

Leave of Absence

Friday, November 24, 2006

HOUSE OF REPRESENTATIVES

Friday, November 24, 2006

The House met at 1.30 p.m.

PRAYERS

[MR. SPEAKER *in the Chair*]

LEAVE OF ABSENCE

Mr. Speaker: Hon. Members, I have received communication from the following Members requesting leave of absence from sittings of the House: Mrs. K. Persad-Bissessar (Siparia), for the period November 24 to November 26; Mr. Manohar Ramsaran (Chaguanas), for the period November 24 to December 06, and Dr. Adesh Nanan (Tabaquite) for the period November 24 to December 01. The leave which these Members seek is granted.

PAPERS LAID

1. Audited financial statements of Palo Seco Agricultural Enterprises Limited for the year ended September 30, 1995. [*The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley)*]
2. Audited financial statements of Palo Seco Agricultural Enterprises Limited for the year ended September 30, 1996. [*Hon. K. Valley*]
3. Audited financial statements of Palo Seco Agricultural Enterprises Limited for the year ended September 30, 1997. [*Hon. K. Valley*]
4. Audited financial statements of Palo Seco Agricultural Enterprises Limited for the year ended September 30, 1998. [*Hon. K. Valley*]
5. Audited financial statements of Palo Seco Agricultural Enterprises Limited for the year ended September 30, 1999. [*Hon. K. Valley*]
6. Unaudited financial statements of Palo Seco Agricultural Enterprises Limited for the year ended September 30, 1986. [*Hon. K. Valley*]
7. Unaudited financial statements of Palo Seco Agricultural Enterprises Limited for the year ended September 30, 1987. [*Hon. K. Valley*]
8. Unaudited financial statements of Palo Seco Agricultural Enterprises Limited for the year ended September 30, 1988. [*Hon. K. Valley*]
9. Unaudited financial statements of Palo Seco Agricultural Enterprises Limited for the year ended September 30, 1989. [*Hon. K. Valley*]

Papers Laid

Friday, November 24, 2006

10. Unaudited financial statements of Palo Seco Agricultural Enterprises Limited for the year ended September 30, 1990. [*Hon. K. Valley*]
11. Unaudited financial statements of Palo Seco Agricultural Enterprises Limited for the year ended September 30, 1991. [*Hon. K. Valley*]
12. Unaudited financial statements of Palo Seco Agricultural Enterprises Limited for the year ended September 30, 1992. [*Hon. K. Valley*]
13. Unaudited financial statements of Palo Seco Agricultural Enterprises Limited for the year ended September 30, 1993. [*Hon. K. Valley*]
14. Unaudited financial statements of Palo Seco Agricultural Enterprises Limited for the year ended September 30, 1994. [*Hon. K. Valley*]
15. Audited financial statements of Youth Training and Employment Partnership Programme (YTEPP) Limited for the year ended September 30, 2005. [*Hon. K. Valley*]
16. Annual audited financial statements of Export-Import Bank of Trinidad and Tobago Limited for the year ended December 31, 2005. [*Hon. K. Valley*]

Papers 1 to 16 to be referred to the Public Accounts (Enterprises) Committee.

ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO (AMDT.) BILL

Bill to amend the Accreditation Council of Trinidad and Tobago Act, 2004, brought from the Senate [*The Minister of Science, Technology and Tertiary Education*]; read the first time.

ORAL ANSWERS TO QUESTIONS

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Mr. Speaker, may I ask your indulgence to defer question No. 12 for one week? [*Interruption*]

Mr. Speaker: What about questions Nos. 5 and 7, are you requesting a deferral for them? [*Crosstalk*]

Hon. K. Valley: The Member is not here; I thought they would lapse. [*Interruption*] [*Laughter*] They can be deferred, Mr. Speaker.

Mr. Speaker: For one week?

Hon. K. Valley: Yes.

The following questions stood on the Order Paper:

Brian Lara Stadium

5. With regard to the Brian Lara Stadium, could the Minister of Sport and Youth Affairs advise:
- (a) (i) the status of work being conducted;
 - (ii) the expected completion date; and
 - (iii) the cost overruns to date?
- (b) Could the Minister state what would the stadium be used for in relation to Cricket World Cup 2007? [*Mr. M. Ramsaran*]

**Early Childhood Care and Education Centres
(Chaguanas)**

7. Could the hon. Minister of Education indicate whether there are plans to construct Early Childhood Care and Education Centres in the constituency of Chaguanas? [*Mr. M. Ramsaran*]

**Aubrey Armstrong Management Associates of Barbados
(Consultancy Services)**

12. Could the hon. Minister of Labour, Small and Micro Enterprise Development indicate:
- (a) the total amount paid to Aubrey Armstrong Management Associates of Barbados with respect to consultancy services to the Cipriani College of Labour and Cooperative Studies; and
 - (b) the names of the consultants who worked on these consultancies? [*Miss G. Lucky*]

Questions, by leave, deferred.

HERITAGE AND STABILISATION FUND (NO. 2) BILL

[Third Day]

Order read for resuming adjourned debate on question [November 10, 2006]:

That the Bill be now read a second time.

Question again proposed.

Mr. Ganga Singh (*Caroni East*): Mr. Speaker, having regard to the evolution of this Bill, I want to congratulate the Minister of Finance, in the first instance, who brought forth the idea of an Interim Revenue Stabilization Fund and,

Heritage and Stabilisation Fund Bill
[MR. G. SINGH]

Friday, November 24, 2006

subsequently, the evolution of that into the Heritage and Stabilisation Fund. It points to a level of political maturity in this society and in the evolution of that, political maturity in the Parliament.

What does this Bill seek to do? In a sense, it seeks to really define a rainy day and to take care of that rainy day, having regard to the oil and gas windfall that we are currently experiencing. Perhaps, it is best captured by the International Monetary Fund (IMF) Working Paper of 2005:

“Trinidad and Tobago: The Energy Boom and Proposals for a Sustainable Fiscal Policy

Trinidad and Tobago, the Caribbean’s largest producer of oil and gas, is experiencing a major energy boom. Owing to new large oil and gas discoveries and a number of projects that already have or are scheduled to come on stream in the next few years, energy production is projected to nearly double over the medium term and significantly boost the revenue receipts from the energy sector.

The main policy challenge facing the Trinidadian authorities is the prudent management of the large but eventually exhaustible energy wealth. A key issue in conducting fiscal policy in countries rich in natural resources is the choice between consumption and savings out of current and expected resource revenues.

Historical and cross-country experience indicates that, more often than not, resource wealth has been mismanaged. For example, in the aftermath of the oil boom of the 1970s and 1980s, a number of countries, including Trinidad and Tobago, experienced the disruptive effects of overly expansionary and unsustainable fiscal policies during the booms, which resulted in their non-energy tradable sectors becoming uncompetitive and rendered their economies vulnerable to shocks, such as the sharp drop in oil prices that began in 1981-82.”

Appendix 7 of this IMF Working Paper, entitled “Guidelines for Establishment and Operation of the Revenue Stabilisation Fund and a Heritage Fund” states:

“A Stabilisation Fund (SF) is a formal institutional mechanism whereby the government collects and invests on an ongoing basis a share of the taxes/rents received. These resources accumulate over time and there are fairly detailed guidelines as to how the funds are used and invested. Such a fund is usually regulated by special legislation. The primary purpose of the fund is to build up a cushion of resources which can be used to deal with adverse fluctuations in

revenues engendered by declining commodity prices e.g. a significant drop in the price of oil. Thus, a Stabilisation Fund is a tool of fiscal management intended to smooth the more severe falls or spikes in revenues.

The Heritage Fund

The Heritage Fund (HF) like the Stabilisation Fund is a formal institutional mechanism governed by detailed guidelines for the collection and investment of surpluses, particularly from non-renewable resources. However, the primary purpose of the Heritage Fund is to address intergenerational equity whereby resources are provided for future generations from the monetisation today of non-renewable natural resources. This is to try to ensure that the consumption level of the current generation is not at the expense of future generations since future generations have an equal claim on the country's resources."

My colleagues, the hon. Member for St. Joseph, and also the hon. Member for St. Augustine, the political leader of the Congress of the People party, indicated that there was no heritage component in this Bill. I think that is part of the discussions and is intended to be addressed at the committee stage. I congratulate the hon. Minister of Finance, Sen. Enill, for taking that recommendation on board.

Mr. Speaker, this Heritage and Stabilisation Fund Bill must be viewed in the context of the current oil and gas boom and viewed from the lessons we ought to have learnt from the 1970s. Whether it is through learning from that period, the "Imperatives of Adjustment"—the report of the William Demas task force—or alternatively, the IMF Working Paper submitted by Ronald Ramkissoon, David Thomas and Armand Jackson, the lessons of the 1970s are relevant today. I quote from this article:

"Guidelines for the Establishment and Operation of the Revenue Stabilisation Fund and a Heritage Fund

Trinidad and Tobago experienced a boom over the period 1974 to 1982 when growth in real GDP averaged 6.0 percent per annum. With the decline in oil prices, GDP contracted by 3.0 percent annually between 1983 and 1991. The economy began another growth phase in 1994 and has been on a growth path since then. The country is now in the midst of another boom which, based on the doubling of Government oil revenues...Crude oil prices are now well above the average of the last few years and currently exceed US \$40.00 per barrel.

Heritage and Stabilisation Fund Bill
[MR. SINGH]

Friday, November 24, 2006

This boom and bust cycle is typical of oil economies. A major challenge is to sustain growth when oil prices fall, even if at a lower level. The dramatic effects that a decline in mineral output or price can have on an economy are demonstrated by the experience of Trinidad and Tobago. For example, at the height of the boom in 1981, foreign reserves amounted to US \$7.7 billion. By 1983 they had declined to US \$5.0 billion and by 1987, US \$291 million. Within six years, the country's foreign exchange reserves had fallen by 94 percent or were almost wiped out.

The experience also shows that having good intentions is not good enough. The thought of 'putting something away' was evident even in the seventies. Accordingly, funds were put aside in Long Term Project Funds beginning in 1974 with the rationale that are being advanced now such as, the need to save for when energy prices fall or the resource runs out, limited absorptive capacity, to avoid inflationary pressures, and the need for economic diversification. Total amount in these funds rose to around US \$2.0 billion in 1980. However, these funds were depleted by the end of the boom. The experience suggests that unless there are stringent rules and legislation for accessing the Funds which are set aside under whatever name and notwithstanding how well intentioned a government might be, the best guarantee that these funds will be available after a fall in commodity prices and revenues is to ensure strict rules with oversight by Parliament rather than by the Minister of Finance."

Mr. Speaker, that has been the position of the Members for St. Joseph and St. Augustine, that there ought not to be any political interference in the management of the Heritage and Stabilisation Fund.

The authors go on to state:

"Fiscal Policy Management in the Current Environment

Given this country's good fortunes at the present time, there is a fair degree of consensus that we ought not to spend the entire windfall, even if we could have, and that a more or less significant portion must be saved."

That is the rationale and *raison d'être* behind this Bill before us.

"The rationale for this is that oil economies are defined by a dominant oil export sector and tend to experience large fluctuations in income levels. Further, oil and natural gas are nonrenewable or wasting assets meaning that their continuous supply cannot be guaranteed. Thirdly, small open economies cannot absorb huge income inflows at too rapid a rate without triggering high

inflation, exchange rate appreciation and substantial expenditure on imports, ultimately eroding foreign exchange reserves. Consequently, it is to save some of the excess revenues first to smooth out the impact of any commodity price decline and secondly to ensure that future generations have income from these assets available to them. Some of the inflow must be allocated as well to current consumption, social amelioration and capital development.”

What is the reality of Trinidad and Tobago today?

The hon. Minister in his presentation indicated that we were following best practices. Best practice really requires that the rules and operation of the funds should not only be transparent, but also free from political interference. Our experience of the 1970s points to the fact that, notwithstanding the good intentions, those funds were interfered with because of the pressures brought to bear upon the government of the day. Therefore, the then government was not in any way precluded from accessing these funds. At the end of the day, the funds were all drained away and there were no intergenerational savings whatsoever.

William Demas was a noted Caribbean economist who was called in subsequent to the bust following the oil boom. In his “Imperatives of Adjustments”, the report of the William Demas Task Force, at page 3, says:

“But there were also adverse effects...

An overheating of the economy, particularly in the construction sector. There were significant rises in the costs of land and of buildings and of money wages, partly as a result of shortages of building materials and skilled labour. Productivity almost certainly fell, as unskilled and semi-skilled persons were often hired to do skilled work. From 1978 onwards the Government seemed to be attempting to do everything at the same time, a strict ordering of priorities being notably absent. The resulting frantic economic activity led to severe distortions, shortages and bottlenecks and to rapidly rising wages and other costs and to increasing profits throughout the economy.”

It is in this context that we understand what is happening today.

In the headlines of all three newspapers today, the *Daily Express*:

“Inflation Hits 10 %”

The *Guardian* newspaper:

“Inflation Hits Double-Digit ‘Slippery Slope’ 10%”

Heritage and Stabilisation Fund Bill
[MR. SINGH]

Friday, November 24, 2006

The *Newsday*:

“Inflation Hits 10 %”

Throughout today's newspapers, this Government has achieved the capacity to influence the headlines by an act of economic mismanagement.

I quote from today's *Newsday*:

“Govt ‘sky has not fallen’ but—

Inflation Hits 10 %”

That was what the Prime Minister said in his *Chicken Little* moment. I quote from an article written by Clint Chan Tack:

“Inflation yesterday hit ten per cent, landing into the double-digit range, despite warnings to Government from the Central Bank that every possible measure must be taken to prevent prices from spiralling out of control.

However, as the country's worst fears seemed to come to pass last night, Government and the Central Bank were assuring the population that ‘the sky has not fallen’ and there was no need to panic.”

Mr. Speaker, I am told that there is, in fact, panic purchasing taking place.

“In releasing the Central Bank's monetary policy report on October 30, Governor Ewart Williams warned that TT needed to do all it could to stay off ‘the slippery slope’ of double-digits inflation because the measures required to reduce this level would be very painful for the economy.

Prime Minister Patrick Manning acknowledged Williams' concerns during a post-Cabinet news conference at Whitehall on November 2. In giving the assurance that Government was working to curb inflation, Manning said ‘the sky will not fall’ if double-digit inflation occurred.

But the pressures, mostly from sharp increases in food prices, have been too strong, as the Central Bank yesterday announced that headline inflation rose to ten per cent in October from 9.6 percent in September.

Food prices registered a staggering 26 percent hike between October 2005 and October 2006.

The Central Bank said that Central Statistical Office data showed increases in fruit, vegetable, fish and meat prices of 19.9, 63.4, 31 and 12.9 percent, respectively, in the 12 months up to October.

Core inflation (which excludes food prices) rose from 3.9 percent in September to 4.7 percent in October. Increases here were attributed to the rising costs in transportation, health services and alcoholic beverages. The price increase in alcoholic beverages was due to higher taxes announced in the 2006/2007 budget.”

You had three former ministers of finance warning this Government: the hon. Member for St. Joseph, Selby Wilson and also Wendell Mottley. They warned this Government about the impending double digit inflation, but in an act of self-denial, this Government decided to bury its head in the sand.

Because they are in this state of denial, they do not see the signals of the former ministers of finance and also the former Central Bank Governor, Mr. Winston Dookeran, the hon. Member for St. Augustine, warning them. This Government has not recognized that it is back in time. It is said that if you forget the past, you are condemned to repeat it. We are making the mistakes of the first boom. The learning points to the fact that we are making the same mistakes. We are overheating the economy; land prices are up; the price of labour is up, the price of material is up, but this Government is in a state of denial. That denial is nowhere better measured than by the contribution of the hon. Member for Diego Martin East in the debate last week.

The hon. Member sought to put the blame for the increasing cost of foodstuff, not at the doorstep of the Government, but rather at the feet of the middlemen in the business community. He went on a great deal about food prices; not indicating that there were certain reports within his own Ministry which he failed to bring to the attention of this honourable House.

I make reference to the *Guardian* of August 10, 2006:

“Building costs see sharp increase”

This was a report done by the Ministry of Works and Transport entitled “The Impact of Inflation on the Construction Sector in Trinidad and Tobago from June 2004–June 2006”. Not a word from the hon. Member for Diego Martin East.

Mr. Imbert: That is not official.

Mr. G. Singh: What do you mean it is not official? This is a report of the Ministry of Works and Transport; it was done by the Ministry. [*Crosstalk*] he is now denying the report from his Ministry. [*Crosstalk*] This was an article written by Sandra Chouthi:

“The cost of clay blocks has gone up by nearly 200 per cent in the last two years. Hiring a skilled tile layer will cost you 76 per cent more now than it did in 2004.

And if you wanted to rent an excavator in June 2006, you were paying a rate of \$627.50, which was exactly 100 per cent more than the \$312.50 you would have paid in June 2004.”

Some of the price increases in the construction sector in the last two years may sound unbelievable, even shocking. But that’s not the bad news.

The bad news is that in a very recent study the Ministry of Works and Transport suggested that the pace of construction T&T is now undergoing is set to continue for another seven years.

‘It is presumed that the level of spending by the State at present is expected to continue for the next seven years or so, and, as a result, we should expect an increasing demand for more materials and services associated with the industry,’ stated a 20-page report by the ministry.

The report is titled ‘The Impact of Inflation in the Construction Sector in T&T from June 2004–June 2006.’ It was submitted on July 12 and the title page indicates that it is the work of the Director of Highways in the Highways Division of the Ministry of Works and Transport...

‘If nothing is done to reduce the level of inflation being experienced, prices will undoubtedly continue to rise beyond the reach of the ordinary person.’

This is clearly a suggestion that the ‘ordinary’ person can afford current prices for construction equipment, material and labour.

The report makes some noteworthy points, among them:

the ‘astronomical’ increase in the price of clay blocks at 184.6 per cent.

‘The mining and other associated materials/resources that goes (sic) into the production of clay blocks has (sic) experienced very little increase to match this inflated price for this period.’”

Mr. Speaker, it goes on to say that grade one clay blocks rose by 188.5 per cent. I saw in today’s newspaper that there is a drop in the price of readymix concrete.

Mr. Manning: Guess why?

Mr. G. Singh: Dressed lumber increased; structural steel increased; cement increased; concrete blocks increased; labour rates, skilled, semi-skilled and unskilled increased in various percentages; daily-rated unskilled labour also increased. The report says that a two-year job that would normally cost \$200 million would cost after that period, in the current climate, \$300 million.

This hon. Member for Diego Martin East, ignoring a report from his own Ministry on the impact of the increase of construction material from clay blocks, to concrete, to steel, to dressed lumber, to labour, came to talk to us about areas dealing with agriculture, as if that was his forte. [*Crosstalk*] It is clear that this Government is in crisis and is clueless [*Crosstalk*] as to how to deal with the economic mismanagement it has brought to bear upon this country. [*Crosstalk*]

It is clear in every sector, even if that sector deals with safety and security; you have crisis taking place. This Heritage and Stabilisation Fund will not insulate the society from the criminal elements currently running rampant. [*Desk thumping*]

In my own constituency, we did a walkabout in the Welcome and Ragoonanan Road areas on Sunday morning. We partnered the police in that area. The bandits went into several homes in that community on Monday evening, as if to send a message to the community and the police that they are not afraid; “You could walk how much you want; you could partner with de police how much you want; we are not afraid.”

Mr. Speaker, this Heritage and Stabilisation Fund money will be utilized to deal with the whole question of the provision of safety and security. I want to personally thank the hon. Member for Port of Spain North/St. Ann's West who responded to a call from me to assist one of the victims of that banditry from the Ragoonanan Road area, who was shot and seeking assistance at the Mount Hope Hospital. [*Crosstalk*]

Murders and serious crimes cannot insulate us. This Heritage and Stabilisation Fund is being done in an arena in which people are not safe. When you look at what the Director of Public Prosecutions (DPP) said, that criminal justice is in jeopardy, it is funding from this fund that would fund the criminal justice system, provide more lawyers for the DPP Department. [*Crosstalk*]

The DPP said in the newspapers that justice is in jeopardy. He laments the collapse of court cases. I quote from the *Guardian* newspaper of Thursday, November 23, Thanksgiving Day for the Americans.

“For the first time, Director of Public Prosecutions Geoffrey Henderson has stated that the criminal justice system is in serious danger.

At the heart of it, the DPP said, was the number of cases which were being surrendered by the State, due to witnesses disappearing or simply refusing to give evidence.

Heritage and Stabilisation Fund Bill
[MR. SINGH]

Friday, November 24, 2006

‘You only have to look at statistics to realise that many witnesses seem to be intimidated, to the point where they refuse to come to court. It is a serious cause for concern. There are even police officers who are afraid to give evidence,’ the DPP explained.”

Mr. Ramnath: You did not read that?

Mr. Valley: What has that got to do with the Heritage and Stabilisation Fund?

Mr. G. Singh: You were not here on the last occasion, that is your problem, hon. Leader of Government Business. The debate opened up tremendously.

Do you understand what is happening, Mr. Speaker? What you have is a total breakdown of the criminal justice system. Sir Timothy Cassel in a matter before the court said:

“‘I don’t know what went wrong with the police in T&T since the trial last year. But clearly, something has gone very wrong,’ he said.”

Mr. Ramnath: They lock up Mr. Panday, anything else could happen.

Mr. G. Singh: Magistrate McNicolls, in dealing with the court system—
[*Interruption*]

Mr. Valley: I wonder whether the hon. Member could tell us what bill he is debating. [*Crosstalk*]

Mr. G. Singh: I have great respect for my friend, the hon. Member for Diego Martin Central, but if he had taken time from his South American sojourn to read the *Hansard* of the previous days, he would see that both the Members for Diego Martin West and East opened up this debate to deal with a series of constitutional matters and a series of areas in which this justice department is very important. [*Mr. Valley lifts copy of the Hansard in the air*] [*Crosstalk*]

The Criminal Bar Association and the Chief Magistrate said that cases were collapsing because witnesses were afraid, so, perhaps, we would utilize funding from the Heritage and Stabilisation Fund in order to fund a proper witness protection programme. [*Interruption*]

Mr. Valley: Mr. Speaker, what is he saying? Is the Member saying that rather than put the money into the Heritage and Stabilization Fund, we should spend more? Is that the point?

Mr. G. Singh: I am not giving way. [*Crosstalk*]

Mr. Ramnath: What you should do is listen and then speak after.

Mr. G. Singh: On the point made by the hon. Member for Diego Martin East, you have to utilize some money for the financial and social architecture of society. But in the context of this debate, it is clear that this society is unravelling. The criminal justice system has collapsed, because of political interference. That is why we are saying that you ought not to have political interference in this Bill; therefore, we should insulate these funds from political interference. [*Desk thumping*]

The eruptions in Felicity and Petersfield are symbols of the unravelling of the civic thread in our society. [*Crosstalk*] It is clear that in our current scenario persons no longer regard the police and the Government as having the capacity to protect them. The criminal justice system is suffering from a lack of legitimacy.

Mr. Imbert: What does that have to do with the Heritage Fund?

Mr. G. Singh: It is reflective of the crisis of governance. That is why, in the context of the Bill, we are saying to insulate it from political interference. There is a widespread belief that the Government does not have the capacity to lead the development process; to fairly allocate social goods. So when the Prime Minister spoke of mixed communities, immediately it raised questions as to whether or not he made a reference to ethnic tribalism, because there is the perception that this Government will not fairly, equitably and equally allocate social goods in our society. [*Crosstalk*]

You must look at what is happening in the context of this fund. When Sir Timothy Cassel said, "I don't know what went wrong with the police service; it has gone very, very wrong", it is cause for concern, because this is an outsider coming in. There has been a gradual process whereby politics interfered with the running of the police service in this country. You cannot separate the lack of confidence in the judicial and court systems, all symbols of the State, without reference to the attack on the Chief Justice and justices of appeal.

Dr. Rowley: Attack by whom?

Mr. Ramnath: By the PNM. [*Crosstalk*]

Mr. G. Singh: Does anybody in this country have any faith in the Environmental Management Authority (EMA), an authority that may be funded by the Revenue Stabilization Fund? [*Crosstalk*]

Mr. Speaker: Order!

Mr. G. Singh: The history of the EMA is that all government projects went ahead without any kind of clearance and now you want to tell us that we must have faith and confidence in the EMA? That is why there is this hue and cry over the smelters. In this environment we are drifting toward social anarchy.

Dr. Rowley: You hope so! [*Crosstalk*]

Mr. Hinds: “Yuh praying for dat.”

Mr. G. Singh: The other side of that is political authoritarianism. When you look at the contribution of the hon. Member for Diego Martin East—[*Crosstalk*] and I am going to put it in my words, paraphrase it—he was saying, “When you are elected, you have the right to govern and your right to govern does not mean that there would be any participation, whether through discussion with anybody in the society.”

Dr. Rowley: Nobody said that. [*Crosstalk*]

Mr. G. Singh: It is a crisis. That is the way, “When I am elected, I am elected to govern and I do not listen for the next five years, until the next election campaign.” That is what he was saying. [*Crosstalk*]

Mr. Speaker: Order!

Dr. Rowley: Take it to the police! Remember that? [*Crosstalk*]

Mr. Speaker: I think we are getting a little out of order here. Let us hear the Member, please.

Mr. G. Singh: When you understand the reality of the environment, as to why there is the collapse in this society today of the criminal justice system, you go back to the meeting with the community leaders. You start from that point and go further back to the—[*Interruption*]

Mrs. Robinson-Regis: To the meeting with Abu Bakr!

Mr. G. Singh:—utilization of criminal elements in the campaign for the election of 2002, then you come forward and understand that the compact between the political directorate and criminal elements in the society is one of the principal reasons why today we have a total breakdown of the criminal justice system. [*Desk thumping*]

Mr. Hinds: You had criminals in Cabinet!

Mr. G. Singh: You have to look at social mores and norms; they influence behaviour. [*Crosstalk*]

Mr. Speaker: I will insist that Members observe Standing Order 40, please. Hon. Member for Caroni East, you need to realign yourself to the Bill before us.

Mr. Imbert: Be relevant.

Mr. G. Singh: Mr. Speaker, in the context of the need for clear constitutional reform, a point raised by the hon. Member for Diego Martin East—[*Interruption*]

Mr. Imbert: “Is all yuh raise it.” [*Crosstalk*]

Mr. Ramnath: You talk so much you do not remember what you said.

Mr. G. Singh:—we are asking: How do you remove this compact between the political directorate and the criminal element in society? When you look at the extent of what is happening in our society of the right to recall; people are asking for direct democracy. The hon. Member for Diego Martin East said that when we have a motion of no confidence, that is when is the right to recall, but he failed to recognize that the society has evolved further. This society now wants direct involvement. The citizenry wants direct involvement, whether through referendum or the right to recall. The ordinary citizens are saying, “We want to be directly involved in the decision-making process and there must be some avenues available to us.” That is why the Constitution reform exercise is important.

Certainly, if there was the right to recall, when the Prime Minister called the Marabella Police Station, it might have triggered that right. [*Interruption*] [*Crosstalk*]

Mr. Speaker: I really think you are way off track. Whatever you are saying, link it to the Bill, please.

Mr. G. Singh: Mr. Speaker, the Heritage and Stabilization Fund is meant to lend economic stability to the society. In the current scenario, the economic stability is under threat because of economic and political mismanagement. The political mismanagement finds itself because of political interference by the Prime Minister, in particular, in independent institutions in the country. Whether you have the Bajan fishermen issue, the Vernon Paul issue or the formation of the Special Anti-crime Unit, you have those kinds of problems of governance. The crisis facing us is a crisis in governance. [*Crosstalk*]

Both the Members for Diego Martin East and Diego Martin West mounted a concerted attack on Transparency International.

Mr. Imbert: Blows for them!

Mr. G. Singh: In fact, I had cause to stand and ask the hon. Member for Diego Martin West whether or not they would continue to participate in the

Heritage and Stabilisation Fund Bill
[MR. SINGH]

Friday, November 24, 2006

Extractive Industries Transparency Initiative. The Minister, Sen. The Hon. Sahadeo, travelled to London and Paris and made speeches at both those conferences articulating Government's position on this initiative. When I asked the hon. Member for Diego Martin East whether or not the Government was sticking to its deadline to ratify and validate the Extractive Industries Transparency Initiative Treaty by the end of this year, he waffled. He had no clue as to whether or not this was so. This is part of the hypocrisy of the Government.

They talk about transparency and articulate, but they do not walk the talk. Minister Sahadeo went to Paris, London and elsewhere in Europe; in fact, she articulated Government's adherence to the EITI.

Mr. Ramnath: But elected persons do not get to travel?

Mr. G. Singh: The hon. Member for Diego Martin West said that the EITI was only for those authoritarian regimes in Africa. I want to point out to him that it was the Blair government United Kingdom led EITI launched in 2002 at which this Government was present through its representative Sen. Sahadeo. The EITI:

“encourages governments, companies, international organizations, and other interested parties to develop a framework to promote transparency on payments and revenues arising from extractive natural resources. The Group of Eight Countries (G8) issued in 2003 a declaration of ‘Fighting Corruption and Improving Transparency,’ encouraging countries to volunteer for fiscal transparency assessments by the IMF and to publish the results of such assessments.” [*Crosstalk*]

It is clear that this Government indicated it was a signatory to the Treaty.

Dr. Rowley: Blair said it, so it is law?

Mr. G. Singh: You do not sit in the Cabinet? Maybe you were playing golf in Chaguaramas or in Moka. At that Cabinet meeting they would have given the okay for this hon. Minister to attend, speak and sign on behalf of the country. [*Crosstalk*] So this country is at the stage where it requires validation of this Treaty.

Mr. Speaker: Order!

Mr. G. Singh: In the Bill, the members of the board should fall within the ambit of the Integrity in Public Life Act, because you are handling tremendous financial resources. The members ought to be governed by the Integrity in Public Life Act. The hon. Member for Diego Martin East indicated that—[*Interruption*]

Mr. Imbert: That must have been a good contribution. What you have with me?

Mr. G. Singh: Elected people ought to govern and, therefore, they must have the right to govern. Nominated persons ought not to have that right, therefore, any board must be politically appointed. [*Crosstalk*]

Mr. Speaker, that may be so, but elected persons also fall within the ambit of the Integrity in Public Life Act. There must be consistency in what you say. [*Crosstalk*] This Government has a penchant for saying one thing and doing something else. [*Interruption*]

[*Dr. Rowley exits Chamber*]

Mr. Ramnath: “Cyar” take “de jamming?”

Mr. G. Singh: “Ah” coming to him and the Scarborough Hospital in a short while.

This Government indicated that part of the Heritage and Stabilisation Fund would be invested in education. The hon. Member for Diego Martin East indicated that in his presentation. That is a laudable objective. We subscribe to that. In fact, at the time of the Interim Revenue Stabilization Fund, 20 per cent was allocated to the dollar-for-dollar programme, which was the forerunner of the GATE programme, therefore, it allowed for that kind of investment in the human capital of our country. What is the reality?

Whilst this Government speaks of significant resource investment in the education sector and it applies significant moneys there, [*Laughter*] it is also giving those who are managing the moneys in that sector, in particular higher education, a free and open hand. [*Interruption*]

Mr. Speaker: Hon. Members, the speaking time of the hon. Member for Caroni East has expired.

Motion made, That the hon. Member’s speaking time be extended by 30 minutes. [*Mr. G. Yetming*]

Question put and agreed to.

Mr. G. Singh: I want to thank hon. Members.

Mr. Imbert: Do not thank me.

Mr. G. Singh: Part of the Heritage and Stabilisation Fund is investment in human capital. We fully subscribe to that principle of investment. [*Crosstalk*] The hon. Member for Diego Martin East—[*Interruption*]

Mr. Imbert: You come back on me again? [*Laughter*]

Mr. G. Singh:—when he last spoke, talked about the need for proper incentives for the farming sector, in order to deal with the high prices in agriculture. Over the last week, I heard him suggest that there should be flood insurance. I think that is an excellent suggestion.

Mr. Imbert: You are opposing Sen. Mark?

Mr. G. Singh: That is an excellent suggestion for those communities affected on an annual basis by flooding. It is my hope that some of the moneys from the Heritage and Stabilisation Fund will be utilized to fund this flood insurance, because the private sector will not fund flood insurance.

I read from the “American Congressional Findings and Declaration of Purpose: Necessity and Reasons for Flood Insurance Programme”:

“From time to time flood disasters have created personal hardships and economic distress which has required unforeseen disaster relief measures and placed an increased burden on the nation’s resources.” [*Interruption*]

Mr. Imbert: Would you give way, Member? [*Mr. Imbert raises hand*]

Mr. G. Singh: “Despite the installation of preventive and protective works and the adoption of other public programmes designed to reduce losses caused by flood damage, these methods have not been sufficient to protect adequately against growing exposure to future flood losses. As a matter of national policy, a reasonable method of sharing the flood losses is through a programme of flood insurance which can complement and encourage preventive and protective measures.”

That is why I would suggest a flood insurance programme.

Mr. Imbert: I just want to clarify that you are in agreement with this concept of flood insurance; State-sponsored flood insurance.

Mr. G. Singh: As the Member of Parliament for the St. Helena, Las Lomas, Madras and other areas within the Caroni flood plain, I have on an annual basis the experience and I know that flood insurance will be a good thing for the community in Trinidad and Tobago. [*Desk thumping*]

Mr. Imbert: Very good.

Mr. G. Singh: Coming out, of course, from the Heritage and Stabilisation Fund. [*Crosstalk*]

I was making the point about the concerted attack on Transparency International by the hon. Members for Diego Martin East and Diego Martin West. In today's

Express, the editorial of Friday, November 24, states:

“Wake-up call on transparency

Early in the life of this administration Prime Minister Patrick Manning voiced a clear-cut view on the possibilities of corrupt practices emerging among State officials. It is in this context that we judge to be totally misplaced Works and Transport Minister Colm Imbert’s parliamentary outbursts against the findings of Transparency International’s corruption perception index (CPI) in general and the ‘lying businessmen’ who had the temerity to insist that in Trinidad and Tobago bribery of State officials was ongoing, in particular...

Mr. Imbert’s ire conveniently ignored the fact that Trinidad and Tobago’s fall in the index comes as a result of five different surveys conducted by the Economist Intelligence Unit, the International Development Group and the World Markets Research Centre...

Just like the Prime Minister, the population is not sanguine about the inherent tendency of people with the means to do bad always doing good and Mr. Manning and his team, including those who are as chaste as Caesar's wife, should view TI’s CPI’s index as a wake-up call that has precious little to do with their own personal honesty or, indeed, this administration’s actual level of honesty, but with suspicions raised by a demonstrable absence of transparency, the left hand that is the population knowing less and less of what the right hand that is the Government does.”

Mr. Speaker, it is in this context that I raised the issue of the board of the University of Trinidad and Tobago (UTT) being outside the ambit of the Integrity in Public Life legislation.

This Government has invested over \$500 million in UTT. The objective of expansion of tertiary education is laudable and one we subscribe to, but the reality is that the board of governors of the UTT does not fall within the ambit of the Integrity in Public Life legislation. This Government, led by the hon. Member for San Fernando East, is no doubt aware that the UTT sought a legal opinion as to how it could get around the ambit of the Integrity in Public Life legislation. In the context of transparency, raised by the hon. Members for Diego Martin East and Diego Martin West, and in the context of this editorial, I have a copy of a legal opinion dated March 21, 2005, addressed to the University of Trinidad and Tobago Corporate Office, TTMA Building, 42, 10th Avenue, Barataria:

“Attention: Kenneth S. Julien, Chairman.”

Heritage and Stabilisation Fund Bill
[MR. SINGH]

Friday, November 24, 2006

It goes on to deal with the preferred corporate structure. I will have more to say on that structure on another occasion. I want to deal with that aspect of the legal opinion which seeks to thwart public policy to avoid the impact of the law on the Governors of the UTT, by virtue of the fact that they attempt by this legal opinion to move themselves outside the ambit of the Integrity In Public Life Act.

2.30 p.m.

Mr. Speaker, I quote:

As you are aware, a company must have shareholders and in the case of government-owned companies the shareholders are usually the Minister of Finance, Corporation Sole, who holds the bulk of the shares and a public servant who holds one or two shares. That has been the practice in my experience and it is necessary therefore after the incorporation of the company the participation of its shareholders is mandatory in respect of many acts.

By way of example in the case of State Enterprises, Cabinet may appoint the members of the board, but for official legal purposes the appointments are actually made by a meeting of the shareholders of the enterprise; representatives of the Ministry of Finance who vote on behalf of the Government shareholder attend these meetings.

Turning now to the instructions contained in a letter of March 04, 2005 and the follow-up emails from Mr. Bajan, in order to implement these instructions, the university must first have members to whom shares must be allotted and issued. At the outset one member will suffice and as reflected in your instructions, it is desired that the founder member is the Government of Trinidad and Tobago.

However, the Government itself has no legal personality and that is why we recommend that in our previous advice that the founder member of the university should be the Corporation Sole in accordance with the practice described above.

As is apparent from the above, it would be possible as is raised by Mr. Bajan in his emails for the Government share to be vested in the Corporation Sole but for the Minister of Science and Technology to be responsible for the appointment of the directors. This will mean in practical terms that the Minister will put forward the names of those approved for appointment to be officially appointed at a shareholders meeting attended by the representatives of the Corporation Sole.

With regard to the amendment of Articles and so, they must pass a resolution for that purpose.

Accordingly, the most urgent step required in order to carry out your instruction is the allotment and issue of a share to a person or corporation capable of holding that share. Thereafter we may proceed rapidly to complete the constitution of the company.

Now I come to that aspect—this is a keeping context, this is a state institution, it is a university with a clear objective, it has been funded to a large extent by State funding and this is what their senior counsel is writing to them.

With regard to the position of the directors under the Integrity in Public Life Act, compliance with that legislation is required in respect of bodies in which the State has a controlling interest. The presence of other shareholders with the same voting power as the state shareholder should negate the application of the Integrity in Public Life Act to the university, but the introduction of those shareholders needs to be made with dispatch.

Mr. Speaker, for purposes of lucidity, I will read that paragraph again.

With regard to the position of the directors under the Integrity in Public Life Act, compliance with that legislation is required in respect of bodies in which the State has a controlling interest. The presence of other shareholders with the same voting power as the state shareholder should negate the application of the Integrity in Public Life Act to the university but the introduction of those shareholders needs to be made with dispatch.

What is the reality that happened here, Mr. Speaker? What happened is that you have five members of the University of Trinidad and Tobago (UTT) appointed by the Government and 15 other members joining this body—a 15-member board—the votes of the Government Members are negated so that there is no imposition of the Integrity in Public Life Act.

Mr. Speaker, this is a device. How can you talk about transparency and have quarrel with the Transparency International Corruption Perception Index (CPI) when a state-funded organization like UTT has found a device to avoid the embrace and the jurisdiction of the Integrity in Public Life Act? This in itself is a corrupt act and this is an opinion by Martin Daly and partners signed by Martin Daly, Senior Counsel, Attorney-at-law March 21, 2005.

Do you want to know why we have moved from 5.3 to 3.2 on the Corruption Perception Index? That is one of the reasons and this UTT is handling hundreds of

Heritage and Stabilisation Fund Bill
[MR. SINGH]

Friday, November 24, 2006

millions of the people's money. I am not going to talk about the conflict of interests and about nepotism and cronyism taking place at the institution. That is for another time, but I am dealing with the utilization of the moneys that would normally go into the Revenue Stabilization Fund or Heritage and Stabilisation Fund and utilized in a manner ensuring that those who are utilizing the people's money are not falling within the ambit. They have found a device, a fig leaf to hide behind. That is unacceptable to us and shameless.

Mr. Bereaux: Hon. Member, would you give way please? I am aware that you are an attorney of some standing. Could you please tell me—let us assume that the UTT was formed and then subsequent to that, two or three years down the road the number of shareholders increased so that the Government would not have control, would it mean that then it would still fall under the Integrity in Public Life Act? Or are you suggesting that in fact in no state enterprise there should be any other shareholders?

Mr. G. Singh: What you need to tell this Parliament is how much money you have invested in UTT. My figure is something like \$500 million.

Mr. Valley: It does not matter.

Mr. G. Singh: Oh yes, it matters.

[Mr. Valley stands]

Mr. G. Singh: Mr. Speaker, I am not giving way.

Mr. Valley: Why are you not giving way? You do not even understand what you read.

Mr. G. Singh: Mr. Speaker, you are dealing with when this company was formed, it was done so by three persons under the Companies Ordinance, and subsequently when they realized—

Mr. Valley: Why are you not giving way?

Mr. G. Singh:—that they were utilizing State moneys for what was in fact a private company owned by three shareholders, then they rushed to bring in the Corporation Sole. That is what that opinion is telling us, so that for a significant part of the formative period in which they were utilizing State moneys, Ken Julien and two other persons had a private company.

Mr. Speaker, I move away from that because we are going to bring a Private Member's motion to deal with the nepotism, conflict of interests, and the allegations of corruption and the cronyism there.

Mr. Speaker, on a point raised in the debate by the hon. Member for Diego Martin West about the Scarborough Hospital, you would recall I brought a Private Member's Motion and notwithstanding the undertaking by the Acting Leader of Government Business that the Minister of Health would issue a statement, to date, there has been none, and all my colleagues will testify to that. The hon. Minister of Health has been a most forthcoming Minister, but in that instance, he "duck and ran."

Hon. Member: "We ain't have nobody on this side like that "boy."

Mr. G. Singh: In that instance he avoided having to talk on that issue.

Mr. Speaker, it is clear to us now that the Scarborough General Hospital, notwithstanding the fact that the hon. Member for Diego Martin West who always finds it convenient to excuse himself when the Scarborough General Hospital comes up—this is the second occasion.

When the sod turning took place at that hospital in 2002, the hon. Member for Diego Martin West 'who was the Minister of Planning and Development' said it would come within budget and on time. What is the reality? Four years after, the people of Tobago still have a prehistoric hospital, and infant mortality in Tobago is one of the highest in the Caribbean.

Mrs. Robinson-Regis: Where you got that?

Mr. Callender: That is not true.

Mr. G. Singh: I am telling you. I have the statistics. Infant mortality in Tobago is one of the highest in the Caribbean.

Mr. Speaker, I do not want the Member for Tobago West telling me it is not true, I want him to get up and clamour for the Scarborough General Hospital to be built. [*Desk thumping*]

Recently I read where the contractor abandoned the project wanting an additional US \$25 million, it is 40 per cent completed and the hon. Member for Diego Martin West raised this in the debate in this House; whether moneys for proper infrastructure would be put in health.

Mr. Speaker, the original budgeted cost of the Scarborough General Hospital was \$100 million plus VAT—\$115 million; the original construction contract price was \$135 million plus VAT—\$155 million; the estimated construction completion cost today is \$600 million; and the professional fees at the original contract price are \$25 million; the estimated revised professional fees are \$113 million—an increase

Heritage and Stabilisation Fund Bill
[MR. SINGH]

Friday, November 24, 2006

in professional fees of \$88 million. I am not dealing with the question of conflict of interests, nepotism, and all kinds of allegations but the consultant on the project and in the Health Sector Reform—

Dr. Khan: Will the Member please give way? Is that the same contractor who said that he could have built the airport for less than it was built for? Was it the same contractor who worked on the Scarborough General Hospital?

Mr. G. Singh: Mr. Speaker, the contractor is NH International and he has since abandoned the project, but that is a political hot potato. The people of Tobago want their hospital built and this is important to them. When one looks at infant mortality, the manner in which they get their health care, this hospital project will eventually cost \$1.2 billion, a project that is supposed to come within budget and on time.

Mr. Speaker, it is in this context when you listen to what the Prime Minister says, when you see the manner in which he has dealt with the population, if you raise dissent, it becomes treason in the eyes of the Prime Minister, it becomes “dotish talk” and then the people are meted out with the vulgarity of the Member for Point Fortin whenever he is fingered. When he was fingered in the Vernon Paul issue, he decided to—

Mr. Speaker: No, there is a Standing Order that says you cannot talk about the conduct of a Member unless you bring it by way of a substantive motion.

Mr. G. Singh: Mr. Speaker, it is common knowledge the manner in which the Member for Point Fortin behaves. When you recognize the attempt to suppress discussion in the society, you recognize that this Heritage and Stabilization Fund, whilst it demonstrates political maturity, the Prime Minister has—the same Prime Minister in the debate and during the speaking time of the Member for Oropouche—indicated that we on this side lacked maturity. I wonder what kind of maturity was demonstrated by the hon. Members on that side when they went to the smelter conference at Point Fortin.

You have remained silent on the issue because you are establishing a certain norm and social mores. You are indicating by your silence that it is good to mouth obscenities at someone who is taking civic pride in a discussion that is for the benefit of this country.

Mr. Speaker, it is clear to us on this side that this Bill with the recommendations made by the hon. Member for St. Joseph which demonstrated maturity of thought, recommendations which the Government has taken into consideration for inclusion in

the Integrity in Public Life Act, for the role of the Central Bank, and the insulation from political interference—these are mature considerations reflective of the need to have this intergenerational fund in place.

Mr. Speaker, it is in this context of the unravelling of the society that we take pride in supporting this Bill.

The Prime Minister and Minister of Finance (Hon. Patrick Manning): Mr. Speaker, one of the first things I learnt when I became a Member of this honourable House 35 years ago, is that whenever one speaks in the Parliament, one must restrict one's contribution to the matter in hand.

Mr. Partap: “Yuh talking to Imbert and Rowley.”

Hon. P. Manning: Mr. Speaker, there is human nature involved in this and, therefore, for some it is very difficult to do that and, therefore, it calls for a measure of discipline.

Mr. Partap: They have no discipline; that is true.

Mr. Speaker: Order!

Hon. P. Manning: Mr. Speaker, if a Member addressing the Parliament ignores that injunction that is placed on all Members of Parliament, then he or she runs the risk of precipitating a situation that was entirely unanticipated.

Mr. Speaker, it is an injunction that is applicable to Members on both sides of the House; Government and Opposition. If a Government is doing well, then it is critical that hon. Members opposite be careful how they make their contributions to the House, lest in so doing, they inadvertently open up a debate and give the Government an opportunity to articulate some of the successes of which the Government is proud.

On the other hand, if a Government is not doing well, then it is critical that Members on the Government side be very judicious in the way they make their contributions to the House lest, in going outside the frame of reference that is the subject of consideration at any particular point in time they open up a debate and give hon. Members opposite an opportunity to assail the Government in ways that might not have been intended, and that would have been entirely unanticipated.

Mr. Speaker, it was quite clear to me and to hon. Members on this side that when the distinguished Member for St. Augustine in his contribution ignored the first rule of Parliament, which is to address the matter that is the subject of

consideration by hon. Members, the hon. Member for St. Augustine ignored a cardinal rule.

Secondly, Mr. Speaker, the Bill before the Parliament provides for the establishment and management of the Heritage and Stabilisation Fund and for matters related thereto.

On page 8 of the copy I have, clause 4 subclause (1), reads as follows:

“4. (1) The President on the advice of the Minister shall appoint a Board of Governors to manage the Fund.

(2) The Board shall comprise of five members, to be selected from among persons of proven competence in matters of finance, investment, economics, business management or law, as follows:

(a) two members, one each nominated by the Central Bank or the Ministry or both from either of these institutions;”

In other words, Mr. Speaker, by way of clause 4 subclause (2), this Bill gives a very important role to the Central Bank to appoint members to the Board of Governors.

Clause 5(4) of the Bill before the Parliament reads as follows:

“(4) A meeting shall not be held without a representative of the Central Bank or the Ministry of Finance.”

Again, giving a very important role to the Central Bank, so important is the Central Bank considered in this whole issue of a Heritage and Stabilisation Fund, and the role of the board, and the action a board may take in investing these funds that the Bill contemplates that no meeting of that board shall be held without a representative of the Central Bank which is given a very important role, or the ministry for that matter. It does not restrict it to the Central Bank alone, it also includes the Ministry of Finance, but the point I am making is that to whomever else it may accord an important role, it does so to the Central Bank.

We go to clause 9 subclause (1) which states:

“(1) The Board shall delegate to an investment entity recommended by the Central Bank, ...”

In other words, again, the legislation before this honourable House contemplates that the Central Bank will discharge the very important function of identifying an investment entity to which the board shall delegate certain responsibility; that of

the day-to-day management of the fund. On yet another occasion, the legislation contemplates the Central Bank to be holding a very critical role in the use and operation of a Heritage and Stabilisation Fund.

Mr. Speaker, whatever we may say about ourselves here, however good we may think we are, however experienced or competent Members on either side of this House may think we are, none of us, bar one, has sat in the exalted office of Governor of the Central Bank, and that privilege falls to the Member for St. Augustine.

He is the only one who has sat in that position and, therefore, is in a position to speak at first-hand of any function or role that the Central Bank might play in the important question of the day-to-day management of the Heritage and Stabilisation Fund and, therefore, speaking for myself and I am sure, my colleagues on this side, we awaited with peaked and bated breath the contribution of the Member for St. Augustine bringing, as we anticipated some wisdom, some experience that he alone would have possessed, having had the opportunity to sit in the exalted office of Governor of the Central Bank.

Whatever we may think, none of us; not the Member for Diego Martin Central, not the Member for Diego Martin West, not the hon. Minister in the Ministry of Finance, not the Member for Tobago West, not the Member for Arouca South, none of them could bring that wisdom because none of them occupied the position. The only one who did was the Member for St. Augustine and, therefore, we sat here expecting, and confidently anticipating that he would have provided some leadership to this Parliament on this matter by exposing to us some of the wisdom that he would have acquired over the 5-year period of time that he was Governor of the Central Bank.

Mr. Speaker, to say that we were disappointed is to put it mildly. [*Desk thumping*] For yet another occasion, the Member for St. Augustine had an opportunity to provide leadership to the country by way of the Parliament, none of us having the experience that he has in this matter, and for yet another occasion, he had an opportunity on a very important matter of a debate to establish and manage a Heritage and Stabilisation Fund and he shirked his responsibility. In other words, “he ducked and he ran”. [*Desk thumping*] “He ducked and ran.”

Mr. Speaker, the hon. Member for St. Augustine is the leader and the recently appointed elected leader of a political party that calls itself “Corpse” or “Cops”. It is a political party nonetheless.

Hon. Member: Rigor mortis take it.

Mr. Ramnath: You are opening up the debate now.

Hon. P. Manning: It is opened already. [*Crosstalk*]

Mr. Speaker: Order!

Hon. P. Manning: Mr. Speaker, he is a new political leader. I have passed that way, as indeed the hon. Member for Siparia who has also passed that way and both of us can tell him. The Member for St. Augustine had aspirations to pass that way but the performance of the Member for Siparia and that of the Member for St. Augustine in this debate mark the difference between those who aspire and those who achieve. [*Desk thumping*]

Mr. Speaker, and since the Member for St. Augustine is a new political leader—and all of us have passed that way—we know what is involved in that. You seek—and it is reasonable to expect that you seek every opportunity being a new boy on the block, being the leader of a new political party, being someone trying to attract the support of an increasing number of the citizens of our country.

We thought it would be reasonable in those circumstances for such an individual to seize every opportunity to demonstrate the leadership of which he says he is capable, and demonstrate the leadership that the country undoubtedly needs, particularly in circumstances where Trinidad and Tobago is today the recipient of enhanced levels of revenue by virtue of the fact that it possesses oil and gas, and in a situation where leadership is necessary to take the country in new directions, and the people of Trinidad and Tobago are looking to see what this new leader has to offer. Can we afford to put our confidence and trust in this leader, as opposed to those who are there?

He is aspiring to be the Prime Minister of Trinidad and Tobago and I will be the first to tell him it is a reasonable aspiration, but he had an opportunity to demonstrate to us that he was capable of leading his political party, leading his team on that side of the House, leading this Parliament, because the Parliament wanted leadership on this matter—because he was a Governor of the Central Bank—and leading eventually, if it is the wish of the people of Trinidad and Tobago on behalf of all citizens. What did he do?

Instead of taking leadership in this debate, he ceded the position of leadership to the Member for St. Joseph. That is what he did. On yet another occasion, when he had an opportunity to lead, and to demonstrate leadership “he ducked and he ran”.

Dr. Khan: On a point of order, Standing Order 36(10).

Mr. Speaker: Standing Order 36(10)? I do not think—no, that talks about conduct. I do not think he is attacking his conduct.

Dr. Khan: Read it, it is attacking his conduct.

Mr. Speaker: No.

Dr. Khan: That is what he is doing, he is attacking him.

Mr. Speaker: I have ruled you out of order. Please take your seat.

Dr. Khan: I am not out of order.

Mr. Speaker: But I am ruling you out of order. Continue hon. Prime Minister.

Hon. P. Manning: Mr. Speaker, could I put my friend from Barataria/ San Juan at ease? I am not attacking the Member for St. Augustine, I am examining his record. [*Desk thumping*]

3.00 p.m.

That is what Parliament is all about. If you wish people to place confidence in you, you have to demonstrate a basis. They are not going to do it because you are tall or fat, or because you are built in a certain way; you have to be able to demonstrate that you have what it takes to lead Trinidad and Tobago, and on every occasion on which the Member for St. Augustine had an opportunity to do so, he has ducked and he has run. Therefore none of us, certainly not arising out of any contribution that he has made in this debate, is in a position to say that we are better off today than we were before he contributed to the debate in terms of making an assessment of his ability to lead.

In fact, if we were called upon to come to a judgment at this time, the only conclusion could be that whatever else the attributes of the hon. Member for St. Augustine might be, in respect of leadership capability, he has failed miserably. [*Desk thumping*] He has failed miserably in ignoring the first rule, that is to say that when you are making a contribution before Parliament, you stick to the issue at hand. In the PNM we say to all our parliamentarians all the time—and when new Members of Parliament come into this Parliament on the PNM side we tell them—that you have to resist this temptation to make wild statements, because in so doing you feel—you believe on the face of it—that you may be scoring a point at the time that you make it. What you do not know is that you could be opening up a can of worms that could house dangers, that you may not have anticipated,

Heritage and Stabilisation Fund Bill
[HON. P. MANNING]

Friday, November 24, 2006

when you thought you made a brilliant statement and a comment that could have led to the situation that could easily evolve and devolve upon us and emerge.

It is against that background that I would like to examine what the Member for St. Augustine said. What did he say? “We have today a government in retreat”, the words of hon. Member for St. Augustine. It had absolutely nothing to do with the management of the Heritage and Stabilisation Fund. If he had not made the statement, it would have made no difference to his contribution. It added nothing to the contribution except it constituted an attempt to put misinformation into the public domain and to convey an impression to the national community that is very different from what the reality and facts are. We could have done without the statement, but he made it: “We have today a government in retreat.” That was the statement made. It was made without one piece of supporting evidence; it was made without one shred of information to support it; it was a statement just made like that, taken from outer space, as it were, dropped before this honourable House, and part of it is guided by the fact that Parliament today is broadcast live. So the hon. Member for St. Augustine fell for what we warn all our parliamentarians about; fell for the temptation to make wild and unsubstantiated statements, not realizing that in so doing he could have opened up a can of worms. If it is the hon. Member made such a statement, then it falls to me to set the record straight. [*Desk thumping*]

Mr. Speaker, what are the facts? And forgive me because after we make this contribution today we hope that that statement is not made by either him or anybody else on that side. They do it all the time, and because there are supporters on the outside who accept whatever they say, people are misled into accepting the foolishness that some of them talk, and, of course, to the detriment of the Government.

Mr. Ramnath: Clearly you have dictatorial tendencies.

Hon. P. Manning: Mr. Speaker, I have here with me a document: “Key Indicators of Economic Performance—2002 to 2005.” Remember, this is a government in retreat; that is the statement made by the Member for St. Augustine. The gross domestic product at market prices in the year 2001, which was the year in which we came into office—I was sworn in as Prime Minister on Christmas Eve, 2001 and the Government took up office on the first working day in January 2002.

Hon. Member: When you hijacked the Government.

Hon. P. Manning: In 2001, the gross domestic product at current market prices was \$55.007 billion. In 2006, which is today—by the end of this year the gross domestic product at current market prices is estimated at \$114.474 billion. In other words, in the five-year period, 2001—2006, the period that coincided with our period of governance, our watch—the gross domestic product, the size of the economy of Trinidad and Tobago, has more than doubled in the five-year period. [*Desk thumping*] Mr. Speaker, as the Member for Diego Martin Central will tell you, it is equivalent to an annual growth rate of just under 15 per cent. I think it is 14.9 per cent or something. In the face of that, clearly, the hon. Member for St. Augustine could not have been aware of this, and looking at that statistic, come to the conclusion that the Government is in retreat. Far from being in retreat, the Government is in an expansion mode and is marching forward resolutely. [*Desk thumping*]

Look at it on an annual basis. Real Growth: In the year 2002, it was 7.9 per cent; 2003, 13.4 per cent. That is how the economy was going, you know, at these rates. In the year 2004, 6.5 per cent; 2005, 7.0 per cent; 2006, 12.5 per cent—economic growth. [*Desk thumping*] How, in the face of these figures, could the distinguished Member for St. Augustine conclude that the Government was a government in retreat? On what basis? A totally wild, totally unsubstantiated, not a shred of evidence to support the allegation that the Government is in retreat, but he makes the statement nonetheless, and gives an impression to the national community that the situation is what it certainly is not.

I will come to the unemployment figures in a minute. The Debt to GDP ratio—a measure of the size of the public debt to the size of the economy: Internal Direct Debt/ GDP ratio: In the year 2001 the figure was 20.5 per cent; in 2006, the figure fell to 11.5 per cent; in other words, a much smaller debt to GDP ratio using internal debt on this occasion, and an indication of the state of good health increasing and improving in the five-year period from 2001 to 2006, from 20.5 per cent to 11.9 per cent.

Public Sector External Debt/GDP ratio: In 2001, the figure was 18.7 per cent; 2004, 11 per cent; 2005, 9.1 per cent; 2006, 8.6 per cent. In other words, on the external accounts, there is also a significant improvement. Clearly, the hon. Member for St. Augustine could not have known that, otherwise he could not have come to the conclusion that the Government was in retreat.

Improving debt to GDP ratio figures; total public sector debt to GDP: In the year 2001, it was 56.9 per cent; in 2006, it is 28.8 per cent. Looking at the total debt to the size of your gross domestic product, it has fallen from 56.9 per cent in

2001 to 28.8 per cent in 2006, and my distinguished friend from St. Augustine in his contribution concludes that the Government of Trinidad and Tobago is in retreat. [*Desk thumping*] That is his conclusion.

Mr. Ramnath: What about the crime rate? Have you addressed that?

Hon. P. Manning: Our exports—we are looking at the exports from Trinidad and Tobago, which is another indicator. There are so many indicators we could look at and it is possible that if you look at some and do not look at others, you could come to a particular conclusion. So I am just watching to see which indicators the Member for St. Augustine would have used to come to the conclusion to which he has come. Exports: In 2001, \$4.087 billion; in 2006, exports climbed to \$12.183 billion. And the Member for St. Augustine concludes that the Government is in retreat!

Imports would be an indication of the well-being and standard of living of the citizens. Imports in 2001, the figure was approximately \$3.5 billion; in 2006, \$7.1 billion, an increase in imports, which means an increase in spending power of the population, which is an indication of an increase in the quality of life and therefore the standard of living of the people of Trinidad and Tobago; a significant increase in the five-year period, 2001-2006. Whichever indicator you use, you seem to be coming to the inescapable conclusion that the Government is far from being in retreat; that the Government of Trinidad and Tobago today is doing quite well and poised to do even better, as some of our other policies begin to take shape. [*Desk thumping*]

The reserves position—Gross Official Reserves: In 2001, the reserves stood at \$1.876 billion; in 2006, the reserves stand now at \$6.470 billion, an increase from \$1.8 billion to \$6.5 billion; projected next year to go to \$8.2 billion, a significant increase in reserves. We are continuing to amass reserves at an unprecedented rate and the Member for St. Augustine concludes that we are in a retreat mode. As the function of import cover; in 2001 we had 5.6 months of import cover, using our reserves position; in 2006 the figure went to 7.0 months and by the end of 2007 it is anticipated to go to 6.9. In other words, it stabilizes at around 7 per cent; the inescapable conclusion that we have done very well in the five-year period. Our reserves have increased and, therefore, our import cover has increased commensurately so that the economy continues to do well.

I have selected only some of the indicators and the conclusion is clear. I cannot, for the life of me, understand where the Member for St. Augustine got the impression that the Government was in retreat and the Government had something to

run and hide from. We stand by our record; we stand very proudly on our record of performance, not just being our own opinion, but the clear conclusions from the figures that we have.

The Arthur Lok Jack Graduate School of Business, a domestic institution so they know what is going on here, put out a Corporate Confidence Index and by way of that document they examined the fourth quarter of the year 2006; that is this year, it states:

“Organisation Financial Performance

Executive opinion on the financial performance of their organisations improved by 7 CCI points over the past 6 months from 54 to 61 points in this quarter.

Sixty-two percent of respondents said their organisation performed much better/better than 6 months ago whereas only 6% said their organisation performed much worse.”

So 62 per cent say their organizations performed better; 6 per cent say they performed worse. I continue:

“Financial Outlook

Executive confidence in the Financial Outlook for their organisation improved over both the 6 and 12-month time periods.

The index increased from 63 to 77 CCI points over the 6-month horizon and from 63 to 80 CCI points over the 12-month horizon.”

It improved again! A better financial outlook as articulated by the business organisations in this country:

“Investment Outlook

The Investment Outlook index increased considerably over both the 6 and 12-month horizons.

The index rose from 17 to 66 CCI points over the 6-month horizon and from 26 to 60 CCI points over the 12-month horizon.”

A better outlook for investment; better financial performance; better financial outlook; better investment outlook. Let us go to the other page:

“Employment Outlook

The outlook for employment also rose significantly over both the 6 and 12-month horizons.

“It increased by 44 CCI points over the 6-month horizon and by 39 CCI points over the 12-month horizon.

This improvement was due to the fact...”

And this is instructive:

“that just over 60% of executives said they would be increasing their staff numbers within the coming year.” [*Desk thumping*]

So confident are they about the outlook of the economy that they are prepared to make the investments that would have, among other things, the result of an increase in the number of people employed.

I could go through any one you would like to pick, the result is the same thing. This, together with the other indices was in the public domain; none of it secret, nothing hidden from the very distinguished Member for St. Augustine. He has access to all of this; he knows how to find it. He was a former Governor of the Central Bank, yet in the face of all of this overwhelming evidence about the superior performance of the economy of Trinidad and Tobago and, therefore, the Government that is presiding over the economy—on the basis of their policies—the Member for St. Augustine chose to conclude that the Government of Trinidad and Tobago today is in retreat.

Let us look at unemployment. Because, you see, unemployment is an indication of the number of people who are employed in the society. The more people employed, the better the standard of living people are able to get for themselves and their families. In the year 1991, in the fourth quarter of that year when we came into Government, the unemployment figure in that quarter was 20.3 per cent, which means to say that for every 100 persons who were looking for a job and eligible to work, 20.3 per cent of them could not find a job. It was a high unemployment figure. By the time we left office in the year 1995, the figure had fallen to 16.3.

But that in itself does not tell the whole story, because it was in that period that we liberalized the economy; we floated the exchange rate; we took steps to ensure that the economy of Trinidad and Tobago was on a much sounder footing. We liberalized; we removed things like exchange controls; we removed price controls, and so on, and we set the stage for economic expansion in Trinidad and Tobago, the result of which was that by the end of our term in 1995—the fourth quarter of that year—16.3 per cent was the figure for unemployment.

It continued, because very little was done by the Government that succeeded us. However, by the fourth quarter of the last year in which they were in

government—2001—the figure had fallen to 11.7 per cent. The stage had been set and these were the consequences of it. When we took office, therefore, in the year 2001, we met an unemployment rate of 11.7 per cent. We have been looking at these figures. In the fourth quarter of last year, 2005, the unemployment figure was 6.9 per cent. For the first time in the history of Trinidad and Tobago, you have unemployment falling below the figure of 7 per cent. In fact, for the first time, you had unemployment falling below the figure of 8 per cent; for the first time, unemployment in Trinidad and Tobago falling below the figure of 9 per cent. It had not happened before. The lowest unemployment figure prior to that was in the year 1980, where it fell to 9.8 per cent. That is what happened. Therefore, when this Government came into office and we represented to the national community that we had an economic plan to get people back to work in this country, we were confident that what we had contemplated and what we would put in place would have the desired results. In other words, we were not in any retreat; we were attacking with full force! [*Desk thumping*]

In 1995—and you must forgive me a little reminiscing—I made the statement that we were targeting full employment in this country. Full employment, as you know, is a technical term. What it means is, in practical terms we estimate full employment in this country to be arrived at when the unemployment rate falls to 5 per cent. That is what we anticipate. I was the subject of much vilification for saying that. “What is wrong with Manning? He is not living in this world. How come we could have full employment?”—and so on, and so on, and so on, and so on. To many, it was impossible to achieve an unemployment figure—and it is impossible—in Trinidad and Tobago of 5 per cent.

In the first quarter of this year, the unemployment figure was 7.2 per cent and yesterday, the figures have come in for the second quarter of this year. The unemployment figure in the second quarter of 2006 fell to 6.0 per cent, for the first time in the history of Trinidad and Tobago. [*Desk thumping*] Mr. Speaker, the figures have also come in for the third quarter of 2006 and that figure is 5.9 per cent. [*Desk thumping*] For the very first time in the history of Trinidad and Tobago, you had unemployment falling below the level of 6 per cent and the country is well on the way to achieving the targeted unemployment rate of 5 per cent, which is full employment in this country. [*Desk thumping*] Mr. Speaker, you will forgive me if I feel vindicated, because, you see, I was the subject of a lot of attacks on this in 1995. I could do nothing right. What I cannot understand is how, in the face of these figures, how, in the face of an obviously creditable performance by this Government of Trinidad and Tobago, the hon. Member for St. Augustine could conclude that the Government is in a retreat mode. On what basis? [*Desk thumping*]

That is not the end of the story. The size of the labour force was, just for the record: In 2001, 576,500; 2002—Trinidad and Tobago—586,200; 2003, 596,500; 2004, 613,400; 2005, 623,700; the third quarter of 2006, 619,000. In other words, it rose from 576,000 when they were in government to 623,000 at the end of last year, an increase in the number of employed persons of 47,000 in the period of time that this Government was in office. So it is not by happenstance that more people are employed. It is not an accident that the unemployment rate has fallen. All of this has come about because the Government is in an attack, expansive mode and the Government is aggressively putting in place the policies that are designed to achieve the result that we can speak of with such confidence and pride today, as we address this honourable House.

Tobago—because they like to talk—the fourth quarter of 2001 unemployment was 15.1 per cent; the fourth quarter, 2005, unemployment in Tobago fell to 3.5 per cent. Do you hear it?—from 15.1 per cent in the fourth quarter of 2001 to 3.5 per cent in the fourth quarter of 2005. [*Desk thumping*] It has eased a little since then. It is back to 6 per cent in Tobago, but all of it in an environment—because the Tobago environment is short of skilled labour at this time; very much short of it, and the 6 per cent that you see now in Tobago is very acceptable as international agencies and experts rate it. On what basis did the Member for St. Augustine say that the Government of Trinidad and Tobago is in retreat? Unsubstantiated; not a shred of evidence, but confidently and authoritatively saying that, qualifying himself in this House to be dubbed as the prime author of misinformation!

Let us see what the social indicators say, because the economic indicators clearly suggest that the country is expanding; it is moving well and that the Government is in an attack mode. I think it was the Member for Caroni East who spoke about these social indicators a minute ago. Eighty-six per cent of the population had access to drinking water in 1998; in 2005/2006, 91 per cent. Even that increased. Infant mortality rates per 1,000 live births were 15 in 2001/2002; in 2005/2006, it fell to 14. Even that improved. That is the mortality rate for citizens under five years old. In 2001/2002, it was 27.4 per 1,000 live births; in 2005/2006, it fell to 20. That improved also. [*Desk thumping*]

Dr. Rowley: They “doh” like to hear good news; it “gih dem” diarrhoea.

Hon. P. Manning: I could pick any number of indicators to demonstrate, but I will pick this one: pupil:teacher ratio in the school system. The fewer students that a teacher has to teach, the more attention that teacher is able to give to any individual student and the more likely that student is able to learn from the knowledge that is imparted from the teacher.

In the primary school system, in 2001/2002, the pupil:teacher ratio was 20.8 students per teacher; in 2005/2006, the figure fell to 17.5. [*Desk thumping*]

Dr. Rowley: From where to where?

Hon. P. Manning: From 20.8 in 2001 to 17.5 in 2005/2006.

The secondary school system: 2001/2002, 20.6 per teacher; 2005/2006, 18 per teacher. Even in the pupil:teacher ratio the thing has improved and it has not improved by accident; it has improved in the education system because the Government aggressively attended to the issues in education, in particular the pupil:teacher ratio that put us in a position today to be able to proudly talk of these figures, representing a success as a consequence of an aggressive position taken by this Government. This Government is in an aggressive mode and by no means is the Government of Trinidad and Tobago in retreat mode.

3.30 p.m.

On health, 2.6 per cent of the budget in 2001; 7.6 per cent in 2005/2006. The acid test, poverty—they come here and talk all the time about poverty and they like to quote the statistic that 35 per cent of the people live below the poverty line. When they say that, they do not tell you that that is a 1990 figure.

Mr. Speaker: Hon. Members, the speaking time of the hon. Prime Minister has expired.

Motion made, That the speaking time of the hon. Member for San Fernando East and Prime Minister be extended by 30 minutes. [*Hon. K. Valley*]

Question put and agreed to.

Hon. P. Manning: Thank you very much, Mr. Speaker and I am grateful to hon. Members. In 2001 what percentage of citizens lived below the poverty line? Twenty-four per cent in 2001—2002. In 2005—2006 what percentage of our citizens lived below the poverty line? The figure is 17, falling from 24 per cent when they left office to 17 per cent, five years later. A creditable performance! That could not have happened if the Government was in a retreat mode. It only happened because the Government is aggressively pursuing the policies that it has espoused after careful thought, consideration and understanding of the lay of the land.

Dr. Moonilal: Thanks very much, Prime Minister for giving way. Could you quote the source of information that you are alluding to for 2005/2006 period at 17 per cent poverty? Is that a confirmed figure?

Hon. P. Manning: The figures came from the Survey of Living Conditions in Trinidad and Tobago in 1997—2005. The education and health figures have come from the *Central Statistical Office Population Vital Statistics* document.

Dr. Moonilal: To confirm again, the 17 per cent is from the CSO. Is it CSO or a report by another agency? Prime Minister, would you be kind enough to share that report with Members of the House because many of us do not have it?

Hon. P. Manning: Mr. Speaker, we will gladly do it.

Dr. Moonilal: CSO does not measure poverty.

Hon. P. Manning: Tertiary education, post secondary:

Institution	Year	Enrolment
University of the West Indies	2001	8,629
	2006/07	15,100
Trinidad and Tobago Hotel and Training Institute	2001	180
	2006/07	560
COSTAATT	2001	1,956
	2006/07	4,596

[*Desk thumping*] What is the basis? Creme de la crème, the University of Trinidad and Tobago. It did not exist in their time. At best, they made a half-hearted and dangerous attempt with the Trinidad and Tobago Institute of Technology (TTIT). In 2001, TTIT's enrolment was 481. As we speak, in 2006/2007, enrolment in the University of Trinidad and Tobago including teachers in the two training colleges that have now been handed over to the university exceeds 4,000 students.

I was waiting for the Member for Oropouche to scoff at the statement I was making why I was including teachers in it. In the event that he and hon. Members are not aware, since teachers have gone to the University of Trinidad and Tobago we have introduced a Bachelor of Education degree course. That is why it qualifies. If you want to look at grand totals, in 2001, 11,246; in 2005/2006, 20,483. I have not counted the figures for 2006/2007 because the final figure for UTT is not available. It is going up.

The number of students at private tertiary institutions paid for by the Government is about 15,000 and the total number of post secondary and tertiary enrolment

exceeds 37,000 students. These are the figures. [*Desk thumping*] They are concluding that we are in retreat mode. “Yuh duck and run. A duck and run” government is what he is trying to say. They may have a “duck and run” leader but we are no “duck and run” government by any means. [*Desk thumping*]

Time does not allow me to go into the details, but I could go into all the details. Metal Industries Company Limited (MIC), period of training, six months to five years, in 2001, 635 students; 2005, 2,450. That is technical education.

The Helping You Prepare for Employment Programme (HYPE) started in 2002 with 714 students and it has gone to 1,643. The National Energy Skills Centre, the number of trainees nine months to three years, 1,716.

I do not have the figures for the Multi Sector Skills Training Programme (MuST). It is a new programme. It did not exist in their time.

The Trinidad and Tobago Hospitality Training Institute (THTI), in 2004, 3,372 students; 2005/2006, 4,224. The total is 7,596.

The Youth Training Employment Partnership Programme (YTEPP) had 7,688 students in 2001. Those figures have been going down. In 2005, there were 4,609, but trained over the period, 31,205. The figures are going down because more and better opportunities are opening elsewhere including the University of Trinidad and Tobago and other tertiary or post secondary institutions. People are moving out of some of these limited training programmes to those that are more expansive. We are very proud of this record of achievement. It is with pleasure I confirm that the Government of Trinidad and Tobago is in a very expansive mode. It is by no means in retreat. [*Desk thumping*]

The hon. Member for St. Augustine was very careless with the truth. Some people are born great and some achieve greatness. In the case of the Member for St. Augustine, he had an opportunity to achieve greatness thrust upon him. That is the position in which he finds himself today because he leads a political party. As of now, on the basis of his performance we have no basis whatsoever to conclude that his management of Trinidad and Tobago can surpass even the management of hon. Members opposite, the official Opposition, far less compare with the very sterling performance of the current Government of Trinidad and Tobago as demonstrated in the figures before us. [*Desk thumping*]

I did not expect much from the contribution of the Member for St. Joseph. I have to say that I was pleasantly surprised by the contribution of the Member for St. Joseph. When he made the offer to talk with us in the Ministry of Finance to see

whether we could streamline the Bill to take some ideas into account that he had articulated, we readily accepted that proposal. I am pleased to report to this honourable House that they had very stimulating and fruitful discussions in the Ministry of Finance with the Member for St. Joseph, as a consequence of which some of the amendments which are before the House today, came into being. I thank the Member for St. Joseph. It is a pity because he has superior expertise and the Member for St. Augustine did not make that contribution that the Member for St. Joseph made. Had he made it, the Member for St. Joseph would have had nothing to say. He ceded his position of leadership. He is unable to lead preferring instead to have the leadership discharged by the Member for St. Joseph.

The Member for Siparia was no more careful or no less careless with the truth than the Member for St. Augustine was. They like to make statements and draw conclusions that are not justified on the basis of the facts and they make these statements as though they are facts, conveying an impression to the national community that is completely unfounded and has no basis. They like to talk consistently about oil and gas production and reserve to production ratio. They like to say that on the basis of the reserve to production ratio our gas would run out in 10 or 20 or 30 years time. On this matter, let me set the record straight once and for all. I am going to use the figures for oil production because oil production figures demonstrate it excellently.

In 1973, the reserve to production ratio for oil was 10.2. If I am to use the interpretation of the Member for Siparia, I would say that the oil in Trinidad and Tobago would run out in 10.2 years. That is what she said and she consistently says it. If that were so, by 1983, we would have had no oil. By 1986, three years after the oil was due to run out on the basis of the logic of the Member for Siparia, the reserve to production ratio was 9.2. That means we have 9.2 more years on the basis of her argument. By 1996, it should have run out. In 1995, the reserves to production ratio for oil was 11.6 which means we have 11.6 more years on the basis of her argument. On that basis it should run out next year. The argument is fallacious. It has always been by people who know nothing about what they speak.

Just for the benefit of hon. Members—I have made the point before—reserves to production ratio is an indication of the level of exploration activity that you need to conduct to maintain a proper reserve to production ratio.

The figures do not tell you the actions that the Government has taken. I can tell you that on every occasion on which we find the exploration activity goes down, we review the tax structure to ensure that there is enough incentive for the

oil companies to explore. [*Desk thumping*] That is how it is. That is how you use the reserves to production ratio. In 1973, it was 10.2; in 1979, it was 8.0; in 1986, it was 9.2; in 1991, it was 9.3; in 1995, it was 11.6; in 2001, it was 19.9 and in 2006, the year in which it should have run out on the basis of the 1995 figures, it is 11.4. That is the Trinidad and Tobago magic on the basis of relatively small reserves because in world terms we do not count. On the basis of relatively small reserves we have been able to achieve so much.

Mr. Ramnath: You cannot go to the bank with that talk.

Hon. P. Manning: Petrochemicals. Government is in retreat. Ammonia capacity in 2001, was 11,181 tonnes per day; in 2006, it is 15,181 tonnes per day. It is not a decrease, but an increase from 11,181 to 15,181. Methanol capacity went from 9,000 in 2001 to 19,696 in 2006. A big increase! Yet we are being accused of being in contraction mode. Let me leave the Member for St. Augustine alone.

The Member for Siparia also had a lot to say. She even made another wild and unsubstantiated statement. Let me tell you what that statement is. The statement is that the boom years were wasted. Far from the boom years being wasted, it was in the boom years that the stage was set for the modern industrial state of Trinidad and Tobago. [*Desk thumping*] Just for the record, it included Tobago. Let me place this in the record before I get into that, tourist arrivals in Tobago, because it is important. My colleagues in Tobago must not feel left out because they have been the beneficiaries of tremendous success. In 2001, tourist arrivals were 49,441; in 2002, 56,565; in 2003, 67,240 and in 2005, 87,796. That is the last full year for which we have figures. It doubled from 2001 to 2005.

The modern industrial state had its genesis in the boom years in Trinidad and Tobago. In 1975, a conference was convened in Tobago at which the Government brought all the experts together and sought to answer the question: Whither goest the energy sector? How can we best use our oil and gas resources in the interest of national development? The experts met in Tobago against the background of what the Government had done in education in this country. In 1956, Eric Williams committed this country to a path of education. "To educate is to emancipate," were the words. By 1968, when the first 15-year education plan was laid, we set ourselves the definite target of universal secondary education in the shortest possible time. It was achieved in 2001. What was happening in the country is that our people were acquiring more and more, the skills that would have been required to sustain an industrial base in whatever restricted quantity at the time, but they were being developed. We thought that the time had come to venture

boldly in the achievement of the vision we set for ourselves which was to make Trinidad and Tobago a modern industrial state.

What are the requirements? For a modern industrial state, the Government anticipated that we needed iron and steel, aluminium, petrochemicals largely plastics and today, in the context of the new world economic order that has emerged, information and communication technology (ICT). Those are the four things that you require. The sod was first turned for iron and steel in 1976 and the plant came on stream in 1980. Today, we have iron and steel in billets and round wire. We need to diversify that raw material in iron and steel to produce billets and flats. The difference is that the flats can be used in the motor car industry and other similar applications. I think that by now everybody knows that Essar Steel is on the verge of commencement and by January they should begin construction of their steel plant which would produce billets and flats. This would complete the requirement of the modern industrial base in terms of iron and steel. In addition to that, we are in discussions with all the steel producers and potential steel producers in the country to make steel available on the domestic market to stimulate the development of a foundry industry. That is iron and steel.

In the case of aluminium, the Alutrint smelter which should get its CEC not too long from now will make billets and rounds, that is aluminium wire. In the discussions we are holding with other companies we are now trying to attract flats so we could diversify in aluminium on the basis of the availability of a different raw material to make motor car parts and aircraft parts. We are holding discussions for the establishment of the basic building blocks for a petrochemical industry. There is one project to produce propylene and polypropylene and the other to produce ethylene and polyethylene from natural gas. When that is done you have the basis of a plastic industry and all that goes with it. We expect those plants to be on stream by 2011. All that would be left is the Information and Communications Technology.

The Government's objective is to provide high speed, wireless, broad band Internet access on demand by 2008. For that purpose we are in discussions with a company from Dubai. Dubai has already done it. We are trying to piggyback on the experience of that country in doing it to bring about this needed piece of infrastructure for Trinidad and Tobago.

Our oil production figures, just for the record, in 2001 oil production was 113,000 barrels a day. Oil and gas production expressed in barrels of oil equivalent was 389,000 barrels per day. In 2006, it is approximately 147,000 barrels a day and the

equivalent in oil and gas production amounts to 835,000 barrels a day. It is an increase from 389,000 to 845,000.

Mr. Ramnath: That figure seems to be high.

Hon. P. Manning: It is not high. Let me advise the hon. Member for Couva South. In August, gas production peaked at 4.2 billion cubic feet a day and in that same month oil production reached 151,000 barrels a day. In other words, this figure is low because it averages out the year. It peaked at a level considerably higher than the figure that I have just called. We are well on the way to achieving our objective of a production of 1 million barrels per day. Trinidad and Tobago is moving ahead and moving ahead resolutely.

I have been a member of many governments in the past. I have had a chance to look at the governments of which hon. Members opposite were a part from 1986 to 1991 and 1996 to 2001. I have had a chance to watch all these governments operate. I must say that in terms of performance on the basis of the records that I have just read, this Government of Trinidad and Tobago would go down as one of the best governments in the history of this country. We hasten to point out that for us development means the development of people. It is not economics or barrels of oil production; it is not gas, ethylene and polypropylene. What is it? It is the standard of living and quality of life of the people of Trinidad and Tobago. [*Desk thumping*] As creditable as our economic performance is, it is not an end in itself; it is a means to an end. At another time and in another debate I would take the opportunity to demonstrate to hon. Members on both sides of the House that the Government has done well by today providing a significantly improved standard of living and quality of life than that to which the people of this country had become accustomed and certainly, which they experienced in 2001.

Thank you.

PROCEDURAL MOTION

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Mr. Speaker, I beg to move that the debate on this Bill be adjourned to Friday December 08, 2006 and we move to Bill No. 2 on the Order Paper to amend the Home Mortgage Bank Act.

Question put and agreed to.

HOME MORTGAGE BANK (AMDT.) BILL

Order for second reading read.

The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill):
Mr. Speaker, I beg to move,

That a Bill to amend the Home Mortgage Bank Act, Chap.79:08, be now read a second time.

You would recall that the Home Mortgage Bank Act, Chap.79:08 was amended in 2005 by Act No. 17 which came into operation on July 29, 2005. That Act sought to broaden the purposes of the Home Mortgage Bank (HMB) by authorizing it to develop a mortgage market. The amendment also sought to regularize the shareholding of the HMB by converting different classes of shares to one type of shares, namely ordinary shares.

During the debate in Parliament on the amendment, the question that was raised was whether the Home Mortgage Bank should be governed or come under the control of the Central Bank of Trinidad and Tobago. During the debate we basically changed the provision to bring the Home Mortgage Bank under the control of the Central Bank. We did that by bringing it under the control of the Financial Institutions Act (FIA). Since making that amendment we have found that based on the information from the Central Bank it cannot work in this form. There are a number of irregularities that arise by including that provision under the FIA. They are as follows: the Act was passed into law without a deeming provision to bring it back into automatic compliance with the FIA with the effect of its coming into operation on July 29. This is unusual in any legislation.

The effect of that is that the failure to include this provision has resulted in the Home Mortgage Bank and its directors being in violation since July 29 of at least four provisions of the FIA. They are as follows: The use of the word "Bank" in the name of the Home Mortgage Bank without the approval of the Central Bank of Trinidad and Tobago as required by Section 3(2)(iii); the requirement to hold a licence to conduct business of a financial nature is required by the conjunct effect of Sections 5(4), (7) and (8) of the FIA; the prohibition in Section 22(2)(b) of the FIA which restricts the acquisition of holding of land except for certain purposes, namely for the purposes of conducting its business or for the satisfaction of debts due to it and the requirement of the Controlling Shareholder to hold a permit from the Central Bank as required by Section 39(1) of the FIA.

This Section requires any person holding 25 per cent or more of the shares of the bank or financial institutions to have or be deemed to have a permit and as at

July 29, 2005, the day we passed this Legislation, one Shareholder held shares over that limit. The challenge the Government faced was how to carry out that decision that Parliament had agreed to in the context of it not being able to be achieved under the FIA.

4.00 p.m.

What is being proposed in the current Legislation is to ensure that we do a number of things. We intend to allow the Central Bank to supervise the Home Mortgage Bank but under its own Regulations. In fact, the Central Bank has recommended that the most appropriate approach is for the Home Mortgage Bank to be regulated by the Central Bank under its own Legislation. Of course, there is precedent for this, in that Credit Unions, although not Banks, conduct activities and are regulated under a separate Act of Parliament. Similarly, you have the Agricultural Development Bank regulated by an Act of Parliament. What is therefore being proposed is that Sector Specific Regulations and Guidelines can be issued under the Home Mortgage Bank Act, and will mitigate any interference of creating an uneven playing field which we now have against institutions regulated under the Financial Institutions Act (FIA). It is to be noted that the provisions of the Companies Act, 1995 and the Securities Industry Act, 1995, at this time also apply to the Home Mortgage Bank.

To address the concerns raised about the 2005 amendment, the Government proposes the following amendments to the Home Mortgage Bank Act:

One: The repeal of Section 33(1) of the Act which provides that the Financial Institutions Act, 1993 shall apply to the Home Mortgage Bank and at the same time expressly reviving the provision that the Financial Institutions Act and the Moneylenders' Act shall not apply to the Home Mortgage Bank. This was the provision prior to our change in 2005. These amendments will have retrospective effect to July 29, 2005, which is when the Amendment Act came into operation. Also, as a consequence of this approach, the new regulatory provisions must be introduced and they are as follows:

The Central Bank shall have the power generally to supervise the Home Mortgage Bank.

The Minister of Finance shall, on the recommendation of the Central Bank, make regulations in respect of the operations of the Home Mortgage Bank pertaining to the following:

Treatment of assets;

Home Mortgage Bank (Amdt.) Bill
[SEN. THE HON. C. ENILL]

Friday, November 24, 2006

Investments and interests;
Risk management;
Reserve management;
New financial instruments;
Cease and desist orders;
Fit and proper requirements for directors, managers and shareholders;
Matters relating to inspection and examination of the Home Mortgage Bank;

The Central Bank shall have the power to request information from the Home Mortgage Bank.

The Act will further be amended to provide that the board shall have a maximum of 11 directors. This was an error that was made in the last amendment. Directors will be exempt from liability for acts done in relation to the exercise of their functions as directors, except such acts as are caused by their own wilful act or default. And this provision is similar to Section 101 of the Companies Act, 1995, and appropriate penalties will be introduced for non-compliance with the Home Mortgage Bank Act and Regulations.

Mr. Speaker, these Amendments are simply intended to correct that which we attempted to do when we introduced the legislation some time ago which seeks, in effect, to strengthen the Central Bank's ability to regulate the Home Mortgage Bank in the areas in which we had originally provided for them. There is no question and we did it on the last occasion that the Home Mortgage Bank as an institution has made, and continues to make, a significant impact on the mortgage financial environment in Trinidad and Tobago. The bank, over time, has been able to ensure that the mortgage community benefits from lower interest rates, increased flexibility, availability of bridging financing, making mortgage finance more available to a wider sector of the citizens and the introduction of mortgage-backed investment products on the local capital market. These are all intended to basically support Government's position as it relates to its housing programme.

Mr. Speaker, some time ago at a recent International Union of Housing Finance Congress held in Vancouver, Canada, the International Institutions examined Mortgage Banks throughout the world and rated the Trinidad and Tobago institution as one of the three success stories in the world along with China and Malaysia. We, therefore, believe that this is an institution that the Government will continue to support as it moves to deliver on its promises of housing and making housing available.

Mr. Speaker, the intent here, therefore, is simply to ensure that that which we debated on the last occasion can, in fact, be effected in a manner in which those who have the responsibility of regulating this particular institution believe it to be in the best interests and, therefore, the Home Mortgage Bank (Amdt.) Bill that is before the Parliament this evening seeks to do a definition of the class and identify the activities for which the Home Mortgage Bank will be supervised by the Central Bank. It identifies the Merchant Bank, the Mortgage Institution Trust Company; it defines the Collective Investment Funds; it puts into law the responsibility for the supervision of the Financial Services; its power to request information. It deals with the issue of the Amendment relative to the number of directors; it talks about the liability immunity and it also introduces a section to deal with offences in terms of deceit, fraud, profit, monetary benefits and all that is required to ensure that the Central Bank has the legislative authority to deal with this and, therefore, on this basis, I commend to the House these amendments, and I beg to move.

Question proposed.

Dr. Roodal Moonilal (*Oropouche*): Mr. Speaker, the matter before us, although relatively short in terms of the number of amendments and so forth, is a very important matter in several critical areas. The Minister, in moving a few minutes ago, indicated that this matter engaged the attention of the House only recently, indeed, a few months ago, and at that time Members on both sides of the House expressed in entirety their views on the matters dealing with the Home Mortgage Bank, the parent legislation, the regulation of this important sector, the provision of Government's housing policy and this matter, according to the Minister, is consistent with his Government's overall housing policy in terms of delivering on their promises to provide housing at affordable costs to all citizens and particularly lower income citizens.

The first point we wish to make on this side is that the Minister has demonstrated regrettably, because the Minister is not a combative person generally, as the Minister of Sport demonstrated a few weeks ago, a lack of preparation and a lack of competence in dealing with these matters. On this occasion, we have a rather unusual event of the Government bringing an amending Bill 2006, to amend an amending Bill 2005. That is not a regular occurrence that they would be amending amendments and it is indicative of the growing incompetence that we speak about; the growing, I dare say, position of retreat, but that tends to trigger the pacemaker on the other side. It really demonstrates this incompetence that we on this side are talking about. The other point that the Minister made a while ago revolves around

Home Mortgage Bank (Amdt.) Bill
[DR. MOONILAL]

Friday, November 24, 2006

this issue of passing into law measures that seek to undo actions that may have been unlawful and we advance on this side that is a very dangerous precedent. It is not a good habit for the Government to bring legislation that will seek to make right what has been going on for some time that is wrong. It is really to seek to make lawful that which is unlawful.

In our constitutional arrangements it is well known that we do not easily introduce legislation that will be retroactive, that will undo earlier laws and so forth. And, for the Government to bring legislation that seeks to make lawful that which is unlawful and that which was happening before as the Minister indicated, suggests itself that the Government did not do its homework; it did not undertake the necessary research, the necessary planning so that when the Government brought the first amending Bill in 2005, it could not consider what would happen.

Mr. Speaker, I say this in the context of there being one Minister of Finance and three Ministers in the Ministry of Finance and they could not get it right. The matter involves particularly one area of removing control and placing control in the hands of the Central Bank, and to quote from the *Hansard* record of May 17 2005, in the Upper House where the very Minister in question, the Minister with responsibility for this matter in finance, indicated at that time that this measure would come under the Moneylenders' Act and would also come under the Financial Institutions Act. In fact, Friday, March 11, 2005 indeed, in this Chamber, in closing the debate, the Minister in the Ministry of Finance, Sen. The Hon. Conrad Enill said that with regard to comments made they will incorporate suggestions:

- “1. To ensure that the benefit that now exists will be made available to other institutes.
2. The governance structure will be reviewed.
3. The institution will in fact come under the supervision of the Financial Institutions Act, and the Moneylenders' Act.”

This was taken directly from the Minister in the Ministry of Finance in this House. By November 2006, it is another story that the Minister comes to indicate that they will remove the supervision from the FIA and Moneylenders' Act to the Central Bank. That is the level of incompetence that we need to address.

Another critical element coming out of this measure is, indeed, the creation of offences and putting into law several matters involving policing and stringent regulation of this sector. And the question really begs itself: Could this Government regulate and police this matter even if it becomes law? I ask this in the context of

the current debate where no less a person than the Director of Public Prosecutions has indicated that the justice system is under strain. We have suggested for quite some time that the justice system has collapsed, and today, there is a Bill before us that creates offences, that calls upon the authority to police, monitor and to implement law where we are creating offences to deal with very serious misconduct and criminal activities involving members of the bank and this agency.

The creation of an offence to suppress information to deal with fraud, 29B, other offences, deceit, monetary benefits accruing to persons who would have unlawfully acquired those moneys and returning the moneys. The point we are making is, no agency of this Government is in a position to monitor and implement this measure even if passed because their record on monitoring and implementing the law and on dealing with these offences is horrible. The justice system has collapsed. The DPP has told us that. Quite interesting.

The situation in the courts involving criminal matters where there is shame and scandal dealing with the administration of justice on the one hand, and today the Parliament is being asked to support the creation of other offences and to assist the Government in bringing into law these offences which are punishable by fines and imprisonment and so forth.

Mr. Speaker, while Sen. The Hon. Conrad Enill, would be genuine and sincere in his attempt to deal with this matter, we believe that these matters are really null and void because the Government by itself cannot implement the law as it exists now. It is a very important matter.

Mr. Speaker, it is important in this context. As we have said time and time again, this bank has been geared to what they refer to as the secondary market to assist in implementing the housing policy. The Minister made the point a few minutes ago. Their housing policy is built really on a foundation that includes the important role of the Home Mortgage Bank. The role of this bank in collaboration with other institutions is to provide the sort of support for lower income persons to acquire housing.

Mr. Speaker, if this measure is passed, as it would be, and cannot be policed, then the entire housing policy—if this is the foundation—is in jeopardy—if it depends upon an efficient functioning Home Mortgage Bank with this type of legislative protection in place. Mr. Speaker, it is not the first time that this housing policy is suspect in this way. There was an argument in the press and in the Parliament as well, when this matter came up that gave rise to these amendments over the sums of moneys to be provided to lower income people and whether

Home Mortgage Bank (Amdt.) Bill
[DR. MOONILAL]

Friday, November 24, 2006

lower income people can, indeed acquire homes built by this Government. We got an assurance from both the Prime Minister and the Member for Diego Martin West that it is the Government's intention to meet and treat with all citizens through institutions like the Home Mortgage Bank to ensure that all citizens regardless of their station in life can indeed acquire a home.

Mr. Speaker, given that principled commitment of the Government, one needs to ask: How can they implement this, and whether that still stands? Because they are on record as suggesting that there be mixed communities for housing.

I ask the Minister of Housing to indicate to the Parliament what is the policy on mixed communities as far as it relates to distributing houses to the citizens of Trinidad and Tobago. Because their policy as articulated here previously was based on what they defined to be equity; that persons will acquire a house on the basis of equity. Not equality mind you, but equity. So that meant that persons would have acquired the house because they are in need or there are some traditional barriers to persons acquiring houses and so forth.

Today, we are hearing about mixed communities to be created and the controversy rages on. The Prime Minister indicated a few days ago that he supported mixed communities but he did not indicate what he meant by it and the *Guardian* of Tuesday, November 21, 2006 and I quote page 10:

“HDC has no plans to create mixed communities

Noel Garcia, HDC managing director, told the *Guardian* yesterday his organization has no jurisdiction over Caroni lands and therefore will not be implementing plans by the Prime Minister Manning to distribute 18,000 lots to the national community.”

And he knew nothing about mixed communities that Prime Minister is speaking about. He spoke on Saturday last at the Waterloo High School and stated that he planned to create mixed communities. The issue is: Tell us what are your policies as they relate to providing citizens with loans, with support by the Home Mortgage Bank. What is your policy as it relates—who are these citizens that would benefit from the Home Mortgage Bank? What do you mean by mixed communities? Because I want to tell you that mixed communities can mean many things and the Government should define it otherwise they will run into problems. For example, a mixed community would be a place where if when you look at the community you see persons of all hairstyles—maybe that would bring the thing home—whether you have long hair, short hair or no hair at all. A mixed

community could include people of all races, all religions and all cultures. Secondly, if we say that mixed communities could include persons of one group because the wider community there is of another cultural stream, is that a mixed community?

Mr. Speaker, I live in San Fernando and I think you are familiar with San Fernando. When I go to Corinth, in the new housing development—I pass through Pleasantville, Corinth where they have built houses and I really do not see mixed communities. I see many citizens of Trinidad and Tobago who have their homes there. I have absolutely no problem with citizens who are deserving of houses to have houses. But I do not see mixed communities there. When I go to other areas—*[Interruption]*

Mr. Speaker: I am not sure I am seeing it here either, so relate it to Home Mortgage.

Dr. R. Moonilal: Mr. Speaker, the Senator Minister stated that this measure is a central part of their housing policy. I did not say that. I am saying that we need to question their housing policy if this is one measure because they have another measure called mixed community. I want to end this matter because I do not want to continue too long. The tea break is upon us.

Mr. Speaker, I want to warn the Government about this attitude they have of taking people from all over as if they are mixing gin and tonic or rum and coke, just taking people from one place to another and saying that is housing, that is mixed communities. Those policies are fraught with danger. We have seen it in Israel, we have seen it in Asia, in Africa as well, where you bring people into different communities and say the policy is mixed and the people themselves are not properly integrated culturally in terms of ethnicity, in terms of religion and so forth. I say no more on that because I am sure as we proceed, the Minister will speak on that matter.

But it is quite interesting that the support for Mr. Manning's mix, "a move forward", he got support in: Letters to the Editor, Wednesday, November 22, 2006 from an interesting gentlemen, Hamilton Green, JP, Mayor of Georgetown.

So while he was looking for support in Trinidad, Noel Garcia did not give him support, Hamilton Green from Georgetown gave his support. That was the right-hand man of Forbes Lynden Burnham in Guyana when they were involved in slaughtering, raiding and butchering the people of Guyana, particularly the people of East Indian descent. I was extremely worried that Hamilton Green would be supporting the Prime Minister of Trinidad and Tobago with such rubbish. It is

Home Mortgage Bank (Amdt.) Bill
[DR. MOONILAL]

Friday, November 24, 2006

here, Hamilton Green, JP, you can ask him. You meet him all the time. You can ask him when you meet him in Georgetown, they fraternize. The PNC and the PNM. They are of the same root.

Mr. Speaker, the matter before us involving this bank—I have absolutely no problem if Mr. Green did not write the letter, he will indicate but I do not usually see Mr. Green from Georgetown Guyana putting his mouth into government policy in Trinidad and Tobago.

Mr. Speaker, Let me move on—[*Interruption*]

Mr. Speaker: Order!

Dr. R. Moonilal: Mr. Speaker, you have to protect me from the Member for Laventille East/Morvant who sheds crocodile tears when people are murdered.

Mr. Speaker: I will ask you to withdraw that. Please, have that remark struck off the record.

[*By order of the Chair, remark struck off*]

Dr. R. Moonilal: Mr. Speaker, that is such utter garbage, I will not even reply. Had it come from anybody else with sense, maybe I would have done that but, coming from the Member for Laventille East/Morvant, I will not bother with a reply. The Member for Diego Martin East is on record as saying that the Member for Laventille East/Morvant is mental. I say no more on it.

Mr. Speaker, and that is their business; that is not my business. That is PNM's business; I do not get involved in that. Another matter—the Member for Diego Martin East said he is mentally off and he should know. The matter involving the Bill here relates to protecting directors on this Home Mortgage Bank; they are raising a matter in terms of protecting directors, and I have a problem with this.

Mr. Speaker, I believe that persons who offer themselves for high office in the public service, all persons, should be exposed to maximum scrutiny as a principle. They should subject themselves to the laws of Trinidad and Tobago at all times and if for one reason or another you cannot serve in the public domain fine, there are other things you can do. You can join an NGO or civic organization and so forth, but I am against protecting persons who serve on banks and boards of directors and so forth from the exemption which this Bill seeks to bring.

Mr. Speaker, I say that in the context of a recent magazine that we are so graced by, *The Parliamentarian*, where in an article dealing with Freedom of Information and Parliament in Trinidad and Tobago. It is written by the Clerk of

the Senate, Parliament of Trinidad and Tobago, Mr. Neil Jaggassar—outlines, and it is so glaring that:

“To date, the following agencies have been exempted from scrutiny under the Freedom of Information Act:

The Integrity Commission,

The Central Bank of Trinidad and Tobago,

The First Citizens Bank Group,

The First Citizens Holdings Limited...,

The First Citizens Corporate Services Limited,

Trinidad and Tobago Unit Trust Corporation,

The Import-Export Bank,

The Agricultural Development Bank,

The Trinidad and Tobago Mortgage Finance Company...,

The Business Development Company (of Trinidad and Tobago),

The National Entrepreneurship Development Company...”

So here you are protecting members on a board and saying the Central Bank will monitor them but there is nobody to monitor the Central Bank because they have been exempted from the Freedom of Information legislation, and that is the hypocrisy with this Government. That is the hypocrisy that we point out, that if you are implementing freedom of information, you cannot just take persons who are protected under the Home Mortgage Bank and say the Central Bank will monitor them when you have taken the Central Bank out of the purview of the Freedom of Information legislation so that no government agency far less the Parliament, can scrutinize effectively persons on these boards.

Mr. Speaker: Hon. Members, the sitting of the House is suspended for tea and will resume at 5.00 p.m.

4.30 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

Dr. R. Moonilal: Thank you very much, Mr. Speaker. In closing, I will ask the Minister questions to which he can respond later. To what extent is this matter of immunity to liability for directors of the bank prevalent in the private sector?

Home Mortgage Bank (Amdt.) Bill
[DR. MOONILAL]

Friday, November 24, 2006

To what extent should a government's public policy protect directors by way of immunity to liability arising out of the exercise of their functions as directors? Has the Minister inserted this for specific objectives to be met, whether it is the availability of sound and technical people to serve or problems that the Minister recognized previously, which have suggested to the Government that directors be immune to liability? I would like to know the Minister's, and by extension the Government's, thinking on this matter. We view this as a serious matter, given what we are seeing and hearing about in the press concerning the challenge to have accountability and transparency in the conduct of public affairs at different state agencies.

A couple days ago, as the Minister is aware, there was a problem in the press with the Vehicle Maintenance Company of Trinidad and Tobago (VMCOTT) and the purchase of equipment. Whatever may be the misinterpretation, there appeared to be some problem with transparency and accountability and whether this matter is calculated to deal with that particular issue. I remind the Member that the UNC, during its term of office, passed several pieces of legislation dealing with the creation of offences and punishment, which provided for accountability and transparency in public office and which brought these state agencies to Parliament to account.

We will not have any difficulty supporting any measure that seeks to promote probity in public life, accountability and transparency. That will not be the UNC's position. In fact, the freedom of information legislation, the Constitution (Amdt.) Bills that dealt with accountability to Parliament are all creations of the UNC. We will not have difficulty with that, but our difficulty really is with the trend of the Government and the apparent policy increasingly to prevent disclosure. That is what I would like the hon. Minister to comment on at an appropriate time.

Regrettably, the Member for Diego Martin West is not here. He had indicated that there were several questions he wished to pose. I imagine that he can do that at a later time.

Mr. Speaker, I thank you.

Mr. Gerald Yetming (*St. Joseph*): Mr. Speaker, when the Act to amend the Home Mortgage Bank Act was debated last July—we had a fairly extensive debate and a number of suggestions we made at the time were accepted by the Government—it was our view that the Home Mortgage Bank had moved away from its original moorings and that it should have come under the jurisdiction of the Central Bank. The Government accepted that recommendation at the time.

One of the dangers with making changes to draft legislation at committee stage is that when suggestions are accepted and we have to refine the language to reflect the accepted recommendation, even with the best skills in the world, there are times when we are not going to make the change properly which, I believe, is what happened in this case. I, therefore, do not wish to add anything to what is before us.

There are one or two points I will take up at committee stage, but I suggest that it is for this reason that I made the point in a previous debate that when bills come before us, particularly when they deal with technical issues, we will be happy to meet with the Government and hammer out some of these changes, so that when our technical people put in the language, they will do so in a more deliberate fashion, so that we do not come back one year later. I really cannot criticize the Government on the point.

Just to respond to the Member for Oropouche, the offences are really taken from the FIA and it is really to build into the Act, giving the Central Bank, as the regulatory authority, the ability to take action. We will quickly do this in committee stage, Mr. Speaker.

Thank you.

Mr. Chandresh Sharma (*Fyzabad*): Thank you very much, Mr. Speaker. Like the last two speakers on this side, I shall be very short and focused, if it is at all possible. [*Laughter*]

The first matter I want to raise with the hon. Minister is the question of mortgage brokers, since he did indicate that part of the intention of this Bill is to treat with homeowners. It seems that some people have difficulty accessing loans from the financial institutions and I think that the time has come for the Government to consider seriously the introduction of mortgage brokers across the board.

Both in the United States and Canada, more than 50 per cent of all mortgages, particularly from first-time homeowners, is as a result of the work of mortgage brokers. In addition to that, we need to revisit the question of interest rates for first-time homeowners. Whilst the bank seems to attract those at the higher rate, there are still a large number of people who, for one reason or the other, are unable to obtain mortgages. In dealing with these matters, we need to deal with persons living on lands, for one reason or the other, beyond the 13- or 16-year period who still have difficulty. I am sure that Mr. Speaker, if approached, they will be able to advise on this matter. In the constituency of Fyzabad, oftentimes

Home Mortgage Bank (Amdt.) Bill
[MR. SHARMA]

Friday, November 24, 2006

people come because they are on a piece of land for 15 or 20 years and they do not qualify for an NHA subsidy or a mortgage. We need to treat with them.

In addition, on a related matter, which was drawn to the attention of the hon. Prime Minister last year on a visit to Fyzabad, people are finding it difficult—though this is not related to the Bill, but since you are talking about homes—to get electricity and water connections to their homes. The Prime Minister had indicated then that persons living in houses that they own should not be denied water and electricity connections—all the public utilities.

I also suggest that the Government explore the possibility of a lower rate of interest for persons who are financially challenged. [*Interruption*] Two per cent. It is available.

I know the Member for Oropouche raised the matter, but just out of caution, since this legislation is retroactive, how will we treat with any fracture of the law that may have been committed then? You would not want to deny persons who, for no reason of their own, may have entered—even if the bank itself may have entered into something, we need to make sure that we protect those.

The question was raised last year by the Member for St. Joseph—I do not know if it was corrected on this occasion—that the Home Mortgage Bank at that time—and I think it still does—accepted deposits and whether that is legal. Even if it is not legal, we have to correct it because if they accept deposits, they cannot do anything but treat with it. I am certain that we are all familiar with the fact that while the Parliament is the supreme body, retroactive law is not always a requirement of the Parliament. You find difficulty and you may want to revisit that.

On the question of the Home Mortgage Bank, there must be some opportunity for giving back. They are in the business of making money and providing a service and I want to relate that to first-time homeowners. Can it be reflected in the loan they obtain?

On the whole question of homes, I think it was raised on a previous occasion that, say a person living in the constituency of Fyzabad will be able to go to the local government body, the Siparia Regional Corporation and purchase, at minimal cost, an approved house plan. They may have 10 or 12 house plans available. We must go in that direction and make every effort to assist families in building their first homes. That will also take care of the other connections.

The Ministry of Public Utilities and the Environment has a programme for persons living under the poverty line getting their houses wired. There seems to be a little problem in that there may not be enough contractors or money available. In my constituency, there are about 30 outstanding cases simply because contractors are not available in some instances or some of them have not been paid. Since we are in the Christmas period, we want to consider that.

In your capacity as Minister of Finance, can you find a way that every home without electricity, once there is a pole near that house, could be connected so that you do not have to drop new poles, which takes a little longer? Can we give them a Christmas gift on this occasion?

The last matter is the question of the period of the mortgages. Could we look at longer periods so that even though someone might be 30 or 40 and his working life 15 or 20 years more, a family member—a son or a daughter—may join in that mortgage and the mortgage period continue with the son or daughter? That way they will get enough money to finish their house.

I am certain that if you treat with these matters I have raised, you might be elected on the next occasion. [*Laughter*]

The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill): Mr. Speaker, I thank the Members who have contributed, particularly the Member for St. Joseph, who recognized that there are some difficulties in some of the actions that we take. Therefore, his suggestion about our talking prior to some of these amendments is one that, certainly, the Prime Minister is on record as saying we will embrace.

The Member is correct in that everything we are doing today is to ensure that the provisions for the intention that we had from that date can be done. Let me deal with particular issues relative to the Member for Oropouche.

The Member for Oropouche really talked about the Government as being incompetent and not knowing what it is doing. One has to weigh that against the fact that when the Government came here and engaged in this particular debate, it was the Parliament that made the suggestion that we accepted. Therefore, if we did that, I do not know on what basis an act like that could be considered incompetent. Is the Member saying that we should not do that? Our view is that this is a matter we entered in good faith and, not having the technical expertise on these matters available to us at the time, we went ahead, found out it could not work and came back today to make it right. The measures contained in the Bill before us were based on the technical advice of those at the Central Bank, using

Home Mortgage Bank (Amdt.) Bill
[SEN. THE HON. C. ENILL]

Friday, November 24, 2006

models coming out of the United States to try to formulate a regulatory environment to achieve the objective we had. We believe that this is so.

As it relates to his specific questions about the deeming provision, that basically makes the acts committed between then and now legal, so that the bank does not find itself, or the directors do not find themselves, in the performance of their function, in any situation that invalidates the things done before. That is why the deeming provision has been put in.

Immunity to liability is basically taken out of the Companies Act, section 101, I believe, and put across. It says that:

“Directors of the Bank shall be exempt from liability for acts done in relation to the exercise of their functions as directors, except such acts as are done by their own wilful acts...”

This is a provision that is generally put into company legislation because directors will be acting on behalf of the company and they need to be without liability for acts done as they relate to that particular activity except if done as wilful acts or as default.

A question came up on who will benefit from the Home Mortgage Bank. Insofar as Mortgages are concerned, the government institution that delivers mortgages is the Trinidad and Tobago Mortgage Finance Company. Basically, the Home Mortgage Bank buys mortgages from primary institutions and frees up resources so that they can do more of that.

The Member for Fyzabad raised a number of questions that we addressed in the budget to do with the housing offering that the Government has put in place. You will recall that this year the Government introduced a policy of interest rate for affordability. We take the view that individuals earning from \$2,000 to \$8,000 will get a 2 per cent mortgage interest rate, regardless of age, for a period, I believe, of 25 years. So the Member’s issues about a 50- or 60-year-old being able to get a mortgage and it being transferred to his estate—*[Interruption]* He can start it; he can get it at 50, 60 or 70.

The programme talks about two things: affordability on the basis of income; and the second is intergenerational. We have found that a number of people did not qualify in the past but they want to have this available to them. It is, therefore, our policy that they can take it and if something happens to them, then the beneficiaries continue with no fundamental change to the terms and conditions, or

no penalties for transfers. So that matter is already in the policy of the Government and maybe we should provide you with the information so that your people can benefit.

With respect to your comment on the electricity issue, I do not know if you are aware of it, but to date T&TEC has installed approximately 75,000 lights and there is a programme to take it to 100,000 and certainly the question here is that—

Mr. Sharma: [*Inaudible*]

Sen. The Hon. C. Enill: Lights for the house; connections? I think that there is a programme as well and the Minister will address that in a particular way.

We have dealt with interest rates for first-time homeowners in the context of the new policy of affordability. Some time ago we amended the Income Tax Act to make sure that individuals could use their personal income tax benefit to deal with it in any particular way.

Those are the issues that came up that I would want to address at this time and, on that basis, I beg to move.

Question put and agreed to.

Bill accordingly read a second time.

Bill committed to a committee of the whole House.

House in committee.

Clauses 1 to 7 ordered to stand part of Bill.

Clause 8.

Question proposed, That clause 8 stand part of the Bill.

Mr. Yetming: In clause 8, 29E, the fifth line, “the penalty shall be a fine five times the amount stipulated in section 29C or imprisonment for ten years”. In the FIA, from which this is taken, it is for 10 times the amount stipulated and 20 years. Is there any reason why, for the Home Mortgage Bank, the penalties have been reduced by half?

Sen. Enill: [*Inaudible*]

Mr. Yetming: 29C is 58C of the FIA; 29D is 58(3) of the FIA; 29E is 58(4) of the FIA. Why are the fines reduced by half and not kept consistent with the FIA?

Sen. Enill: There is no fundamental problem with keeping it consistent.

Mr. Yetming: So you will go with 10 times and 20 years, to be consistent with the FIA?

Sen. Enill: Sure. So, it will be amended as 10 times—

Mr. Yetming: Ten times the amount and 20 years.

Question put and agreed to.

Clause 8, as amended, ordered to stand part of the Bill.

Clauses 9 to 13 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.

FREEDOM HOUSE (INC'N) BILL

Question put and agreed to, That a Bill for the incorporation of Freedom House and for matters incidental thereto, be now read a second time.

Bill referred to a special select committee of the House appointed by the Speaker as follows: Mr. Hedwige Bereaux (Chairman), Mrs. Eulalie James, Ms. Diane Seukeran, Mr. Harry Partap, Mr. Ganga Singh

ADJOURNMENT

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Mr. Speaker, I beg to move that the House be now adjourned to Friday, December 01, 2006 at 1.30 p.m.

That day will be Private Member's Day, therefore I ask the Opposition Chief Whip to state the business of that day.

Dr. Hamza Rafeeq (Caroni Central): In agreement with the Member for Caroni East, because of the urgency of the business in Motion No. 2, we will begin with Motion No. 2, filed by the Member for Nariva, next Friday.

Question put and agreed to.

House adjourned accordingly.

Adjourned at 5.28 p.m.