with that. [*Desk thumping*] We are dealing with that because the buck does stop with the Government and the Minister and we are going to ensure that no longer will there be a situation where a medical practitioner is not required to be in the hospital and can be somewhere else and when he or she is called out he or she can decline to come into the hospital and you have the consequent deleterious effects on public health care and the negative effect on people in the hospital.

Mr. Deputy Speaker, they could bleat and carry on all they want, you know. In their private conversations with me they are more realistic and practical and they tell me that someone has to deal with this situation once and for all. So this administration is going to ensure that when medical practitioners are required to be in the hospital, that they are there and, if they are not there, they will be subject to disciplinary action. It is the first administration that has decided that it is time to put an end to all of this. The former minister could not do it. His junior minister got into conflict with him over this because his junior minister was trying to clean up the situation within the public health system. [*Desk thumping*] He genuinely was trying to deal with the absenteeism and the indiscipline that exist in the system and he got into conflict and they put him "under heavy manners".

That is why you could hear a chairman of a Regional Health Authority speaking about a former Minister of Health under the UNC saying, "Let the jackass bray". That is the kind of disrespect and indiscipline that was inculcated in the health sector under the former administration, Mr. Deputy Speaker. [*Desk thumping*] I am emphatic that we are not going to tolerate this; the rot, the decay and the deterioration of standards and discipline in the health sector that has occurred, particularly over the last six years, because you had an administration that was not interested in dealing with these issues.

You had an administration that had a lot of vested interest in it. You had a lot of lobbyists in that political party who were able to bypass the minister. As a matter of fact, I am told there were meetings in the Ministry of Health with chairmen of RHAs, some of them famous and some of them infamous, and the minister gave instructions to these chairmen. One of these chairmen, in the Duncan Street building in which the Ministry is now, looked the minister in the

eye and said, “We’ll see about that. I will speak to the Prime Minister about that”, and that was the end of all that—as I said, chairmen famous and infamous. [Interruption]

We have to deal with the facts too, Mr. Deputy Speaker, relating to the current impasse. [Interruption] What really happened in the health sector? Over the period October—December 2002, doctors whose contracts had expired began submitting individual letters to the South West RHA, in particular, indicating their willingness to have their contracts renewed. So the normal process was stimulated. The contracts were coming to an end and two or three months before the end of the contract a number of medical doctors sent letters to the South West RHA, up to as late as December 16, 2002, indicating their willingness to have their contracts renewed. The South West RHA in turn indicated that the contracts would be renewed on the same terms and conditions for a period of one year and two or three days before December 31, 2002, Mr. Deputy Speaker, just two days before the new contracts were ready to be executed, up pops this group called the Medical Professionals Association of Trinidad and Tobago—two days before.

The process is in train. The doctors write their letters. They say they want their contracts renewed. The South West RHA prepares the necessary documentation to renew the contracts and so on and 48 hours before the process is to be completed, in comes the Medical Professionals Association and demands that in the new contracts they be named as the collective bargaining agent for the medical practitioners and say that, if that is not granted to the doctors, if that clause is not inserted in the contracts, that is it, “Dey on strike—dun. Dey downing tools” and there will be chaos in the health sector.

Well, so said so done. They have no conscience. I would tell the former minister—he is also a medical practitioner—I have taken a very good look at the Hippocratic oath and I cannot understand how people who have taken that oath have decided to engage in this kind of action because, let the truth be told, there are just 41 house officers in the South West RHA whose contracts have expired—41, 42—but there are 180 doctors in the southern region. In fact, there are 600 doctors approximately in the public system. Approximately 300 are public servants holding permanent appointments and 300 are RHA contract workers.

The way this arose is that, about five or six years ago, the Government took a decision not to employ any new doctors as public servants and that any new doctors who wanted to get into the system, whether interns who were graduating to become house officers or whatever, they would be employed in the RHA. So, over a period of six years or so, a cadre of RHA doctors has now been developed,

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primarily junior doctors, but in the public service you have about 300 senior doctors—registrars, SMOs and so on—who are public servants but you had a situation where 41 house officers in the South West RHA whose contracts have expired exercising their right—and it is their right—to say that “We want to have these contracts dealt with before we decide to work.”

However, what about the other 550? The former minister has been noticeably silent about that. What about the 300 public service doctors who have no legitimate grievance whatsoever? They are members of the public service. They have not indicated any desire to transfer to the RHAs. They are permanently pensionable officers. They received a salary increase last year. A great proportion of them have received their back pay arising out of this infamous agreement. What possible legitimate and legal, ethical or moral grievance could they have? None! They are engaging in wildcat industrial action in sympathy for the 41 who are trying to get their contracts renewed or trying to get the union named in the contracts. What about the 200 other RHA doctors who are not in this situation of the 41 junior doctors? They have contracts that have been extended, that have time still to run and so on. You are talking about approximately 500 doctors who have no legal, ethical, moral or legitimate grievance but they are engaging in industrial action too, yet I have not heard a word from the Member for Caroni Central about that.

Therefore, what is the cause of all this pain and suffering to the general public? [*Interruption*]

Hon. Members: You! You! You!

Hon. C. Imbert: Who, Mr. Deputy Speaker? [*Interruption*] Who has initiated this civil disobedience? [*Interruption*] Who has encouraged these 500 doctors who are either public servants or have valid contracts or renewed extended contracts to engage in industrial action? Just today, Mr. Deputy Speaker, I asked the medical chiefs of staff of San Fernando, Port of Spain, the Eric Williams Medical Sciences Complex and the Mount Hope Maternity Hospital to come and see me. I asked to see them because I was fed up of the misinformation in the system—misinformation—[*Interruption*] When you know—[*Interruption*] when you know [*Interruption*] that all elective surgery—

Mr. Deputy Speaker: Hon. Minister, please. I know in the exuberance of the moment you are attempting to crosstalk but please, you wanted to hear the Minister, hear him. There are strangers in the gallery who came to hear him. Let him speak. [*Desk thumping*]

Hon. C. Imbert: Thank you, Mr. Deputy Speaker. It seems they are not able to deal with the truth. [*Desk thumping*] So you have a situation where Port of Spain has cancelled all elective surgery—[*Interruption*] stop yapping—clinics have been cancelled, most hospitals are in emergency mode only, in the San Fernando General Hospital, emergency cases are being sent to private nursing homes but when you communicate with these hospitals, this fraternity bands together—because you have to get the information from them—and tells you, “No problem, everybody is at work, everything is all right”, but you know that elective surgery is cancelled and clinics are cancelled. So I called in the medical chiefs of staff and I asked them to give me a face-to-face account of what was happening.

The chief of staff from Eric Williams gave me his report, the chief of staff from Mount Hope Maternity, from San Fernando General and Port of Spain General, Mr. Deputy Speaker, and out of the 94 house officers in San Fernando General, 84 are engaging in industrial action—84. That is the information that I received. In Port of Spain, 50 per cent of the house officers are engaging in industrial action. Among the registrars, they are coming today but not coming tomorrow. When there is a clinic to admit people to the ward they absent themselves. They come out the following day. Why is the hon. Member for Caroni Central not talking about that? I would like to know—he will answer me at another time and another place—are you condoning that type of behaviour? I would say yes you are. You are condoning and supporting it. I say, Mr. Deputy Speaker, that the Member for Caroni Central is part and parcel of this entire problem. [*Desk thumping*] [*Interruption*]

The fact is, Mr. Deputy Speaker, we have a significant number of medical doctors engaging in illegal industrial action, deliberately, and they are doing it as a wildcat strike in sympathy with the other ones who are trying to get recognition. They are trying to bypass the Recognition and Registration Board. They have an application pending, Mr. Deputy Speaker. The Medical Professionals Association submitted an application to the Registration, Recognition and Certification Board only in November 2002. Look at when they did it, November 2002. There is a process, as everyone knows, in which the civil servants have to do a number of things. They have to hold clarification meetings with the employers, with the North West RHA, the South West RHA and with the eastern RHA. They have to determine exactly what is the bargaining unit that the medical practitioners want to negotiate on their behalf, but they have asked for it. [*Interruption*]

Ah! You see, Mr. Deputy Speaker? The Member for Couva South has hit the nail on the head. There can be no bargaining unit for contract workers. [*Desk thumping*]

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He hit the nail on the head. *[Interruption]* Mr. Deputy Speaker, I want to repeat that. The Member for Couva South has just confirmed that it is not possible to have a bargaining unit for contract officers. He just said it. *[Desk thumping]* I will read for you now. This is the application for certification of recognition by the Medical Professionals Association of Trinidad and Tobago dated November 08, 2002.

Take notice that on 18th October, the Registration, Recognition and Certification Board received from the above named union an application for certification of recognition as the recognized majority unit in respect of a bargaining unit comprising medical doctors including those performing administrative, supervisory and clinical duties of the North West RHA...

There is a similar one for South West and for East. So exactly what the Member for Couva South said they cannot get, they have applied for. *[Desk thumping]* *[Interruption]* You just said it. Mr. Deputy Speaker—*[Interruption]* It is on the *Hansard*. “He could say wha’ he want.”

It is necessary to state the law. Under section 51(5) of the Industrial Relations Act, Mr. Deputy Speaker—and I shall read it for the edification and education of the Members on the other side:

“For the purpose of this Act and in particular subsection (1)(c), a trade union other than recognised majority trade union, is competent to pursue the following types of trade dispute, but no other...”

[Interruption] Mr. Deputy Speaker, could I have, you know—could I ask you to tell the Members—

Mr. Deputy Speaker: Hon. Members, the Minister has asked for my protection. Would you please allow him to continue undisturbed? Otherwise I might have to give him injury time.

Hon. C. Imbert: Thank you, Mr. Deputy Speaker. Let me repeat section 51(5) of the Industrial Relations Act:

“For the purpose of this Act and in particular subsection (1)(c), a trade union other than a recognised majority union, is competent to pursue the following types of trade dispute, but no other,...

- (a) any dispute or difference between the employer and the union or between workers and workers of that employer, in each case being on behalf of members of the union, concerning the application to any such worker of existing terms and conditions...;and

- (b) a dispute between the employer and the union as to dismissal, employment, non-employment...”

What this means, Mr. Deputy Speaker, is that under the Industrial Relations Act, as it relates to individual contract employees, the only place and the only *locus standi* that MPATT could ever have is to deal with grievances arising out of an existing industrial relations agreement. There is no way under the sun that MPATT can be a collective bargaining agent for contract workers and there is no way under the sun that they could even deal with grievances until there is an existing contract. Since there is no contract—the house officers have refused to sign the contract—they are outside the ambit of the Industrial Relations Act.

What is bothering me, Mr. Deputy Speaker, is the quality of advice being given to the medical practitioners by Members of the Opposition. [*Desk thumping*] So that, they are dealing with—incompetent people are advising the medical practitioners. [*Desk thumping*]

It is just like this alleged mass resignation. You are talking about public servants with 25 to 30 years’ service in the public service, public servants who have gone through procedures, who have even been before the Public Service Commission for 25 years but these 60 senior public servants would like us to believe that they do not know that if they have to tender their resignation they must write the permanent secretary. They want us to believe that they do not know that and that they could circulate a petition for the media and send it to the Regional Health Authority? Mr. Deputy Speaker, you are talking about public servants whose employer is the Chief Personnel Officer, whose supervisor is the permanent secretary and who report to the Public Service Commission. They know that for 25 years but they send a letter to the regional health authority saying “Dey going to resign in a circular. Of course is ah grand charge— [*Interruption*—grand charge.” [*Interruption*]

In fact, Mr. Deputy Speaker, we received one request from one senior doctor in San Fernando asking for early retirement, sent to us by fax yesterday, and before “de ink dry” on that facsimile message we get a hard copy of another letter asking for that to be rescinded—in 24 hours. I am just intrigued that you could have “all dis bacchanal” and this “commesse” and “all dis” attempt at creating panic—[*Interruption*]

Mr. Deputy Speaker: Member for Nariva, I know you like to have the crosstalk but do it softly, otherwise I am going to hear the improper unparliamentary language you are using.

Hon. C. Imbert: Thank you, Mr. Deputy Speaker. All that experience tells me is that rumour about the resignations of 60 senior doctors was intended to create panic. Well, it did not. It did not create any panic. Let me deal with the future now in the next six minutes.

I am giving doctors my assurance today, all of those young doctors who are being misled, who are being harassed, intimidated, threatened, bullied, by others for their own selfish ends—I am giving an assurance today to all the junior doctors who are being bullied by selfish interests—the Government is giving doctors an assurance today that, as we move forward into the future, we are going to be looking at all forms of compensation packages. We will consider all the models that exist all over the world. In other countries, in other territories, doctors are paid excellent salaries, but they are prohibited from private practice. Once you are a doctor in the public system, in many countries in the world you are paid very high salaries but you are banned from private practice. That is one model, and these are some of the models we will be discussing with medical practitioners in due course.

Another model is to carefully define the hours of work and to allow doctors to have a private practice on certain terms and conditions. So that we say, you must be in the hospitals for 40 hours and you can leave after that and go to your private practice. If you are in receipt of an on-call allowance and you are called, you come, okay, but you can have your private practice under agreed terms and conditions. In other countries facilities are made available in the public hospitals—in Great Britain for example, doctors are given facilities in the public hospitals to have their private practice in those hospitals, which makes a lot of sense.

So that, as we move to the future, the Government is giving the assurance to the doctors who are being misled at this time that we will be developing models [Desk thumping] that recognize the value of the service they provide to the public of Trinidad and Tobago, that their compensation package will be agreed upon, taking into account the value of the service that they provide to the people of Trinidad and Tobago and that this pernicious evil of unregulated free-for-all private practice that takes place will come to an end. [Desk thumping] So that everybody will understand what their terms of reference are, when they should be in the hospital, when they should not be in the hospital and they will be well compensated for that.

I thank you, Mr. Deputy Speaker. [*Desk thumping*]

**DEVELOPMENT LOANS ACT
(INCREASE IN BORROWING)**

Mr. Deputy Speaker: The Minister of State in the Ministry of Finance. [*Desk thumping*] [*Interruption*] Well, you are some Minister. You have taken 15 minutes of your speaking time.

Hon. K. Valley: Thank you very much, Mr. Deputy Speaker. After that break, I mean, I think—[*Interruption*] No, I need to do justice to the comments made by the hon. Member and I realize that we do have some other issues with which to deal.

Mr. Deputy Speaker: Hon. Members, please, give an ear to the hon. Minister.

Hon. K. Valley: When we took the break, Mr. Deputy Speaker, I was making the point that the Government's policy with respect to state enterprises was well known and well articulated. I had just finished quoting the budget statement for 2003. Mr. Deputy Speaker, a major budget document is the *Social & Economic Policy Framework* and again in that document at page 27 the state enterprise policy is stated. I would just put a bit of this into the record, because again I want to ask the Member for St. Augustine whether he has a copy of this document and whether he has bothered to read it.

Page 27, Mr. Deputy Speaker. I am quoting from paragraph 3:

“With respect to state enterprises, the Government has formulated a three-part framework involving the rationalisation and review of all enterprises. The key objectives of this framework are to strengthen state governance in sectors of strategic significance, rationalise and reform inefficient enterprises, and optimise resource allocation and financing within all state enterprises.”

It goes on, Mr. Deputy Speaker. I know the Member spoke specifically about ADB and I simply want to put this on record; but before this he spoke also of Caroni. Let us deal with that. It continues in para four, Mr. Deputy Speaker:

“As part of this effort, the Government will promote deeper private sector involvement in state-owned enterprises. Accordingly, the reform of Caroni (1975) Limited is intended to stimulate new economic activity in light industrial manufacturing and agro-processing.

The reform will be supported by a review of the structure and operations of the Agricultural Development Bank (ADB) and the National Agricultural Marketing and Development Corporation (NAMDEVCO). This

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process will broaden access by the agricultural sector to competitive financing of loans for small micro-enterprise farmers within the framework of a more competitive marketing structure.”

It goes on and talks about the audit unit and transparency and so on, Mr. Deputy Speaker, making the point quite simply that the policy on state enterprises is well articulated. It is documented and so on.

7.00 p.m.

I want to say one other word on the Agricultural Development Bank, Mr. Deputy Speaker. We have found that sometimes we set up organizations for developmental purposes and then sometimes they go off course and forget that they are developmental in nature. We had reasons to convert the Small Business Development Company (SBDC) into the Business Development Company emphasizing development, especially in this era in which we are going into the competitive global environment. We believe that there is need in the case of SBDC to have an organization dedicated to grow businesses, whether they are small, medium or large and to help them to cope with the vicissitudes of the global environment.

It is the same thing with the Agricultural Development Bank; it seems to have lost its way. We continue to believe there is need for a developmental institution in the agricultural sector and the issue is: How do we configure ADB to provide the infrastructure that is going to cater for efficiency in operation in achieving that objective? So we are aware of the work that was done, but we do not always agree with the policy positions of others as has been seen in the case of the EXIM Bank. It all has to tie in with the overall picture that we have for the country, and that is where we differ.

Three other issues quite quickly. The Member asked: Do you need to borrow at all? By some estimation, he expects that if oil prices hold at \$30 per barrel there would become some \$1 billion surplus in 2003. The first thing one notes is that that is after the fact; we will know it by the end of 2003. I want to assure the Member that, God Forbid, should we be so fortunate to have that type of surplus, I could guarantee him that, at least, 60 per cent would go to the Revenue Stabilization Fund. It is like buying a lottery ticket and you tell everybody before that if you win, you will get this and you will get that; but I am making a commitment that if we realize the surplus of \$1 billion, 60 per cent would go into the Revenue Stabilization Fund.

We continue to maintain, however, that it is inconceivable to say that you are saving when, in fact, one is borrowing. We cannot talk in terms of putting funds

aside into a revenue stabilization fund, when there is still a financing need, because the concept of a revenue stabilization fund must be structured on a net basis, meaning, if I put \$600 into my revenue stabilization fund and I borrow \$500, really, I am putting \$100 in my revenue stabilization fund; that is what I am doing.

We have no difficulty; we have said quite clearly that we would come to the Parliament, because the concept is right as long as there are funds. If, in fact, as from 2004, with the BHP oil discovery, there is revenue in excess of our current needs, we need to set some aside. We need to do that. I do not think anyone would argue with that.

Mr. Deputy Speaker, the last issue that the Member spoke about is about the Inland Revenue. I want to assure him that we are looking at the revenue agency; we are looking at customs and revenue and gearing up for increasing the efficiency there.

Unless, there is something I have missed and I am on Motion No. 3, I still have Motion No. 4 to deal with—I am more fortunate than the Member for St. Augustine, because from what he has said, he has already dealt with Motion No. 4—with these words, I beg to move that the House approve Motion No. 3 on the Order Paper.

I thank you.

Question put and agreed to.

Resolved:

That for the purposes stated in the said section, the Government is hereby authorised to borrow money externally or internally in a further sum or sums not exceeding in the aggregate three thousand million dollars in the currency of Trinidad and Tobago.

**GUARANTEE OF LOANS (COMPANIES) ACT
(INCREASE IN BORROWING)**

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

Whereas it is *inter alia* provided by subsection (1) of section 3 of the Guarantee of Loans (Companies) Act, Chap. 71:82, (hereinafter referred to as “the Act”) that the Government may, in such manner and on such terms and subject to such conditions as may be agreed between it and a lending agency, guarantee the discharge by a company of its obligations under any agreement

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which may be entered into the Company with a lending agency in respect of any borrowing by that company that is authorised by the Government:

And Whereas it is provided by subsection (1) of section 4 of the Act, that the aggregate amount of all borrowings by Companies that are guaranteed by the Government under the Act, shall not exceed fifty million dollars (without taking into account any amount in respect of interest, commissions and any other expenses secured by the guarantees) or such greater sum as may from time to time be specified by Resolution of the Senate and the House of Representatives:

And Whereas by Resolution passed in the House of Representatives on May 14, 1979 and in the Senate on May 22, 1979 an aggregate sum of five thousand million dollars was specified:

And Whereas it is now necessary to increase the aggregate amount of all borrowings by Companies that are guaranteed by the Government under the Act by a further sum of four thousand million dollars:

Be it Resolved that the aggregate amount of all borrowings by companies that are guaranteed by the Government under the Act shall not exceed nine thousand million dollars in the currency of Trinidad and Tobago.

Mr. Speaker, as I said, this Motion No. 4 is the most interesting one on the Order Paper and I think that the Opposition has been quite good in getting this Motion to be debated at five past seven.

This legislation allows the Government to guarantee obligations by companies that are majority owned or controlled by the Government. The primary purpose of the Motion before us today is to provide Government guarantees for a number of loans raised by the previous government which are now guaranteed by a euphemistically called, "letter of comfort".

I should tell you that a letter of comfort was used, I think, for the first time sometime around 1995 and at the end of 1995 the amount under letters of comfort was \$5.8 million. In a sense I think it is breaking the law when there is a government guarantee provided for under the legislation and one attempts to commit the government guarantee provided for under legislation and one attempts to commit the Government by way of letters of comfort.

Really, it is pledging good faith of the Government; there is no legal status of a letter of comfort. But rather than increasing the limits under the legislation, way

back in 1996, the last government went—and, really, I like that word—“gallivanting” with the people’s money. Mr. Deputy Speaker, a total of \$1641.5 million raised by the former government with letters of comfort.

Let me give you some examples: Maintenance Training and Security (MTS); the SEMP programme, some \$438 million and we are talking about projects such as the Biche school and other schools where there were large overruns. When we got MTS the company was incurring a loss and paying all types of bonuses to the Chief Executive Officer and other people. Then there was the letter of comfort for Caroni, \$330 million; the Vehicle Maintenance Company of Trinidad and Tobago (VMCOTT), immediately as it was established was issued \$62.5 million letters of comfort; borrowings backed by letters of comfort. Then, of course, there was the Tourism Industrial Development Corporation (TIDCO) and its road paving between 1999 and 2001, \$810 million. [*Interruption*] You are right to raise your eye. Roads were paved! But they mashing up already; a waste. [*Crosstalk*]

So here we established a company to market Trinidad and Tobago as a location for inward investors, as a destination for tourism and they take the people's organization and turned it into a road contractor, \$8.10 million, to give a total of some \$1,641.5 million under letters of comfort. At present, of that \$1.6 million the amount outstanding under the letters of comfort, is some \$1.5 billion; in other words, \$1,514.1 million under letters of comfort, and as we increase this amount by \$4 million we would be able to replace these letters of comfort by guarantee instruments under this legislation.

Now, I should tell you something else, Mr. Deputy Speaker, because this is another motion that was passed on September 12 of last year. The difference here is that while the Minister came last year to increase the limit from \$5,000 million to \$10,000 million, we have decided to limit the increase to \$9,000 million. That is why I was extremely surprised when I heard the former Prime Minister, the Leader of the Opposition taking issue with the motion, because this is cleaning up their work. Is he Leader of the Opposition? Yes, he has appointed Senators. Mr. Deputy Speaker, in 1995 when we left office there was \$5.8 million in letters of comfort; at the end of December 2001 there was \$1.5 billion.

Under the Guarantee of Loans (Companies) Act, the amount of guarantees issued at the end of 2001 was \$4.6 billion, increasing from \$2.4 billion in 1995. So that one sees that while in 1995 under the Guarantee of Loans (Companies) Act there was some \$2.9 billion, roughly \$3 billion, outstanding, letters increased considerably, because in addition to the \$1.5 under letters of comfort, there is \$4.6

billion outstanding under the legislation; so the \$6.1 billion is a doubling over a six-year period.

I should tell you, Mr. Deputy Speaker, that this legislation was first enacted in 1969 with a limit of \$70 million and over time it increased to \$5 billion. The last increase was in 1979, when the limit was increased to \$5 billion. So that from 1969—1995, the amount guaranteed under this legislation is some \$3 billion, but in the period of six years, 1995—2001, they have increased it considerably, doubled it, \$6.1 billion. You know, even in that situation I sit here with a smile and listen to my colleagues across the floor asking about policy and what are our initiatives. I wonder whether they did not know about these things over the last six years when they were spending as though it was going out of style. One simply has to consider what happened at that airport or for that matter, you would remember the Miss Universe Pageant; the spending, as though there was a bottomless pit, increasing the public debt. And they now want to lecture us about Moody's and Standard and Poor's. Can you imagine! [*Crosstalk*] Well, we cannot blame him; he was not there. He should never have been there; he would have maintained his credibility; he has tainted himself.

I would be extremely amazed if we failed to get the support for this legislation from those on the other side. I would have been extremely quiet had it not been their leader who, on his arrival back from London, jumped up and said, "Hey, look they want to borrow \$8 billion," without talking to any of them. I am sure if he had spoken to the Member for St. Joseph, he would have been put right. Without speaking with anyone, amazing; but as I told him this afternoon this Parliament functioned extremely well in his absence and, of course, we look forward to a continuation of the standard to which we have become accustomed in the recent past.

Mr. Deputy Speaker, I beg to move.

Question proposed.

Miss Gillian Lucky (*Pointe-a-Pierre*): Mr. Deputy Speaker, in my contribution this evening I do not intend to expound on economic policy or to use economic terminology, because my colleagues, the Members of Parliament for St. Augustine and St. Joseph, with their contributions, have been able to display their wealth of knowledge and expertise in the field of economics and relate it to the economy of Trinidad and Tobago. In any event, the field of economics is not my area of expertise.

What I intend to deal with very briefly in my contribution is an issue that confronts us and is presently out of control in the Republic of Trinidad and Tobago and is one which, if it continues escalating out of control, has the capacity to destroy our economy and thereby, the Government's ability to borrow money or to act as guarantor, as in this particular Motion and, by extension, the Government's ability to repay.

In order to ensure that I am relevant to the respective Motion No. 4 on the Order Paper, all I wish to do is to point out that whereas in terms of the Motion, as it is outlined here, we on the side take no objection with respect to the quantum or the legitimacy of what the Government is doing, we must mind ourselves at all times when there is the borrowing of money by the Government or, as in this case, the guaranteeing of moneys borrowed, to ensure that we have a vibrant economy and that nothing is happening in our country that would adversely affect the economy. That is why in my contribution it would be remiss of me and the Members of the Opposition if we did not deal frontally, without compromising, with the issue of crime.

Earlier this afternoon there was a statement made by the hon. Prime Minister with respect to a report that has been carried and is presently carried on the Internet. What was very interesting in that statement made by the hon. Prime Minister, the Member for San Fernando East, is that he made reference to two extracts from that particular document. However, in my field of expertise, which I like to consider is law first, I can assure you that if one is quoting from a document, especially a case upon which one is relying to make a point or to act as precedent, it will not be good enough within the walls of a courtroom to be selective in making a presentation and thereby give, without intention, what would be a misleading position.

In that regard, what was left out in that particular advice, which would explain how it affects the economy of Trinidad and Tobago because of the bad reputation we have internationally—*[Interruption]* Not only on that side can you raise your voice. You see how it sounds when you are there and you raise your voice? That does not make it right. *[Crosstalk]* Therefore if we are here and we raise our voice, you look alarmed, but that is the treatment we get; because when we are here and we extend our hand, as I have done previously and we even try to formulate provisions to give improvement to legislation, certain Members—*[Interruption]*—not the Member for Arouca South, because I know you seem to be alarmed, but the Member for Diego Martin East, for example, who would stand

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up and say, “You are not eloquent at all in your presentation.” So I am saying that we are not getting personal.

The point I am making, Mr. Deputy Speaker, is that the document I am referring to, which is the particular report on the web site, states under “Safety and Security”—[*Interruption*]

Mr. Deputy Speaker: Hon. Member, before you go on. We are dealing with Motion No. 4 and that has to do with guaranteeing of loans. I know you sought to deal with crime, but what you are now doing is going into a statement which was made and trying to get through the back door what you could not do according to the Standing Orders, so please.

Miss G. Lucky: Mr. Deputy Speaker, I will be guided, but the reason I am referring to the particular document is that that is a document which is based upon reports about what is happening in Trinidad and Trinidad with respect to the crime situation. That is, in fact, acknowledged in the very statement of the hon. Prime Minister and Member for San Fernando East. So all I am seeking to do, with the greatest respect, is to read that limited section that deals with safety and security and then juxtapose it with the very statement given by the hon. Prime Minister in which he indicates that this type of statement or record on the Internet has the effect of disastrously affecting the economy. That is what I am seeking to do, Mr. Deputy Speaker.

Mr. Deputy Speaker: You are, in fact, commenting on his statement. If you want to comment, just comment; you are skilful enough to deal with it. You can deal with it, but not in that manner.

Miss G. Lucky: I will just proceed to quote from the report then. I will be so guided, Mr. Deputy Speaker. The particular report on the web site showed that the situation in Trinidad and Tobago with respect to crime is not only getting national recognition or regional recognition, but has now reached the stage where it has international recognition. There is a group of international persons who stand by those statements and are refusing to remove it from the Internet. That is why I just thought it would be important to read what was on the Internet to show that it does not just deal with a summary on terrorism, but it went much further and under the rubric of “Safety and Security” it indicated that:

“Particular care should be taken when travelling from Piarco Airport, as there have been incidents of violent theft by gangs...”

We know about gang leaders.

“who follow cars and attack their victims when they reach their destination.

There has been a recent spate of kidnappings of wealthy local businessmen and women. So far no foreigners have been targeted. But visitors should be aware of the problem.”

I just thought it necessary to quote that particular excerpt. We have gotten an explanation that when there was an initial move sometime in early December to have the initial bad reputation on the very web site removed, there were several bits of correspondence, but the position taken finally by one Baroness Amos on December 17 was that they were not prepared to change their position on the Internet.

I am merely making the point that it is rather unfortunate that we wait for one month when two cruise ships leave or do not come to our shores and then decide it is time to take action. I am putting that in the context of which, if from December 17, 2002, we knew that the position taken was that they were not going to remove the particular impression they had formed of Trinidad and Tobago, the simple point I seek to make is that something ought to have been done then. *[Interruption]*

Mr. Deputy Speaker: The point I am making is that whereas what you pointed out, what you read before, is quite all right, when you go into the realm of dealing with the statement, you are coming through the back door.

Miss G. Lucky: I thank you, Mr. Deputy Speaker. That is why I have removed myself from the statement. I am guided by your ruling, but all I am saying is that when the Government of the day, those who sit there, wait one month before some action is taken, some pro-active approach is taken, there is a lot of damage that is done to the economy. What is recognized is that we have lost two ships; we have lost one ship carrying 1,950 passengers. When we have a tourist industry where we want to attract as many persons as we can, and we lose one, we lose one tourist too many. And when we lose 1,950 tourists we know that we have a government that is mismanaging and cannot control Trinidad and Tobago and govern it the way it should be governed.

That is the same approach that has been taken with respect to crime, because what is happening is that up to today I was informed—I knew up to this morning there were 10 murders, but I understand there was another one. I am not sure, so I would prefer to use the lesser figure of 10; of that I am sure. If my mathematics is correct, and I am sure it is serving me correctly, and I am aware that I am using a purely scientific formula which is not going to take all the other constraints and circumstances, but would be premised on the way this Government is not dealing with crime, if by the middle of January this country has 10 murders, by the end of

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the month we will have 20 and by the end of the year we will have an unprecedented 240. It will really be only an irresponsible Opposition that would not stand up and deal with this kind of issue and point out that it is affecting our economy.

So it is one thing to bring a motion, as we have before us, which, as indicated earlier, deals with a situation where the Government seeks to act as guarantor, which it is allowed to do and is entitled to do, and the sum is stated as to the quantum that is needed to increase that guarantee by, and to that we have no objection, but what we are pointing out is that borrowing money and acting as a guarantor where you have to repay, if you do not deal with crime, if you do not take on the national security issue in this country in a very forthright manner and if you do not come to the realization that we have a failing Minister of National Security who cannot handle the situation, our economy is going to go down, and there is the recognition by all those watching that it is not just the tourist industry, it is not just one or two other industries, it is the whole economy. That is why I find it necessary to just highlight the need for the Government to deal with this crime situation.

It is not good enough to hear, for example, as we did last year, that a Mr. Thomas Clayton came to Trinidad and Tobago and when he was interviewed he said that he did not expect to be paid, but the Minister of National Security indicated that the payment would be \$250,000. I read this with great alarm, because when the Government is sitting here—because that is the phrase they have adopted, they sit over there and we sit over here—the view is that whether you are here, or you are there, standards must always be maintained. [*Desk thumping*] There must be transparency and accountability. There is no river there that divides us. There is nothing that divides us in here, within these walls, to the public and the nation, because we must always be cognizant of the oaths that we have taken; there must be accountability. Then what happens is that we have heard no more of Mr. Clayton. Today, many of us on this side are still concerned: Was he paid or was he not paid?

The reality is, therefore, that when we are dealing with crime we have to make sure that if we are bringing so-called experts, let us make sure that even when it has to deal with negotiations—[*Interruption*]

Mr. Manning: Mr. Deputy Speaker, try as I may, I am trying to see what that discourse has to do with the Guarantee of Loans (Companies) Act. I am trying.

Hon. Members: Money!

Mr. Manning: I have chosen not to invoke the Standing Orders, but I would really like to know: What does it have to do with the Guarantee of Loans (Companies) Act?

Mr. Deputy Speaker: Please. I heard the beginning and you have been going on. Would you please bring it into relevance?

Miss G. Lucky: Mr. Deputy Speaker, I again am guided by your ruling, but the point is there are certain things that are the foundation and all I am saying with respect to crime, because it is so important and it is not being handled properly, is that it is affecting the economy. I was just using an example to indicate that the manner in which—and I was just using one, I have many and I chose one, because when one thinks now of criminal activity in Trinidad and Tobago, the crime that first comes to mind is that of kidnapping and, therefore, I sought to use the example of kidnapping.

The point is that we must also be very economical and wise in how we are spending money with respect to crime. I am not going to go again into a long discourse, but I just want to refer to something I read earlier where the hon. Attorney General had indicated that an expert would be coming to Trinidad and Tobago to look at the law with respect to the Prevention of Corruption Act in order to see whether we really could go wider, in terms of its far-reaching effects, in terms of ensuring that we cover all the possibilities.

The simple point I make is that we already have legislation; that legislation was laid already and prepared. Let us start using the money we do have and the expertise that we do have in an economical way, because at the end of the day when we are fighting crime, if we do not fight it properly—and again I make the point, I am coming to my conclusion—the economy is adversely affected. Therefore I want to use this opportunity, as I conclude, to remind the Government of the day that, yes, we recognize it has power to borrow, to guarantee and repay, but if you do not address the issue of crime and you continue to let us have that bad reputation internationally, we would reach a point of no return and we are getting very close to that point, because now we live in Trinidad and Tobago in a place that can be best described as a haven for criminals and any place like Trinidad and Tobago that is a haven for criminals will always be a hell for investors.

I thank you very much.

Mr. Harry Partap (*Nariva*): Mr. Deputy Speaker, I simply want to tell you that I occupy the seat that you occupied when you were on this side in another dispensation and I hope we would not get into any problems with the Chair.

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I am grateful for the opportunity to add my voice to the debate on the Motion before the House in which the Government is seeking to raise the ceiling of the borrowing by companies that are guaranteed by the Government under the Guarantee of Loans (Companies) Act. Through this Motion the Government wants to put its hands on an additional \$4 billion, presumably, within the fiscal year. That is concerning this particular Motion. In other words, the PNM wants to further mortgage this generation and unborn generations to satisfy their insatiable appetite for spending. [Laughter] [Desk thumping]

If the Government wants to put its hands on more money, the Minister of Finance must come and say so. Come and tell Parliament that it has to buy votes for the local government election and therefore it would need additional funds and therefore we would need that \$4 billion that the companies can borrow for them. They can come and say so; perhaps we may understand. The mover of the Motion has not convinced me, and I am sure all of us on this side, that there is any need to raise this ceiling for external or internal borrowing to the tune of \$4 billion as this particular Motion refers.

As I said, the real reason and, indeed, the reason known to every man, woman and child in Trinidad and Tobago, is that the PNM has overspent and now they are trying to recoup to get funds so that they can pump into the election that is coming. [Interruption] Yes, you may, by buying votes as you did. I will continue to say that the PNM has an insatiable appetite for spending until you can account to Parliament for the money you spent in 2002. I will continue to say this: This is why the PNM is coming to this House to increase the level of borrowing.

Mr. Deputy Speaker, allow me to refer to an article in the *Trinidad Guardian* of July 24, 2002. It is under the headline:

“Government dip\$ into next Budget”

I just want to quote two paragraphs written by one Sharon Lym that says:

“While there is uncertainty over when Parliament will be convened or when an election date will be called...”

Mr. Deputy Speaker, you know this is in 2002.

“Government has already earmarked funds from next year’s budget for major projects and payment of increments to public servants.

Public Administration Minister Lenny Saith said yesterday \$11.8 million has been allocated out of next year's budget...”

That is this year's budget.

“for the new job Evaluation/Classification Review in the Civil Service and Statutory Authority Project.

Saith said the \$596 million in increments which Cabinet announced last week will be paid to public servants, will also come out of this Budget.”

That is the quote from the newspaper. It tells us that the PNM had been dipping into money in order to fight the last election and they were doing it to attract votes and, therefore, they will have to borrow. This is why the junior Minister of Finance brought this Motion before us today. It is not because of UNC spending; it is because of their wanton disregard for the rules and so they spent money.

Mr. Deputy Speaker, it was the colossal waste of money on electioneering that has forced the PNM administration into the position of seeking to raise the borrowing limit and they can say what they want, that is what happened. Any first form student will know that if you spend more money than you earn you will lean heavily on borrowing. Any first form student will know if you commit spending from a future budget, you will “catch” real hell in meeting that budget's goals.

The PNM is proving every day that it has no vision at all and that the pronouncements of leading this country into developed status by the year 2020, as I understand it, is as empty and as hollow as the PNM's policies.

Try as they may, the PNM has been unable to put programmes in place for sustainable employment. The PNM has set up structures for taxpayers' moneys to be channelled into dubious projects to satisfy PNM supporters; not the people of Trinidad and Tobago, PNM supporters. Take for example the \$75 million “whacker gang” that is run by Solid Waste Management Company Limited (SWMCOL). Remember that SWMCOL will be one of those companies that will be given the power to borrow under this Motion, as well.

What do they do? Young people cutting grass on the side of the road, aimlessly. There is no future in cutting grass; no future in this kind of operation. Where is the training to fit these young people into sustainable work? [*Crosstalk*]

Mr. Ramsaran: Prison uniform!

Mr. H. Partap: And, of course, they buy uniforms for them. Where is the job creation capability of which the PNM boasts? I have not seen it. May I remind this honourable House about the confusion that surrounded the painting contracts issued by the National Housing Authority and remember NHA will have to get money also as a result of this Motion that is before the House.

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However you may wish to look at it, it was a blatant move by the NHA to buy votes for the PNM during the 2002 general election; it worked for them. It was clear to all and sundry except, of course, the hon. Member for San Fernando East, that the National Housing Authority had turned a blind eye to the proliferation of ghost gangs in this project; the Jennifer Lopez and so on—[*Crosstalk*—]and that the project was designed for the supporters of the PNM only; that is the scandalous part about this. [*Crosstalk*]

The Prime Minister's so-called community leaders walked away with thousands of taxpayers' dollars for jobs that were inflated and gangs that had names but no physical bodies. Painting jobs that usually cost \$3,500 were inflated to \$35,000 and gangs of 150 persons suddenly increased to 1,250; that is the legacy of the PNM.

A PNM activist well known to the other side, former Sen. Muhummad Shabazz, admitted to building a wall to protect his private property. [*Crosstalk*] But I can tolerate Mr. Shabazz' action; I can forgive the man, because—[*Interruption*]

Mr. Imbert: You are lawless man.

Mr. H. Partap: The hon. Member for Toco/Manzanilla is yet to make a statement explaining why state funds, material and equipment were—[*Interruption*]

Mr. Deputy Speaker: Hon. Member, remember the Standing Orders prevent you from imputing improper motives, so be careful. You have not done anything yet, but please be careful.

Mr. H. Partap: Thank you, Mr. Deputy Speaker, for your guidance. I will sail far away from that. He did not make a statement yet and he should make a statement. He should tell this House why public funds were used in a private development on Andre Street in Sangre Grande. All we are asking him, as a Member of the Government, is if he can investigate and explain. Indeed, it may be that because state funds were used illegally on the Andrea Street Sporting Complex in Sangre Grande, the Minister of Finance is now forced to increase the borrowing ceiling. [*Laughter*] Maybe; I do not know. [*Laughter*]

I am sorry my friend, the hon. Member for Toco/Manzanilla, is not here, because I would have liked to tell him so he could give the necessary assistance. The hon. Member was recently quoted as saying that he wanted to institute a commission of enquiry into the construction of the stadia built by the UNC government. He wants to enquire into it, because he said that he found something hanky-panky going on.

I have some advice for my dear friend. You know, Mr. Deputy Speaker, we represent adjoining constituencies; we are political neighbours, good friends. *[Interruption]* I want to tell him that even before he embarks on that action I want him to institute a commission of enquiry into the construction of the Monte Cristo Park in Sangre Grande which was started when he was Chairman of the regional corporation. *[Crosstalk]* No, I simply want him to do it. I want him to institute an enquiry into that.

Mr. Imbert: Why did you not do it?

Mr. H. Partap: The Prime Minister must do it and he must also enquire into the Andre Street Sporting Complex and the infrastructural work that was done leading to a certain hotel in Salibia. You all can do that for me. Make your inquiries and let us know who benefited. I feel certain that former Chief Justice Clinton Bernard would have a field day in exposing inflated invoices, illegal contracts, payment for work not done and outright corruption, if there was a commission of enquiry into the painting of the NHA apartments. *[Desk thumping]*

These are some of the reasons—the wastage of the PNM—that have caused the Minister of Finance to now bring before us this Motion which calls for the increase in the ceiling of borrowing for state companies, because they are using state companies and agencies to fund the local government election as they did for the general election. We know that.

Mr. Deputy Speaker, it is my view that if the PNM continues its spending spree merely to win an election—*[Interruption]*—I could make you rest assured Mr. Minister of Local Government, that the fact that the Chairman has gone with you, does not change the price of cocoa in Sangre Grande. *[Desk thumping]* Let me continue. *[Interruption]*

Mr. Deputy Speaker: Get back to the debate please.

Mr. H. Partap: Yes, I will. This is the reason the Minister has to bring this Motion to the House this evening.

Mr. Valley: What is the reason?

Mr. H. Partap: The reason is because of your bad spending, wild spending and your electioneering using public funds for your election campaigns. *[Crosstalk]* We know it. The Member for San Fernando West, I am sure if she is given a chance she would say so—my good friend from Ortoire/Mayaro. Where is the Member for Tunapuna? Yes; they would, if they have a chance. I hope they confess before the good Lord takes them away. *[Laughter]*

If the PNM continues this spending spree, they may have to come back again to raise the borrowing limit even higher, so they have to be careful, and that is a distinct possibility because the PNM Government is not prepared to exercise any restraint in its spending habits when it comes to winning an election.

So far the PNM has not introduced an innovative plan to facilitate economic development or job creation. Earlier in this sitting the hon. Minister of Labour and Small and Micro Enterprise Development spoke glowingly about the National Entrepreneurship Development Company (NEDCO); he gave us some figures. I thought that NEDCO would have made a difference; I really thought so. After hearing what the Minister said this morning, I will bring some more questions for him. After I analyze it, I realize that NEDCO is not going to make a difference, and the Minister may as well know it. [*Crosstalk*] It does not have a long-term vision. [*Crosstalk*] It does not have a long-term vision. I can tell you and I will tell you why. [*Crosstalk*] I will tell you why.

Mr. Manning: You have the Cabinet Note?

Mr. H. Partap: I will tell you why, Mr. Prime Minister. [*Crosstalk*] I will tell you. I do not want to put “goat mouth” on the programme, but it seems as though NEDCO may very well lose its way if, Mr. Prime Minister, you do not take stock. I will explain that.

The hon. Minister is right; loans have been disbursed, but are they used to create the impact on poverty that is required? That is the question you have to ask. The answer, to me, is no. Many young people are getting access to the money, but this is the end of their commitment to entrepreneurship, and that is bad. Let me tell you, hon. Minister, what is happening in Sangre Grande. I do not know if the Member for Toco/Manzanilla is aware; I hope he is aware that, at present, candidates for NEDCO funding are required to get an invoice of the equipment or stocks that form part of the proposal for the business; they have to get that. Do you know what these prospective candidates are doing? They are smart; they go around seeking to get the business people to give them invoices and once they get the invoices to satisfy the requirements—and they are good requirements, I have no problem with the requirements; I think they are extremely good—they use the money, not for the purpose intended. And that is what you have to examine, because I do not think you have enough people to monitor it; that is my feeling.

Mr. Manning. Mr. Deputy Speaker, I thank the Member for Nariva for his concern about that programme; it is a very important programme. I would like to let him know that there is an arrangement between the Small Enterprising

Business Association and NEDCO to ensure compliance, as far as is possible, with the utilization of moneys disbursed by NEDCO.

Mr. H. Partap: I am glad for the explanation, but I would like the Minister to monitor that because I am not sure it is working. There is another problem with NEDCO, Member for San Fernando East. There is a certain degree of discrimination that is taking place, and I must point it out now. [*Crosstalk*] I will tell you what it means. It means that not everybody has access to it. [*Crosstalk*] No; I am saying no. [*Crosstalk*] You will have to prove me wrong now by getting your Minister to go up there and find out what is taking place. I am telling you what is taking place, all I am asking you to do is to please open the programme to everybody; that is what we are asking. [*Desk thumping*] I am telling you to open the programme to everybody and it is going to be a good programme; I have no problem with the programme. I have a problem with the way the programme is being administered; there is rank discrimination. Mr. Prime Minister, it is your duty to investigate and to ensure—[*Interruption*] [*Crosstalk*]

8.00 p.m.

I hope so, because it will become another Youth Apprenticeship Programme in Agriculture (YAPA), another Unemployment Relief Programme (URP) and like another National Housing Authority (NHA) programme. It will become like that where only one set of people are getting the job.

Mrs. Robinson-Regis: What set?

Mr. H. Partap: PNM supporters, because they go to work in their PNM jersey.

Mr. Deputy Speaker: Member for Nariva, you have strayed and you have been encouraged to stray. Get back to the Motion.

Mr. H. Partap: Thank you, Mr. Deputy Speaker, I will move away from that, but I simply want to tell the PNM that they are allowing a good programme to degenerate because of political partisanship and I am glad for the assurances that it will be checked.

Mr. Deputy Speaker, I am convinced that the move by the Minister of Finance to seek a higher ceiling for borrowing is directly related to the purchase of political favours by the PNM. Take for example the \$75,000 contract to hand-pick supporters of the PNM by the Trinidad and Tobago Electricity Commission is now taking place in Sangre Grande. These contracts are for examining meters in people's houses. They are examined, and then you put a yellow tab that seals it.

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This is a \$75,000 contract. These individuals go to the office of the Member of Parliament for Toco/Manzanilla and it is there the contracts are distributed.

Hon. Member: What?

Mr. H. Partap: Not what, what? I am telling you. This is why I wanted the Member to be present when I say this. If you want to access that programme, you go to the office of the Member for Toco/Manzanilla.

When I was Minister of Labour I never went to the URP office to even put one name in. [*Interruption*] No. It is because I give the people the opportunity to run the programme, not like what the gentleman is doing now and only PNM supporters could get work. But before Mr. Deputy Speaker tells me I am straying, let me get back to the Motion before the House which is to increase the ceiling so that state companies and agencies can borrow more money.

What I am saying is, keep a tab on the Member for Toco/Manzanilla. This is a clear case of political manipulation using state funds, because if you get the contract from the office of Toco/Manzanilla, for whom will you vote?

Mr. Deputy Speaker, I am looking for the corruption head-hunters, where are they? Where is Mary King and her band of selective transparency probers? Where are they? Are they asleep? Have they gone into hibernation? Or have they accomplished their mission? Perhaps they have accomplished their mission. [*Crosstalk*] You could read what you want into that.

Mr. Deputy Speaker, the PNM's policy of jobs for the boys has also contributed to the Motion being debated today. Public funds are skilfully siphoned to pay back PNM supporters for their votes in the 2002 general election and let me give you the results: Overand Padmore, Special Advisor to the Prime Minister and Minister of National Security. I wonder if he advised you, Mr. Prime Minister, to meet the criminal elements? I do not know. John Donaldson, PNM Vice-chairman, Ambassador with responsibility for inspection of missions. What a job! No creativity at all. At least you could have changed it to make it look like something. Inspector of missions? Dr. Cuthbert Joseph, Advisor to the Foreign Minister; Jerry Narace, PNM financier, another Ambassador; Nafeesa Mohammed, a Deputy Political Leader, Advisor to the Attorney General.

Mrs. Robinson-Regis: What is wrong with that?

Mr. H. Partap: No problem, but I hope the position was advertised. Barry Barnes, Advisor to the Minister of Energy and Energy Industries; Herbert Atwell, Advisor in the Office of the Prime Minister; Ralph Maraj, Coordinator in the

Ministry of Public Administration; Ken Julien, Negotiator-at-large, Rose Janiere, Executive Assistant to a non-executive Chairman; [*Laughter*] Fritz Regis, husband of the Minister of Legal Affairs, Security Consultant at WASA. You see why we have to borrow money?

Mr. Deputy Speaker: Hon. Member, we are debating the guarantee of loans. I observe what you are doing. Deal with it. Those things, as impressive as they may sound, are not relevant.

Mr. H. Partap: Thank you, Mr. Deputy Speaker, but what I am trying to point out—and I am not challenging your ruling—I simply want to point out that the wastage has caused the Minister of Finance to come here and occupy our time seeking to raise the ceiling of borrowing by state companies and agencies that they used for electioneering. I will move away from that to satisfy your ruling, Mr. Deputy Speaker. I just want to mention two other names in passing. [*Interruption*] Well, I would not do it. I am simply telling the Government that there are certain people whom they have brought into office. For example, in the Ministry of Labour and Small and Micro Enterprise Development there is Pansetta Gayle who is the sister of the Prime Minister. She is there as head of the Information Technology Unit, and properly well paid.

Mrs. Robinson-Regis: She is properly qualified to be there.

Mr. Manning: Mr. Deputy Speaker, if only to ensure that the record is correct, in the case of Pansetta Gayle, she responded to an advertisement, was interviewed and was adjudged the best candidate for the job she occupies. Her accession to that office has nothing to do with the Prime Minister of Trinidad and Tobago. [*Desk thumping*]

Mr. H. Partap: Thank you very much, Member for San Fernando East.

Mr. Deputy Speaker: Member for Nariva, it so happened, that there was somebody present here who could redeem the name of a person you called who is not a Member of this House. Would you desist from that? If you do not, I shall have to stop you.

Mr. H. Partap: Mr. Deputy Speaker, I will desist from calling the names. In fairness, they are not here to defend themselves. I will continue, but I will desist from calling the names, I am sure people would know in due course.

Mr. Deputy Speaker, what I am pointing out is the nepotism, cronyism and the corruption that are taking place on that side and those corruption head-hunters who were looking for corruption all over the place you cannot hear them. I am not

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touching on what is happening at the lower level at URP, that is a different story which I will take on another day.

This Government is breaking all the rules and padding the ministries with supporters and friends in one of the worst instances of nepotism and cronyism. This, of course, is the real reason for the Motion coming this evening where you are raising the limit for borrowing.

Mr. Deputy Speaker: The speaking time of the hon. Member has expired.

Motion made, That the hon. Member's speaking time be extended by 30 minutes. [*Dr. H. Rafeeq*]

Question put and agreed to.

Mr. H. Partap: I thank my colleagues for extending the time and also the Members opposite who do not want me to speak, and I know why they do not want me to speak.

Mr. Deputy Speaker, as I said, the Government is breaking all the rules and this is why they have to come here this evening.

Yesterday, I received in my mailbox Cabinet Note No. 187 dated November 20, 2002 creating a contract position of consultant, labour and employment for a period of five years and this is to perform the work of a labour attaché in Canada.

The Cabinet Note, No. 187 referred to Cabinet Minute 1887 of September, 2002 agreeing to the creation with immediate effect of three positions of labour attachés, salary range 58E on the establishment of the Ministry of Labour and Small and Micro Enterprise Development. The Note also indicated that Cabinet had already agreed to have the post of labour attaché reclassified.

Mr. Deputy Speaker, the fact that the PNM is reintroducing the post of labour attaché is indicative that it is creating more jobs for the boys. It is pay back time. There is absolutely no need for the post of labour attachés. I worked as Minister in the Ministry of Labour and I can tell you there is absolutely no need for labour attachés. In fact, the UNC government had suppressed these positions at the ministry on the realization that they were useless to the operation of the Canada Caribbean Seasonal Farm Labour Programme and the three posts of labour attaché and I would explain to the hon. Prime Minister because the Ministry of Labour and Small and Micro Enterprise Development did not explain it to him. The UNC felt it was useless and they were removed from the establishment.

Today, as I said, the PNM has reintroduced it and I want to quote from the Cabinet Note.

Mr. Deputy Speaker: Cabinet matters are secret. If you remember it, that is a different matter, but you cannot be permitted to quote. [*Interruption*] Please, Members, do not tell me what another person did. The fact is that Cabinet matters are secret. If you happen to know what went on in a Cabinet meeting that is your business, but do not quote it because you are in possession of it in an improper manner and illegally as far as I am concerned.

Mr. H. Partap: Mr. Deputy Speaker, you know that I will never want to break your rules. You know I will follow your ruling. My grandmother used to tell us something about rules. She used to say something about massa, but do not break the rules. That is what my grandmother used to say and I would not do that.

Mr. Manning: Mr. Deputy Speaker, I would like to advise the hon. Member for Nariva that it has been reported to me as Prime Minister that some Cabinet Notes are missing and in fact, I was contemplating a criminal investigation and, therefore, I just want to advise the Member for Nariva that he ought to be very careful lest he incriminates himself.

Mr. H. Partap: Thank you, Mr. Prime Minister. I believe you should improve your security and remove Mr. Chin Lee, because apparently he cannot protect you. I am sure when I get home this evening there will be another contract in my mailbox concerning the particular lady about whom I spoke.

I will try to refresh my memory as I go along and I will tell you about the Cabinet Note and what it says. The Minister of Labour and Small and Micro Enterprise Development had indicated that you could not find anybody in the farm programme in the Ministry of Labour and Small and Micro Enterprise Development to send to Canada so you had to make a contract position of labour consultant. A very ridiculous reason! I was the Minister of Labour for six years and we had competent people in that ministry who could have gone to Canada. The reason I could say they were competent is, between 1996 and 2001 when we were unceremoniously removed, the number of persons who accessed that farm programme moved from 600 to 1600 and no labour attachés had been there. Do you know who they put as the consultant? A PNM supporter, who contested the elections in Couva South and lost on two occasions. So they give him a work in Canada. It is more than a work because that man is drawing a salary of \$25,000. It is TT \$10,000, plus Canadian \$3,500 as a special allowance, plus other allowances of travelling, housing, and warm clothes and so on. And while they are doing that, they are retrenching people in TSTT and all the other agencies. The Government wants to send home 9,000 workers at Caroni (1975) Limited without talking to them, and the Minister of Agriculture, Land and Marine Resources has

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farmers in Kernaham, Cascadoux, and Plum Mitan who have not received any compensation for March 2000, December 2001, and the recent flooding. The farmers want their “paisa”, pay them. Why are you holding it back? Why are you punishing these poor people in the east and you went there for election and promised them in a week’s time they would get it? Do not do us that. But you have a PNM reject from the election and you find a job for that person in Canada paying \$25,000 a month. That is what is taking place next door. That is what they are doing.

Mr. Deputy Speaker, all this is taking place against a background where there are workers losing their jobs: Caroni (1975) Limited, 9,000 to go; McDonald's, 145 lost their jobs; Petrotrin, 1800 to go; Airports Authority, they say eight, but I hear it is 25; TSTT, 71; the Contractors and Associates, they lost 1200; TIDCO, they say eight, but I hear it is more; BWIA, 140; TCL, 50; PTSC, 115. People are losing jobs, but you are finding jobs for your friends and family.

This is going to create social problems in the country. You are putting over 15,000 persons on the breadline, and you have not created a single job for them so far. That is my problem and that of the UNC because we used to create jobs every year.

What we are seeing now is even the cost of living is becoming unbearable. Flour has risen 22 per cent and you know when that happens bread would rise 50 per cent. Poor people would find it very difficult to live under the PNM, but they cannot say we did not tell them that. Between January 2000 and the present time every item in the grocery has risen once, twice, sometimes three times. The next time I have an opportunity to speak in the House I will bring the list and show how it is difficult for poor people to live in Trinidad and Tobago now.

What we need is the Government to put its money where its mouth is and that is to remember the poor people in this country. Stop feeding at the trough, stop giving your friends and family alone work, share it among the people of this country.

Thank you.

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Mr. Deputy Speaker, perhaps because it is getting later, the House is getting more amusing. The Member for Nariva is complaining about a PNM candidate who lost an election and got a job.

Mr. Deputy Speaker, a number of their candidates who lost were made Ministers and we had two who lost and were brought to the House on the Speaker’s Chair but he is coming here talking nonsense. Can you imagine! They are complaining about persons who have been made advisors. It is not the PNM

Government that provided every Minister with an advisor, a personal assistant and a personal secretary. It was not there in 1995 when we left. We came back and we met it, and we would keep it. We say, thank you. So if we use the posts now, we are simply enjoying what you enjoyed. Simple. [*Desk thumping*]

Mr. Manning: It was not for you, you were not everlasting in government.

Hon. K. Valley: You cannot say the money was stolen. Do not worry about Dr. Moonilal, think about Kernahan, Carson Charles, Hector McClean and Rupert Griffith. Where is he now? Want to suspend people and all sorts of things.

Hon. Member: Do not call people's name like that.

Hon. K. Valley: Do not call people's name like that? He was doing that. Mr. Deputy Speaker, I would just tell the Member for Nariva that I have a copy of the Republic Bank's *Economic Newsletter* of December 2002.

Hon. Member: I thought it was *The Probe*.

Hon. K. Valley: *The Probe*? I like to quote people with Dr. in front of their names. Dr. Ramkissoon, Ph.D. in Economics, is saying in this newsletter that the unemployment rate in the third quarter of 2002 was at 9.7 per cent. This is not Ken Valley, it is not the PNM, it is printed in Republic Bank's newsletter under Key Economic Indicators; source, Central Bank of Trinidad and Tobago. I just want to put that on the record. In other words, we have gone to single digits in unemployment levels.

Mr. Deputy Speaker, I take the point that the Member attempted to make that all these matters contributed to the need for this increase in the Guarantee of Loans (Companies) Act. Of course there are two things wrong with that, and there is a third which is fundamental. The first one is that this legislation talks about guarantee of loans made to companies. This is not direct borrowing by the State, that is the first thing; and secondly, that argument begs the question: what then was the purpose of a similar motion which was brought by your colleague in 2001, was it to buy votes also? Because the only difference between his motion and this one is that this one is \$1 billion lower. He was asking to raise it by \$5 billion, we are increasing it by \$4 billion. What was the purpose in 2001?

Fundamentally, let me tell you what this Motion would do. The loans to be guaranteed include the following: \$1,932 were already under letters of comfort; Tourism and Industrial Development Corporation, (Tidco) \$595 million; Caroni (1975) Limited, \$510 million; National Maintenance Training and Security Company (MTS), \$400 million, that is a SEMP loan; National Insurance Property

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Development Company Limited (Nipdec), \$250 million; Solid Waste Management Company Limited, \$177 million. Former guarantees to replace letters of comfort.

Anticipated borrowing for restructuring and recapitalizing of state enterprises. We have Caroni (1975) Limited. As you know we are restructuring and we have to pay enhanced pensions for staff and daily-paid employees, \$624 million; there are unfunded pension liabilities—you all have not been paying the people their pension over the last six years—\$235 million; upgraded daily-paid pension—we have to upgrade the daily-paid pension—\$120 million; for the counselling programme, \$25 million. So we have to find \$1 billion for Caroni (1975) Limited. That is \$3 billion.

Urban Development Company Limited, Salvatori Building, \$400 million; Board of Inland Revenue Building, \$400 million; Customs Headquarters, \$175 million; housing programmes, \$25 million, which brings us to another billion. That is the \$4 billion. In other words, you all were taking \$3 billion, we are only taking \$1 billion. Just consider how much you have done between 1995 to 2002.

The Member for Pointe-a-Pierre is not here, I think I owe it to the Parliament to make comments on her contribution and her theory was that we need to be careful—which I think is correct—that the crime situation can undermine our efforts not simply to borrow, or our credit rating, or what have you but generally what we are attempting to do.

There are a number of things one can say about that. I remember in the period 1991—1995 there was a similar situation with respect to crime. I remember my colleague at that time was removed from the Ministry of National Security after there had been national outcries and so forth. I remember the period 1996—2001 a similar situation when the former Prime Minister was Minister of National Security when he threw his hands in the air and said, “Listen, this thing is more than me.” I think what that points to is that when we attempt to deal with crime it might be too late and one has to consider carefully the social sector initiative of this Government in early last year.

Really, it is wrong to blame a Minister of National Security for crime, a Minister of National Security comes after the fact, his job is to make sure that they are locked up, to make sure the kidnappers are caught and when one looks at the history of last year, one has to say he has been effective in doing that. It is the social sector—and I think if there is an increase in crime today, fingers ought to be pointed across by you because it means that over the six-year period there was insufficient attention to the social sector. That is what is important.

I want to quote Dr. Ramkissoon again. He says:

“The Central Bank Governor has expressed the view that the Budget does enough to keep the reform process on track while devoting some attention towards stabilizing the social sector. With the poverty level estimated at 26 percent (based on a 1997 UNDP survey) and a virulent crime problem that threatens to become worse with each passing day, the attention to the social sector in 2003 is not only welcome but absolutely critical.”

Mr. Ramsaran: Who said that?

Hon. K. Valley: Dr. Ramkissoon. This is his writing, he is not quoting.

Mr. Ramsaran: Read it again.

Hon. K. Valley: He is not quoting anyone, I can assure you. I think Members should understand that it is not to beat up on the Minister of National Security who comes after the fact, it is to ensure that we do things in the social sector so that we do not have that problem. That is what is critical and that is an effort to which we should all dedicate ourselves. As a fact, we need to do things to reduce the crime level, but what do we do?

Hon. Member: Talk to the Cabinet.

Hon. K. Valley: Talk to the Cabinet? Emphasis on the social sector is needed and I submit that there are persons on that side who appear to be stirring the pot. When we heard what Sen. Baksh was reported to have said, one wonders whether that is not coming extremely close to treason or sedition. The hard part is that he is making those statements to a foreign journalist. He is saying that in Trinidad and Tobago it is a problem for all of us. He does not recognize that when he is talking to the foreign press—when he is talking to the local newspapers—it is a problem for all of us. When he is speaking to his planted story—because that is what it is—it is a problem in Trinidad and Tobago. Understand that if we love Trinidad and Tobago, we will not do that.

I remember as an Opposition Member, making a statement with respect to foreign exchange, and your former colleague, Mr. Sudama, took me to task and I kept quiet because I said, he is right. There are certain things that are above politics. If we feel that we can sink the ship and expect to be saved, let us try it. So let them run to London and meet with their friends and get stories planted. It is the same thing they did in 1991—1995 with that newspaper they had, *Underground Patriot*, that somehow disappeared after the 1995 election and now replaced by *The Probe*. Having fun.

Guarantee of Loans (Companies) Act
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Mr. Deputy Speaker, there are some of us who get involved in politics because we believe we can be of service to mankind, some us get involved because of the glamour, the power and so forth. Those of us who get involved because of the power, whenever we are out of office, we become desperate and do desperate things. [*Desk thumping*] As a fact, I know there are some among you who are excellent. You have to be on guard against those who will cause mischief, there must be times when you tell them enough is enough. Let the man go back to London and remain. There, you all were doing very well during his absence. Do not be misled by him.

Mr. Deputy Speaker, this Motion simply repeats one which was passed in this House in 2001 and did not become law simply because the House was dissolved before its passage in the Senate. I therefore look forward to the support of all Members on the other side.

Question put and agreed to.

Resolved:

That the aggregate amount of all borrowings by companies that are guaranteed by the Government under the Act shall not exceed nine thousand million dollars in the currency of Trinidad and Tobago.

CONSTITUTION (ELECTION OF PRESIDENT) BILL

The Attorney General (Sen. The Hon. Glenda Morean): Mr. Deputy Speaker, I beg to move,

That a Bill to provide for the extension of the period during which the election of the next President shall be held be now read a second time.

Mr. Deputy Speaker, between October 13, 2001 and October 17, 2002 there was no Speaker of the House of Representatives for reasons which I need not go into since all Members here are well aware of them.

Further, as we are all aware, section 26 of the Constitution of Trinidad and Tobago vests in the Speaker the responsibility for the holding of election for the President of the Republic of Trinidad and Tobago. Section 26 further sets out the time frames for the holding of such election and section 33 of the Constitution deals with the term of office of the President. The five-year term of the incumbent President, Arthur N. R. Robinson expired on March 18, 2002 and in accordance with section 26(4) of the Constitution, the Electoral College should have been convened by the Speaker not more than 60, nor less than 30 days before March 18, 2002 to elect his successor.

However, as I adverted earlier, there was no Speaker. In those circumstances, the provisions of section 33(3) of the Constitution kicked in and the incumbent remained in office and so remains until 30 days after a successor is elected.

Now that the PNM has secured a majority at the polls, and a Speaker has been elected in the person of our incumbent Speaker, the Speaker is now able to convene the Electoral College, but before so doing the time for holding an election has to be extended under the provision of section 26(7) of the Constitution which provides as follows:

“Where the time limited for holding an election for President under subsection (3), (4) or (5) has not been complied with, Parliament may make provision for an extension of the period during which elections may be held.”

The Bill before this honourable House seeks to fix that period, namely not earlier than February 01, 2003 nor later than May 01, 2003. This Bill is a two-paragraph Bill. The first sets out the short title, and the second sets out the time period. It is easily comprehensible and does not, or should not generate any debate.

The first session of this Eighth Parliament began on October 17, 2002 whereafter, certain urgent matters had to be dealt with before the Christmas holidays. At the very first sitting—that is today—this bill has been tabled. I said at the first session just before the break we had certain urgent matters to deal with which had to be dealt with, and were dealt with before the break, and as soon as we have returned after the break we are now dealing with this Bill. So the Government has not been guilty of any delay in prosecuting this matter.

Mr. Deputy Speaker, I would just like to remind this honourable House that this is not the first occasion on which section 26(7) has been utilized. There was Act No. 1 of 1987, which extended the period for holding an election for the successor to the then incumbent Sir Ellis Clarke. The circumstances were a little different but the principle was the same.

Question proposed.

PROCEDURAL MOTION

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Mr. Deputy Speaker, I beg to move that the House continues to sit until the completion of the matter currently before the House.

Question put and agreed to.

CONSTITUTION (ELECTION OF PRESIDENT) BILL

Mrs. Kamla Persad-Bissessar (*Siparia*): Mr. Deputy Speaker, may I, along with Members of this House, place on the record the acknowledgement of the maiden contribution of the hon. Attorney General in this Chamber.

Mr. Deputy Speaker, I am very pleased and I congratulate her on that contribution. I thank her and congratulate her for that contribution in that she has come to this Chamber to do her duty as the hon. Attorney General of the Republic of Trinidad and Tobago.

I also want to record and request the hon. Member to apologize to this House for the contempt in which she has treated this House and the Standing Orders of this House with respect to matters on the adjournment. So whilst I recognize her maiden contribution, I am asking that this duty that she has now done be extended to her duties to the Chamber.

The record would reflect that contrary to the Standing Orders, the Member could not be found on more than one occasion to deal with the matter on the adjournment, but we will move on. I am just saying it is my respectful view that the Member owes an apology to the House of Representatives because we have to understand in the governance of the country and in the executive of the country, one cannot function as a Senator unless there is first an elected House of Representatives. It is from that election that everything else flows.

So I am happy to see her today carrying out her duties and bringing this Bill to this honourable Chamber.

Hon. Morean: Mr. Deputy Speaker, on a point of order. While I acknowledge the positive sentiments expressed—

Mr. Deputy Speaker: Hon. Attorney General, you need to state what point of order.

Hon. Morean: The Member is misleading the House.

Mr. Deputy Speaker: Which section is it?

Hon. Morean: Section 36(5). The reason I stand on this Standing Order is that the hon. Member has imputed improper motives to me and she is quite wrong. She has misled the House with respect to the facts in relation to my attendance to answer the Motion raised by her.

I was here on November 22, 2002. I came off a plane, came straight to the House and I sat here all evening.

Mr. Deputy Speaker: Hon. Attorney General, your reasons have been heard.

Mrs. K. Persad-Bissessar: I will not go back on that. The record of the Chamber will reflect on the written record of this House what transpired on those occasions.

Mr. Deputy Speaker: I know that.

Mrs. K. Persad-Bissessar: Thank you. I am glad that the Deputy Speaker remembers.

Mr. Deputy Speaker: No. I know that the record will reflect.

Mrs. K. Persad-Bissessar: So the record will reflect.

[Words expunged]

Mr. Deputy Speaker: Hon. Members, we are going backwards and forwards. The hon. Attorney General explained her position and, therefore, everything after the explanation of the hon. Attorney General, I instruct that it be expunged. Let the Member proceed.

Mrs. K. Persad-Bissessar: Thank you very much, Mr. Deputy Speaker.

The Bill that is before this House, the hon. Attorney General indicated to some extent the genesis of the Bill, but I think we need to go back to that.

The Member indicated that there was no Speaker for reasons that she preferred not to go into at this time, which she is entitled to do and really did not go into the history of it except to say that legally there was no Speaker and, therefore, the election could not take place. That is perfectly correct.

However, the genesis of this Bill really goes back to December 24, 2001. Prior to that there was a general election with an 18/18 result and the record would reflect there were 18 Members on each side of the House and on December 24, the Members on the other side were selected as the governing party and given the mandate for the hon. Member for San Fernando East to serve as Prime Minister under the provisions of the Constitution as being the person most likely to command the support of the majority of the Members of the House and that is the genesis.

So as of December 24, and even prior to December 24 the nation knew that the term of office of the President would expire in March 2002 and, therefore, there was a duty to have a President elected or else we would be in the position we are in today with this Bill.

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Mr. Deputy Speaker, I am saying the reason one year later we are dealing with this Bill is that the present Prime Minister refused to take that mandate seriously when he came to this House and proved to the nation that he did not have the support of the majority in the House and failed to do the honourable thing which was to call the election date. He should have done that when he came to this Parliament in April 2002 and knew that he did not command the support of the majority of the House. Yet in a dictatorial manner he continued to hold on to office right down to the wire, even placing in jeopardy the budget of the nation going beyond the date into the month of October because he refused to accept that he did not command the support of the majority. That is why we are here with it.

So here we are today debating extending the time for holding of election of the President of the Republic of Trinidad and Tobago and contrary to the view of the hon. Attorney General that they have moved—if I get the words correctly, “Government did not delay in prosecuting this matter.” I presume she means in pursuing this matter, rather than prosecuting it, that the Government did not delay. I want to disagree with that position completely because what the Member said was that last year there were very urgent things it had to do and, therefore, could not bring this Bill. This was not urgent then and it still is not urgent and I will show you why. It is still not a matter of urgency for the PNM because it wants to continue to rule in circumvention of the law and in breach of the clear provisions of the Constitution.

Mr. Deputy Speaker, it is not true to say that the Government did not delay. That is not true. If I recall the Order Paper, and I raised it on several occasions in this House, when we picked it up, the bills that were on that Order Paper, one had to do with extending the time by 15 minutes to open the Registrar General’s Department. Was that more urgent? Another one had something to do with stamp duty; there were such trifling measures. Apart from the Appropriation Bill last year, everything on that Order Paper that was debated, not one of them was so important and urgent to take priority over the Bill to extend the time to allow for an election of the President to take place. And we have to ask why. Why has the Government been delaying in bringing this Bill to the House?

The Member mentioned this is not the first time. It was in 1987, Act No. 1 of 1987. Let us look at how that went, Mr. Deputy Speaker. The then government of 1986, prior to the general election of 1986, waited again down to the wire to call the 1986 election so that during the time when a President should have been elected the Parliament was dissolved and again the section kicked in so you would have to extend the time in law to allow for the election of a President.

What that new government did—not the PNM, it was the PNM Government that called the election in 1986—the very first bill that was brought to the House of Representatives following upon the general election was Act No. 1 of 1987, which was the bill to extend the time for holding of the election of a President.

Mr. Deputy Speaker, we have to think not just of the individual, but of the highest office in the land and here it is clearly, that there is a person who is holding that office who has said from all reports I have read that he would wish to demit that office. Yet reports are coming back—I do not know if they are true—that the President would have to stay on past March 10 deadline. Other reports say that the Prime Minister is saying that the President will stay on after, that he has asked him to do so.

So I do not know if these reports are true. I am asking, and if the Member wants to clarify them I am willing to give way. Proceed, Sir.

Hon. Manning: Mr. Deputy Speaker, what I said was that it may or may not be necessary. That is what I said. In fact, in the post-Cabinet press conference on Thursday, that question came up and we clarified it. It was an inaccurate reporting. What I said was, it may or may not be necessary. It is turning out that it may not be necessary.

Mrs. K. Persad-Bissessar: It may not be necessary?

Hon. Manning: No.

Mrs. K. Persad-Bissessar: Mr. Deputy Speaker, it may or may not. I do not know if that is an answer. It is like saying it may be hot, or it may be cold. It is not an answer. Will the hon. Prime Minister indicate? I am only requesting, I cannot demand. I am saying all the reports are saying we are going to ask him; he may have to stay on; he will stay on. I am now being told that the explanation of that is, he may or he may not. What does it mean? Is he staying or is he not staying? Are you asking him to stay?

9.00 p.m.

Hon. Manning: Mr. Deputy Speaker, I think it is an appropriate time to advise this honourable House that we propose to convene the Electoral College on February 14, 2003.

Mrs. K. Persad-Bissessar: Very good. You come then with a Bill—and you see that is why we have to question your motives and find out what is going on, because your Bill does not say that, you know. Your Bill says “election of the

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next President shall be held not earlier than February 01, 2003 and not later than May 01, 2003.”

So from the Bill itself—and you see, knowing, as I say, you went to the wire with everything, down to the last date that you could go to, and here you are bringing a Bill, and something so vital and important, something you have already delayed so long on, and you are saying up to May, 2003. If you look at Act No. 1 of 1987 which I am sure the hon. Attorney General would have looked at to draft this—why did we not draft this before? Why did it not come? I am still asking why was there the delay? Why could that not have been brought during the last couple months when we came to this Parliament? Is it because a nominee cannot be found? Is it because there is a division and no consensus as to who should be the person? I do not know what it is. But all the reports that have come—and if you look at all of these things—

Hon. Member: Read them, read them!

Mrs. K. Persad-Bissessar: I will read them in due course. But if you look at all the newspaper reports, they have created such confusion in the minds of the public with respect to the election of a President. Therefore, if we did not today insist, tell us whether he is staying or not staying, the hon. Prime Minister would not have got up today to make a commitment to this Parliament that the election would be convened on February 14, 2003. The confusion that has been created over these last couple of months really needs to be cleared up. We need to know why, then, was all of this delay.

I was going to speak on delay, and further delay till May, but you now say it is February. Fine, I am very happy to hear that it is February. Therefore I would respectfully suggest that your action suit your words and that you amend this Bill accordingly and remove the date of May, because if you are leaving that date, then your bona fides are to be questioned. If you have given the undertaking for February 14, 2003, why do you need to go up to May?

Hon. Manning: Mr. Deputy Speaker, just again, our bona fides can never be questioned on this matter. The Cabinet decision on this matter took place before we—

Mrs. K. Persad-Bissessar: Well, I do not see Cabinet Notes—

Hon. Manning: Well I do—

Mrs. K. Persad-Bissessar: —because you would lock me up if I have them.

Hon. Manning: You are quite right. That is why I am in a position to clarify matters for the benefit of this House, that the date was determined after the Cabinet decision was made on the period during which the Electoral College is to be—

Mrs. K. Persad-Bissessar: The drafters did not know that, apparently.

Hon. Manning: No, they did not know.

Mrs. K. Persad-Bissessar: But we could amend it today.

Hon. Manning: In other words, it was consistent with Government policy at the time and it is still consistent with it now. Nothing is wrong with the Bill.

Mrs. K. Persad-Bissessar: This is why, as I say—I have no reason to doubt the hon. Prime Minister and therefore all the more reason I would ask that the Bill be amended for his action to suit words. Unless he does that, then again, the question remains, why do you want to leave it till May if you are giving the assurance? So we will amend it.

Hon. Manning: No!

Mrs. K. Persad-Bissessar: Then it is a case of double-speak. Give us a reason why you want to leave it as May. There may be a reason. I will not vote against this Bill. I support this Bill; it is necessary. So I am saying, if you want to leave May then you may have a very good reason; I do not know what it is. *[Interruption]* Why are you getting upset? You are always so charming. Do not get upset, not at this time of the evening. All I am respectfully asking—you have said it is February—amend it accordingly.

There is just one other issue. The whole thing had to do with why the delay till May, and the last issue has to do with the whole question of the manner in which we elect a President and what happens. The hon. Member for San Fernando East would recall in the election of 1997, I believe, when the incumbent was elected in this Chamber, the Member for San Fernando East called very clearly for a conscience vote on the part of Members.

Hon. Manning: That was then.

Mrs. K. Persad-Bissessar: Oh, that was then. Fair enough. That was then, so no conscience vote on this round. *[Crosstalk]* Well, let us see who is your nominee. We do not know yet. We shall see. We know the nominee, you know; the same one that you have in your mind, that you have chosen.

I want to deal, as I say, with the whole business, the way in which a President is elected and to tie it in, really, with something we have been talking about for quite a while and would continue to talk about, which is the whole issue of wider constitutional change. As it stands, in the election of a President, the President, whilst holding such very vital functions—and we have seen with the present

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President [*Interruption*] I do not know why the Member for Diego Martin East does not go and speak to the doctors, you know—

Mr. Deputy Speaker: The Hansard reporter is unable to hear the Member.

Mrs. K. Persad-Bissessar: I am suggesting that given the way the election of a President takes place now and given the importance of the office of the President, as was made very, very clear within the last year or two, in terms of the powers of the President, and a President that can exercise such great powers over what happens in the governance of the country, then the issue of—which really was related to what the Member for San Fernando East was saying before—when a President is elected, given the provisions of the Constitution, what is happening is really a nominee of the ruling party, and the whole business, then, of the manner in which a President is elected, is certainly one that needs to be looked at to put an end, or to try to ameliorate, the problems of divisiveness that arise.

The President, whilst purporting to be an office that must be independent, because of the very nature in which the nominee is chosen and the very nature through which the process of the election takes place, it is very clear that no matter how hard you try, you will not have a truly independent office of President.

There have been suggestions for—[*Interruption*] Mr. Deputy Speaker, they will have their chance. They could talk for the rest of the night when I am done.

Mr. Deputy Speaker: Please, the hon. Member for Siparia has asked for my protection. Would you please lower your voices so that we can hear? She is making a very valid point.

Mrs. K. Persad-Bissessar: Thank you very much, Mr. Deputy Speaker. I am saying there have been suggestions, for example, that instead of the Electoral College for the President comprising only Members of the Senate and the House of Representatives—in fact I came into Parliament today and I found a whole lot of paper on my desk that someone had sent, calling themselves Confederation of Community Organizations, the Village Voice, and so on, making a different suggestion about how a President should be elected, suggesting that a President be elected by the population of the nation. There have been other suggestions that the Electoral College be comprised, not only of the parliamentary people here, Senate and House of Representatives, but to include local government as well.

There are several models that have been put forward and, as I say, we can use that next week when we have to talk again on our Private Members' Motion with respect to the issue of Constitutional Reform. I would ask then, and I would move

at the committee stage of the Bill, for an amendment with respect to May 2003, for it to be changed to no later than February 28, 2003.

I thank you very much, Mr. Deputy Speaker.

Mr. Subhas Panday (*Princes Town*): Mr. Deputy Speaker, may I congratulate you on the fine job you have been doing and also to congratulate the hon. Minister for her maiden speech in the House.

I myself was slightly perturbed and I am happy to hear the hon. Prime Minister this evening declare a date.

[*Words expunged*]

Mr. Deputy Speaker: Member for Princes Town, it is not permitted under the Standing Orders to mention the President in debates in this House so I ask that it be expunged.

Mr. S. Panday: I am saying the President had no right—

Mr. Deputy Speaker: Member for Princes Town, I have ruled and you are doing exactly what you were told not to do. [*Crosstalk*] Standing Order 36(1) states:

“The conduct of the Governor,…”

Which in this instance means the President:

“...Members of the Senate or House of Representatives, or of Judges or other persons engaged in the administration of justice shall not be raised except upon a substantive motion moved for the purpose; and in any amendment, question to a Minister, or debate on a motion dealing with any other subject any reference to the conduct of any such person as aforesaid shall be out of order.”

In accordance, therefore, with the provisions of Standing Order 36(10) I rule the statement made by the hon. Member in respect of the President to be out of order. I ask that it be expunged from the record and I ask the hon. Member not to raise it again.

Mr. S. Panday: Mr. Deputy Speaker, it is only the Parliament under the Constitution that has the power to extend the term of office of a President, no one else. It is not right for anyone to speak to other people or to request of other people, the extension of a term of the President. The Constitution alone gives that right to the Parliament, and no one else. That is the point I was making. That is

what I meant when I said I was happy that the Prime Minister indicated the date, in that no one should be asking anyone for an extension and no one should make an attempt to grant that extension. Only the Constitution gives that right and only the House has that power. Because if that happens, people may think that there is collusion between certain parties. People may think it is pay back time. That is the point I was making, that the office of the President is such an important one that it must be treated, as you said, as sacrosanct.

That is why I want to endorse my colleague's statement that when the Constitution said that not more than 60 days or less than 30 days the election must be held, there was an intention, and the spirit of the Constitution was to have this exercise done expeditiously. That is why I need to support her when she said when the Parliament had met, this was the first thing that should have been done. That is why we are so perturbed. Against that backdrop I had made that statement, that we should have endeavoured to expedite this, rather than to haggle as to who should get it; how long you should get it in those circumstances.

If one looks at the way we elect the President, the President is elected indirectly. What has happened is, the Constitution has served us well for some time but what we are observing is that it is creating a sort of divisiveness in the society and there might be need for constitutional reform so that the function of the President embodies the soul and the heart of the country and we should find a method and mechanism to ensure that when that person goes there, he or she enjoys the confidence of everyone.

In Dominica, what happens is the Prime Minister and Leader of the Opposition decide on a common candidate and they present it. If that does not take place, then they go to the House for a vote. That is the nearest that you can see within the Caribbean Commonwealth among the three countries which are republics—Guyana, Dominica and Trinidad and Tobago—a movement to unite the people. Our Constitution does not give us that opportunity. That is why it may be necessary for us to find a new mechanism. We must have constitutional reform to elect the office of the President. Some people say direct election by the people—

Mr. Valley: Kamla said that already.

Mr. S. Panday: No, no. Hold it. Some people say, bring in the local government bodies, bring in NGOs, bring in interested organizations where you have the whole society being reflected and making that nomination.

My function here this evening is not to tell you what system is necessary, but merely to say that we should evolve a system for the election of the President so that office genuinely incorporates everyone. That is basically what I wanted to say.

The other issue which I want to deal with is the same problem where you must not call the name of the President or bring him into disrepute, as you said, in the Standing Orders. But that is a relic of colonialism, because they say the monarch can do nothing, because the monarch rarely exercises the royal prerogative, and the royal prerogative does not give the monarch any discretionary power. So the monarch can do no wrong because the monarch does nothing. The monarch has no power to do anything. That is why I said it was a colonial relic when we introduced it into our Standing Orders, but we will obey it while it is there.

When we look at our Constitution and compare the functions of the President under our Constitution with that of the monarch, it is two totally different things. It also says that the monarch cannot be a subject in their own court. In Trinidad and Tobago and nearly all of the Commonwealth Caribbean, there is that same principle. When one looks at the powers of the President, it is different from that of the monarch. For example, it says that the President may act in certain appointments in consultation with the Prime Minister and the Leader of the Opposition. What is consultation? In our legal constitutional development, that word has never been defined or has never been given a meaning. At one time it says that the President really makes that decision, and having made that decision, tells the Prime Minister and the Leader of the Opposition, "I am appointing that person", and says that is consultation.

So we need to look at the reality of the situation. I am certain, Mr. Deputy Speaker, that you are fully aware of the powerful functions of the President in consultation. For example, in section 71, you have the appointment of the chairman and members of the Elections and Boundaries Commission, a very important body. In section 88 you have four members on the Advisory Committee on the power of pardon; section 91, the Ombudsman; section 102, the Chief Justice; section 103, the acting Chief Justice; section 110, three members of the Judicial and Legal Service Commission; section 117, the Auditor General; section 120, chairman of the Public Service Commission; section 122, chairman and members of the Police Service Commission, and we could go on and on.

Not only that, as you go along you see that the President may act and take decisions not even consulting the representative of the people, the hon. Prime Minister and the Leader of the Opposition, but the President may consult other bodies. Now the point is, this is not the monarchy; this is not a Whitehall constitution; this is not a Westminster-type constitution, it is a Constitution which is giving the President that extra power.

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If we look, we would see where the President also has the power to act in his deliberate judgment. Now I am not attacking any person, but that office. For example, in Trinidad and Tobago the appointment of the nine out of 30 Senators, the appointment of the Prime Minister, authorization of another Minister of Cabinet to perform the functions of the Prime Minister, such important functions, and he does that on his deliberate judgment—revocation of appointment of the Leader of the Opposition, and so on.

What we are saying is, an office which is indirectly elected, when it has so much power and so many important functions, checks and balances need to be put into that. [*Interruption*] No, what I am saying is, the extension of the life, and the Bill speaks here about the election of the President. So we are saying that there needs to be constitutional reform as it relates to that. We are saying that you have the President making serious and important decisions, yet he is responsible to no one.

You remember in 1991 after the elections were completed and the NAR had come into office, you had the appointment of Jimmy Bain onto those boards. Although a new government was in place, the then President said that he had already consulted with the former Prime Minister on these appointments and he was making these appointments after another government had been sworn in. This is the kind of problem we find taking place. Therefore it is necessary that we put mechanisms in place to deal with the issue of constitutional reform to deal with that. Also, you cannot even contest it in a court. So we are saying that a person elected by an indirect method, his actions should be tested in the courts.

I want to inform the hon. Prime Minister this evening when he spoke about the Police Authority Bill, whether we would support it or not, we have never said that we are not going to support the Bill. We are saying that we will support it against the backdrop of constitutional reform, because that Bill by itself, whether we support it or not, may not necessarily solve the problem.

Mr. Deputy Speaker: Are we not straying a little from the Bill?

Mr. S. Panday: Sorry, Mr. Deputy Speaker.

What we are saying is, once we get a commitment for constitutional reform at this point in time, we would be happy.

Hon. Manning: Mr. Deputy Speaker, I just wonder whether the Member for Princes Town is prepared to clarify the statement he just made. What is meant by “as long as we get a commitment for constitutional reform”? If we tell him that the Government is committed to a programme of reform of the Constitution,

would that be acceptable to the Opposition as a precondition to supporting the three Bills that are now before the House?

Mr. S. Panday: What we are saying is, what we need is a commitment of meaningful constitutional reform so that such a Constitution will bring all the peoples together and would not have the divisiveness as occurs in this Constitution; and also a timetable. We have total faith in you. The question is, could we put a timetable and let us run together? We want to give the Prime Minister the commitment that we ourselves are concerned about crime. In Princes Town, two persons were killed the night before and the bullets that were used, both my fingers could have gone through the metal—

Hon. Manning: Thank you once again, hon. Member for giving way. Is my understanding correct, therefore, that the Member is saying that as long as we agree to reform of the Constitution, the principle being that we are trying to put a Constitution in place that will treat with the issue of race relations in the country? Is that what he is saying, really—a Constitution that seeks to address divisiveness generated by the existing Constitution and as long as you put a timetable to it that the Opposition is prepared to support the three Police Bills that are now before the House?

Mr. S. Panday: We are interested in the country and once the factors and the situations are right, we will work to make this country a better place. [*Crosstalk*]

I have been advised by my friends that on Private Members' Day we can both come together and make a statement in the House, because we want to tell you we are also interested in dealing with the crime situation.

I thank the Prime Minister for giving that commitment and to tell him I could watch him in his eyes and do what I have to do. Thank you, Mr. Deputy Speaker.

Dr. Fuad Khan (*Barataria/San Juan*): Mr. Deputy Speaker, I just want to make a brief intervention in this debate on the extension of the terms for the election of the President. My take on it is that Mr. Robinson, like everyone else—

Hon. Member: Where are you going?

Dr. F. Khan: Trust my judgment. Mr. Robinson has done yeoman service to our country over a period of time. He has been in politics and in public life for an extremely long period in different aspects. So when we look at the whole aspect of presidency and ongoing movements, one has to take into consideration that as the body gets older, one has to be aware of the fact that certain medical ailments overtake the body, and public life, after such a long period, could result in an accumulation of stressful movements. When you accumulate the stress level, you

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may have different symptoms, such as falling asleep in Parliament all the time; not really being able to move as one would like, and superimposed on that, you have the rigors of balancing Executive versus Opposition and different movements.

So I just want to tell my colleagues on the other side and the hon. Prime Minister, the Member for San Fernando East, that by defining the time, he should take into consideration that we have a President who has done yeoman service to our country but, on the other hand, he has been—and I am not maligning him—in and out of hospital over the last year, as we have seen in the newspapers. So one must take into consideration the stress level of being the President in a situation like this, and we should not stress our President too much or for too long in this manner.

That is my contribution; that we just do not do it in such a manner that we put the politics into play and forget the gentleman himself.

I thank you.

The Attorney General (Sen. The Hon. Glenda Morean): Mr. Deputy Speaker, regrettably, nothing has been said in the responses to which I need reply, so 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.

Clause 1 ordered to stand part of the Bill.

Clause 2.

Question proposed, That clause 2 stand part of the Bill.

Mrs. Persad-Bissessar: Mr. Chairman, is this the clause with May 2003?

Mr. Chairman: Yes, it is the clause.

Mrs. Persad-Bissessar: I would humbly move that the word “May” be deleted and in its place, “February 28, 2003” be inserted.

Mr. Valley: Why not March 01?

Mrs. Persad-Bissessar: Well, February 28 is the last day in February. Oh, March 01? Sorry. The amendment should read as follows:

“Clause 2 be amended by substituting March 01, 2003 for May 01, 2003.”

Question put and agreed to.

Clause 2, as amended, ordered to stand part of the Bill.

Preamble ordered to stand part of the Bill.

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 Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Mr. Deputy Speaker, as I rise to move the Adjournment of the House, I recall that I was remiss in opening this afternoon, in failing to wish my colleagues on the other side, Happy New Year. This is the first sitting of the House and I should correct that oversight before we leave here this evening. I wish all my colleagues on the other side, a bright and prosperous 2003. Also, I would ask, on behalf of the House, to return the compliments to the Tobago House of Assembly, their wish for seasons greetings and so on, as recorded by the Speaker earlier today.

I beg to move that the House be adjourned to Wednesday, January 22, 2003 at 1.30 p.m. and to inform Members that on that day we go first into Finance Committee, after which we would consider two Bills coming from the Senate through all their stages, that is the Old Age Pension (Amdt.) Bill as well as the Public Assistance (Amdt.) Bill. Members would have those Bills.

Mrs. Persad-Bissessar: They have not been even through the Senate yet. It will be done on Tuesday.

Hon. K. Valley: It would be done on Tuesday.

Mrs. Persad-Bissessar: How will we get—

Hon. K. Valley: The Bills would be sent to you.

Mrs. Persad-Bissessar: But if they are amended—

Hon. K. Valley: We would have those amendments. Well, I can ask you for your Private Members' Day on Friday, if you are so inclined. But I would not want to deny you your Private Members' Day.

Mrs. Persad-Bissessar: That is very kind of you.

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Hon. K. Valley: So I beg to move that the House do now adjourn to Wednesday at 1.30 p.m.

Mr. Ganga Singh (*Caroni East*): Mr. Deputy Speaker, I, too, would like to join my colleague, the hon. Leader of Government Business, in wishing everyone a bright and happy new year, and I noted the sentiments with respect to wishing Members on this side a prosperous new year. I hope that he takes into consideration the payment of the moneys due to Members on this side for service to this country during the period December 2001 to October 2002. Having expressed those sentiments, I want to take this opportunity to wish the Clerk of the House and the office of Speaker all the best for the new year.

Mr. Deputy Speaker: Hon. Members, on behalf of the hon. Speaker who is unfortunately absent at this time, and myself, and all our families, I wish all the Members of this honourable House and the staff of the Parliament, a bright and prosperous new year.

There is, at this time, a matter on the Adjournment to be raised by the Member for Siparia.

Mrs. Persad-Bissessar: Mr. Deputy Speaker, permit me, just before we start the Motion, I believe the Standing Orders would not permit us to have the two Bills in the Senate on Tuesday and allow them to be on an Order Paper for the House on Wednesday. [*Interruption*] We could amend them, but we have not done that yet, have we? I am just throwing this out to you, Mr. Deputy Speaker, and perhaps you could tell us before the sitting ends.

Independent Counsel

Mrs. Kamla Persad-Bissessar (*Siparia*): Mr. Deputy Speaker, I am very pleased that we can at last get to a matter that was to be raised on the adjournment which was submitted in this honourable Chamber in November, the need for counsel other than counsel in the employ of the State to be retained to represent the State in any matter involving a member of the Executive and the State so as to ensure transparency.

I will not detain this House very long because I think all of us fully understand, and also your good self as a practising lawyer, that one of the pillars of our democracy and one of the tenets of the rule of law is that justice must not only be done; justice must be seen to be done. It is a similar kind of concept when we are dealing with what may appear to be a conflict of interest and what is, indeed, a conflict of interest. So in the law there is that thread that runs through

the rule of law which says, justice must not only be done; justice must be seen to be done.

When we look at the Constitution, we see that it provides for the executive powers of the State. In section 75 the Constitution provides that:

“There shall be a Cabinet for Trinidad and Tobago which The Cabinet shall have the general direction and control of the government of Trinidad and Tobago and shall be collectively responsible therefor to Parliament.”

The Constitution then moves on in section 76(2) to provide:

“The Attorney General shall, subject to section 79, be responsible for the administration of legal affairs in Trinidad and Tobago and legal proceedings for and against the State shall be taken—

- (a) in the case of civil proceedings, in the name of the Attorney General;
- (b) in the case of criminal proceedings, in the name of the State.”

We go further to look at section 85, which says:

“Where any Minister has been assigned responsibility for any department of government, he shall exercise general direction and control over that department...”

So by virtue of the provisions of the Constitution, the Attorney General as the Minister assigned responsibility for the Ministry of the Attorney General, being a member of the Executive, will have general direction and control over all the departments which fall under the Ministry of the Attorney General. These departments include the department of the Chief State Solicitor, which handles civil matters, and of course the department of the Solicitor General. So that the lawyers in the employ of the Chief State Solicitor and the Solicitor General are all lawyers who would be under the general direction and control, by virtue of the provisions here, of the Attorney General.

Whilst we may not mention any particular case, I would ask you to imagine a scenario where a member of the Executive is involved in a court matter against the State—it could be any one of the members of the Executive sitting on the other side—and the Attorney General is the other party in the matter, nominally, because of the provisions of the Constitution. But in such cases I am saying the lawyers who are retained, who work out of the Attorney General’s department, are also under the general direction and control of the Attorney General, as I have just read the provisions. Therefore, if we want to ensure that justice is not only done, but justice is seen to be done, if we want to ensure that there is transparency

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and there is no apparent conflict of interest, then there should be other ways of having lawyers represent the State in matters where a member of the Executive is involved.

There have been several high profile cases. I think even the Member for Toco/Manzanilla—and I am not going into the merits of his case—there was a matter involving that Member and the State. The fact of it I can speak of, but I cannot go into the merits of it. Similarly, there is a matter with another Minister, again, a member of the Executive involved in a matter against the State. It created a lot of controversy, and it creates concern in the minds of citizens because these matters, once they are against the State, relate to moneys that are to be paid out of public funds; out of state funds.

One is not saying that the office of the Attorney General is going to be biased in the manner in which the matters are handled. There are those who may perceive the office to be biased, where certain gifts were made in the not-too-distant past. People may perceive a kind of biasness, but that office does not have to be biased at all. You can prevent that kind of acrimony and suspicion from arising if you ensure that independent counsel is retained to deal with matters such as those, rather than the lawyers out of the State department who are under the general direction and control of the Attorney General.

The second issue has to do with, even if you are saying you would retain independent counsel in order to give that transparency, what are the criteria that would be used and how is it to be? Again, I mean no disrespect to anyone. If it is I am saying, okay, independent counsel, that counsel is not working in the State department; not for the Solicitor General; not for the Chief State Solicitor, but then I choose someone who is an Executive member of the ruling party who is a lawyer in private practice, obviously, yes, you are saying they are not from the State department. So the issue is not as simple as saying “I am not going to use lawyers from the Solicitor General’s department; I am not going to use lawyers from the Chief State Solicitor; I am going to choose lawyers from outside”; the issue of what kind of criteria and what process will be used is also of vital importance.

As I said, this has been on the Order Paper for a very long time. I am sure the hon. Attorney General would not want to give the impression to anyone at all that she would personally intervene or interfere in any case that involves a member of the Executive, because the perception is there; the perception has arisen; the controversy arose and I am very sure that the Member understands, as you do, Mr. Deputy Speaker. Therefore, to avoid that confusion, that perception and that kind

of fear that taxpayers' money—public funds—would be channelled in a way that is not transparent, then there must be a process for independent lawyers to be retained in any case in which a member of the Executive is engaged in litigation or otherwise against the State in any form or fashion.

I thank you, Mr. Deputy Speaker.

The Attorney General (Sen. The Hon. Glenda Morean): Mr. Deputy Speaker, as the hon. Member for Siparia stated, the Ministry of the Attorney General operates with several departments, including the departments which are of civil law, criminal law, legislative and drafting. The civil law department is headed by the Solicitor General and includes the Chief State Solicitors. The Director of Public Prosecutions heads the criminal law department and the Chief Parliamentary Counsel heads the legislative drafting department.

For the benefit of Members I will recite the functions of the Ministry of the Attorney General. They are:

- (a) to provide legal advice to Cabinet, to all Ministers, statutory bodies and departments of Government both on local and international matters;
- (b) to arrange for legal officers or lawyers to prosecute in criminal matters on behalf of the State;
- (c) to appear in civil matters for and on behalf of the State;
- (d) to keep under review all the laws applicable to Trinidad and Tobago with a view to their systematic development and reform.
- (e) To prepare subsidiary legislation for Government ministries and other bodies;
- (f) to approve legal documents—

Mrs. Persad-Bissessar: The functions of the Attorney General that the Minister is reading for us, are those the functions as listed in the Constitution, or is this a document that is an internal document at the Ministry? What is the source of the document?

Hon. G. Morean: To answer the Member's question, the Constitution sets out the functions of the Attorney General in broad terms. I am giving specific, under those broad terms, the areas with which the Attorney General's office deals. This is all arising out of the general statement as to what the Attorney General is to do; all the civil law, to advise the Government on all criminal matters, and these all arise out of that.

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So in each department of the Ministry of the Attorney General, state counsel is employed to represent the State in both criminal and civil matters. In civil litigation state counsel from the Solicitor's General department, instructed by state counsel from the Chief State Solicitor's department, would generally represent the State. However, the Solicitor General will, at her discretion, seek approval from the Attorney General for retention of counsel from outside of the State's legal department to represent the State in an appropriate case. The same applies in the case of the Director of Public Prosecutions.

The procedure for the retention of counsel other than state counsel has been the subject of several Cabinet decisions. I will go back to a decision of the Cabinet contained in Minute No. 1565, dated—[*Interruption*] This is general. This is a reference to the Cabinet Minute, dated July 21, 1988 when the then Cabinet agreed that a Minister could approve the retention of legal services provided that funds had been appropriated and after consultation with the then Ministry of Finance and the Economy on the current cash flow position. I am setting out the policy as laid down by a Cabinet decision.

This decision, by a subsequent decision of February 27, 1992, was rescinded, and the Attorney General and Minister of Legal Affairs was again delegated authority to approve retention of legal services for the Government and all ministries and departments, provided that the funds had been appropriated for the purpose and after the Minister had consulted with the relevant ministry and the Ministry of Finance in respect of the cash flow position.

This procedure, this policy, as laid down by the Cabinet, was followed for several years until that authority was replaced by a later Cabinet decision of October 10, 2001 when the then Cabinet, chaired by the hon. Member for Couva North at the time, agreed that prior approval of Cabinet be sought and obtained for the appointment and retention of persons other than Government legal officers to represent the State or its agencies in litigation or other legal matters.

Members will recall that relations between the then Prime Minister and his Attorney General who was attempting to deal with the issue of corruption, became strained when that decision was made. So by Cabinet Minute No. 11 of January 09, 2002, that is during this present administration, Cabinet reversed this later decision and invested the Attorney General with the authority to approve the retention of counsel to provide legal services for the Government and all ministries and departments provided that funds have been appropriated for the purpose and after consultation with the relevant Minister and the Ministry of Finance.

Now this decision was premised on the fact that in addition to the responsibility of the Ministry of the Attorney General for providing Government and ministries with legal services, the Attorney General has the legal staff to advise her as to whether the retention of legal services in any given matter is necessary, and where it is necessary to retain legal services, the legal staff can advise her as to what is a fair and reasonable charge for such services.

In the light of this, it should be clear that this Motion is frivolous and without merit. It is entirely within the purview of the Cabinet to determine the policy it will adopt in respect of Government's legal representation, which policy is implemented by the Attorney General. So that it is entirely within the purview of the Cabinet to set out the policy which the Attorney General will implement.

Thank you, Mr. Deputy Speaker.

Mr. Valley: Mr. Deputy Speaker, I just want to make one slight amendment or correction. I said that the Finance Committee would meet at 1.30 p.m. on Wednesday, but after discussions we are postponing that to 1.00 p.m. on Friday so as to give Members some more time. The House will sit on Wednesday to consider the two other pieces of legislation.

Question put and agreed to.

House adjourned accordingly.

Adjourned at 10.00 p.m.