

*Leave of Absence**Friday, July 13, 2007***HOUSE OF REPRESENTATIVES***Friday, July 13, 2007*

The House met at 10.00 a.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 today's sitting of the House: Mr. Ganga Singh, Member of Parliament for Caroni East, Mr. Nizam Baksh, Member of Parliament for Naparima, and the Mr. Winston Dookeran, Member of Parliament for St. Augustine who has requested leave of absence for the period July 12—July 25, 2007.

The leave which these Members seek is granted.

PAPER LAID

The Certificate of Environmental Clearance (Designated Activities) (Amdt.) Order, 2007. [*The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley)*]

ORAL ANSWERS TO QUESTIONS

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Mr. Speaker, the Government today has responses to questions Nos. 44, 46 and 75.

Hon. Member: There is no question No. 46.

Hon. K. Valley: Question No. 46 is the written response.

**Community Development Fund
(Status of)**

44. Mr. Manohar Ramsaran (*Chaguanas*) asked the hon. Minister of Community Development, Culture and Gender Affairs:

With respect to the Community Development Fund (CDF), could the Minister of Community Development, Culture and Gender Affairs inform this House:

- (a) what is the present status of the fund; and
- (b) the number of recipients and quantum of money disbursed and the purpose of the allocations for fiscal 2005/2006?

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): With reference to the status of the Community Development Fund (CDF), it must be noted that the CDF was established in 1996 by the Government of Trinidad and Tobago in partnership with the Inter-American Development Bank (IDB) as part of the Government's strategy for alleviating poverty.

The Fund was designed as the bridging mechanism for addressing poverty whilst more permanent measures were put in place. It continues to be managed by a Cabinet-appointed Steering Committee chaired by the Minister of Community Development, Culture and Gender Affairs and with membership including public officers and representatives of the private and voluntary sectors.

The key objectives of the CDF programme are as follows:

1. To assist in the delivery of social services and infrastructure to low income and disadvantaged sections of the population using the services of non-government and community based organizations;
2. To strengthen and build the capacity of NGOs and CBOs;
3. To increase beneficiary participation in poverty alleviation initiatives and;
4. To implement comprehensive strategies to eradicate poverty.

The CDF is currently undertaking a range of sub-programmes including the following:

1. The provision of financial assistance to community based organizations in response to their proposals for the implementation of community based poverty alleviation and other initiatives and activities consistent with the objectives of the CDF.
2. The implementation of institutional strengthening and capacity building programmes designed to facilitate the acquisition of skills for organizational development, organizational management and projects, designed implementations and management in community based organizations. Such programmes also contain a technical assistance component.
3. Monitoring and evaluation and impact assessments of all projects and programmes supported by the CDF. This component also embraces the implementation of tracer studies to ascertain the long-term benefits of programmes and activities implemented by the Fund.

4. The implementation of the Community Enhancement and Regeneration Programme which takes the holistic approach to dealing with the problems of poor communities. It involves taking thorough socio-economic assessment of the communities and engaging in joint planning of programmes geared to address the programmes identified with representatives of the communities.

The solutions include the implementation of social and human development programmes as well as infrastructure which address physical capacity, utilities, resource needs and facilities. A major outcome of this initiative is expected to be the establishment of local management organizations to manage the development of the particular communities.

With respect to (b), the number of recipients and quantum of money disbursed as well as the purpose of the allocations for fiscal 2005/2006. This House is informed that during the period October 2005—September 2006, the CDF provided funding to 120 community organizations directly impacting over 20,000 persons. Over 100,000 persons would have benefited indirectly from the project instituted.

Funds disbursed over the period totaled \$7,463,000. The allocation to these 120 community organizations supported programmes under the following broad headings:

1. Implementation of poverty alleviation projects;
2. Provision of small one-off grants to community organizations;
3. Development activities within poor communities, these involved activities with short-term objectives which lay the groundwork for more expansive projects and programmes and one-off initiatives in response to identify needs;
4. Support for cultural practitioner organizations;
5. Funding of children's activities, these include support for holiday camps, national festivals, entertainment activities and other special events;
6. Special initiatives and programmes mounted by communities.
7. Institutional strengthening and capacity building of community organizations; and
8. Seat funding to enable the development and implementation of longer term community programmes and projects.

Mr. Speaker: The other question that was posed by the hon. Member for Caroni East. Are you deputed?

Mr. Ramsaran: Yes please.

E-Teck, InterFix LLC and InterFix Ventures LLC

75. Mr. Manohar Ramsaran on behalf of Mr. Ganga Singh (*Caroni East*) asked the hon. Minister of Trade and Industry:

Could the Minister list the principal terms and conditions of the Shareholders Agreement between E-Teck and InterFix LLC and InterFix Ventures, LLC?

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Mr. Speaker, the said question centres on the companies involved in the medical transcription venture which E-Teck is seeking to establish as part of its mandate to source and develop knowledge and knowledge-based and outsourcing business in Trinidad and Tobago.

Medical transcription is the art of translating voice files as physical dictation to written form; paper or electronic. Pertinent up-to-date confidential patient information is converted to a written text document by a person known as a Medical Transcriptionist who creates a record of a person's medical history including diagnosis, prognosis, procedures and outcome in a written, easily readable form.

The need for medical transcription services has increased as a direct result of the growing health care industry in the United States of America and Europe. By implication, the increasingly high cost of medical transcription services has led to the outsourcing of such services from abroad where there are cost advantages. Medical transcription outsourcing has now become a billion-dollar industry.

Trinidad and Tobago, because of its geographic proximity to the United States of America as well as its highly literate, educated and English-speaking labour force is in the position to establish itself as one of the major avenues for the outsourcing of medical transcription services.

The benefits of having an established medical transcription industry include increased employment as well as an increase in the gross domestic product. E-Teck, in pursuance of its mandate to source and develop knowledge-based and outsourcing business inter alia in Trinidad and Tobago agreed to form an alliance with InterFix LLC in order to establish a medical transcription industry aimed at creating employment and new career options for nationals.

InterFix LLC is a limited liability company incorporated in the state of Michigan, USA. This alliance saw the creation of three companies; Medical Data Caribbean Limited (MDCL) incorporated under the laws of Trinidad and Tobago. MDCL is a fully owned subsidiary of the University of Trinidad and Tobago that is

managed and operated by E-Teck under contract. It was established to provide training and production in respect of the medical transcription industry in Trinidad and Tobago.

Value Software Limited, known as Value for short, incorporated under the laws of Trinidad and Tobago is 51 per cent owned by E-Teck and 49 per cent owned by InterFix LLC and was established to provide marketing and technical services, and to develop the information technology platform and computer software for the medical transcription venture, and generally for the medical transcription industry.

The third company is InterFix Ventures LLC incorporated under the laws of the State of Georgia, USA. InterFix Ventures LLC is 51 per cent owned by InterFix LLC and 49 per cent owned by E-Teck and was established to provide marketing distribution and related services for the production and/or services of Value, InterFix LLC, MDCL and other persons or entities as determined by InterFix Ventures LLC.

InterFix LLC provides the guidance, insight and software that are needed for the development of medical transcription services in Trinidad and Tobago. This arrangement includes an enterprise, wide software licence, technology design services and comprehensive marketing consulting designed to develop and support the medical transcription industry in Trinidad and Tobago.

InterFix Ventures LLC is the marketing company for the medical transcription enterprise and also provides the necessary technical support to E-Teck. The benefits to Trinidad and Tobago of the arrangement between E-Teck and the other two entities are potentially substantial. The arrangement provides for the medical transcription industry to emerge on a strong long-term footing with Trinidad and Tobago emerging as a highly credible, trusted resource for medical transcription. It is envisaged that Trinidad and Tobago will become the medical transcription hub of the Caribbean.

The key terms in respect of the agreement between E-Teck and InterFix LLC with regard to InterFix Ventures and Value are as follows:

1. To cooperate towards the establishment of an entity to provide marketing and technical services to the medical transcription project.

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2. To cooperate towards the establishment of an entity to develop the information technology platform and computer software for the medical transcription project and medical transcription health care industry.
3. InterFix Ventures LLC shall create, supervise, manage and coordinate all aspects of the marketing technical services for the medical transcription project.
4. The operations of InterFix Ventures LLC can be extended by the parties to provide marketing services to InterFix LLC, E-Teck and the Government of the Republic of Trinidad and Tobago specifically in relation to the Tamana In-tech Park and/or associated business initiatives of E-Teck or Trinidad and Tobago Investment Business Opportunities under separately negotiated agreements.
5. A programme for the transfer of knowledge, direct attachments and training for nationals of Trinidad and Tobago.
6. A programme for the provision of employment opportunities for nationals trained in the above mentioned training programme and other nationals who meet the required criteria for employment.
7. E-Teck has certain commitments to InterFix LLC in respect of InterFix Ventures LLC and Value. The financial commitments with regard to InterFix Ventures US \$1 million and the financial commitments with regard to Value is TT \$5,072,000. These stated financial commitments represent E-Teck's capital contributions into these two companies directly.

The following questions stood on the Order Paper:

University of Trinidad and Tobago (UTT)

- 36.** Could the hon. Minister of Science, Technology and Tertiary Education list:
- (a) all the contracts entered into by the University of Trinidad of Tobago (UTT);
 - (b) all consultants whose services are engaged by UTT and the fees paid to them;
 - (c) all legal fees paid to attorneys-at-law for and on behalf of UTT; and
 - (d) all foreign personnel of UTT and their respective salaries? [*Mr. G. Singh*]

**Community Development Bursary Programme
(Details of)**

- 45.** With respect to the Community Development Bursary Programme, could the hon. Minister of Community Development, Culture and Gender Affairs indicate to this House:
- (a) the number of recipients of bursaries under the programme; and
 - (b) the quantum of moneys disbursed for fiscal 2005/2006 and for what given purpose? [*Mr. M. Ramsaran*]

**SWMCOL/CEPEP Investment Club
(Money Market Account)**

- 58.** Could the hon. Minister of Public Utilities and the Environment state:
- (a) the purpose of the fund established in the form of a money market account in the name of “SWMCOL/CEPEP Investment Club”;
 - (b) the signatories to that account;
 - (c) the current balance of that account;
 - (d) the average monthly balance of that account since its establishment; and
 - (e) the total amounts contributed annually by SWMCOL to the “SWMCOL/CEPEP Investment Club”? [*Mrs. K. Persad-Bissessar*]

**SWMCOL
(Contracts from 2006 to date)**

- 60.** Could the hon. Minister of Public Utilities and the Environment provide:
- (a) the names of any consultancy firms employed by SWMCOL during the period 2006 to date; and
 - (b) the duration of the contracts and the contract amounts? [*Mr. S. Panday*]

**Allocation of Funds
(Details of)**

- 70.** Could the hon. Minister of Community Development, Culture and Gender Affairs state the allocations made to TUCO, Soca Monarch and Calypso Tents for the period 2005–2007? [*Mr. G. Singh*]

**Trinidad and Tobago Football Federation
(Financial Contributions)**

- 82.** Could the hon. Minister of Sport and Youth Affairs inform this honourable House of:
- (a) all financial contributions made to the Trinidad and Tobago Football Federation for World Cup Football 2006; and
 - (b) whether any contributions were made to Government regarding FIFA's profit sharing for the World Cup Football 2006? [*Mr. M. Ramsaran*]

**Sporting Organizations Coaches
(Financial Assistance)**

- 83.** Could the hon. Minister of Sport and Youth Affairs advise:
- (a) whether financial assistance was promised to coaches attached to various sporting organizations; and
 - (b) if so, would the Minister inform this House of the quantum promised to each body? [*Mr. M. Ramsaran*]

**Hobsons Attorneys-at-Law
(Details of Legal Work)**

- 85.**
- (a) Could the hon. Minister of Finance advise whether the law firm "Hobsons" Attorneys-at-Law of Independence Avenue, San Fernando, has received legal work from the State, state agencies, state corporations and companies which are wholly or partially owned by the State for the period January 2006 to date;
 - (b) If the answer to (a) is in the affirmative, could the Minister provide the name/names of the state agencies, state corporations and companies; and
 - (c) Could the Minister also indicate the sum/sums of money paid to "Hobsons" Attorneys-at-Law for each item of work? [*Mr. S. Panday*]

**Airports Authority of Trinidad and Tobago
(List of Contractors)**

- 86.** A. Could the hon. Minister list the contractors who have been awarded contracts by the Airports Authority of Trinidad and Tobago for maintenance work including ground maintenance; and

- B. Can the Minister state whether any of these contractors have been awarded CEPEP contracts?

**Indian Arrival Day 2007
(Details of)**

- 88.** Could the hon. Minister of Community Development, Culture and Gender Affairs indicate:
- (a) what official functions were held by the government in observation of Indian Arrival Day 2007; and
 - (b) the amount of money spent by the government in hosting official functions to commemorate Indian Arrival Day 2007? [*Dr. R. Moonilal*]

Questions, by leave, deferred.

WRITTEN ANSWER TO QUESTION

The following question was asked by Mr. Ganga Singh (Caroni East):

**Expatriates Employed at Caribbean Airlines and Incumbent CEO
(Terms, conditions and salaries of)**

- 46.** Could the hon. Minister in the Ministry of Finance state:
- (a) What are the terms, conditions and salary of the incumbent CEO of Caribbean Airlines; and
 - (b) How many expatriates have been engaged for employment at Caribbean Airlines and what are their contractual terms, conditions and salaries?

Vide end of sitting for written answer.

**DEFINITE URGENT MATTER
(LEAVE)**

**Airbridge Services between Trinidad and Tobago
(Breakdown of)**

Mr. Manohar Ramsaran (*Chaguanas*): Mr. Speaker, in accordance with Standing Order No. 12 of the House of Representatives, I hereby seek your leave to move the adjournment of the House for the purpose of discussing the following matter as a definite matter of urgent public importance, namely; the breakdown of airbridge services between Trinidad and Tobago.

The matter is definite since there are no flights between Trinidad and Tobago by the airbridge services conducted by Tobago Express Airline which is a primary provider of airline services between Trinidad and Tobago.

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The matter is urgent because the airbridge is an essential service provided to our nation with air transport to and from Trinidad and Tobago.

The matter is of public importance because it is in the national interest that proper air transport system between Trinidad and Tobago be maintained on a daily basis.

Mr. Speaker: Hon. Members, I have read the Motion moved by the hon. Member for Chaguanas and I will give my ruling on this Motion later in the proceedings.

Agreed to.

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 we do Bill No. 1 on the Order Paper before “Motions”.

Question put and agreed to.

HOMES FOR OLDER PERSONS BILL

[Fourth Day]

Order read for resuming adjourned debate on question [June 20, 2007]:

That the Bill be now read a second time.

Question again proposed.

Mr. Speaker: Hon. Members, the debate on the following Bill which was in progress when the House was adjourned on Friday, July 6, 2007 will be resumed.

On the last occasion, the hon. Minister was on his feet and he has 40 minutes of original time remaining. I now call on the hon. Minister.

Hon. A. Roberts: Thank you very much, Mr. Speaker. On the last occasion, when this matter was before the House, I had expressed my gratitude to all Members who participated in the debate and I particularly thanked the Members for Pointe-a-Pierre and Siparia for their submissions.

The concerns they have raised are now before the House in the form of amendments, so at this time I want to deal with some of the concerns raised by other Members and to possibly correct the record in areas where there were attempts to put some untruths on the record.

I want to first deal with the contribution from the Member for Naparima. Mr. Speaker, the Member for Naparima in his contribution, in my view, was all over

the place raising issues as I have indicated in my piloting of the Bill that really did not pertain to the matter before us. His excuse was that the Government should bring a Bill that is all embracing on ageing issues and I recall indicating in my presentation that the time will come when the whole issue of ageing will be discussed in this honourable House, but what he was saying is maybe we should bring a Bill to facilitate what they want to debate.

What is amazing, is that the Bill before this House is their legislation that we are attempting to clean up and to improve as it were. The Member for Siparia, the hon. Leader of the Opposition in her contribution said that law is a living organism, it evolves, and I agree with her because she made some positive contribution to improving this said piece of legislation before us but apparently later on she just remembered that she was a Member of the Opposition and set about to complain about the same piece of legislation and the number of amendments that were made in respect of this piece of legislation.

Mr. Speaker, the Member for Chaguanas, a former Minister of Social Development in his contribution—and I wondered when I listened to him if at this time he would request a copy of the *Hansard* and read the contribution he has made in this House. He was pathetic.

If I should use some cricketing language—because from time to time he gave the impression that he was or is a cricketer—he was “vuping” and missing. He was as a non-batsman looking for form. And as we heard from one of our Members in a bit of crosstalk, he was engaging in tedious repetition, spewing statements that were untrue and deliberately misquoting the Member for Laventille East/Morvant.

Mr. Speaker, I anticipated them well because I knew that he was going to ask or make an issue of why it took so long. The old legislation of 2000 as I indicated—it was legislation of 2000—and they demitted office in December 2001. If the legislation was so important as the Member makes it out to be, why did they not during that period try to implement or operationalize it? But today the Member comes to the House and says that it took so many years, but he had an opportunity as well to deal with it but did not. I suspect that maybe they realized that the legislation could not have been operationalized in the way that it was.

The Member for Chaguanas indicated that there were no significant changes to the legislation but went on to highlight issues that were considered to be significant. He appeared to be confused and in fact admitted that he is confused because he highlighted the removal of the care board. You see he was so bent and

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prepared to make the contribution that he forgot that I raised the issue of the care board and he could not hear.

10.30 a.m.

He was so focused on saying what he had to say. I indicated in my presentation that we are prepared to give consideration to the Care Board when we are looking at an omnibus piece of legislation dealing with the larger population of senior citizens.

He raised another significant issue, the inclusion in this new legislation of inspectors. The Members for Chaguanas and Siparia spoke freely about elderly abuse, another significant inclusion in this piece of legislation. What they did not tell you is that they omitted to include anything in the legislation of 2000 as it relates to elderly abuse, to ensure that there is protection for the elderly in the homes. Yet he is saying that there were no significant changes to the legislation.

The Member for Chaguanas, again, apparently looking for some kind of sympathy, raised his pet subject on persons with disabilities, and shamelessly—he has a problem with me indicating that they are shameless, but I consider it to be a shameless act while he was reading from the PNM's policy on disabilities, because he was a bit ashamed to admit that there was no policy. They had no policy, neither on disabilities nor on ageing. I could remember him rambling and saying that they had some policy document and he was attempting to talk about it, but I want to assure this House that we have searched the Ministry and we could find no such document. He was reading from the PNM's policy on persons with disabilities. But, you see, the PNM has a vision for the people of Trinidad and Tobago and that vision drives the policies and actions of this Government.

So I am saying that the Member for Chaguanas should be ashamed whenever he hears the word “disability”, because, you see, when that Member was Minister of Social Development, he was the one who inflicted the kind of pain that the persons with disabilities in Trinidad and Tobago have to now endure. It was a close friend of his—let me take some time and give you the story—a member of his campaign team and a senior member of the social welfare division, who engaged in certain activities that really burst the disability vote in the Ministry of Social Development and the Member, in an attempt to protect himself, came to this House in 1999 and brought legislation setting criteria and putting the ceiling—

Mr. Ramsaran: On a point of order. The person who is not in this House is being attacked by the hon. Minister.

Hon. A. Roberts:—of \$300 to be able to access disability grants. The record is there. He was the one who inflicted the pain on persons with disabilities in this country. The Member for Chaguanas should be on his knees now, begging for forgiveness. Mr. Speaker, through you, I would ask him to say after me: "I have sinned and I now beg for forgiveness." [*Desk thumping*] He should be appealing for the forgiveness from the persons with disabilities in this country. But, you see, in this political time, they will do anything to seek to get the support of different members of the society.

These things will always happen to them because they have no plan, no vision. They are like chaff blowing in the wind. As I indicated earlier on, the Member is interested in PNM's policy and I am advised that he requested a copy of the PNM's policy again—the National Policy on Ageing. I hope that he would take some time and read it carefully. I hope that he would be able to educate himself. But what I expect more than that is that certain parts of it would even be found in their manifesto for the upcoming election—I know that—because they have no ideas of their own.

He indicated in his contribution, as well, that the Division of Ageing began under their watch—totally untrue. It was my colleague, the Member for Arima, who took the note to Cabinet in the year 2002 and the Division of Ageing started in August 2003. So maybe he was dreaming. He is living in the past. Nobody knows what is in your mind, so whenever you have things in your mind you must do them. We, in the People's National Movement, implement what we want to do for the people of Trinidad and Tobago. If I could borrow a phrase that they used sometime ago: "performance beats ol' talk anytime."

As I proceed, I want to take the opportunity to congratulate the Member for Fyzabad. It was the best contribution I have heard from him. He has been more relevant than he has ever been any time in his life. I do not know if it is because of his relationship with the social welfare division. He is always at that division. The Member felt that the Government should develop a programme of care for the citizens of Trinidad and Tobago. To say that, I do not think the Member understands why he has the opportunity to participate in this debate. Participating in this debate is participating in part of this Government's programme of care. You see, he is living in the past; he is living in a period of the UNC's ad hocism.

As a part of this Government's vision, I just want to educate them a bit. There is an operational plan, 2007 to 2010. This plan is broken down into five developmental pillars of which one is called "Nurturing a Caring Society", under which the Ministry of Social Development falls. If they want a copy of that

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document I can provide that as well. So, you see, they can get a lesson in governance from this side. They have had the opportunity to be in government and the way they operated was a sort of hit-and-miss, because there was really no plan. Maybe they were not expecting to be in government.

Mr. Hinds: That is probably right.

Hon. A. Roberts: The Member for Fyzabad continued in his contribution and he said that Government should have consulted with the senior citizens I want to tell my friend that he is a bit late—very late—because we have had 12 such consultations throughout Trinidad and Tobago—[*Desk thumping*] eight in Trinidad and four in Tobago, where we had the opportunity to interact and to hear the concerns of the senior citizens and to discuss with them the plans that Government has for them and to take into consideration how they feel about it, and where we could make adjustments in terms of satisfying the needs of the senior citizens.

The Member also suggested that we should be discussing disaster preparedness for the senior citizens. I want to tell him that, again, he is a little too late. “After the ball pass, he playing.” Maybe he cannot see.

Mr. Hinds: He should have attended the consultations.

Hon. A. Roberts: So that we have had these discussions in consultation with the Office of Disaster Preparedness and Management and a plan is in place for disaster preparedness for the senior citizens. He went on again to talk about transportation for the senior citizens. He was just playing games with this one, because I know he read it in the newspapers sometime ago. I recall the headline: “Dial a ride for senior citizens.” Again, if by chance he did not read it, he is very, very late.

We are making all the arrangements to provide our senior citizens with transportation so that they can move to and from their homes. We are also incorporating the Public Transport Service Corporation in the plans for providing transportation. We are holding discussions with the PTSC. As a matter of fact, some time we expect that we will have buses in Trinidad and Tobago that can kneel so that the senior citizens would not have to lift their legs too high to climb into these buses. So my brother is a bit late.

I have a concern for you, Mr. Speaker, because as we got closer to your Chair, the contributions began to get a little worse. When I listened to the Member for Caroni Central, it could not get more ridiculous. It crossed my mind that maybe it was a malicious act, when he indicated that persons who own property and large

homes were precluded from getting a pension. He said wives who attained the age of 65 and their husbands are employed, they, too, had difficulty in getting pensions. It is an act of wickedness to come to this honourable House to make such a statement, because the pension laws under which we operate at this time are the same pension laws that were in place when they were in government. I wondered if at that time his constituents did not come to him and make such a claim. I wonder why it is only now that his constituents could come to him to make such a claim.

As a responsible person, as a leader in the community, I wonder why the Member did not see it necessary to enquire and to guide his constituents in the right way, instead of coming to the Parliament at this time. I really believe that an impending election is sending these people mad. I am beginning to believe so and maybe it is their intention to do or say anything to try to catch a vote. I want to make it very clear that it is inaccurate to say that persons who own property and own large homes are precluded from obtaining a pension. You have the criteria of age, income and resident. That is what it was even during the period when the Member was in government and it is still the same. So it is unfair to make such a statement.

Dr. Rafeeq: Will the hon. Member give way, please?

I thank the hon. Member for giving way. I am not really interested too much at this point in time with the politics of what you are saying; the thing is, I am just reporting what the constituents have said. But that is okay; we can verify that. What I want to find out from the Minister is: Are you saying that the only criteria for accessing old age pension is age, the income below the ceiling and the fact that you have been a citizen of Trinidad and Tobago and you have been in Trinidad and Tobago for a period of time? Are you saying that anyone who satisfies these criteria would be given a pension? Because, really, I have no political interest in this. The thing is, what I am telling are concerns that have been raised by the constituents and if you are saying that the only criteria is age, income and the fact that you have been a citizen of Trinidad and residing here for a period of time; if that is so, then let us know because we can deal with that now with the pension offices in the respective areas.

Dr. Rowley: What other criteria are there?

Dr. Rafeeq: The other criteria I know is that they want to see your bankbook; they want to see how much money you have in the bank; they want to see your passport, how many times you have travelled; they want to see what property you own, and based on those things they give you a pension. [*Interruption*]

Mr. Valley: If you have money in the bank you get an income; you get interest.

Hon. A. Roberts: Mr. Speaker, I am saying that the only criteria are age, income and residence, and the Member knows. I am saying that he is aware. Those are the only criteria in order to get a pension.

Dr. Rafeeq: Thank you.

Hon. A. Roberts: I got the impression that the hon. Member for Siparia, the Opposition Leader, thought that she was on the political platform, trying to fool the senior citizens of Trinidad and Tobago. But I want to tell her in her absence that they are older and wiser people. It will not be easy to fool them. She has promised to give senior citizens a pension of \$3,000. When? Maybe in the next century when they get into government.

I am putting it to her that the senior citizens of this country get more than \$3,000 under the PNM. When you amalgamate all the other benefits available to the senior citizens, it is much more than the \$3,000 that she is offering, so she has to come better than that. I know she is trying to create panic and confusion among the senior citizen population, especially when she says that the PNM will abolish the senior citizens grant. Nothing is further from the truth and there will never be any such thing. As a matter of fact, under the People's National Movement, what was called the pension, now the senior citizens grant, has doubled. There is a significant increase from what it was under the administration of the UNC. I want to make it very clear—and I speak on behalf of the Government—that we will not be disbanding the senior citizens grant. As a matter of fact, the PNM will continue to do anything that is possible within the laws of Trinidad and Tobago to ensure the comfort and happiness of the senior citizens of this country.

She says that people in her constituency were not accessing the Government's programmes. She was brave to say that—very brave to say that—because that is a clear indication that the Member does not have a clue as to what is taking place in her own constituency. But, you see, she is interested in getting into other people's business. She is into Bagatelle people's business; the Diego Martin people's business; all over the country she is in other people's business and not looking after what is happening in her own constituency. I want to advise her that she should take some time and look into her own. It might benefit her.

I have some records from the Ministry as to the area in which her constituency falls. They have been accessing the Government's grants in a way most parts of this country are not doing. The total figure spent for that particular area is over TT

\$700,000 on the various grants and programmes of the Government: Housing grant, clothing grant, household articles, medical equipment, education grant, special child grant, house rent grant, all these grants the persons in the constituency of the Member for Siparia have been actively participating in.

She was saying that she had to write to her constituents to inform them. They do not need that. I indicated to her that she, too, is late, because the Ministry of Social Development is, at this time, sending these brochures with all Government's programmes to people all over the country. We are posting them directly to their homes, in addition to our other programmes where we actually go into the community with our community caravan, interacting and interfacing with the people; discussing Government's programmes; holding their hands and showing them how to empower themselves to be able to climb out of a situation of poverty.

So we are not waiting on them; we are interfacing with the people and the results of our interface will manifest themselves in the results of the election. They will see that we are doing what we have to do without taking them on. I know the reason they are talking and jumping like Jack-in-the-box—

Mr. Hinds: And forming alliances—loose alliances.

Hon. A. Roberts: Very loose alliances that cannot even last a day.

Mr. Hinds: Empty-headed and footloose.

Hon. A. Roberts: At this time I want to indicate that what we are doing today is simply setting the legal framework to regulate the activities at the homes for older persons. I want to indicate to the owners of these homes that they have a period of one year in which to put their house in order and that the Ministry of Social Development and the Government are prepared to continue to work with them to bring them to the standard of care which is required for the senior citizens of Trinidad and Tobago.

Notwithstanding all that was said on the other side, I want to simply appeal to them to allow good sense to prevail and to give their full support to this legislation as we seek, at this time, to take care of those senior citizens who form part of the 6 per cent who are now in homes throughout Trinidad and Tobago.

I beg to move. [*Desk thumping*]

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 and 2 ordered to stand part of the Bill.

Clause 3.

Question proposed, That clause 3 stand part of the Bill.

Mr. Valley: I beg to move that clause 3 be amended as circulated. It reads as follows:

- A. In the definition of “Home for Older Persons” delete the words “used for the care” and substitute the words “established for the purpose of caring for”.
- B. Insert in the appropriate alphabetical sequence the following definition: “Administrator General” means the person appointed as such under the Administration of Estates Act, Chap. 9:01;”.

Question put and agreed to.

Clause 3, as amended, ordered to stand part of the Bill.

Clauses 4 and 5 ordered to stand part of the Bill.

Clause 6.

Question proposed, That clause 6 stand part of the Bill.

Mr. Valley: Mr. Chairman, I beg to move that clause 6 be amended as circulated. It reads as follows:

In subclause (3), delete the word “fraudulent” and substitute after the words “subsection (2)” the words “knowing that such information is false”.

Dr. Rafeeq: Mr. Chairman, I know that we have an amendment and we are in agreement with the amendment—that is not a problem—but in clause 6(2)(a) , that is: “An application under this section shall be accompanied by a certificate of good character and medical fitness”, I was wondering—and maybe you could advise me—what is the rationale for asking for medical fitness. The thing is, the licensee, the person who is applying for the licence may not be the person who is actually running the home. And when you say, “medical fitness” that is a term of what? A person may have a heart disease, diabetes, high blood pressure, and so on, and that will not really preclude him from being a licensee, to apply for a licence to run a home. You will have personnel to be able to run the home. Certificate of good character, I can understand, but in terms of the medical fitness—

11.00 a.m.

Mr. Valley: There might be a distinction between the owner and persons running the place, but here we are talking about the natural person, so if it is an incorporated entity, this will not apply. We are talking about a situation where a natural person is applying and we are saying that person must be medically fit.

Dr. Rafeeq: I might be applying for a licence to run a home. In the legislation itself, you have defined staff for the homes and those members of staff will be employed. I am just the owner of the place applying for the licence and I have a whole array of people—

Mr. Valley: We want the owner to be fit as well—

Dr. Rafeeq: You want the owner of the home to be fit? Why?

Mr. Valley:—as distinct from the company. Staff can leave. The owner may have to take responsibility at some point in time and that person must be able so to do. He has, in the final analysis, to be able to run the place.

Dr. Rafeeq: I can apply today for a licence, get it tomorrow and the day after have a stroke or a heart attack and that licence is valid for two years. I do not understand the need for medical fitness. Is it that if I apply and am given a certificate of fitness today and tomorrow I get a stroke, you will suspend or revoke my licence?

Mr. Roberts: The inspectors will come in then and determine whether the home is under threat.

Mr. Valley: I would think that a licensee ought to be medically fit to run a home.

Dr. Rafeeq: Clause 6(g) “information relating to the administrative structure and management systems...” Do you think it necessary for the home to provide a management system before they are granted a licence?

Mr. Valley: “in place for the provision of safe care.” That is our interest.

Question put and agreed to.

Clause 6, as amended, ordered to stand part of the Bill.

Dr. Rafeeq: This is not directly related to one of the clauses. Does this Bill apply to homes run privately only or does it apply to homes run by the State as well?

Mr. Roberts: Privately.

Clauses 7 to 10 ordered to stand part of the Bill.

Clause 11.

Question proposed, That clause 11 stand part of the Bill.

Mr. Valley: Mr. Chairman, I beg to move that clause 11 be amended as follows:

- A. In subclause (2), in paragraph (b) delete the word “28” and substitute the word “29”;
- B. In subclause (3), delete the word “fraudulent” and substitute after the words “subsection (2)” the words “knowing that such information is false”.

Question put and agreed to.

Clause 11, as amended, ordered to stand part of the Bill.

Clause 12 ordered to stand part of the Bill.

Clause 13.

Question proposed, That clause 13 stand part of the Bill.

Dr. Rafeeq: Mr. Chairman, with regard to clause 13(3), something does not read properly. The bold type “of corrective measures”, I do not know why that is inserted. If you look at 14(3), that is not there. Somehow this does not make sense in the reading. To my mind clause 14(3) reads better. It reads: “Where a Notice of corrective measures has been served on the licensee...and he fails to take the corrective measures, the Minister shall serve notice”

Mr. Valley: “of corrective measures.”

Dr. Rafeeq: That has already been served. Now you are going to serve notice of the decision to suspend.

Mr. Valley: I understand that this is an amendment made in the Senate. I suggest that what is being implied is that the Minister writes that notice of corrective measures. In other words, he is stating the failure to meet these measures as the reason for suspension. That is what is implied here.

Dr. Rafeeq: Even if that is implied, it does not read properly. Read it.

Mr. Valley: Not being an English expert, I will have to agree with the doctor. However, I would want to leave it as it and see how it works. If there is a problem, we may have to change it.

Dr. Rafeeq: Are the technical people in agreement with this?

Mr. Valley: This is an amendment made upstairs. I do not know if they have a problem with this; I do not.

Question put and agreed to.

Clause 13, as amended, ordered to stand part of Bill.

Clause 14.

Question proposed, That clause 14 stand part of the Bill.

Mr. Valley: Mr. Chairman, I beg to move that clause 14 be amended as follows:

In subclause (1):

- (a) In paragraph (a), insert after the word “offence” the words “for which the penalty is imprisonment for six months or more”; and
- (b) In paragraph (b), delete the word “and” and substitute the word “or”.

Dr. Rafeeq: Mr. Chairman,

“A licence may at any time be revoked by the Minister:

- (a) if the licensee or manager has been convicted of an offence under this Act or any other Act.”

Does that mean if he is convicted of a traffic offence?

Mr. Valley: “—for which the penalty is imprisonment for six months or more”.

Dr. Rafeeq: OK.

Dr. Rafeeq: Mr. Chairman, in 14(3), “Where a Notice of corrective measures has been served on a licensee or manager and he fails to take the corrective measures required, the Minister may serve notice on the licensee...of the decision to revoke...” I think this reads a lot better than 13(3). The point is why is it in 13(3) you have “shall” and in 14(3) you have “may”?

Mr. Valley: I take your point. In 14(3) “shall” means “will”. There is a discretion implied in the “may”.

Dr. Rafeeq: You want it like that.

Mr. Valley: The drafters.

Question put and agreed to.

Clause 14, as amended, ordered to stand part of the Bill.

Clauses 15 to 18 ordered to stand part of the Bill.

Clause 19.

Question proposed, That clause 19 stand part of the Bill.

Mr. Valley: Mr. Chairman, I beg to move that clause 19 be amended as follows:

Delete subclause (2) and substitute the following:

“(2) The Division shall update the Register of Homes as necessary and shall remove from the Register any entry found to be incorrect.”

Question put and agreed to.

Clause 19, as amended, ordered to stand part of the Bill.

Clause 20.

Question proposed, That clause 20 stand part of the Bill.

Dr. Rafeeq: Mr. Chairman, you are going to publish in the newspapers notices where you have surrender or revocation of a licence. Does the Minister consider it necessary to also publish a suspension of the licence? There is suspension, surrender and revocation. It means that the home should not be accepting patients. Where a licence has been suspended, it means that it is no longer valid and that the home should not be accepting residents.

Mr. Roberts: We feel that it is not a final action.

Dr. Rafeeq: Do you not think that the public has a right to know that the licence has been suspended and I should not take my relative there?

Mr. Roberts: It is very possible that they are working on it to take corrective measures.

Mr. Valley: I do not think so. The fact that you are talking about suspension means that you are giving the home some time to make corrections. It is a temporary situation and you do not want to disadvantage the home by that action. Failure to take the action would result in the suspension of the licence. At that time, you may want to have it gazetted.

Question put and agreed to.

Clause 20 ordered to stand part of the Bill.

Clause 21.

Question proposed, That clause 21 stand part of the Bill.

Mr. Valley: Mr. Chairman, I beg to move that clause 21 be amended as follows:

- A. In subclause (3), delete the word “may” and substitute the word “shall”;
- B. Insert after subclause (3) the following subclause:
 - “(4) The name of the Manager of a Home and any person responsible for the performance of the functions of the Manager under the Act shall be submitted in writing, by email or by facsimile transmission to the Division within forty-eight hours of the making of an appointment.”

Question put and agreed to.

Clause 21, as amended, ordered to stand part of the Bill.

Clause 22.

Question proposed, That clause 22 stand part of the Bill.

Dr. Nanan: Mr. Chairman, in my contribution I had made an observation on clause 22(4), which states that:

“A manager who fails to make an entry in the register in subsection (2) commits an offence.”

There was no time frame. I do not know if that was corrected under the regulations or if it was an oversight.

Mr. Valley: What is the need for a time frame there? Clause 22(2) says:

“A register under subsection (1), shall contain in respect of each older person at the Home.

- (a) his name, age, date of birth, sex and last known address;”

It seems to me that you would want to make that when the person is admitted to the home. If someone comes a day after the person is in the home and that information is not there, it is not there. It should be there when he is admitted.

Dr. Nanan: You are talking about an offence. That is a serious matter.

Mr. Valley: What time frame do you want? There is a requirement—

Dr. Nanan: It is not like it is going to be a year or two years. You need a time frame because you are dealing with an offence. When will it be an offence?

Mr. Valley: It will be an offence when he fails to do it. A person is in a home and you check the register and the information is not there, it is an offence. How did he get into the home? The information required under subsection (2) suggests that the information should be requested on admittance. As long as the person is in the home—when you go to the hospital, you take certain information and it should be there at that time.

Dr. Nanan: Say so. You are committing an offence; it is serious.

Question put and agreed to.

Clause 22 ordered to stand part of the Bill.

Clause 23.

Question proposed, That clause 23 stand part of the Bill.

Mr. Valley: Mr. Chairman, I beg to move that clause 23 be amended as follows:

- A. In subclause (1), insert after the word “person” the words “in the Home.”
- B. In subclause (2), delete from the words commencing “within six hours of such death” and ending “the Medical Board Act” and substitute the words “within two hours of the discovery of such death, report the death to the police and an autopsy shall be performed by a medical practitioner qualified as a pathologist and registered under the Medical Board Act.”

Question put and agreed to.

Clause 23, as amended, ordered to stand part of the Bill.

Clause 24.

Question proposed, That clause 24 stand part of the Bill.

Mr. Valley: Mr. Chairman, I beg to move that clause 24 be amended as follows:

Insert before the word “residents” the words “each of the”.

Dr. Rafeeq: Mr. Chairman, I am in agreement with the amendment. However, I know we do not have the opportunity to comment or to make changes on the

regulations, but I want to point out that the Third Schedule that is referred to here, the form for filling out this report does not allow for a report on individual residents. The form here is really for the home itself and has to be amended to allow for this.

Mr. Roberts: Thanks.

Question put and agreed to.

Clause 24, as amended, ordered to stand part of the Bill.

Clause 25.

Question proposed, That clause 25 stand part of the Bill.

Dr. Rafeeq: Mr. Chairman, there is just a small drafting error.

“Where:

(a) a Home is used at any time for the treatment of a greater number...”

In the rest of the Bill, the word “treatment” is not used. It is not really the correct word. What is used in the rest of the Bill is “housing and care”, rather than “treatment”. You are not dealing with sick people, but old people.

Mr. Roberts: They may be aged and sick as well.

Dr. Rafeeq: They may be aged and well. “Housing” is enough.

Mr. Valley: “For the care and housing”.

Mr. Chairman: The question is that clause 25 be amended as follows:

In subclause (a), first line, after the word “the”, delete the words “treatment” and insert the words “care and housing”.

Question put and agreed to.

Clause 25, as amended, ordered to stand part of the Bill.

Clause 26.

Question proposed, That clause 26 stand part of the Bill.

Dr. Nanani: Mr. Chairman, in my contribution, I had pointed out that this appears to be very harsh—“no structural alteration or addition to any Home for Older Persons shall be made until a plan”. If you want to add a maid’s quarters or even a small garage, you have to get Town and Country Planning approval.

Mr. Chairman: That is the law.

Dr. Nanan: I also want to make a point with respect to clause 22. I know you do not want to go back, but I had asked if a dental surgeon could be on the list.

Mr. Chairman: We are past that, but if you want to revisit it, we can probably do that at the end.

Mr. Valley: With respect to clause 26, Mr. Speaker, that is the law. It says, "subject to the provisions of the Town and Country Planning Act." There may be some alterations which do not require approval, but if you are making any that requires approval, you have to have it.

Question put and agreed to.

Clause 26 ordered to stand part of the Bill.

Clause 27.

Question proposed, That clause 27 stand part of the Bill.

Mr. Valley: Mr. Chairman, I beg to move that clause 27 be amended as follows:

In subclause (3):

- (a) in paragraph (h), delete the word "or";
- (b) In paragraph (i), delete the full stop and substitute the words "; or"; and
- (c) Insert after paragraph (i) the following paragraph:
 "(j) a police officer."

Dr. Rafeeq: I want to engage the Minister. We are establishing the Facility Review Team and we are outlining certain disciplines from which you can choose a team. We are saying that the team should consist of at least three persons. Would it not be better to have two or three disciplines as mandatory and from the rest you can choose one or two people? You could end up with a board that has three persons; let us say an accountant, a social worker and some other persons, and that you really do not get the skills you need on the team. Would that not be a better arrangement?

Mr. Valley: I note your point. We are making two changes.

Under (3), we are deleting "each" and adding "either" after "as" in the last line.

I do not have difficulty with the way it is stated here that you want three or more persons with training in the various areas.

Dr. Rafeeq: With this construction, you can end up having a committee with a fire officer, a public health inspector and a social worker alone.

Mr. Valley: Remember, this is to be appointed by the Minister. At the point in time, it might be sufficient to have a committee consisting of a fire officer, a public health inspector and a social worker. That is the flexibility the Minister has in this regard.

Dr. Rafeeq: I am not in agreement, but if you are okay with that.

Question put and agreed to.

Clause 27, as amended, ordered to stand part of the Bill.

Clause 28.

Question proposed, That clause 28 stand part of the Bill.

Mr. Valley: Mr. Chairman, I beg to move that clause 27 be amended as follows:

- A. In subclause (1):
 - (a) in paragraph (b)(v), delete the word “therein” and substitute the words “in a Home”; and
 - (b) in paragraph (b)(vi), delete the words “under the Act or these Regulations” and substitute the words “under this Act or the Regulations”.
- B. In subclause (2), delete the words “subregulation (1)” and substitute the words “subsection (1)”;
- C. In subclause (4), insert after the words “warrant to enter” the words “and search”.

Dr. Rafeeq: Mr. Chairman, clause 28(b)(5):

“The Facility Review Team shall have the following powers:

- (a) To inspect with the consent of the owner or occupier (v) medical records of any older persons;”

This is the point I am making. You have a police officer and an accountant; they are not medical people and you are making the medical records of the residents available to those people. That, to me, is a breach of the rights of those persons.

Mr. Roberts: If you require that, then you have to co-opt them on the team. The Minister also has that option.

11.30 a.m.

Dr. Rafeeq: No. Let us be clear. As the law is worded here, the Facility Review Team can ask for these records regardless of the composition of the team. That is not the question. That is what we are putting in law. That team can comprise of lay people and you are asking for the medical records.

Mr. Valley: Clause 28(1)(b) says, “to inspect with the consent of the owner or occupier”. There are two things.

Firstly, if the review team has to review people’s medical records, obviously, unless he does not have common sense, the Minister would ensure that the medical practitioner is on the review team.

If there is no medical practitioner on the team, it is unlikely that the owner or occupier would want to give consent.

Dr. Rafeeq: I am not comfortable with this.

Mr. Sharma: In clause 28(1)(ii), I suggest the removal of the word “storage” because it is not required. The public health inspector has the power to go without the consent of the owner or occupier to visit any food premises.

Mr. Valley: “The Facility Review Team shall have the following powers”—

Mr. Sharma: Remove the words, “the consent of the owner or occupier”. You do not need that. This is a public facility. Where food is prepared and given to people the law allows the public health inspector to enter at any time. If they refuse, what do you do? You poison the people like in St. Ann's Hospital where 13 persons died?

Mr. Valley: This is not the public health inspector.

Mr. Sharma: It is for this purpose. You are legislating where people have to enter. If you get a report that the food is not prepared properly and the owners refuse you, what would you do? They drink eggnog. Mr. Rahael, can you add something to this? Thirteen persons died under your care.

Mr. Valley: If you remove the words, “consent of the owner or occupier”—this is not the public health inspector.

Mr. Sharma: The team comprises a public health inspector.

Mr. Valley: He is there as a member of the review team. This Bill does not require a special majority.

Question put and agreed to.

Clause 28, as amended, ordered to stand part of the Bill.

Clause 29.

Question proposed, That clause 29 stand part of the Bill.

Mr. Roberts: Mr. Chairman, I beg to move that clause 29 be amended by deleting the words “applying for a licence under the Act” in paragraph (a), and substituting the words, “in respect of which an application for a licence is made”.

Mr. Sharma: What is the purpose of the assessment? What is the qualification of the people who are going to do it? Are you putting things there for it to look nice? What is the ability of the team? You have put a fire officer; a public health inspector and a medical practitioner. How did you arrive at this?

Mr. Valley: The Facility Review Team will have to do an assessment as to whether the place is fit and proper for an older persons’ home. They have to conduct biennial inspections.

Mr. Sharma: Their meals are most important. You should have somebody qualified in nutrition. What will a fire officer do? Say the coffee is good? The team is not qualified so to do.

Mr. Valley: We are inspecting the structure.

Mr. Roberts: Inspectors would look after the care.

Mr. Sharma: If you have to get a licence, it is to do something. The licence is to ensure that the facilities meet certain requirements which include food preparation.

Dr. Rafeeq: Can you tell me what this amendment means?

Mr. Roberts: There are two sets of persons. One is under the review team and has the responsibility for the inspection of the physical condition of the home.

Question put and agreed to.

Clause 29, as amended, ordered to stand part of the Bill.

Clause 30.

Question proposed, That clause 30 stand part of the Bill.

Mr. Roberts: Mr. Chairman, I beg to move that clause 30 be amended by deleting subclause (6) and substituting the following:

“(6) In addition to the inspectors appointed under subsection (1), there shall

be appointed as public officers persons suitably qualified to perform the functions of an inspector under this Act.”

Dr. Rafeeq: I am not sure that the wording captures what you are trying to do.

Mr. Valley: This is an amendment by one of your colleagues.

Dr. Rafeeq: We want to get it right. Are you satisfied with the wording, “in addition to the inspectors appointed under subsection (1), there shall be appointed as public officers persons suitably qualified to perform the functions of an inspector”? Is that good construction?

Mr. Roberts: They were appointed by the Minister.

Mr. Valley: I have to agree with you. There shall be appointed as inspectors.

Dr. Rafeeq: “Public officers suitably qualified”.

Mr. Valley: That is right.

Mr. Roberts: Take out persons.

Mr. Valley: They should be appointed as inspectors. You want to appoint other public officers.

Dr. Rafeeq: Clause 30(2) be amended by inserting the following words after the word “appointed”: “to perform the functions of an inspector under this Act, suitably qualified public officers” and deleting everything else.

Question on amendment [Dr. Rafeeq] put and agreed to.

Clause 30, as amended, ordered to stand part of the Bill.

Clause 31.

Question proposed, That clause 31 stand part of the Bill.

Mr. Sharma: In clause 31(1), delete the words, “and his letter of appointment” after the word, “identification”. It does not require both.

Mr. Valley: I suggest that we need both to make assurance doubly sure.

Mr. Sharma: He has to walk there with a letter. You are talking to an 85-year-old lady who cannot read and hear.

Mr. Valley: An 85-year old lady running a place, a licensee?

Mr. Sharma: What is the purpose of the letter of appointment?

Mr. Valley: With the letter of appointment he is entitled to visit the home.

Mr. Chairman: You can make these ID cards anywhere.

Mr. Sharma: I want to add a subclause (d), “a citizen” to clause 31(2).

Mr. Valley: That resident talks about the resident of a home.

Mr. Sharma: You deny the neighbour from making a report. You can remove (c) because it is identical to (b). Are you saying that nobody else can make a report? That is not the intention.

Mr. Valley: “A member of the public”. I agree with that.

Mr. Chairman: I think that the Member for Fyzabad has made a very useful contribution.

Mr. Sharma: Let the record so reflect. [*Laughter*]

Question put and agreed to.

Clause 31, as amended, ordered to stand part of the Bill.

Clause 32.

Question proposed, That clause 32 stand part of the Bill.

Mr. Roberts: Mr. Chairman, I beg to move that clause 32 be amended as follows:

“A. In subclause (1)—

- (a) delete the words ‘an inspector or a member of the Facility Review Team’ and substitute the words ‘police officer’;
- (b) delete the word ‘place’ where it occurs in the fifth line and substitute the word ‘Home’; and
- (c) delete the words ‘an Inspector or member of the Facility Review Team’ and substitute the words ‘the police officer’.

B. Delete subclause (2) and substitute the following:

- ‘(2) A warrant issued under this section shall also direct an inspector or member of the Facility Review Team to accompany the Police Officer.’”

Homes For Older Persons Bill
[MR. ROBERTS]

Friday, July 13, 2007

Question put and agreed to.

Clause 32, as amended, ordered to stand part of the Bill.

Clause 33 ordered to stand part of the Bill.

Clause 34.

Question proposed, That clause 34 stand part of the Bill.

Mr. Roberts: Mr. Chairman, I beg to move that clause 34 be amended as follows:

- “A. In subclause (1)—
 - (a) delete the word ‘If’ and substitute the words ‘Notwithstanding any other written law, if’;
 - (b) insert after the word ‘Manager’ in the first line the words ‘or any other employee’; and
 - (c) delete all the words commencing with the word ‘in’ in the fourth line and ending with the word ‘health’.
- B. In subclause (2), delete paragraph (b) and substitute the following:
‘(b) fifty thousand dollars, where the offence is an indictable offence.’
- C. In subclause (3), delete the words ‘being able to do so,’ and ‘adequate’.

Mr. Sharma: The fine under 34(1)(b) is too high. I suggest a reduction of both the fine and imprisonment. You can see human error in this.

Mr. Valley: I am advised by the persons who know the law, that the magistrate has a discretion.

Mr. Sharma: In subclause (3) some of these institutions will depend on assistance from the Government. Oftentimes the Government is late with its assistance. This cannot reflect that. When the money does not come on time—

Mr. Valley: It says,

- “(3) For the purpose of this clause, a licensee or Manager shall be deemed to have neglected an older person in his care, in a manner likely to cause injury to his health, if being able to do so,”

Mr. Sharma: What does that mean?

Mr. Valley: If you are saying that the Government is late, he may not be able to do so. That is the protection that you are seeking.

Question put and agreed to.

Clause 34, as amended, ordered to stand part of the Bill.

Clause 35.

Question proposed, That clause 35 stand part of the Bill.

Mr. Roberts: Mr. Chairman, I beg to move that clause 35 be amended by inserting after the word “offence” in subclause (1) where it occurs in the first line, the words “or contravenes any provisions”.

Question put and agreed to.

Clause 35, as amended, ordered to stand part of the Bill.

Clauses 36 to 38 ordered to stand part of the Bill.

Clause 39.

Question proposed, That clause 39 stand part of the Bill.

Mr. Roberts: Mr. Chairman, I beg to move that clause 39 be amended by deleting the word “shorter” occurring in the fifth line and substituting the word “longer”.

Question put and agreed to.

Clause 39, as amended, ordered to stand part of the Bill.

Clauses 40 to 42 ordered to stand part of the Bill.

First Schedule.

Question proposed, That the First Schedule stand part of the Bill.

Mr. Roberts: Mr. Chairman, I beg to move that the First Schedule be amended as follows:

Delete and substitute the following:

“FIRST SCHEDULE

REPUBLIC OF TRINIDAD AND TOBAGO

(section 4)

CLASSIFICATION OF HOMES

Type I

Any home for Older Persons which provides care and housing to four or more healthy older persons and older persons who are not in need of acute medical care, but who may require assistance with performing activities of daily living, including the administration of medication and who may also require supervision by a member of staff.

Type II

Any Home for Older Persons which provides care and housing to four or more infirmed older persons, who shall require the administration of medication and continuous supervision by a registered nurse or physician.

NB Where a Home is classified as a Type I, such classification does not authorize the operation of the Home as a Type II.

Where a Home is classified as a Type II, such classification authorizes the operation of the Home as a Type I and II.

Dr. Rafeeq: In Type II,

“Any Home for Older Persons which provides care and housing to four or more infirmed older persons, who shall require the administration of medication and continuous supervision by a registered nurse...”

Why did you put continuous supervision? That is a strong word. “supervision” is good enough.

Mr. Valley: That means all the time.

Dr. Rafeeq: Even in a hospital you do not get continuous supervision. The only time you get continuous supervision is in intensive care.

Mr. Valley: What about continual?

Dr. Rafeeq: I do not know the difference.

Mr. Valley: “Continual” means ongoing. “Continuous” seems to be stronger.

Dr. Rafeeq: What is the difference? You tell me.

Mr. Ramnath: “Continual” means something is stopping. “Continuous” is without stopping.

Question put and agreed to.

First Schedule, as amended, ordered to stand part of the Bill.

Second Schedule.

Question proposed, That the Second Schedule stand part of the Bill.

Mr. Roberts: Mr. Chairman, I beg to move that the Second Schedule be amended by deleting the words, “Residential-Type III” and “the accompanying check box” in item 9.

Mr. Sharma: Where the applicant is an NGO or a business outfit, does that change this information?

Mr. Valley: No.

Mr. Sharma: I suggest two additions to the requirements. One is the establishment of a muster point where people would gather in the case of an emergency.

There should be a minimum water storage requirement to be used daily and in the event of a fire.

Mr. Valley: Mr. Chairman, those are valid points and we have to consider them in the regulation. Look at the regulation on page 9, Part V, Emergency Procedures. We will take the muster point.

Question on amendment [Mr. Roberts] put and agreed to.

Question on amendment [Mr. Sharma] put and agreed to.

Second Schedule, as amended, ordered to stand part of the Bill.

Third Schedule.

Question proposed, That the Third Schedule stand part of the Bill.

Mr. Roberts: Mr. Chairman, I beg to move that the Third Schedule be amended by deleting Part B and substituting the following:

PART B

(SECTION 7(3))

LICENCE FEE FOR HOMES FOR OLDER PERSONS

Type of Home for Older Persons	No. Of Residents	Level of Care Provided	Fee \$
Type I	4—10	Level I	400.00
Type I	10 and over	Level I	450.00
Type II	4—10	Level II	550.00
Type II	10 and over	Level II	600.00

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[MR. ROBERTS]

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Question put and agreed to.

Third Schedule, as amended, ordered to stand part of the Bill.

Fourth Schedule.

Question proposed, That the Fourth Schedule stand part of the Bill.

Mr. Roberts: I beg to move that the Fourth Schedule be amended as follows:

“A. In the first paragraph—

- (a) delete the word ‘I’;
- (b) delete the word ‘have’ and substitute the words ‘has/have’; and
- (c) delete the words ‘I am’ and substitute the words ‘is/are’.

B. In the penultimate paragraph, delete the words ‘(nature of services)’.

C. Insert after the last paragraph the following:

‘Date of issue..... Date of expiry.....

 Minister of Social Development’

Dr. Rafeeq: I have a little difficulty and I need to get an explanation. In the second half this licensee is licensed to provide what? What information is required here? What do you require in the first line?

Mr. Valley: The licensee is licensed to provide care and housing for the elderly.

Dr. Rafeeq: You do not need these perforations.

Mr. Chairman: What else could it be?

Mr. Valley: It might be more than that. Remember there are two Type I and two Type II. The licensee is licensed to provide care and housing for up to 10 or over 10 persons.

Dr. Rafeeq: In the next line the maximum resident capacity for this licence is valid for...and you would have the number of persons. There are four lines that are very confusing.

12.00 noon

Mr. Valley: If you go back to the First Schedule, Type I and Type II, there are different options available.

Dr. Rafeeq: Which schedule, sorry?

Mr. Valley: If you go to the First Schedule, you will see that, the home may provide for older persons who are not in need of acute medical care to four or more healthy or older persons. There are certain options there that I think that—

Dr. Rafeeq: In the second line here, that is, the licence is to provide for a what? The class. The class of homes will determine that. You know if you can just fill out one of these and tell me what it looks like.

Mr. Chairman: The thing is if you put care and housing you are limited.

Dr. Rafeeq: I am saying just fill out a sample of one and let me know what it looks like. Because you have four lines that you have to fill out and there are some lines that are okay. Class of housing, that is okay; number, that is okay, but you have two other lines here that are confusing. If you can just fill out one and let me know what it says. Members of the public will have to fill out this and they will have a difficulty in filling out this if we do not specifying exactly what—

Mr. Valley: Again, I am being advised that the licence may specify to deal only with healthy persons who do not need medication and in such a case, the requirement would be different in a situation where, for example, the licence specified even in Type I, persons who may require assistance with performing activities of daily living and so on.

Mr. Chairman: You have the flexibility here.

Mr. Valley: Yes, I think that is what it is.

Dr. Rafeeq: Just explain this to me again. The licensee is licensed to provide what? Give me an example of what?

Mr. Valley: Bottom line; let me tell you, hon. Member. Some experts who drafted this and thought that this was required. What I am being advised is that it is to provide for flexibility within the option of Type I and Type II. While I understand partly what you are saying, I would not want to interfere with this schedule. Even if we have to use the same words on every one, I do not think the Minister would mind writing it in to the extent—

Dr. Rafeeq: Let us go to other one then. The maximum resident capacity is valid for so many persons and the care level, for which this facility licence is— that would be what? Type I and Type II? What is required to be filled in here?

Mr. Valley: How many older homes are there in the country right now?

Mr. Roberts: Over 100.

Mr. Valley: After they complete about 20 of these, we know exactly what they want to put there.

Dr. Rafeeq: If I am operating a home and you bring this for me, I would not know what to write you know.

Mr. Valley: If what?

Dr. Rafeeq: If I am operating a home and I get this form to fill out I would not know how to fill it out.

Mr. Roberts: We know how to fill it out.

Dr. Rafeeq: Oh, you know how to fill it out. The Minister has to fill out this.

Mr. Valley: Yes. You would not have that difficulty; the Minister would have that difficulty and I am sure he would be advised.

Dr. Rafeeq: Once you know what to write.

Question put and agreed to.

Fourth Schedule, as amended, ordered to stand part of the Bill.

Mr. Sharma: Mr. Chairman, we had promised to revisit clause 26.

Mr. Chairman: Yes, we want to revisit clauses 22 and 26.

Mr. Sharma: Can we go to clause 26?

Mr. Chairman: Let us go to clause 22 first. Hon. Members, we will revisit clause 22 first.

Clause 22 recommitted.

Question again proposed, That clause 22 stand part of the Bill.

Mr. Chairman: Dr. Nanan, you had raised something on clause 22?

Dr. Nanan: Yes, Mr. Chairman, I was suggesting that with the medical practitioner, a dental surgeon should be included on that listing.

Mr. Valley: Where you wanted that to be included, Member? "The Manager shall keep or cause to be kept, a register of the older persons at the Home." Where you wanted that to be included?

Dr. Nanan: Because there is a medical practitioner on that—

Mr. Chairman: In subclause 2(e), page 19.

Mr. Valley: No problem. I do not have a problem.

Mr. Chairman: So, "the name of the medical practitioner other than the medical practitioner on call,..."

Mr. Valley: "if any, attending to the older person; and the name of his dental practitioner"

Dr. Nanan: The dental surgeon.

Mr. Valley: Dental surgeon.

Mr. Chairman: Dental practitioners, are they on call?

Dr. Nanan: If they are on call?

Mr. Valley: The name of his dental surgeon.

Dr. Nanan: You need the name of the attending dental surgeon?

Mr. Chairman: We will amend it. This is clause 22(2)(e): "The name of his dental surgeon and the medical practitioner." In other words, we put the dental practitioner first.

Mr. Valley: Okay, no problem.

Mr. Chairman: Clause 22(2)(e) is amended to insert after the word "the" insert the words "dental practitioner and".

Mr. Valley: Mr. Chairman, it is being suggested that that be included as a separate one entirely.

Mr. Chairman: So we are going to insert a (j)? [*Crosstalk*]

Mr. Valley: Just put it in, the name of the dental surgeon, if any. If the older person has a dental surgeon— [*Crosstalk*]

Dr. Nanan: We are not talking about geology here, we are talking about dentistry. Stay out of that business.

Mr. Chairman: So we are going to insert a (j) to read: "a dental practitioner, if any"

Mr. Valley: You want to insert after (e) and just renumber.

Mr. Chairman: So we are going to insert after (e) a new (f): "the name of the dental practitioner, if any, attending to older persons" and then we will renumber (g), (h) and (i) accordingly.

Dr. Nanan: Mr. Chairman, it will have to be a registered dental practitioner.

Mr. Valley: "Oh good". But the fact that he is a dental practitioner assumes that he is registered.

Dr. Nanan: Once it is that, once his name has to be on it.

Mr. Chairman: Hon. Members, the question is that clause 22 be amended by inserting a new 2(f), which would read: "the name of the dental practitioner, if any, attending to older person." And all subsequent re-lettering be re-lettered accordingly.

Question put and agreed to.

Clause 22, as amended, ordered to stand part of the Bill.

Mr. Sharma: I just wanted you to look at 23(2) before you proceed.

Mr. Chairman: No, no.

Mr. Sharma: I know, I am coming there. I just wanted you to see if there is an oversight here.

Mr. Chairman: You want to revisit clause 23, then?

Clause 23 recommitted.

Question again proposed, That clause 23 stand part of the Bill.

Mr. Sharma: Yes. Where it says "pathologist" if that could be replaced by "registered medical practitioner". In the local, where the CMO and the DMO work, they pronounce people dead.

Mr. Chairman: Look at the list of amendments.

Mr. Sharma: It is taken care of?

Dr. Rafeeq: In the list of amendments that is not taken care of; if what you want is "medical practitioner". The list of amendments states "pathologist", I think.

Mr. Sharma: If somebody dies in a home in Cedros, you have to bring him to Port of Spain; it does not make sense. The CMO or the DMO would take care of that. That is the practice currently. They are saying that they must come by a pathologist and the DMO would say it is not required and they proceed, but here we are making it law. It is an oversight on your part, correct it.

Mr. Valley: I understand it is an amendment made by a colleague in the other place.

Mr. Sharma: It is not here.

Mr. Valley: It is. What you think is in bold type? That is the amendment made.

Mr. Sharma: Why are we agreeing on that; we could change that. You would not want a CMO to deal with this?

Mr. Valley: I think what is being said is that the proper person to do an autopsy is the pathologist. Is that not right?

Mr. Sharma: You are making law that there must be that; you do not need that.

Mr. Ramnath: You do not need to have an autopsy if the doctor pronounces that you are an old person and you were chronically ill and so on.

Mr. Sharma: You are legislating for it, you are going to be delaying action. In the case of a Muslim who wants to be buried the same day—

Mr. Valley: Understand what we are talking about. We are talking about a situation where the person dies within 48 hours of being admitted into a home, so that one wants to rule out—

Mr. Chairman: Foul play and all these things.

Mr. Valley: Yes.

Mr. Sharma: Minister, you could have a person leaving a hospital today, admitted for one week in the hospital; the family cannot take care of the person and have him/her admitted to a senior citizens' home and that person could die within 48 hours.

Mr. Valley: And all they are saying is that in such a situation, we want to rule out.

Mr. Sharma: Let the COH do it, the registered medical practitioner.

Mr. Valley: They cannot do it. We want autopsy, because we want to be able to rule out foul play. Maybe it is normal death and all we are saying is that yes, you need an autopsy, because of—

Mr. Ramnath: Under normal conditions the law takes care of that. That the doctor will determine whether or the attending physician gets a second opinion and then—

Mr. Sharma: That is right. Why legislate for something that really adds a burden?

Dr. Rafeeq: The difficulty with this is, there are two situations. First of all, if a person dies in hospital within 24 hours of admission, that person has to have a postmortem done or if a person is brought in dead on arrival, that person has to have a postmortem. That postmortem is not usually done by a pathologist. That postmortem is usually done by the DMO. Where foul play is suspected then the pathologist gets involved. The problem here is that there is really a shortage of pathologists in the country and most of them are employed in the public service and of course, the public service will get the kind of priority. It might be that a person dies in an older person's home and a week passes and that person does not get a postmortem. If you have a postmortem to be done by a medical practitioner, you include the DMO, you include a pathologist as well; it does not exclude a pathologist. The thing is, in the case of a hospital, you can have a person 25 years coming in and dying. But in the case of an older persons' home, you have generally, you will have older people—[*Crosstalk*]

Mr. Chairman: You will have medical practitioner including—

Dr. Rafeeq: No, you do not have to have "including"; a pathologist is a medical practitioner.

Mr. Valley: The medical of health legal person advised that this is the formulation that should be used because the DMO merely views the body and when it is brought to the hospital, the pathologist would do the autopsy.

Mr. Sharma: That is not correct. [*Crosstalk*] [*Laughter*]

Mr. Imbert: The formulation Dr. Rafeeq is coming up with will of necessity include a pathologist. So, if what you are being told is correct, it means only a pathologist could do it anyway. But if you put practitioner, it means you have the flexibility to do what perhaps you have been told cannot be done. You understand? So if you leave it as medical practitioner, if only a pathologist can do the postmortem, then only a pathologist—

Dr. Rafeeq: The thing is where a DMO is doing a postmortem, if that DMO suspects that there is foul play—

Mr. Valley: Are you suggesting that we delete "pathologist" and we say "medical—

Mr. Imbert: Practitioner, medical doctor.

Dr. Rafeeq: In the list of amendments in the last two lines—there are three lines—:

"Report the death to the police and an autopsy shall be performed by a medical practitioner registered under the Medical Board Act."

Mr. Chairman: A pathologist must be a medical practitioner.

Dr. Rafeeq: Exactly, exactly. If foul play is suspected they will have an inquest and all of these things will have to come into play.

Mr. Chairman: What we are going to delete is "qualified as the pathologist and"?

Dr. Rafeeq: "a medical practitioner registered under the Medical Board Act"

Mr. Imbert: There are a tremendous number of situations where you would need a pathologist and you do not have the number of pathologists to do this. It would be impractical; there are only about five of them. [*Crosstalk*]

Mr. Valley: Let me understand this. You are saying there are medical practitioners other than pathologists who can do autopsies?

Dr. Rafeeq: Yes, DMOs and so on.

Mr. Valley: Great, no problem. Okay.

Mr. Chairman: Hon. Members, again, the House is thankful to the distinguished Member for Fyzabad.

In the fifth line in 23(b) in the amendments, delete the words "qualified as a pathologist and".

Question put and agreed to.

Clause 23, as amended, ordered to stand part of the Bill.

Clause 26 recommitted.

Question again proposed, That clause 26 stand part of the Bill.

Mr. Sharma: Mr. Chairman, clause 26.

Mr. Valley: We dealt with this?

Mr. Sharma: We did not go there.

Mr. Valley: Yes.

Mr. Sharma: I suggested we go backward, you wanted to go forward.

Mr. Valley: Go ahead.

Mr. Sharma: Clause 26: "Town and Country Planning and/or any authorized body". The reason being, local government bodies are authorized so to do. Correct Anthony?

Mr. Roberts: I am not sure.

Mr. Sharma: Yes and we just did the legislation.

Mr. Valley: The local government bodies in addition—

Mr. Sharma: The regional corporations have a building inspector and they do this kind of thing.

Mr. Valley: That is "in addition to".

Mr. Chairman: It has to come from the Town and Country.

Mr. Sharma: No. If you leave it here it means to say Point Fortin will not be able to approve something in Cedros; it has to come to—it is a waste of time.

Mr. Valley: You have to get Town and Country Planning approval.

Mr. Sharma: No, the local government body approves buildings within its place; they collect taxes and so; added, it is their thing to do. I thought you were Minister of Local Government.

Mr. Roberts: The regional corporation looks at the building itself. They have a building inspector. [*Crosstalk*]

Mr. Sharma: So, let us add "and/or other".

Mr. Narine: —they send it back to Town and Country.

Mr. Sharma: Not necessarily, "oh gawd" Jarrette.

Mr. Narine: Final approval.

Mr. Sharma: In any case we want to empower the local government, so might as well put it in here.

Mr. Valley: No problem. What do you want?

Mr. Sharma: "any authorized body".

Dr. Rafeeq: I think what you would have to write here is: "Subject to the provisions of the Town and Country Planning Act and the Municipal Corporations Act."

Mr. Sharma: "and/or", because it is either one.

Mr. Roberts: No, it is not either, it is and.

Mr. Sharma: If you say "either" that means they have to go back to Town and Country.

Mr. Roberts: They have separated—if you look at the outlined approval.

Mr. Sharma: For an existing building where you want to add something, the regional corporation is going to give that approval. Correct? You are saying the way you have worded it, it has to go to both places; it does not.

Hon. Member: Only for new buildings.

Mr. Sharma: So it should be "and/or".

Mr. Valley: No!

Mr. Sharma: It cannot be "and".

Mr. Valley: It has to be "and".

Mr. Sharma: The local government body—

Mr. Valley: Believe me "nah", it is "and".

Mr. Sharma: How long did you stay there?

Mr. Valley: Long enough.

Dr. Rafeeq: Why do we not delete section 26 altogether?

Mr. Chairman: Why?

Mr. Ramnath: Because it is mandatory.

Dr. Rafeeq: Exactly, this is in the law already. If you have to make an alteration to a house you have to get—

Mr. Valley: We want to make assurance and be sure; that is why I do this.
[Laughter]

Mr. Ramnath: You are asking people to go back there?

Mr. Valley: Go back where?

Mr. Ramnath: To Town and Country Planning.

Mr. Valley: It says, "subject to the provisions of the Act" and you are right. In some cases if they do not have to go to Town and Country Planning and what

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is required they go to the Municipal Corporation, then they simply go to the Municipal Corporation.

Mr. Chairman: Therefore, you do not need to put this in; it says "subject to". Therefore, you do not need to even put "Municipal Corporation". I think you should leave it as is, because it does say, "Subject to the provisions of the Town and Country Planning Act".

Mr. Valley: If he wants I would add "and the Municipal Corporations Act"

Mr. Sharma: It is two separate—

Mr. Valley: No, no, no, the Chairman is correct, but if you want to make double assurance to that issue, I do not have a problem.

Mr. Chairman: Hon. Members, the question is that clause 26 revisited, in the second line after the word "Act", include the words "and the Municipal Corporations Act".

Question put and agreed to.

Clause 26, as amended, ordered to stand part of the Bill.

Mr. Sharma: The last thing and I want the Minister to give his consideration to this. In clause 35—

Mr. Chairman: You want to revisit clause 35?

Clause 35 recommitted.

Question again proposed, That clause 35 stand part of the Bill.

Mr. Sharma: Yes. And where else this appears; the question with these "fines", I think you will be opening a can of worms. With all the public institutions not delivering on health care, you could have a series of cases coming up and they will be using this basis where you are charging \$25,000 and \$500 per day. I think we need too revisit that, out of an abundance of caution. There is absolutely no need for this \$50,000 fine, this five year imprisonment, because any person who does not receive medical care elsewhere can say look what you legislated in another place.

Mr. Roberts: [*Inaudible*] any difficulty at a later stage, we will come back.

Dr. Rafeeq: Mr. Chairman, I just want to make one comment. As you see I went through this thing in detail; I spent a lot of time with this. I know we are not discussing this but I just want to make the point. I went through the regulations in detail and there are lots of things here that are not really in agreement, in

consonance with the Act, but in addition to that, there are some things here that—I know this can be for negative resolution if this has been laid. If this has been laid probably the time has passed already, I do not know. [*Interruption*] It has not been laid. Anyway, the point I want to make is there are lots of things we would like to get amended. I just wanted to find out from you or the leader what is the process by which we can make that representation to get these things amended.

Mr. Chairman: Why do you not give your suggestions to the Minister because the Regulations are not yet laid, it is still in draft form.

Dr. Rafeeq: Not yet laid, okay.

Mr. Valley: If it is laid even at negative resolution, you have up to 40 days.

Dr. Rafeeq: I know. Thanks a lot.

Mr. Sharma: Would this also apply to homes that are run by charitable—where no funds are given; where they do not pay, et cetera? For instance the JC McDonald Home? So it would not cover those homes?

Mr. Valley: Of course, it will.

Mr. Sharma: Mr. Chairman, that is a frightening thing. You have an NGO doing charity and this is what you are opening them up to?

Question put and agreed to.

Clause 35, as amended 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,

Mr. Speaker: Are we breaking now?

Mr. Valley: Yes.

Mr. Speaker: Before we break for lunch, earlier on I had indicated that I would rule on a Motion moved by the hon. Member for Chaguanas. I am reliably informed that air services have returned to normal, so there is no need to entertain the Motion.

Hon. Members, the sitting of the House is suspended for lunch and will resume promptly at 1.30 p.m.

12.30 p.m.: *Sitting suspended.*

1.30 p.m.: *Sitting resumed.*

**CENTRAL BANK OF TRINIDAD AND TOBAGO
(RATIFICATION OF RESOLUTION)**

The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill):
Thank you, Mr. Speaker. I beg to move the following Motion standing in my name:

Whereas it is provided by section 34 of the Central Bank Act, that the authorized capital of the Central Bank is \$100 million and that the authorized capital may with the approval of the Minister of Finance, be increased by resolution of the Board of Directors of the Central Bank and that such resolution shall be ratified by Parliament;

And Whereas at its 601st Meeting held on February 23, 2007, the Board passed a resolution that the authorized capital of the Central Bank be increased from \$100 million to \$800 million;

Be it resolved that the resolution of the Central Bank of Trinidad and Tobago to increase its authorized capital from \$100 million to \$800 million is hereby ratified.

Mr. Speaker, the matter for consideration of this honourable House is an increase in the authorized capital of the Central Bank of Trinidad and Tobago pursuant to section 34 of the Central Bank Act, Chap. 79:02 from \$100 million to \$800 million.

The rationale for this increase, Mr. Speaker, is as follows: In the context of corporate finance capital is needed to reduce the risk of bankruptcy by providing protection against operating and extraordinary losses. In the case of a Central Bank strictly speaking the issue of bankruptcy should not arise since its principal liability currency serves as legal tender and is readily accepted. However, Central Banks have been known to incur losses. This could compromise the Central Bank's ability to pursue its primary mandate of price stability through monetary policy. The bank does not have the flexibility to build up its capital or reserves given the provisions of the Central Bank Act, and so is constrained in protecting itself in this manner against losses. In view of this, the bank's capital should be reviewed periodically to ensure that it remains adequate over time.

Mr. Speaker, it has always been recognized that overtime the authorized capital of the Central Bank would need to be increased, and this has occurred on three previous occasions. At its inception in 1964 the Central Bank's authorized capital was set at \$2 million. This was increased to \$5 million in 1966 and kept at

this level until 1985 when it was increased to TT \$30 million. In 1994 the bank's authorized capital was increased to its current level of TT \$100 million. There are several compelling reasons why it is both appropriate and timely to have an increase in the authorized capital of the bank.

First of all, prudent management of an organization requires, among other things, that it is appropriately capitalized. The Central Bank as the centrepiece of the financial system and moreover as regulator needs itself to demonstrate the very standard that it requires of licensees and registrants.

Secondly, the increase in the bank's authorized capital is needed in view of its increased responsibilities today.

Mr. Speaker, as you are aware, the bank assumed responsibility for the supervision of insurance companies and private pension plans in 2004. Already in 2006 it has had to initiate legal action against three companies for non-filing of their annual returns and to take intervention action on two insurance companies. The outlook is for even further widening of the bank's activities following the July 2005 Cabinet decision that the bank assume responsibility for regulating and supervising the financial activities of credit unions.

This wider supervisory responsibility has increased, considerably, the potential for emergency assistance and consequential losses for the bank. Central Bank losses and the need for capital and reserves could arise from a number of factors:

1. As custodian of the country's foreign exchange reserves, central banks can face sizable currency risks;
2. Losses could arise because of a decline in the value of domestic fixed income securities when interest rates rise;
3. Given central banks' role as lender of last resort losses could arise from the extension of emergency support to weak financial institutions; and
4. central banks responsible for supervision and regulations also face the risk, legal costs and other liability risks that arise from claims by aggrieved parties.

Mr. Speaker, prolonged losses in the absence of adequate capital to act as a buffer, could undermine the credibility of the Central Bank. This in turn could compromise the Central Bank's ability to pursue its primary mandate of price stability through monetary policy. The Central Bank Act does not provide for automatic government transfers to cover any Central Bank losses. In fact, the

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Central Bank Act provides that any losses incurred by the bank during a financial year may be met from the General Reserve Fund or from the Special Reserve Fund where the general reserve is insufficient. When the General and Special Reserve Funds are insufficient, the bank with the approval of the Minister, may carry forward and recoup the losses from future profits before further payments are made into the Consolidated Fund. It may be argued that the Government on written commitment to meet any Central Bank losses is a partial substitute for adequate capital. But even this commitment could have implications for the public perception of the Central Bank's independence. To enhance policy credibility the Central Bank needs financial independence and this is reinforced by a Central Bank capitalization.

Mr. Speaker, whereas a normal business enterprise may increase its reserve to guard against potential risk, the Central Bank does not have this flexibility given the provisions of the Central Bank Act, and so is constrained in protecting itself in this manner against losses. The Central Bank Act allows the bank to allocate up to 10 per cent of its net profits to the General or Special Reserve Fund. Allocations to the General Reserve Fund can be made up to the level of the authorized capital. Thereafter all profits must be transferred to the Consolidated Fund. The combined level of the General and Special Reserve Funds cannot exceed the authorized capital. This maximum of \$100 million was reached in the year 2003.

Furthermore, section 36(1)(g) restricts the banks total holding of shares in statutory bodies or companies for development purposes to a maximum equivalent to the aggregate total of the paid-up capital and the General Reserve Fund which are both currently capped at \$100 million. Additionally, section 47 limits the holding of securities, including Treasury bills issued or guaranteed by government to a maximum value equivalent to seven times the paid-up capital and the General Reserve Fund. What this all points to, Mr. Speaker, is that the Central Bank's capital needs to be adequate for it to carry out its increased responsibilities is overtime. In the current configuration it has maxed out its availabilities. It is to be noted that the risk to the Central Bank accounts and the case for adequate capital are strengthened by:

1. the requirement that the Central Bank adhere to current accounting conventions; and
2. increases in the nominal costs of carrying out operations.

Mr. Speaker, unlike in the case of a commercial bank where there are clear guidelines on what is an appropriate level of capital, no such guidelines or best

practices exist for Central Bank. In fact, a review of cross-country data covering both developed and developing countries provide few clues as to an optimum level of capital. This is so even after making adjustments for variables such as:

1. profit distribution rules;
2. Balance sheet structures, that is, the importance of foreign reserve holdings, level of Central Bank credit to Government; and
3. Use of Central Bank securities for monetary policy.

With international comparisons providing limited guidance the approach that is currently being proposed aims at returning the level of authorized capital as a share of total assets to that which obtained at the time of the last recapitalization. The recapitalization in 1994 raised the level of authorized capital to total assets from 0.6 per cent to 1.7 per cent. This ratio has since declined to 0.3 per cent in 2006. To return this ratio to 1.7 per cent in 2007, which is what it was on the last recapitalization exercise, and based on the projected total assets for 2007 there will be a requirement based on that computation, to increase the authorized capital from TT \$100 million to \$800 million which is being proposed.

Mr. Speaker, ultimately, the objective of the increase being proposed is to ensure that the Central Bank remains financially strong and adequately capitalized to carry out its responsibilities and to give confidence, both in the local market as well as to the international community.

We recommend to this honourable House that this Motion, Mr. Speaker, be approved.

Mr. Speaker, I beg to move.

Question proposed.

Mrs. Kamla Persad-Bissessar (*Siparia*): Thank you, Mr. Speaker. On this Motion the House is being asked to increase from \$100 million to a figure of \$800 million. I listened very carefully to the hon. Minister and, I really would have expected, given the magnitude of the increase that we would be able to get justification for what is in effect an 800 per cent increase in the authorized capital of the Central Bank. In that regard I also expected the hon. Minister to give us a brief review of the operations of the bank and a subsequent explanation on why this increase is required at this time.

I listened carefully, as I said, but there were no specific details. What we had instead were generalizations, in terms of policy direction, but not the specific

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circumstances and details as to what and why it is we are being asked to move to this \$800 million at this point in time. In a sense some may consider it to be discourteous, because here it is, this is a decision that has already been made, so we are coming *ex post facto* to rubber-stamp that decision that has already been made by the directors of the Central Bank.

And so, I am not of the view that we have been given the information to give full support for the Motion. It is not that we object to it, but we feel that we needed the benefit of the information which would have been before the initial decision makers, so we would be in a better position to assess what is happening. That is to say, when the board of directors of the Central Bank was moving forward to decide whether to take such a resolution and not such a resolution, when they were considering making a decision to increase it to \$800 million there must have been specific circumstances and factors that would have operated on their minds and in their minds to lead them to come to the decision they have.

With due respect, I do not believe we have been given that kind of specific information, but instead general policy statements about how the bank operates in terms of this authorized capital and so on. And so, in his winding up I would ask the hon. Minister, there must have been information when that board sat. There would have been information before them, very specific at this point in time in the economy of Trinidad and Tobago which led them to come up with the decision that they had. Now, even when the Minister mentioned the 1994 increase, and that was from \$30 million, it was increased to \$100 million. Even when that was done there was some speculation at that time, in some quarters that even then in 1994 a higher figure would have been more appropriate in 1994. So that the Minister also needs to advise us, how was the final figure of \$800 million arrived at? So, first, I am saying I do not believe we have been given enough information as to why the increase is necessary in the specific circumstances in which the economy is now and in which the country finds itself. That is the first thing.

And, secondly, how did we decide upon \$800 million? Why not \$500 million? Why not \$1 billion? Why not any arbitrary figure? So, again, I would ask the hon. Minister in his winding up to please clarify what was the criteria that was specifically applied in arriving at a figure of \$800 million at this point in time. I say this against the backdrop, against the background that even in 1994 when it was increased from \$30 million to \$100 million; even then there was speculation as to whether a higher figure may not have been necessary. At this time the speculation may be whether it should be a lower figure to the \$800 million. Higher or lower, how did we choose? How did we pick that out of the hat?

And as I say that, Mr. Speaker, I am told by somebody today the lotto is now \$15 million. There are a lot of people who will be at this point in time picking numbers—

Mr. Valley: No, \$12 million.

Mr. K. Persad-Bissessar: It is \$12 million, well by tomorrow it may be \$15 million.

Mr. Ramnath: Three million is nothing for you.

Mrs. K. Persad-Bissessar: It may be \$15 million, through you, Mr. Speaker. So, picking numbers out of a hat, out of a ring; people are doing their lucky charms and so on today to pick those lotto numbers. I would be grateful if the hon. Minister would tell us about the \$800 million; how did we arrive at this \$800 million? [*Interruption*]

Now we have in this House, repeatedly, Mr. Speaker, talked about the method of the presentation of information by Members on the other side. A kind of repetition on the part of the Government not to provide full information—in the legal field you will say full disclosure—and ready to hide here behind the skirts of the parliamentary privilege to avoid giving us full information, to have a full accountability. In a sense one could look at this as being a manipulation of the process, which, in fact, in here is designed to allow for Government accountability to the nation, and instead we see a contrary kind of operation taking place.

I respectfully express the view, Mr. Speaker, that we need to be less compromising. We need to be less compromising in dealing with the Members on the other side when it comes to the provision of information, whether it be by way of questions and answers or Motions or otherwise, I mean, I am sure you would have probably adverted to it earlier. But again, I have a question outstanding on this Order Paper here, it has been there for months, Mr. Speaker, and so have many other questions. I know the Chair had asked Members on the other side to provide that information, but it seems as though it is still not happening.

I know that the House is also in the process of dealing with Standing Orders, and perhaps the Standing Orders may become a bit more specific in terms of the answers to questions, because at the moment if it is that the others fail to give those answers, what happens is the majority is railroaded through here, you put it to the House and the majority says, no, we want two weeks, four week, five weeks, six months, eight months or a year. We are coming today—I believe it is the last day of this session before the “summer” recess and all these questions

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remain outstanding. By the time we come back we are going to be into budget, we are going to be into elections and so on. The questions will lapse, will not be answered for an entire year. So, why am I talking about that now? I am using it in the way in which information is provided on the other side. It is totally unacceptable, it is totally not the way that the parliamentary democracy should be operated and it is in every regards. So today we are dealing with the Motion. We are talking about the Motion—

Mr. Ramnath: They are bordering on contempt.

Mrs. K. Persad-Bissessar: Yes, it is in a sense, it is contempt, because if the Standing Order says that the Ministers must answer questions; it does not give a time frame and that is what I am saying, that in the exercise that we are dealing with that we may want to put in time frames within which those should be done and if they are not done then there should be some kind of censure. It cannot be that we keep deferring and deferring those questions and they are just not answered. It is so many months from last year to now, coming almost to a year that some questions have been there, as you, yourself know the famous Brian Lara Stadium. I recall that you were also very curious after the fact to find out, as the question had asked, whether it would be used for any of the matches. And after Cricket World Cup came and went it was still on the Order Paper because it had never been answered.

So, I raise this in the context because there is this tendency we are seeing for some Members on the other side to stall ad infinitum in answering questions that we put on, and, really the strict adherence to the Standing Orders which allows escape on the part of defaulting Ministers where they fail to answer those questions time after time, really is something that we need to address, maybe after this vacation. So I look forward to that report from the committee looking at the Standing Orders and let us get those going.

I talk also about Matters of Urgent Public Importance. Again, why am I saying this in this debate? I am talking about the flow of information and accountability, and so we do not get that either.

Hon. Member: The right to know.

Mrs. K. Persad-Bissessar: Again, the right to know. It is now a recognized fundamental right, globally; the right to information; the right to knowledge from the Executive, that is to say, information in the bosom, in the body and in the mind of the governing Executive. I feel, if I may say so—because we come to this last day, today, before the recess—that we have had short shrift when it comes to

dealing with providing us with information. And so, when we ask those questions and raise those Motions, we are on the people's business and the people have a right to know when we come to this Motion without the kind of detailed explanation of the circumstances which warrant the change.

Secondly, in terms of the criteria which informed the decision, we really have to ask, again, why the secrecy? Mr. Speaker, some of these questions we are not asking—the price of the natural gas; I know we were told that is top secret. It is a matter of secrecy if not national security, we are asking about that, the price of gas you are selling to smelter, steel, trust and so on. We are not asking about private concessions offered to various industries and so on. *[Interruption]* We are not asking about the salary of some CEO in their business—

Hon. Member: BWIA and others.

Mrs. K. Persad-Bissessar:—like BWIA and others; we are not asking about matters that the Government seems to believe are matters of top national security.

This is a Motion openly before the House, a relatively simple one that we need to get more information about. So if we marry our suspicions with what is being revealed each day in terms of massive corruption in almost every sector, and with the absence of transparency and you are seeing a simultaneous enrichment of a small band of PNM supporters; we have it in the CEPEP, we have it in north west and yet on the other hand, and we are talking about the Central Bank and we are talking about the economy, what we are seeing is more and more widening of the gap between those who have and those who do not. You see the enrichment of a small group of PNM friends and family and on the other hand thousands of people who are being further impoverished daily.

I spent some time last week dealing with that issue in terms of using the poverty line from 1999 and using the same basket of food at the present time and showing, really, that for the ordinary man out there he is getting poorer and poorer as the days go by, and we can say how can that happen when there is so much money in this country. *[Interruption]* Then it has to be one of two things; it has to be deliberate mismanagement; calculated deliberate mismanagement, because the other option I refuse to believe, and the other option is to say that the Government has to be very foolish indeed. So I prefer not to go into the option of a foolish Government but to look at it instead of deliberate and calculated management that allows the pockets of a few to be filled and continue to be filled at the expense of the ordinary man and woman out in the street. This is calculated mismanagement, it lacks the transparency; it is deliberately deficient in accountability so that

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people are being protected right up to the bank as they make their withdrawal from the bank—a group of people. [*Interruption*]

The Central Bank is the banker to the Government. The Central Bank controls monetary policy and together with fiscal policy of the Government it positions the economy of our country for growth. So there must be harmony between the monetary policy of the Central Bank and the fiscal policies of the Government. The Central Bank gives the Government the monetary advice. The Central Bank is mandated to maintain and regulate the volume of credit, the money supply, the management of the stable exchange rate, the promotion of low inflation rate. Elementary. My friend from Diego Martin Central is nodding his head, yes, he totally agrees, the role of the Central Bank in an economy. [*Interruption*]

And so, the Prime Minister, unfortunately, Mr. Speaker, has taken to boasting of successes in dealing with inflationary spiral and we have said it repeatedly that that inflationary spiral has been the initiative of the Government, if you could call it an initiative. But it lies squarely in the hands and feet of the Government, that inflationary spiral. So what has happened now? I see they are taking out ads and issuing media briefings celebrating that inflation has fallen.

Mr. Speaker, you may be aware, I know in the days gone and certainly even now, when you are having a cloth sale—a shop is having a cloth sale, some merchants do that, you are having a big sale—what they do, they raise all the prices up by 20 per cent before the sale and then they put it down. So the price then is really the 20 per cent marked up on it already, but you are being discounted by 15 per cent and, of course, you believe you are getting a good sale. I am reminded of that housewives' tale [*Interruption*] in terms of manipulation of the figures, the kind of public relations gimmickry when it comes to dealing with inflation in this country.

Mr. Speaker, contrary to the perception that the Government is trying to create, prices continue to rise daily in this country. Food prices continue to rise daily, and if we continue at the rate we are going, the food that we say we are importing we will not be able to get it first of all, and if we get it, the prices are going to be totally beyond the reach of the ordinary citizens of this country. So that every day hundreds more are being pushed into poverty and are increasingly forced to depend on handouts from Government; more and more, that is happening. What we are seeing now in the economy is a regression to a period of dependency under this Government which we saw 20 years ago under the same PNM Government. So the divide between the haves and the have-nots has grown dramatically under this Government. I said it before and I repeat, the rich are

getting richer and the poor are getting poorer, and whilst that might sound honky-dory to some people there are all the social complications that come with it.

Mr. Speaker, I had the privilege as well as the misfortune to be living in Jamaica as a student at the time when the economic blockade was against the Michael Manley government. It was a very exciting time in the politics of Jamaica because you had this PNP movement, and indeed that was the first time I came very close to politics. I was about 18 or 19 years old.

Hon. Member: What!

Mrs. K. Persad-Bissessar: I became interested in the politics in Jamaica because you had the Michael Manley regime with all the nationalist ideologies really pushing forward. It was the first time I attended a political meeting, so you could say that I wet my feet in the politics of Jamaica when I was a student there. But soon thereafter it was what happened to the economy there, and I am seeing the kinds of signs. That place was rich, you had Beverly Hills, there was an area that was so rich you had all these huge houses. Given a very short space of time, people were fleeing those homes; they left their homes abandoned in Cherry Gardens and Beverly Hills in all the upscale areas in Kingston.

People just left their homes and went, because crime had become so totally out of control. If I may spend one second and digress a little, as a student I remember being on a university campus and it was customary for gunmen and gun shots to be ringing everywhere. And there was only one place that I could have stayed and felt safe, it was in the bathroom, because the bathroom was totally walled into concrete, everything else was glass. You know the Mona Campus; you know how beautiful it is there, everything is glass and in that one room, so you were totally concreted and for all night these men were just driving around, round and round the ring road on the campus into the lecturers' area. At that point I was lecturing at the university, I was in one of the houses—*[Interruption]* No, this was thereafter, I spent 14 years in Jamaica. I had become a lecturer on the university campus in the houses, and they were just driving around and shooting.

Now what does that have to do with what we are saying. I am saying I am seeing that dividing line where the rich is getting richer and the poor is getting poorer and that gap is widening even greater. So you have the Beverly Hills and you have the Cherry Gardens, very rich areas and then you have everybody else. And I talk about the social ills that overcome a society, when you have that widening of the gap between rich and poor.

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So, there is a lot of money; there is a lot of money but it is not reaching the ordinary man and woman in Trinidad and Tobago. I am seeing that clearly here in Trinidad, the runaway crime; in the supermarkets you are seeing the escalation in prices. One other thing I remember, when we went to the supermarket, people lined up to buy very basic things because they too were in short supply.

When you read what is happening around the world, where food prices are out and above, where it is going to get worse because what is happening is this ethanol, where we are taking corn to make ethanol—It is only in Trinidad and Tobago we shut down the whole sugar industry when we could have used that same sugarcane. Instead of using fossil fuel, the oil, we could have been using that. We could have gone into—*[Interruption]*

Ask Brazil, they have done it—all their sugarcane fields, ask them. It is happening elsewhere in the world.

Mr. Ramnath: Talk to me during the teatime

Miss Seukeran: Will you give way?

Mrs. K. Persad-Bissessar: Certainly, but you have a senior Minister; he should talk to us as well. *[Interruption]*

2.00 p.m.

Miss Seukeran: The suggestion of using sugar, it is most that sugar should be used for ethanol as Brazil is using it, but I think that we have found all over the world that production of corn is a cheaper feed stock, but most importantly, what would be the labour cost? How would you reduce the labour cost to produce the ethanol at a competitive rate?

Mrs. K. Persad-Bissessar: You know, that is why we must call this election very soon and move every one of them, because here you have a Government Minister in the Ministry of Trade standing up to tell me what would be cost. So, you did not do a cost feasibility study? You shut it down without doing the feasibility study, is that what you are saying? You are in the Ministry; your senior Minister is smart enough not to get up and ask that because you should have done it. You are in Trade and Industry. In any event—I mean that is so easy to find out.

You have all the resources and you say Brazil is doing it. She is saying no, we must use corn because corn is a cheaper seed stock and what is the labour cost? We shut down an entire industry; send 9,000 people home; no work and we are asking about labour cost. What about the people's cost? What about the cost to

the people of Trinidad and Tobago? So, we could have gone with the same sugarcane fields, instead of abandoned as they are now, and instead of putting all these houses upon it, we could have gone with the sugar and diversified and gone into the corn. You do not shut it down. You do not stop something without having something else in train, which is what you have done. You just shut it down and you have nothing else in place.

Last week when I talked about milk, they told me breast was best. So, I agree the breast milk is best, but there are children who are older who would not have access to breast milk. We came and talked about dairy and you know I am reading the newspaper just today or yesterday, that this Government has totally killed the dairy industry, with each year the amount of milk being produced, it has decreased, decreased, decreased, decreased until now they are saying just very few dairy farmers are left. Talk to me about Caroni lands? What about dairy farming? What about food production? Because what is killing us in this country now, today, the ordinary citizen, is the cost of food; it is the cost of food.

I invited the Member for Diego Martin Central; he accepted the invitation, but we have not set a date yet for us to make a—but maybe he is hoping to bring the prices down before we go shopping together to check the prices. So, we would go, Mr. Speaker.

Mr. Valley: But we are leaving Mr. Sharma home.

Mrs. K. Persad-Bissessar: We are leaving everybody else; you and I would go. We would go with the calculator and a food basket and we would check it out.

Mr. Speaker, you may recall that I had spoken about the firefight between the fiscal policy and the monetary policy and that was the resulting runaway inflation, the resulting very high food prices that we see today. Recent revelations that international demand for grains, for the production of ethanol, would push food prices even higher, really highlight the need for us to do something urgently about domestic food production in this land. Five and a half years under this Government has destroyed the entire sector, and despite the repeated promises, the glory plans, the agricultural sector continues to dwindle.

The Minister for Agriculture really has no part out of all of that. I see you are asking him for help; he is retiring very shortly and I wish him good luck in his retirement and so on. He is out of it; he has come clear and clean—but I do not know he has come clear and clean, maybe he is not getting his seat back, I do not know. But certainly he has said that he is not contesting the next election. So do not depend on him; through you, Sir, do not depend on him to help you at all.

Agriculture has gone; the percentage that it contributes to GDP is gone, and each year it dwindles under you further and further.

As I said, I read about the milk just today that the Government now wants to deal with the dairy industry. When I asked that last week, when we were here arguing across the floor about the price of baby milk and so on and I said why did you not get into the dairy farming? Why do you not increase; why do you not help? No one could answer. Indeed, the hon. junior Minister, the Member for San Fernando West got up and talked about high food cost and high import bill and so on, lo and behold, I see a few days later Government is now talking about dairy industry. And I asked about the super farms; where are the huge super farms? What has happened? No answers. Today I think in the newspaper—today as well, the budget here is coming; the budget has come and gone, we have not set up any of these farms; a new budget is due in a short while.

So, Government is now going—what is it, 15 farms I believe. You could not set up one farm in five and half years, you now want to set up 15 farms between now and the next budget. Impossible! Impossible! You just will not—it would not be you, Member for Diego Martin East. It would not do it, and so, we have to deal with this issue of domestic food production. Food prices have been hardest hit by the inflationary spiral and what we have seen through all of this, is the absence of a studied approach to the projects of the Government.

If we look at various policy directives and directions, Mr. Speaker, we would see that the Government continues to undertake projects and to do the study afterwards. That is why in a sense what the hon. Minister stood up to ask me about labour cost and cost effectiveness, all those studies should have been done. All that should have been done and you would have been very well aware because you are in the right Ministry.

Mr. Valley: I hear you want to be the new political leader.

Mr. Ramnath: And what is wrong with that?

Mr. Valley: I do not want you to be the political leader.

Mr. Ramnath: I have no ambition.

Mrs. K. Persad-Bissessar: Do not interfere in UNC business, okay. You stay out of it, that is our business. We would deal with our business, you handle yours. [*Crosstalk*] It is UNC business.

Mr. Speaker, I would not be distracted, I thank him for wishing me good luck as a leader and so on. I thank you for your best wishes, but I am not going to get

carried away with that. I have been here too long to get distracted with that, but I thank you for your kind sentiments, hon. Member. I am saying projects undertaken time and time again; the study done after the fact. And I really hope today that the hon. Minister of Works, the Member for Diego Martin East would tell us something about the national transportation plan. Because after the big pronouncement of the water taxis, multiple start-up dates—none. How did I reach there? I am saying that you continue to make policy directions, make policy statements; no relevant studies have been done. You do not do any studies. Your monorail was the same thing and so we see it. When we come here now, and we look at what the Central Bank itself has to say with respect to what is happening here, the issue of inflation, what does the Central Bank have to say. I now quote from page 6 of the Central Bank's Monetary Policy Report dated April 2007. This is the last report of the Central Bank.

"The sharp rise in domestic demand ... has come from (an) increase in Government spending and strong bank credit expansion. This rapid expansion of domestic demand has come up against tight capacity constraints as reflected in labour shortages, largely in construction but in other sectors as well. Capacity constraints are also becoming evident in transportation and port infrastructure as well as in other public utilities. "

The report was even more specific from a macro-economic standpoint and I quote again from page 6 of the said report of April 2007.

"From a macro-economic perspective, the main influences behind the sharp rise in inflation have been the growth in government spending, bank credit expansion and the rise in import prices."

From a macro-economic perspective, the Central Bank says, the main influences behind the sharp rise in inflation have been the growth in Government spending, bank credit expansion and the rise in import prices.

Mr. Speaker, I have already mentioned that these food prices would rise further as result of our dependence on that food importation. I continue from page 6 of the report to quote as follows:

"As regards the fiscal impulse, there was a near-doubling in the non-energy fiscal deficit from 7.7 per cent of GDP in 2003/2004 to 14.4 per cent of GDP in 2005/2006."

Central Bank Report, April 2007. Remember who is responsible with the fiscal. The fiscal policy is Government's policy; the monetary policy is the bank's. Here

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is what the bank is saying about the fiscal, "As regards the fiscal impulse"—and this is to say the fiscal impulse is pushing towards inflation, so therefore, Government expenditure—"there was a near doubling in the non-energy fiscal deficit from 7.7 per cent GDP in 2003/2004 to 14.4 per cent of GDP in 2005/2006." We are in 2006/2007, when we come to the budget, we would be told later on, in a month or two, how much that has gone to, but you have doubled the non-energy fiscal deficit. The Government continues with its fiscal policy—[*Interruption*]

Mr. Valley: Could I ask—[*Interruption*]

Mrs. K. Persad-Bissessar: In a second, I am in full flight. I am learning not to give way when I am in full flight, let me finish the point—to double that non-energy fiscal deficit. We keep saying it is Government expenditure that is pushing, pushing that inflation rate and the Government continues to deny it. You have the firefight still, with the Central Bank is trying to clap down on the amount of money in the system, but the fiscal policy of the Government keeps pushing more and more money into the sector.

Mr. Valley: Mr. Speaker, I wonder whether the hon. Member would tell us how we would be able to transform this economy if there is not a non-energy fiscal deficit.

Mrs. K. Persad-Bissessar: Again, you know I say we have to call this election and move them out. [*Laughter*] We have to get rid of you. You are the Minister of Trade and Industry; you are asking me to tell you how to manage this non-energy fiscal deficit, how to bring it down and yet modernize it.

Mr. Valley: Well, let me rephrase the question. How would the UNC Government transform this economy and build for sustainable growth without incurring a non-energy deficit?

Mr. Ramnath: You build all those high-rise and—

Mrs. K. Persad-Bissessar: You know, Mr. Speaker, the Minister must fully understand and know what he is asking and he knows the answer. He knows the answer because it is exactly what you are not doing. You continue to depend on a depletable resource. You want to talk to us about sustainable? You are asking me about a plan for sustainability; you continue to predicate your entire economy; your entire society and the future of the children of this nation on the energy sector and you are going to ask me about the non-energy deficit. The answer is in agriculture; the answer is in services; the answer is in manufacturing; the answer is even in tourism; it is not in building a tsunami stadium down somewhere in Marabella.

It is not about these mega projects; \$148 million house for the Prime Minister; it is not about these mega construction projects. That is not sustainable development. How can these buildings be sustainable development? Because when you put that building down there, that is a cost. That cost has been expended and where is the return from it? Agriculture, services, you know it, the Minister is a big advocate of increasing services sector. *[Interruption]*

Mr. Valley: Yes, very good. Mr. Speaker, I wonder whether the hon. Member would inform us, as a potential leader of the wider group, how she plans to develop the services sector, manufacturing sector and so on without running a non-energy deficit.

Mrs. K. Persad-Bissessar: Mr. Speaker, you know, I would be very happy to answer his question, so you can speak with me in a little while. Let me deal with what I have to, but I do have an answer for you. I do have an answer how to do it; I have already given you it and when you read our manifesto, you would have the full plan contained within it.

It is investment, FDI. You know that, it is FDI. Minister, you know it.

Mr. Valley: Yes, but whether the Member would tell us how she would make these investments from where the money would come, if it does not come from the energy sector.

Mrs. K. Persad-Bissessar: You know, I am really beginning to feel that we are in Government now because the British Parliament operates that way, you have the Minister on the spot and you ask the questions. How do we do it? We did it when we were there before; the highest FDI was under the UNC Government when we were there during 1995 to 2001. Minister, if you really want a lesson and I do not think you really do, I think you are being, with due respect—*[Interruption]* yes, yes. Well, I thank you for allowing me to expatiate on these issues and I would be very willing to go further in-depth in terms of that.

Mr. Speaker, the bottom line of it must be, we must not continue to increase our dependence on the energy sector. You would recall the great economist, Lloyd Best. When Lloyd Best came out with his offshore and onshore and the plantation economy and so on, I remember—again, I keep going back—being a young student of economics in those days. I did it at first year at UWI, second year, third year right through; I told him I did some in post-graduate. But I remember Lloyd Best, his theories he put out then that are still so relevant now because we are not developing what is happening here. We are still in this offshore economy, so the multinationals come, they take the oil; they are coming

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to take the natural gas, it is the same. In those days it was king sugar. Jamaica went through a similar boom, with king bauxite and all richness and everything collapsed.

We have already gone through this Dutch disease in 70s and we collapsed. We are doing it again without that development—*[Interruption]*

Mr. Ramnath: All those things are ignored.

Mrs. K. Persad-Bissessar:—without that issue of how do we sustain; how do we take the wealth that we are now getting today; how do we put it to be sustainable for the future. It is so vital and I am saying despite the activities, despite these words from the Central Bank, the continued warnings from the Central Bank Government has continued with multiple new mega projects.

Mr. Speaker, I want to quote further from that Central Bank Report and it says as follows: “While the Bank experienced some measure of success in liquidity absorption ...” and you would remember we were here in this House not too long ago to assist with the liquidity absorption for the bonds, the bonds issue and so on, and Treasury Notes I think it was, tooth bonds and Treasury Notes, we were in this House, with those, and that assisted with absorbing some of the liquidity. The Bank experienced some measure of success but it has this to say and I quote again from the report:

“In the seven-month period to April 2007, net domestic fiscal injections were 66.8 per cent higher than in the corresponding period of the previous year.”

Net domestic fiscal injections, 66.8 per cent, Central Bank Report that you continue to put money into the system in spite of the warnings from the Central Bank in terms of the monetary policy.

In fact, the last few measures that you used through the Treasury notes and the bonds when we passed it here in the Parliament, that was the Central Bank workings, the monetary policy; trying to keep the liquidity down; trying to keep the inflation down; but the Bank is still saying that you continue—net domestic fiscal injections was 66.8 per cent higher than the same period last year. What does it mean? I would tell you what it really means. Of course, it means that you continue with the fiscal input—in spite of that you keep pumping the money into this. Do you know what it also means?

This is an election year, and here we are 66.8 per cent higher than the same time last year. So, you are making sure that money is there in the system. You are fighting election, a vote baiting, if you want to call it. Some might call it vote

buying. And so you have at this point in time, 66.8 per cent higher domestic fiscal injections into the economic; 66.8 per cent higher than the corresponding period of the previous year.

Mr. Speaker, this is a substantial increase. This is a very substantial increase in government expenditure—[*Interruption*]

Mr. Valley: I wonder whether the hon. Member would inform us what years she is referring to, whether it is 2007, 2006 and 2005, bearing in mind that you are saying that it is an election year.

Mrs. K. Persad-Bissessar: Mr. Speaker—[*Interruption*]

Mr. Ramnath: It does not matter.

Mrs. K. Persad-Bissessar:—I would quote again and maybe the Member would listen more carefully now he is interest in it. I would quote again and he would get the period. I quote from the Central Bank Report of April 2007.

“In the seven-month period to April 2007, net domestic fiscal injections were 66.8 per cent higher than in the corresponding period of the previous year.”

Mr. Ramnath: You get it?

Mrs. K. Persad-Bissessar: There we are, substantial increase in government expenditure. We are gridlocked everywhere in this country. It is gridlock on the roadways with the traffic congestion. Projects that you should really be doing do not seem to be getting done. We are spending money and time on projects that would not assist or benefit the majority of the people in the country and the projects that you should get off the ground are not getting off the ground at all, but you continue to put substantial injections into the economy.

So, in this election year it is 66.8 per cent as up to April, well, we can well imagine thereafter when the report comes out again. Let us see by then it would be 100 per cent increase because we are talking about the next few months as we run down to the deadline date. All over the news today, people are telling me on the radio and so on there is a very great excitement out in the country because it is being reported that the hon. Prime Minister would come here today to announce the election date. He may; none of you know whether he has the date or not. You do not know, so please—[*Interruption*]

Mr. Valley: How we do not know—[*Interruption*]

Mrs. K. Persad-Bissessar: Please, you just do not know. He has in his back

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pocket and he would pull it out when he is ready; but there is tremendous excitement that in today's Parliament, that the hon. Prime Minister would be coming to announce the election date. Well, I see he is not here yet; I do not know if he would come at any point in time, but I do not believe that rumour. I wish he would come and call the date now because people have had enough. [*Crosstalk*]

Mr. Valley: [*Inaudible*]

Mrs. K. Persad-Bissessar: Whether he is in country or out it makes no difference with due respect. Absolutely no difference whether he is here or whether he is out of the country.

Mr. Valley: [*Inaudible*] when he comes back. [*Laughter*]

Mrs. K. Persad-Bissessar: The results would be—Mr. Valley has no authority nor jurisdiction or even knowledge of when that date would be called and if he is honest he would tell you that. We all know that is so, but thanks for trying anyway, you could probably convince him otherwise. The results will be with these increases in the injections of government funding, we will see a continued escalation of prices; we will see also increased stress on the Central Bank to contain the inflationary pressure; and the sector that will logically be the one that we expected to feel the brunt of these price hike will be once more, the food sector because of lagged capacity constraints, in addition to the heavy import content. So that once again, as the year proceeds, we are to see further pressures in food prices; further increase on food prices and Government continues with its reckless expenditure in this year, what is an election year.

Mr. Speaker, as we discuss now to end this motion, increasing the capitalization of the Central Bank, I think it is very important that we do not lose sight of the increasing dependence which the government is placing in the lap of the Bank to conquer the ill effects of Government's misdirected monetary policies through the Bank's monetary policies, as opposed to the more desirable harmonious fiscal and monetary policies. I have said before and we all acknowledge and know that there must be harmonization between the fiscal policy and the monetary policy, but it is high expenditures. Indeed, I have just disclosed the Bank report has said, they have increased the expenditure; domestic fiscal injections continue to increase, so that the Central Bank now, is in the unenviable position of trying to hold back this runaway horse that is the Government's fiscal policy.

More and more, Government is placing a heavy dependence on the Central Bank, placing a heavy burden in the lap of the Central Bank to counter the ill

effects of the Government's pattern of behaviour and pattern of expenditure. You would recall Government has predicted that there will be an inflation rate of 7 per cent by the end of fiscal 2007 and a 5 per cent over the medium term. However, when we look at the Bank report, the Bank accepts that among other things trends in government spending and the evolution of import prices would affect the pace of inflation control.

So whilst it is the predication for 7 per cent at the end of fiscal 2007 and there is the predication of a medium term of 5 per cent inflation, there are two factors that are completely out of the control of the Central Bank to deal with the inflationary pressures. These are firstly, as I said: the increasing food bill as world food prices continue to increase; the import of food prices would go up, and up and up; and secondly, of course, Government's own squandermania which we expect to increase even further in this election year.

The Central Bank has always cautioned Government to control its expenditure patterns and if we look under the rubric, "The Short-term Outlook", the Central Bank's Monetary Policy Report, April 2007, referring to the potential for increased Government expenditure, the report stated and I quote:

"In these circumstances, a better prioritization of Government projects will allow for effective fiscal management and improved fiscal and monetary policy co-ordination."

I will repeat that, Mr. Speaker:

"In these circumstances, a better prioritization of government projects will allow for effective fiscal management and improved fiscal and monetary policy co-ordination."

What does it mean? Government needs to prioritize in terms of the projects; it needs to decide to be more effective when it comes to fiscal management; and it must have improved fiscal and monetary policy co-ordination. What is the report is saying?

1. Government, please cut down on your spending, it is too much.

You have continued to ignore the warnings of the Bank.

2. You have to have better fiscal management; and
3. You need to improve the relationship between the fiscal and the monetary. You have to have better policy coordination between the

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Bank's role in terms of monetary policy, Government's role in terms of fiscal policy.

The Bank has repeatedly been saying this. If you pick up every one of the Central Bank's Reports, the complaints and the warnings have always been that Government's fiscal policy is not harmonizing with the monetary policy of the Bank.

I started off this part of my contribution by talking about the great dependence that the Government is continuing to put on to the Central Bank. But we see the refusal of Government over the months, over the year to really take on the advice given by the Central Bank, and of course, even advice given by the IMF; Government refuses to heed these warnings and these signals. The IMF is going to be here again next week, every year they come just prior to budget and they hold consultations and so on. I remembered last year the Members of the Opposition met with the IMF in terms of its report and it was the same problem; it was the issue of inflation and this year again, it is going to be the issue of high food prices and inflation.

The reports of the IMF also point to the fact that Government is not curbing the expenditure. The Central Bank is saying the same thing, but Government is not heeding any of these calls and so we can expect that domestic pressures on inflation in the short run would increase substantially because of Government's—people call it hard-headedness or stubbornness. They said they too stubborn, they are not listening, hard-head; it would continue and so we could expect persons living in poverty to become increasingly worse off.

Mr. Speaker, this is compounded by the failure of Government to provide the impetus to the agricultural sector, and therefore, continuing reliance and further reliance on foreign food. The hon. Member for Diego Martin Central, I really like him, but he brings us here from 10 o'clock in the morning and he is getting a little impatient. Normally, he is very good humoured, mild mannered and tempered—*[Interruption]*

Mr. Valley: I am not getting impatient; I am saying that this lack of—I am just making a note because you are really trying to get me into the debate—*[Interruption]*

Mrs. K. Persad-Bissessar: Provoke you.

Mr. Valley:—so that we can say exactly what is happening with agriculture because obviously there is a gap in your knowledge base there. That is all.

Mrs. K. Persad-Bissessar: I will welcome any filling of that gap of knowledge, Mr. Speaker, as I am sure the population at large will be happy to know that Government is indeed dealing with the issue of food prices.

Mr. Speaker: Hon. Member, the speaking time of the hon. Member for Siparia has expired.

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

Question put and agreed to.

Mrs. K. Persad-Bissessar: Thank you, Mr. Speaker and I thank my colleagues; I should not be much longer. I am on the point of the failure to give that impetus to the agricultural sector. It is tied up with the failure to provide the requisite controls in place. That again, will place a further round of price increases.

There is a failure to address the fiscal imbalance, that also will lead to increased polarization of the economy, increased exposure to external shocks, such as energy price fluctuations. This is where, again, when we talk about that non-energy fiscal deficit, it is the situation where now we are more and more concentrating on the energy sectors, the drive of the economy. Fine, that is okay because you have the resource and you would use it. That is a natural resource we have been blessed with in this country, unlike so many of the other Caricom countries. They do not have that natural resource that you could just tap into and monetize it, but we must be careful because if it is today that we are monetizing our natural gas and our oil at such a rapid rate, this thing does not renew itself. It is a non-renewable resource.

Mr. Ramnath: Correct.

Mrs. K. Persad-Bissessar: It will finish and there are two things that are going to happen. When you place such heavy reliance on it, one—and we are monetizing at a very, very rapid rate. There is no question. I do not think there is any first year student of economics who would not tell you that we are monetizing at a very rapid rate. What does it mean? It means we are pulling it out of the ground, we are taking it out and converting it into money and we are spending the money. Great!

The Minister of Trade and Industry, the Member for Diego Martin Central said, of course we have to use the money from there in order to develop sustainable initiatives elsewhere, but we are not doing that. We are not going into any other sustainable sector. So when this thing is finished, and I believe it is the very IMF that has said, we have about a 20-year reserve—and I would be glad if the Minister could get up and tell us; proven reserves from the energy sector is like a 20-year period.

Mr. Speaker, 20 years is not too far away. My grandson will be a young man, your children will have children as well, and so, 20 years our children will be

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there to have and not have. When you depend on the energy sector, you take it out of the ground; you cannot put it back, and you develop nothing else, Mr. Speaker, can you imagine what this country would be like? Can you imagine what is going to happen to those people?

2.30 p.m.

After the boom when we came to the bust from the energy sector, we saw what happened to Trinidad and Tobago in those periods, when you took away people's COLA and all kinds of things happened. People were really in desperate straits. [*Crosstalk*]

Mr. Valley: Your party, the NAR, did that!

Mrs. K. Persad-Bissessar: Whoever did it, came and said, "You do it and, therefore, we must do it"; two wrongs do not make a right. [*Crosstalk*] You cleaned out the Treasury and left it; the NAR went into office and the price of oil went bust. What happened? And you may do it again. [*Interruption*]

I was not in any Parliament with you, Sir. I was not in the Parliament at that time.

Mr. Valley: You were a member of the party!

Mrs. K. Persad-Bissessar: I was not in the Parliament.

Mr. Ramnath: I was a member of the party!

Mr. Valley: And they chased you out. [*Laughter*]

Mrs. K. Persad-Bissessar: The Member for Diego Martin Central is a very amiable person, so he would have us smiling from time to time. I will not get lost or distracted.

You continue to monetize at a rapid rate. The money you are taking out of the ground, you are not using it in ways to cap sustainable development in Trinidad and Tobago. What will happen in the final analysis is what is going to happen to the people here.

Mr. Ramnath: They will eat aluminium.

Mrs. K. Persad-Bissessar: What did they say 2020 means? "Dog eat dog." What is the other issue? When you put all your eggs in one basket, as the common man says, when that basket falls you will starve. So when you concentrate on the energy sector like this, we are going to be subject to two things that could change the quality of life in this country overnight. One could be what is known

as price shocks; we have nothing to do with external price shocks, because we are too small. We are not even part of the OPEC; we are too small to even have any say in terms of what is the world price for oil and natural gas. You can have price shocks, as happened in the last bust when the whole oil price collapsed, or you can have output shocks in terms of what you are actually getting out of the ground.

I talked before about the well the Prime Minister went to visit that came up dry, the Ibis. Were there not two wells that came up dry very recently? So there is that danger too. You have proven and unproven reserves and some people lump all together and say that is all we have.

There are some that are going to come up without anything; millions of dollars spent. That is why we have to move away from probable, possible and proven. As they say, "A bird in the hand is worth two in the bush"; proven reserves. [*Crosstalk*]

Mr. Ramnath: The reserve to production ratio is 20 years at best.

Mrs. K. Persad-Bissessar: My colleague, who is the expert in these matters, is reminding me that reserve to production ratio is less than 20 years. What is going to happen? That is why I spoke very passionately. I am glad I provoked the Member for Diego Martin Central to give us some indication of how he was diversifying, what he was doing and where we were going. We are not seeing it out there.

When I read this year where the bank itself told us that you had doubled from 7.7 per cent of the gross domestic product (GDP), the non-fiscal energy deficit has now gone to 14.4, that is cause for concern, I am sure the Minister would admit. He should tell us how he is aiming to change those numbers. [*Crosstalk*]

Mr. Ramnath: Valley, study the economy of Norway; it will teach you!

Mrs. K. Persad-Bissessar: I alluded to this earlier when I talked about corn, and I want to spend a little time on this. We know that the price of corn has doubled on the international market. What is the relevance of this, Sir? It has to do with the agriculture sector again, our high food import bill and the management of the economy.

For the past five and a half years Government has paid lip service to the agricultural sector. The price of corn has doubled on the international market. Wheat futures are its highest in a decade. In the USA, as much as one-sixth of all

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grain grown this year will be industrial corn destined to be converted to ethanol and so on. Other grain producing nations are following in the same direction.

I want to quote Gwynne Dyer from the *Express* of Monday, July 09, entitled:

“The end of cheap food

The era of cheap food is over. The price of corn has doubled in a year, and wheat futures are at their highest in a decade. The food price index in India has risen 11 per cent in one year, and in Mexico in January there were riots after the price of corn flour (used in making of the staple food of poor, tortillas) went up fourfold. Even in the developed countries food prices are going up, and they are not going to come down again.

Cheap food lasted for only 50 years. Before the Second World War most families in the developed countries spent a third or more of their income on food (as the poor majority in developing countries still do). But after the war a series of radical changes, from mechanisation to the Green Revolution, raised agricultural productivity hugely and caused a long, steep fall in the real price of food. For the global middle class, it was the Good Old Days, with food taking only a tenth of their income.

It will probably be back to a quarter within a decade,..."

A decade is just 10 years:

"and it may go much higher than that, because we are entering a period where three separate factors are converging to drive food prices up. The first is simply demand. Not only does the global population continue to grow...but as Asian economies raise their heads more and more people in these populous economies...are starting to eat significant amounts of meat.

Early this month, in its annual assessment of farming trends, the United Nations predicted that by 2016, less than ten years from now, people in the developing countries will be eating 30 per cent more beef, 50 per cent more pig meat and 25 per cent more poultry. The animals will need a great deal of grain, and meeting that demand will require shifting huge amounts of grain-growing land from human to animal consumption—so the price of grain and of meat will both go up.

The global poor don't care about the price of meat, because they can't afford it even now—but if the price of grain goes up, some of them will starve. And

maybe they won't have to wait until 2016, because the mania for 'bio-fuels' is shifting huge amounts of land out of food production. One-sixth of all the grain grown in the United States this year will be 'industrial corn' destined to be converted into ethanol...

The attraction of bio-fuels for politicians is obvious: they can claim that they are doing something useful to combat emissions and global warming...without actually demanding any sacrifices from business or the voters."

When we look at this and several other articles, in terms of methanol and ethanol and what is happening, it is a frightening situation.

It always seems that it would never happen to you. There are things that happen in your life that you thought would never happen to you, until they happen to you, so you have to plan for and deal with it. As a nation and as an economy we have to plan ahead; we have to plan in front. We know it is coming.

Each time we raise the issue of high food prices in this Parliament, Members on the other side would jump up and tell us, "Oh, it is the high food import bill." The question is bottom line again. We all know that; what exactly are we doing about it? We have the money that we can make a serious bid to boost our agricultural production. Instead we are taking prime agricultural land all over this country and converting it into housing lots. I have spoken to some of the farmers in Wallerfield, where the Government is going to build the City of Wallerfield, with no regard as to what would happen to the farmers. You have heard others speaking; in the Caroni area it is the same housing going on throughout, prime agricultural land is being utilized for housing.

Of course, people need housing; no one can deny that, but there must be a balance. What is the point you have a house to live in and you have no food to eat? At the rate we are going, that is where we are headed. I went into this last week and I will not go further into what is happening in poor families. We see global warming and increased demand due to population growth; it means that international sources of food will become more expensive in the very short run.
[*Interruption*]

The solution, Mr. Speaker, is obvious, but it seems to us that the Government is unwilling and unrepentant as it continues to focus on the energy sector to the detriment of every other sector and, in the final analysis, to the detriment of the people of Trinidad and Tobago.

When we come to foreign exchange, because this is another role that the Central Bank plays in promoting a stable foreign exchange rate, the Central Bank

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has registered a dramatic increase in the sale of foreign exchange to commercial banks. I quote from the Central Bank report:

"These sales doubled to US \$1.5 billion in 2006 and are running at close to US \$1 billion in 2007."

So we are at half the year and we are already at twice what it was in 2005/2006. In 2006, sale of foreign exchange was US \$1.5 billion, that was at April, because it was an April report; now sale of US dollars is up to \$1 billion. On a fiscal year basis, foreign exchange sales for the period October 2006 to April 2007 were 11 per cent higher than the corresponding period in the previous year. It is true that we are earning more foreign exchange from the energy industry, but we are committing increasingly more of that money to consumer expenditure. It could be one of two things.

If more foreign exchange is being sold, it could be going towards consumer expenditure, but it could also be another frightening thing; it could be capital flight. [*Crosstalk*] Well, you will explain it to us. Are you not going to respond to me? You would probably be able to explain or the Minister could in his winding up. If you are selling more and more foreign exchange—people in this country tell you, they meet you openly and say it, and then you say that we are being alarmists and that we are frightening people. But people are telling us that they are packing up lock, stock and barrel and going, because of crime in the country. People are selling out their assets, converting that to foreign exchange and flying out of Trinidad and Tobago. That is true. There are several families that everyone can name, business families especially, who have sold out their assets, packed up and gone. [*Crosstalk*]

If we are selling more foreign exchange, then it has to be one of two things: We are buying more consumer items; we are importing more, we have to pay the US, so more consumer expenditure or it could be symptomatic of capital flight.

As I come to the close of my contribution today, I repeat what I said last week: This nation is in crisis. The Central Bank has, to a large extent, been able to stave off the potential damage of runaway inflation, but there have been tremendous social impacts in the form of increased poverty and associated hardships on the population.

Last week I indicated that the poverty line was substantially higher than what the Government would have us believe. It was then I argued that it should be \$1,800 and not \$600 and whatever. There are those who argued that, in fact, I was wrong and it is possible to live on \$22 per day. Good luck to the gentleman; it was

a journalist who was kind enough to send me his article. He emailed his article to me to make sure I saw it. He challenged what I said; he said that you could live on \$22 a day. It was carried in the *Guardian* newspaper. Basically what he said was not to eat meat; you could eat beans and rice. [*Crosstalk*] First of all I would like him to do that every single day of the year. [*Crosstalk*] Nothing is wrong with that; I am very happy for him.

In his concern to prove that you could live on \$22 a day, he missed the point. He did ask for us to go shopping as well. Mr. Valley other people are invited to go shopping, so we need to get this going very soon.

Mr. Ramnath: Do not be seen in Valley company, you know. [*Laughter*]

Mr. Valley: No, me and you alone.

Mrs. K. Persad-Bissessar: I took the pains to indicate that if the poverty line was \$625 in 1999, then if we have to maintain the same purchasing parity, then the current poverty line has to be \$1,800. I challenge the gentleman to live on \$22 for three or six months. On that money he is not allowed to buy clothing; he is not allowed to travel to go to the market or grocery; no transport costs; he cannot pay for water use; he cannot pay electricity bills, telephone bills, medical bills; he cannot pay rent. If he is not paying rent, he cannot pay the opportunity costs.

I want to repeat the point: We said using that poverty line and that amount was for food only, nothing else. Those were the Government's numbers and not ours. It was for food only. [*Crosstalk*] I made the point very clearly, that you need other things. The man does not just live on beans and rice seven days a week.

Mr. Ramnath: Or bread alone!

Mrs. K. Persad-Bissessar: Man does not live on bread alone.

Dr. Rowley: Your argument has no basis!

Mrs. K. Persad-Bissessar: Would you like to say something; I will give way if you want to.

Dr. Rowley: The argument has no basis!

Mrs. K. Persad-Bissessar: Why do you not stand and speak.

Dr. Rowley: It is a nonsensical argument! [*Crosstalk*]

Mrs. K. Persad-Bissessar: It is all well and good to sit there and rant and rave and rattle on; he will have 75 minutes if he wishes. I stand by my argument.

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Where the Government figure was \$655 in 1999, you cannot tell me that \$655 would buy the same food items in the year 2007. Not a single person living out there in Trinidad and Tobago will tell you that what they could have bought with \$655 they walk in and buy those same items today.

Look at cheese; somebody told me yesterday that cheese was \$18. The guy said not to eat cheese. You know the famous Marie Antoinette quote: "The people have no bread; let them eat cake." So eat Crix and beans and rice. You still cannot afford to buy the nutritional items. Your 1,800 calorie intake, you cannot do it on \$22, I take up his challenge to prove it to us otherwise. [*Crosstalk*]

In conclusion, the challenges to the Central Bank to rein in inflation and to control liquidity, continues to grow because Government has already signalled its refusal to control expenditure. Government continues blindly to ignore disastrous social effect that its very callous policies are having on the national population. [*Crosstalk*] We are of the view that things would just continue to worsen under the Government, because there is a policy of deliberate mismanagement. [*Crosstalk*] But our citizens have suffered for five and a half years. If the Member for Couva South would allow me to make my conclusion for today, we will deal with him shortly, I want to say that the nation waits. Judgment day is coming, and that will be election day. We await it so we can move this incompetent set of persons out of government, and all the policies they speak of and ask us for, we will have those.

I thank you.

Mr. Gerald Yetming (*St. Joseph*): Mr. Speaker, I intend to be very brief. I will try to stay as close to the Central Bank as I can. I do not intend to be here till 4 o'clock tomorrow morning and, therefore, I will not contribute to it. [*Crosstalk*]

I think the Minister provided some explanations for the increase in the authorized capital from \$100 million to \$800 million, which to me sounded quite reasonable. One of the reasons he gave was trying to restore the capital to total assets ratio to 1.7 per cent, which was the ratio at the time of the capital increase the last time around. On the basis of the explanations provided and even if he used the 1.7 per cent, I think that the authorized capital of the Central Bank should be, at least, the \$800 million he is seeking to have approved today. So the support for this Motion is there.

I want to talk about the Governor for a minute, because we are dealing with the Central Bank. I think it will be accurate to say that the Governor does command the respect of the financial sector over which he has jurisdiction and

that he and the Central Bank have been reasonably successful in meeting the challenges that they have met and will continue to meet as we move on from here.

The Governor has, from time to time, spoken out on issues for which he has responsibility and has demonstrated, on occasion, the degree of independence we expect of him. Recently the Governor spoke out. You would recall when the rate of inflation was trending towards the 10 per cent, he spoke about the dangers of double digit inflation and he made reference to his 30 years of experience at the IMF. He cautioned about the slippery slope and the harsh measures that would be required if we were to come back from that slippery slope.

I think the Member for Siparia touched on it or, at least, spoke fairly extensively on it, actually, the question of the relationship between the fiscal and monetary policies and the fact that the Governor has spoken out a lot about the need for coordination between the two. In fact, he has in the past spoken about the challenges that he had in mopping up the liquidity. In one interview, I believe, he spoke about the fact that mopping up the excess liquidity in the system looked like if he had to be chasing shadows because of the fact that as fast as he could take it out of the system the Government through its fiscal policy was pumping much more in.

He spoke, in fact, about conducting open market operations out of total frustration with the continuation of excess liquidity. At one stage when the Government, through the Minister of Finance, attempted to give assurances on reprioritization of its expenditure, the Minister in the Ministry of Finance on a number of occasions recently had spoken about that; the Governor said that he was buoyed by Minister Enill's statement that the Government was reprioritizing. So the Governor has spoken out on a number of occasions. In fact, on one occasion, I think it was in the Central Bank monetary report of 2005 when he went so far as to say to the Government that there was a need for review of policies to increasing the agricultural output. He was at the time expressing concern about the rising food prices. So the Governor has, in fact, stepped out of his crease and spoken out on issues.

I know that the Central Bank will continue to be faced with challenges. I know they have challenges with respect to the insurance sector for which it recently assumed responsibility. I am not too sure the Central Bank has been able to develop the expertise in that supervisory function of the insurance sector, to provide the degree of supervision required to that sector.

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In fact, in their annual report for 2006 they made reference to, and I quote:

"An area of concern for the bank was the non-compliance of a number of institutions with sections of the Act."

And we are dealing with the insurance sector here. We know that there are challenges that the Central Bank has to face. I know that it has challenges to face with respect to the exchange rate; although within recent times I do not think there has been much complaint from the banking sector with respect to the timeliness of the interventions.

In a previous debate expressed disappointment in the Central Bank with respect to a matter that we will deal with later today, that is the question of the 50 per cent limit in investment in equities that pension funds are required to adhere to. I will speak more about that during debate on that point.

I had hoped that the Central Bank would have by now responded to the Prime Minister on a matter involving a charge levelled here by my colleague from Caroni East with respect to the Home Mortgage Bank. As you know, the Home Mortgage Bank now falls under the jurisdiction of the Central Bank; that was a recent development. Prior to that, in fact, I believe the Home Mortgage Bank had an equity position in it. Not only that, the Central Bank had board representation at the Home Mortgage Bank until we had debate on the bank no more than a year ago.

But the Member for Caroni East did raise concern about the sale of 25 per cent of the Home Mortgage Bank to the sitting Chairman of the Home Mortgage Bank. In a subsequent debate in May 2007, I did question whether the Chairman of the Home Mortgage Bank caused a deposit of \$100 million to be made from the Housing Development Corporation, of which he was also Chairman, at the Clico Investment Bank which was to provide liquidity to lend to him as a director of the Clico Investment Bank and as Chairman of the Home Mortgage Bank, to put the Clico Investment Bank into funds to make this loan to him, to be able to acquire the shares in the Home Mortgage Bank.

At the time this was first raised in the Parliament by the Member for Caroni East, the Member for San Fernando East, the Prime Minister, got up and told the House and the nation that, in fact, he had already received a report on the transaction prior to it being raised by the Member and that he had already instigated preliminary investigations into the transaction, that he had a preliminary report and that further investigations were taking place. It is now almost three months and we still have not heard from the Prime Minister what

was the outcome of the investigations. I believe that wherever the Central Bank had to report, I expect that the Governor would have reported by now.

I, therefore, call on the Government and the Prime Minister to come to the Parliament and tell us what was the result of that investigation. [*Interruption*]

Hon. Enill: I just want to indicate that in the matter of the Home Mortgage Bank, the report was completed. It is with the Minister of Finance and a statement is being prepared in compliance with what he had said; so that will be here very shortly.

Mr. G. Yetming: I wish to thank the Minister for giving us that report. We look forward with interest to hearing what the report says.

I just want to touch on the financial sector generally to deal with the legislative agenda. We had a White Paper for the reform of the financial system tabled in Parliament. This White Paper was dated since June 2004. In successive budget statements, the Prime Minister has made a number of statements. I wish to bring them out, because I think that if we are talking about a well regulated financial sector, which is their language and which we support completely, it is a requirement that the legislative framework be put in place as soon as possible. While we recognize the difficulties that the Government may have in completing the legislation, particularly where it is complex legislation, it is still important for us to bring this to the attention of Parliament so that the Government at opportunity will respond.

In the budget statement of 2004, the Prime Minister and the Minister of Finance spoke about amendments to be brought to Parliament with respect to the Insurance Act, the Financial Institutions Act, the Securities Industry Act and the Cooperative Societies Act. But more importantly, he spoke then about legislation governing mutual funds being introduced in the new year, so that important and fast growing sector would be held to the same standards as the rest of the financial sector.

Mutual funds today total about \$32 billion, compared to bank deposits which stand at about \$45 billion. That \$32 billion in mutual funds had grown rapidly over the past few years. Therefore, it is important that what was promised here in the budget statement of 2004 happen as quickly as possible.

In the budget statement of 2005, the Prime Minister spoke again about the legislative agenda for the financial system, which again talked about amendment to the Financial Institutions Act and the Insurance Act, and then we had introduced, I think for the first time, modernization of legislation relating to the credit unions and private pension funds. He went on to say that they were also examining a

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proposal whereby credit unions with asset bases of, at least, \$100 million and over, as well as those undertaking the business of banking, will be brought under the supervision of the Central Bank. You would recall that it was mentioned here in the Parliament that, in fact, the International Monetary Fund (IMF) in its consultation report of May 2003 this was what they had to say:

“The banking system appears sound, but early action is required to strengthen supervision of the non-bank financial sector which remains less effectively regulated.”

And they went on to recommend that credit unions also be brought under the supervision of Central Bank at an early date, especially given their growth in recent years.

In fact, in the budget statement of 2006, the Prime Minister again spoke about legislation which would bring credit unions under the regulation of the Central Bank and that piece of legislation together with the new Insurance Act were expected to be presented Parliament before the end of 2006.

We can talk about pension reform, which is all covered in the White Paper, some of which deal with the question of portability and what have you. It is all covered in the White Paper and I really do not want to go through it and list them out.

The fact is that if we wish to modernize the financial sector, and, clearly, the question of increasing the authorized capital in the Central Bank is one step taken to deal with the Central Bank, but there are other elements in the financial sector that require attention. I recognize the difficulties the Government would have in completing the host of legislation that is required, but I thought that on this opportunity I would remind the Government that we have been talking for years about the reform of the financial sector and the need to bring updated legislation to govern the very number of players in the sector: insurance, pensions, mutual funds and credit unions.

I would also talk about the fact that while the Unit Trust would come under mutual funds, the intent of The government which was expressed, I believe in the first budget statement, which was to deal with an initial offering to the public in the Unit Trust, was something that the Government had stated it would do; that there was this IPO to come on the market, but the Government has not said anything since on what its thoughts are and what it intends to do with the Unit Trust.

With these few words, Mr. Speaker, thank you.

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Mr. Speaker, I thought I would participate for a short while, simply to deal with some issues raised, in particular, by the Member for Siparia.

The Motion before us simply seeks to increase the authorized capital and, effectively, the issue capital of the Central Bank from its current \$100 million to \$800 million. That would be done simply by capitalizing part of its retained earnings, which is a simple procedure, but the debate, of course, went off on all manner of things and really touched on the economic policy of the Government. I thought that given that, we needed to say a few things.

The overall economic policy of the Government is to seek sustainability over the long term. Given that at present the economy is dependent on our energy resources, we have said, from time to time, that the philosophy is, of course, to save some. Members will know that at present or by the end of this fiscal year, there will be roughly about \$10 billion in the Energy Stabilization Fund. That is our rainy day savings for posterity and so on.

We also said that we would invest some in our infrastructure. There have been quite a lot of comments, from time to time, on big buildings. If Members could see how much the Government pays at present in rent for commercial space, they would see clearly the wisdom in Government owning its own office space. If one were to look at what is happening at the waterfront, we are changing the landscape of Port of Spain and positioning it really to be the capital city of the greater Caribbean; that is the vision. Members may know that since 1995 Port of Spain has been the home of the Association of Caribbean States (ACS) and we have a commitment to provide them with office space; that is part of what we are doing.

We said also that we would use part of the energy sector revenues to effect the transformation of the economy to build sustainability in the non-energy sector and that is why one sees Government investing in free tertiary education. So that there is the investment in our human capital, because we know that if we are to achieve Vision 2020 we need to have that band of qualified persons. Our investment in tertiary education is widening. That is why, again, one sees the initiative with respect to the University of Trinidad and Tobago (UTT) or the various programmes the Government has put in place for the young people who may not be academically gifted, to learn a skill.

We also said that we would use some of the energy resources to increase the standard of living of our people, so one notes the tax reduction that everybody

got. The fact that now an individual can claim up to \$60,000 as a personal tax exemption, leaving much more in the hands of the individual so he can make his own decision. One would see also the emphasis paid on social security spending, to improve the quality of life and standard of living of those who cannot do so on their own.

Mr. Speaker, when one talks about having a non-energy deficit, to me it is simply stating a fact. I have said that on a number of occasions. If we say as basic policy that we will be using excess energy resources to do these things, obviously it implies that we will be running a non-energy deficit. So that it is conscious Government policy to run a non-energy deficit to build sustainability in the economy. That is not going to be a lasting thing, because what one expects that after you make the investment, the returns would start coming in and there would be a reduction in the non-energy deficit. The aim is that the non-energy sector would really take over eventually from the energy sector, and that is the basic strategy.

So to keep harping on the fact that there is a non-energy deficit and that it is growing in a period when clear Government policy is to use excess energy resources to transform the economy, is to me simply stating a fact, that really adds no further information to the argument.

The Member for Siparia also touched on that issue of inflation; of course, making the point, reading from the Central Bank document, that Government spending is aiding inflation. What are the facts? Inflation peaked at 10 per cent in October and has been on a decline since, because the Government manages. The Government says, "Look, by the end of 2007, we want an inflation rate no more than 7 per cent, that over the medium term the inflation rate ought not to be more than 5 per cent and, therefore, we need to manage it."

There are three issues there. To deal with that there must be the reprioritization of Government spending. The Central Bank needs to manage the liquidity, and the Government has taken steps to look at the supply side constraints. Inflation is not simply a question of the demand side; it is also a question of the supply side. The demand side is affected by the level of liquidity, which has to do with the monetization of Government expenditure and the reduction of liquidity by the Central Bank. So the Ministry of Finance and the Central Bank will deal with the demand side, but the Government has put in place a system to deal with supply side constraints, and we have been doing that, specifically with respect to the food aspect of the inflation spiral, where we saw that was the main contributor to the

increase in inflation. We have taken certain steps since October, which we feel have been working and which have had the effect of reducing the inflation rate.

We have merely touched the surface. I want to deal a bit later on with what is to come. What have we done? Since October, we have organized a committee that, first of all, ensured that there was timely information to the public. I am sure when you look at the newspapers you see either twice or three times a week NAMDEVCO and the Ministry of Consumer Affairs putting out information with respect to vegetable pricing and so on. One item I look at all the time is tomatoes. As you know, in December the price of tomatoes got to some \$40 per kilo. It is in the newspapers somewhere, but if you were to look at it you would see that the highest price now at the supermarket is \$20 per kilo. It is 50 per cent lower. So when people say that prices do not come down, that gives the lie to it. That is merely one, because that is my yardstick, I look at tomatoes. I know it was \$40; it is now \$20, the highest price in the supermarkets. In some places today I think it is as low as \$12 or \$13 per kilo.

We have also ensured that there are farmers markets in critical locations, and there would be more farmers markets. In other words, we are attempting to cut out the middleman as much as possible. There was always the farmers market in Trincity; there is now one in Diego Martin; there is one in Debe, and we will be putting others. Marabella is earmarked for one also.

We have got NAMDEVCO also to develop a website where farmers can input their information with respect to supply, and supermarkets can input information with respect to the demand for various products. [*Interruption*]

Mr. Sharma: You are opening up this debate now; we will be here till next week.

Hon. K. Valley: Even countries within Caricom can input information as to what is available with respect to these things.

Going forward, the Member also spoke about the need to make investment in agriculture. While she was complaining about non-energy deficit, I do not know whether she understands that as we make further investments in agriculture, manufacturing or what have you, we will be, in effect, using funds from the energy resources. Therefore, we will be increasing the non-energy deficit. Nothing is wrong with that, because we are making an investment we hope will pay dividends later on.

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We agree that we should be making that investment in agriculture. Yesterday my colleague, the Minister of Agriculture, Land and Marine Resources, outlined what the Government was doing, and the fact that in keeping with the statement by the Minister of Finance in his budget presentation we were getting the Cubans here. As a matter of fact, they are coming next week with respect to the pilot farms which will be in Chaguaramas. He also said that the Cabinet has approved the request for proposals for the other 15 farms we have been talking about. We expect, therefore, to get that going quite quickly.

Members would also know about the transformation of Caroni (1975) Limited and that the Government has given two-acre parcels to roughly over 7,000 former Caroni employees who have gone into farming. With the assistance of NAMDEVCO, we are developing a programme to assist the farmers in setting up “shady-houses”. They say green-houses are for the cold climate, but that in Trinidad and Tobago what we really need are shady-houses. So we would be using NAMDEVCO to assist these farmers in getting into production via the shady houses, and some of them are doing it already, rather quickly.

So I want Members to know that there will be a large initiative with respect to agriculture. Because we are doing that, there is the need to set up an agro-processing plant which will also be coming. I wanted Members simply to know that.

The Member wanted to know what was happening with respect to diversification; that energy is a finite asset and, therefore, we needed to look at diversification. No news; we have been saying that. It is known that there are seven areas directly under the Ministry of Trade and Industry and we have identified seven sectors for diversification. Most of the companies are up and running. In addition to those seven sectors, Members would know also that the Government is concentrating on downstream energy, what we call “second stage downstream”, where we are talking about petrochemicals and going further downstream.

Members would know that there is the tourism initiative. The Member for St. Joseph spoke about the White Paper on the financial sector reform. Members would know about the initiative concerning the financial sector, where we expect to position Trinidad as a financial centre, and work is going on with respect to that.

There is also the whole area of ICT with which E-teck is charged, as well as light manufacturing and so on. Of course, I have mentioned the agro-processing area. So we are, in effect, talking about roughly 12 sectors that the Government will be concentrating on with respect to diversification of the economy.

Lastly, the Member touched on foreign exchange, looking at the increased usage. I simply want to tell her that in a situation where we are earning more foreign exchange, where, in fact, there is that gross domestic product (GDP) growth, of course, there will be higher levels of consumer imports. But more than that, given the lack of investment opportunities within Trinidad and Tobago, the discerning investor will, of course, look to diversify his portfolio by seeking investment outside of Trinidad and Tobago. That is not capital flight; that is just prudent investment decision.

The Member mentioned the IMF; Members would know that whatever IMF report one was to look at, generally, the IMF says good things about Trinidad and Tobago at present. Every four years developing countries are expected to go to Geneva to make a presentation with respect to their trade policy. When we did so in 2005, I reported here in the Parliament that we were received in glowing terms. It does not matter where we go. We were in India in March and the Chairman of the Bank of Baroda really evidenced that the energy he saw in Trinidad and Tobago explained that in Trinidad and Tobago it was happening, and that he saw us as the next Singapore of the West; those were his terms. The reality is that, thank God, we have been doing well. The future is bright.

There are always issues; nobody will doubt that, but, again, the Government is competent and we are handling those issues. We have provided the leadership, and not only now; we have provided the leadership between the period 1991 to 1995, in which we set the tone for this economy for what is happening today. That was the period when we liberalized the foreign exchange; that was the period in which we carried out the rationalization of the state enterprise system; that was the period where we liberalized trade. What we seeing today, the growth that we are witnessing is the highest growth rate in the world in 2006.

I was in the Far East when they were talking about China with a growth rate of 10.2 per cent and India with 9.4 per cent, and they said that they had high growth. I said no, that in Trinidad and Tobago the growth rate in 2006 was 12 per cent, the highest growth rate in the world. That is the reality. [*Desk thumping*] It is not only the energy sector. I want Members to know that especially in the manufacturing sector, if they were to look at the statistics the growth rate was some 12.6 per cent, following some 11.6 per cent in the previous year. We are doing well, thank God. We are doing well and the population can see that. [*Interruption*]

Dr. Nanan: As he spoke about the manufacturing sector, I want to remind the Minister about what the Member for Siparia spoke about with the situation of Dutch Disease. It was mentioned here before in terms of the renegotiation of labour contracts and the possibility of the manufacturing sector being crippled by this phenomenon of Dutch Disease. Could the Minister give us some information, please.

Hon. K. Valley: As was mentioned, the Government has the supply side committee to look at all aspects, including labour. At the last Heads of Government Conference in Barbados, which was just last week, our Prime Minister made the point that in Trinidad and Tobago we would have to go much more quickly than the other countries in terms of freeing up the movement of labour. As a fact, the Minister of Trade of Ireland when he was here on January 17 made the point that to continue to grow they had to allow for inward migration from the Eastern European countries, because if you are growing at the rate of 11 and 12 per cent—you know, it takes nine months to make a baby and then the baby has to grow—the only other way is via migration.

We have to allow for inward migration, and you know the Government is taking the lead with that. We have started the migration; we brought in the Chinese, because we said that if we have to get things going rather quickly, we have to look, and we looked throughout the world. We are asking the private sector to follow us, because in this globalized environment no longer can we be tied simply to Trinidad and Tobago and even the Caribbean; we have to go where we can find the people, because we want to be a developed country as quickly as possible.

I thank you, Mr. Speaker.

Mr. Chandresh Sharma (Fyzabad): Mr. Speaker, it is unfortunate that the last speaker brought some figures here to try to fool the national community. When he talked about the highest growth rate, with oil at \$75 a barrel, what does he expect with a small country like ours, of 1.2 million people? During the UNC administration oil was \$10 a barrel and during that period we also enjoyed the highest growth rate in the world. So to argue that is not good enough. I want to quickly review some of the points the last speaker raised to show that that he was not treating with the issues.

When the national community hears that we are moving the Central Bank from \$100 million to \$800 million, what comes to the simple-minded person, the average person? He thinks that there is a lot of money in the system and he thinks

that his needs are going to be met. When he looks around, he is not seeing that. For instance, when the Minister argues that some vegetable was \$40 a pound, that is still four hours of a daily-paid worker who is earning the minimum \$9 an hour; that is half day of his or her work. Today if it goes to \$20, he or she still has to work two hours to buy one pound of that particular item, so it is not making sense. He has to put out \$20 to get that which is two hours of his work. [*Crosstalk*]

3.30 p.m.

Mr. Speaker, some of the other points raised by the Minister about the use of the energy resources are what we have argued time and time again; that the utilization of it is not reaching the small man.

The Minister is talking about raising the quality of life of the people and that is the role of Government. We want to support that, but look at what is happening; today, we are talking about an increase from \$100 million to \$800 million and the Minister is saying that there is an enormous amount of money in the system but persons who have applied for \$15,000 based on the Government's programme to repair their homes cannot get the money up to today and there is no system. The Government keeps changing the rules.

Public advertisements were placed, people were encouraged, booklets sent out and all the officers on both sides of the House assisted the constituents in filing those. Then there was a second programme, a matching grant for low-income persons where you put out \$35,000 and the State would put out \$35,000. That is on hold, we do not know what is happening. There is a third programme of \$50,000 and the same thing is happening. So you cannot improve the quality of life if you are not taking care of the basic needs.

Housing is perhaps one of the most important things, it is useless for the Government to build low-cost housing costing \$300,000—\$400,000 and a few people get them. Every day Members on both sides of the House meet with constituents who are seeking houses and many of them cannot raise the mortgage. I was hoping that the hon. Minister would say how it would benefit the nationals of Trinidad and Tobago. It is very unfair for the Minister to come here and say he wants to move from \$100 million to \$800 million and not say to the national community how it is going to add value to their lives.

We hear all these big figures and the last speaker spoke of money flowing in every sector. The 15 multipurpose companies which the Government has created are spending money without even checking the balance. We do not know what we are paying for, there is no value for money on the ground, they are building

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pavements on the roads making them narrow and causing accidents. For them, that is improvement, there are no checks and balances, it is all about the politics of the day.

The Minister talked about feeding the population. We have to look at our history. In the early days, the last 300—400 years, people came from Africa to work on the plantations here and people came from India and today India and Africa are still among the leaders in food production because of the vast number of people they have.

You are going to Cuba, we do not know what the expertise is there and we have been hearing that for the last number of years, and farmers here cannot get basic things. Everyone has demonstrated very clearly that under this particular Ministry of Agriculture no value has been added. To date there are no access roads in our communities, no subsidies, and no encouragement for agriculture. So saying that you are going to do 15 large farms does not help. What is happening during the period all this is to take place? We hear this is in the future next year, the year after, every year we hear a new promise.

Mr. Speaker, when you look at the GDP from agriculture it is 0.8 per cent, I think. Is that right, Minister? It is 4 per cent. That is a very frightening thing because this is a country that was best known for agriculture. Cocoa beans are used all over the world to flavour the chocolates, so the Government seems to be without direction. What are the citizens expected to get in return from the Government? Can they say that the quality of their lives is really improving? Are our families having a proper meal?

The Minister just came back from Barbados and one of the matters raised was that our citizens in the Caribbean—not just Trinidad and Tobago, but I make the point—should have between two and five servings of vegetables at every meal and they are not getting that. So when the Minister of Health says that they are moving from serving 6,000 persons at the Mount Hope Medical Sciences Complex to 43,000, it is because more people are becoming sick because of their policies. You cannot argue that.

Mr. Speaker, the hon. Minister indicated that we are going to the second stage; no one knows what the first stage was and nobody knows what the benefits were. In fact you cannot point to anything to say we have benefited from the first stage.

Mr. Speaker, I had hoped that the Minister would have talked today in some meaningful way of how the country is going to benefit, and what are some of the

issues. The Central Bank is known to be the banker for the Government and I have heard it is not happy with how the Government is spending the taxpayers' money. When one looks at the massive cost overrun on projects, the Government has not delivered a single project in the construction industry within budget, every project has had a cost overrun and the Central Bank is not happy with that.

The Central Bank is not happy with the types of investments being made because it is not reaching the small man. Whose needs is the Government attending to? We should look at the functions of the Central Bank to bring it into context. It is the banker to the Government; it provides advice. What advice has it provided to the Government that it has accepted? I understand very little is accepted. The Central Bank maintains deposit accounts, receives foreign currency deposits, and settles foreign currency transactions. In the case of foreign exchange, we all know that the business community is crying out every day because it cannot receive foreign exchange.

I was hoping that the hon. Minister would have told us about money laundering, a big fare in this country. There are too many situations of money laundering and we are seeing nothing. We know that it is bad for business in Trinidad and Tobago and it is not contributing in any measurable and meaningful way to the economy. What is the Government doing about it?

Mr. Speaker, money laundering is now entering our financial institutions and contributing to the high rate of foreign exchange and the inability for real business people to obtain foreign exchange, and certainly this must have negative effects. So when one Minister talks about growth and development and some guy from India says that this is the Singapore, what the guy from India says is useless to the small man in this country because he still has to face the grocery and cannot pay for it. This is to have appeal; a particular person said something.

On the second issue, money laundering is now affecting the rule of law in this country and it is a serious concern because what happens is that persons who can afford or those who are in the business can engage any services they require and can taint any service at the same time.

Mr. Speaker, it poses a real threat to the rule of law, it furnishes criminal organizations with profits which may be used to bribe officials, and we know there have been many cases engaging bribery. Such corruption affects the everyday lives of many people in Trinidad and Tobago. Because of money laundering criminal influences can hinder this country's development to what the Government intends. It also contributes to trafficking and we know the effects of that.

One of the fears of money laundering is that money launderers also form networks with international crime operations and since 9/11, there has been a great concern there. Only recently there was a case of six nationals from Trinidad and Tobago who went to the United States of America on vacation and started to work and were held by immigration and investigated for all kinds of things including money laundering. How did they get there? Whose money did they use?

Mr. Speaker, how is the money for money laundering getting into the legal system? The Minister needs to tell the national community that. Placement is the first step in the money laundering process. It occurs when dirty money first enters the financial system by being deposited into a financial system and from time to time the Government had promised to deal with this matter and to date we have not seen any meaningful action taking place. Mr. Speaker, there should be a system where deposits of this kind could be traced, looked into, and investigated. To this time not a single report has come to the national community addressing this matter.

Mr. Speaker, what are the reporting requirements for financial institutions? I know during the UNC period we were very concerned about this based on what was happening and there was a system in place so you could have reduced it. Today, we do not know if that system obtains, what benefit it has, how it is monitored and so forth.

In addition to that, the Minister spoke about the education and about the vocational training and we ask: Where are these people being employed, and what sums of money are they getting? [*Interruption*] Many of them are under-employed for one reason or the other. The point is, we put them through these training programmes to engage them in the first instance, which is the proper method, but secondly are we seeing that they are really getting the employment they should get? In addition to that, how does the Central Bank assist the small man?

We have raised the matter of low-cost housing. What benefits do the small man have in terms of accessing the financial institutions? Because so often we hear that the small person cannot get loans from any of the financial institutions. The UNC had established the Small Business Development Company, and when this administration came into office it created the National Entrepreneurship Development Company Limited (NEDCO) and made it a closed shop. Today nobody knows how the moneys are lent, because it has now been removed from under the freedom of information so we do not know if it is benefiting the community.

Mr. Speaker, I hope that in the Minister's reply he clearly demonstrates to all of us that the matter that is being addressed today would truly benefit the majority of citizens of this country. The Government would say how it is going to reduce money laundering, how it is going to increase employment, how it is going to lower the cost of living, how more persons are going to access loans and how it is going to deal with the foreign exchange.

We know that the Government is propping up the foreign exchange for whatever reason, maybe if it were floating, it would have benefited the country more because we are paying more for goods on the outside whilst those on the outside are paying less for goods. So again the country is not benefiting in that respect.

Mr. Speaker, with those few words, I hope the Minister will give us a meaningful and intelligent reply.

Mr. Manohar Ramsaran (*Chaguanas*): Mr. Speaker, I just want to make a small contribution to this debate: "Whereas it is provided by Section 34 of the Central Bank Act, that the authorized capital of the Central Bank is \$100 million and that the authorized capital may with the approval of the Minister of Finance, be increased by resolution of the Board... to \$800 million..."

Mr. Speaker, section 34(3) of the parent Act says:

"(3) The paid-up portion of the authorized capital may be increased by such amount as the Minister may from time to time approve and the Government shall subscribe and pay the amount of such increase to the Bank from the Consolidated Fund."

Mr. Speaker, this was not said in the debate and I wonder why. Here we have the Consolidated Fund being used—and this has been happening over time—but when we hear about this monetizing by the Central Bank and funding by the Government, the message that is sent is one on which I must comment and also the management of the economy as mentioned by the Member for Diego Martin Central.

When one looks at the functions of the Central Bank, in Part I, section 3(3)(a) says:

- "(a) have the exclusive right to issue and redeem currency notes and coin in Trinidad and Tobago;
- (d) maintain monetary stability, control and protect the external value of the monetary unit, administer external monetary reserves, encourage expansion in the general level of production, trade and employment; and

(e) undertake continuously economic, financial and monetary research.”

Mr. Speaker, when we see what is happening in Trinidad and Tobago today and look at the resources we have, a first year student of economics would know that the main challenge of a government is the distribution of resources of the State to its people, and when we listen to the Member for Diego Martin Central as he talks about that distribution, one gets the very distinct impression that this Government is really about building a lopsided economy and not really looking at the interest of the poor people, or those on the other side of the scale, and this is really my concern. That is why I enter this debate.

Recently, I asked myself the question and then I made it public a couple days ago. Which young couple in Trinidad and Tobago just married could walk out into the society and say they want to buy a piece of land, build a house and buy a motor car? When I was a youngster—and I got married very early, Mr. Speaker—we could have done that. The couple could have gone to the bank, arrange to build a house, buy a car and start with their life. Today, with the cost of living as it is, if you cannot raise \$500,000 and more, you cannot start, and that is small pickings.

I am very concerned about the cost of freehold land in Trinidad and Tobago and why it is so. We hear people talking about the economy and inflation of food prices being 40 per cent, and we have beaten that to a pulp. But land is something of concern to me. Munroe Road, which is a rural development, the cost of a lot of land is \$400,000 and in other areas also. How could people build? Recently I was listening to a young man who returned to Trinidad from America where he lived for a few years. He had saved some US dollars and returned to open an agro-based business so he looked at rice land in Penal and when he heard that the cost of three acres of land was \$1.5 million, he said he cannot even buy the land, much less start the business.

I thought about it, and my colleague, the Member for Fyzabad alluded to the question of money laundering and I am putting it on the record that I believe that people in Trinidad and Tobago with money to play with and money to spare will purchase lands at exorbitant prices putting it out of the reach of the poor and the Government is doing nothing about it. Always when I speak I make recommendations and I want to do so, and my friend the Member for La Brea will help me, or even you, Mr. Speaker. When you purchase land, is it asked where you got the money to buy the land? I want to put it on record that we should start doing that. When people pay these exorbitant fees for land the question must be asked: How, where

and why. How did you raise that money? From where did it come? And then a deed could be issued. We have to start taking stringent actions to deal with what is happening.

We heard this week in bits and pieces that there is an underground economy in this country much larger than the real economy and I do not know how we are going to stop it. We talk about having radar systems and so forth. I do not know how successful we are, but DOMA said recently that legal businesses are now turning into illegal businesses. I do not want to get involved with that, but I would like somebody to investigate these things.

We talked about promoting a police service that could be intelligent enough to start to investigate these things and I believe as I talk with you that something is definitely wrong with our system. Now we have the Central Bank which is responsible for looking at our economic development and assisting us, today I am not too sure what its role is and if it is fulfilling what is its mandate by statute. Is it doing what it is supposed to do, or is it advising the Government and Government is not taking its advice? I do not know but I am very worried about what is happening.

We talk about the increase and this is something about which I am concerned, and I must say when I talk about money and how it is being spent. When we look at the people and their expectations, the Minister of Trade and Industry and Minister in the Ministry of Finance spoke in glowing terms of our doing quite well, we impress the world; our growth rate is 12 per cent. All this is commendable, but is that reaching the people who need it the most? Is it making them happier? When one speaks with them, one gets the impression that they missed the train and something is happening somewhere else in Trinidad and Tobago, but not where the poor people are.

When one looks at inflation and the cost of building materials, it is out of the reach of—we do not want to admit it but there are some of us who would hide and pretend that everything is okay—a person who is working for \$5,000 per month. Such a person could be considered a working poor, because when you look at his disposable income after he has paid for the basic necessities, there is none. Maybe we cannot blame anybody, we cannot shift blame and say this or that person is responsible. To me, it is the overall development of this country and where we are.

It is said that the campaign season has started and we have talked to people and one gets the impression because of emotional reasons people hide. They say they are happy, things are going well, and I cannot imagine that at all. My appeal

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is to the country now. Let us wake up; let us really see the reality of Trinidad and Tobago; let us see how the less fortunate in our society can really benefit from what is happening.

Let us take housing for example and look at the poor. I accept the figure—although I know they are bogus, 78.1 per cent—by their own admission living with less than \$600 per month. How could these people build a house? How could they even rent a house? Maybe they survive with the \$22 of foodstuff per day? Where do they live? How do they pay their light bills? How do they pay their water rate? On top of that, their houses are broken down. They must squat. The question is a social one. Is it that we care about those who have and do not care about those who do not?

Mr. Speaker, I have been asking questions in this Parliament from time to time and I am not querying you and the answers, but the questions have a common thread in them. You will notice that I asked questions about money that is being hidden from the public glare; for example, I asked the Minister of Community Development, Culture and Gender Affairs the following question:

“Could the Minister provide:

- (a) the programme of public relations advertising and other print or written media advertisements conducted by the Ministry for the period October 1, 2004 to December 31, 2006; and
- (b) the names of the media houses and the cost of each advertisement?”

Mr. Speaker, this answer was due in April and three months later no answer was given. This is the hidden cost of running the Government; public advertisements. All over the place, billions of dollars are being spent, if you check all the ministries, and if this money was spent in the proper way doing the things the ministries ought to have been doing, we would have seen an improvement in the quality of living, but instead, money is being used as if it is there for us to deal with.

So when we come today and the Minister humbly asks for \$700 million from the Consolidated Fund, unless we misunderstand what the Consolidated Fund is, it is where our taxes are deposited and we use that money to give to the Central Bank which we expect to be the manager of our economy and will inject resources as it sees fit to improve the quality of living. I am a bit worried.

As we talk about advertisements Mr. Speaker, this one from the Ministry of Education takes the cake. It says 18 centres are being constructed and they are building an Early Childhood Centre in Munroe Road where I live. So I started to

look for the centre and then I saw this advertisement. The building portrayed in the advertisement is the church. They snapped pictures of the Munroe Road Pentecostal Church as the Early Childhood Centre. No centre has been started, nothing has happened. This is what I call “con-man-ship”, using the Government’s resources and money to do this. For what? Do you know if they were really serious about this full-page advertisement, they would have really started the building of the Munroe Road Early Childhood Centre?

It is here. I can lay it in the Parliament and you can visit if you want to. The poor people with the church are also worried that their church is being advertised as an Early Childhood Centre. They do not mind.

Mr. Speaker, my friend talked about tomatoes. I am a gardener still and I love it, and I have been doing it for my entire life, being an agriculture-based person. Tomato—my friend, Eddie Hart will surely know this, as well as Mr. Jarrette Narine—prices dip in the dry season because it is a crop that relishes in the sunshine and prices go down annually. This is nothing new. But at Christmas time and later in the year when it rains, tomatoes cannot bear, they have to do something to produce tomatoes and every year the price varies. I even make a joke saying I will eat tomatoes in the dry season so I would not have to eat them in the rainy season. That is a fact. Right now 4 lbs of tomatoes are sold for \$10 and in September/October you will get them for \$10 per lb for the small ones like cherries. So you cannot fool anybody with that, maybe you do not buy tomatoes, but people out there do.

Mr. Speaker, that is what is happening. I said I would not be here long, but the passion in me when I hear about money and how it is spent, and modern-day police service and so forth. What really got me involved in this debate is this letter which I got this morning talking about the Police Service of Trinidad and Tobago, money spent on it, and which will be spent. I have to put this on the record with your permission, Mr. Speaker.

This is a letter written to me, an original document.

“The Honorable Manohar Ramsarran

Member of Parliament

Chaguanas Borough

On Thursday 19th April my son, Dhanraj Bowlah did not come home. I was a bit worried when attempts to contact his mobile phones went unanswered. My son was accustomed to coming home late due to his Tailoring Establishment which is located on Monroe Road, not far from his home.”

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Or my home, Mr. Speaker.

“Usually he would work late hours to prepare work for his employees on the following day. He also was a business partner with (name called). . .”

I do not want to go into that, Mr. Speaker.

“...he would attend to the business at various locations and return home late at night using ... van.

On Friday 20th April we contacted the Chaguanas police station who arrived immediately. They cooperated with us and were very helpful. We also spoke with the Anti-Kidnapping Squad until Wednesday 25th of April when we were informed a body matching the description of my son was found in a river off Brazil, Arena road, San Rafael. My youngest son, Premanan positively identified the body at the Forensics Science Center in St. James. From there the case was transferred to the Arouca police station. The van he was driving was also found not far from the body.

We kept in contact with the station at least once a week until we got a letter from Republic Bank Limited on Chaguanas Main road, Chaguanas. We contacted the information to the police immediately because money was withdrawn from my son’s account on the Friday after he went missing.”

4.00 p.m.

Mr. Speaker: I gave you the opportunity to make a short statement on that, but unless the fellow was sewing uniforms for the Central Bank, it has nothing to do with it. Wind that up quickly.

Mr. M. Ramsaran: Mr. Speaker, I continue at the risk of being ejected from this Parliament, because here we have \$700 million being put into the system and when we talk about our safety, our security, which is enshrined in our Constitution, and this money is being spent and the signals sent out there that \$700 million more is taken from the Consolidated Fund, the taxpayers’ money, to go there—

Mr. Manning: No, that is not what is happening.

Mr. Valley: That is just a book entry—

Mr. M. Ramsaran: I know; I understand it and I read it into the records. I found out from my colleague; I know; I am not speaking willy-nilly. You are trying to explain to me because you believe I do not understand. Imagine people out there—[*Interruption*] I am not misleading them; I said “imagine”. You believe that I do not know so you want to correct me and I thank you for that, but just

imagine the people listening to us out there when we come to this Parliament to debate these things, people would hope and pray that something would come their way. I am telling you. When you hear the Minister of Trade and Industry talking so beautifully, painting a picture of the economy of Trinidad and Tobago, there is another side and by your own admission 17.1 per cent of the population lives under the poverty line of \$665 a month. How could these people survive? Then you go up the scale. People are in trouble. There is a headline in the *Newsday* which states: "I want some answers".

I come to the Republic Bank. This is where I believe—what I am trying to say—the point will be made. The letter ended by saying he stopped visiting the police after he got this letter from the Republic Bank, where money was withdrawn from his son's account the day before he died. There is a time, and the amount that was withdrawn from the account. If the police officer would visit that bank and get the video recording of how that money was withdrawn and who withdrew it, maybe we could have an end to that case.

Mr. Speaker: You need to move on.

Mr. M. Ramsaran: I want to put on record—again, maybe this is unusual to me; maybe somebody could help me in this Parliament. The death certificate states: "Cause of Death—Undetermined. (Body found in state of decomposition) certified by Dr. E. McDonald Burrell." As a police officer, you come to investigate a kidnapping, how would this help you? Mr. Speaker, I move—

Mr. Speaker: You are moving on. Okay.

Mr. M. Ramsaran: I could talk for 75 minutes, you know—

Mr. Speaker: You could talk for 75 minutes yes, but you could talk on what is before us.

Mr. M. Ramsaran: All right, Mr. Speaker. I could talk on what is before us because I would not come to this Parliament unprepared, as you always know, but I had to do that because we have a banking system in our country and I have confidence in what is taking place in the banking fraternity, but when these things come up—I am asking the question now, if there is an investigation, would the banks assist in those investigations?

Sometimes, Mr. Speaker, you might feel that when I come here I would attack you; it is not that. It is because I speak on behalf of my conscience and what is happening out there in the public domain. We must talk about it from time to time when we come to this Parliament. Yes, you might have a particular Bill, but when

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my friend from Diego Martin Central talks so well about the economy, there is another side to it and I believe I should be allowed to speak for the other side, which is what I am trying to do.

This is just something I wanted to bring into this. Before I take my seat, as I said before, I am just concerned about a couple things. We talk glibly about equality in our country. Equality where? As I said before, this would not be a long intervention by me, but the people out there are wondering; they are asking questions; they want answers. At some time the election might be called, but that still might not be the answer. What are our economic policies? *[Interruption]* No, we need to have it balanced. That is what I am asking for, a balanced policy.

As I said before, the first line you learn in economics is the government's responsibility to distribute resources amongst its population and we expect that word "divided" means equally, so that people out there—*[Interruption]* That fact is, are we doing that?

Mr. Manning: Yes.

Mr. M. Ramsaran: Are you sure we are doing that?

Mr. Manning: Absolutely.

Mr. M. Ramsaran: Because I am not getting that feeling when you go out there and see what is happening. Let me tell you something. When I was the Minister of Social Development under the previous administration, Trinidad and Tobago was ranked first in the world by the UNDP because of how we attempted to deal with poverty. That was in 1997, 1998 and 1999. Today, that same UNDP's report places us 17th and it is dropping. Not that we had eradicated poverty, but we attempted to deal with poverty. That is where the wealth was being shared.

Mr. Manning: I thank the Member for Chaguanas for giving way. The pattern of public expenditure in this country was shifted heavily towards the social sector in the year 2002 and between the year 2002 and 2007, social programmes have been introduced into this country at a rate that is unprecedented. In fact, we have doubled our expenditure in the social sector. You name it: the number of youth programmes that we have introduced; the number of programmes for the elderly, and so on, is on such a scale that I really cannot understand what the Member for Chaguanas is saying.

Mr. M. Ramsaran: I thank you very much, Mr. Prime Minister. I hope when I am answering you I am not ruled out of order. Why is it, Mr. Prime Minister, with due respect—you do not have to answer me, but why do you have to leave the health sector here in Trinidad and Tobago and go elsewhere?

Mr. Manning: Mr. Speaker, I first went to Cuba in 1998 for an operation which was not available to me in Trinidad and Tobago under conditions that I considered acceptable. I just wish to make it clear to the Member for Chaguanas that I find myself in a very unique position and I have to be very cautious of what I say. I do, in fact, utilize doctors in Trinidad and Tobago, but because of the operation that was done in 1998, I also ensure that I do checks in Cuba, and just for the record, sometimes the results do not tally. Sometimes the results of the tests done in Cuba are different from the results in Trinidad and Tobago as, indeed, has happened on this occasion. So there are those kinds of considerations as, of course, you know are other considerations that we consider very relevant in this matter.

Mr. M. Ramsaran: Thank you very much. I do not want to really delve into your personal medical condition. I am sure from what you are saying you have more confidence in the results you get in Cuba. It means that our health sector and the billions you have put in have failed us. It is interesting. I have two personal friends at this moment who suffer the same fate as the Prime Minister. They have their pacemaker—open heart surgery—and these people had to face local doctors and there is no such equipment in Trinidad and Tobago to deal with the condition and they would have to raise money; they would have to beg; to borrow; to sell, to go for their yearly treatment. So I want to know what is the system. Would somebody out there at the end of the scale, with the same problem as the Prime Minister, be allowed to go to Cuba? These are the questions we are asking and these are the answers we are looking for.

So I wish the Prime Minister well and I hope you are fit enough to let us see what would happen over the next few months.

Mr. Manning: I thank the hon. Member for Chaguanas once again for giving way and I would like to assure him and the members of the national community that not only have I been given a clean bill of health, but the doctor has assured me that I can return to service at all levels, with full capacity. [*Laughter*]

Mr. M. Ramsaran: This is the exciting part.

Mr. Ramnath: Mr. Speaker may be tempted to go to Cuba.

Mr. M. Ramsaran: He is fit and ready to do his work after coming from Cuba. So I hope that would end that part of the debate.

You know, the hon. Prime Minister raised something very interesting maybe without knowing it, that he has the goodwill of Cuba, to go there to deal with his

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health problems and we, in Trinidad and Tobago, must face the music locally, except those who could afford it. [*Interruption*] I said I have two personal friends right now with the same problem as the Prime Minister and they would have to, maybe, sell their things and go away.

We talk about equality, and for those who read the *Newsday* today, on page 3—I used a statement a couple weeks ago in this Parliament that we believe we are living in a small country and people would not know what is happening here. I think we are fooling ourselves. I have to come back to the recent conference I attended where they spoke about corruption and Trinidad and Tobago was rated higher than we want to believe; at least in that conference and with the literature available. I would not go back into why we are considered to be so highly placed, which is the wrong end of the scale, of course, but today on the *Newsday* of page 3, it says:

“Hindus under attack in TT

Indo-Trinidadians have been systematically denied government benefits and employment in government service.”

We believe everything is hunky-dory and we are okay, but here we have an international agency saying this. I want, somehow, somewhere in this country, we could build a consensus; we could build a place that we could live together.

I want to ask the Prime Minister, the alliances on the Front Bench and the COP on the Back Bench, when we go out there for this election, let us tell the people of Trinidad and Tobago how we want to build Trinidad and Tobago; let us get rid of racism; let us get rid of the negative parts of our society; let us try to get past emotions and let us see how we could come to the country with the issues of the day; how we could get our country running, because I believe in talking to people out there. We are living on a time bomb and we must attempt to try to change that. With the imbalance of goods and services to our country, with Government coming every other day to transfer funds, to deal with money, and so on, people out there believe that billions of dollars are flying through our country and they are not benefiting.

Thank you, Mr. Speaker.

The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill): Mr. Speaker, let me thank those who contributed to the debate. Let me address some concerns expressed and let me start with the Member for Chaguanas. In his contribution he raised the concern about how members of the public who may

have issues with the banks being regulated, like the Central Bank, can, in fact, get their issues resolved. For some time now, one of the deliverables of the Central Bank has been to put in place the whole question of the Financial Services Ombudsman. It started with banks and then it was expanded to insurance companies. In fact, what they have agreed to voluntarily is that if an issue is raised, then this officer would have jurisdiction to deliberate on the matter and whatever the agreements are, they would be bound by it, and that is working quite well. I think there were, maybe, only about two or three companies that were not into voluntary compliance and we dealt with that in a particular way.

The number one issue that he raised as it related to the Consolidated Fund, Mr. Speaker—all the profits that the Central Bank has at the end of any particular period go into the Consolidated Fund. In fact, it would seem to me that once there is a contribution and you need to deal with it, in this case, strengthening the capability of the Central Bank to do certain things, then the source of funds must come from the same place. But in this particular instance, what is being sought is simply to move money that is currently in retained earnings, into capital, which will strengthen the balance sheet, but at the same time make it available to the Central Bank and not to the Government, so that the Central Bank can maintain, as I said before, its own independence and continue with the work that it has to do relevant to the risk that it is taking and now relevant to the industries that it has been requested to deal with.

As it relates to the benefit that the ordinary individual will get from the Central Bank, a properly functioning financial system is really the bedrock of all that we do and to the extent that we provide an institution that has that kind of responsibility with the tools by which it can do its work, then there can be no question as to the benefit that the population will receive as a result of those issues, and we will continue to support those issues.

The Member for Siparia asked a question, which is: What is the justification for the increase? In 1965 the capital lid of the bank was \$2 million and at that time the asset base was \$53 million, and if you expressed a relationship between the authorized capital to total assets, which is the one that we are using, that worked out at 3.8 per cent. As the bank grew in assets, there was a commensurate change in the capital requirement. So that, for example, the first change occurred in 1966 when the total assets grew to \$73 million and the capital moved to \$5 million. In 1985, the asset base moved to \$5 billion and the capital to \$30 million. By 1994, it had moved to \$6 billion. The capital moved to \$100 million and you maintained a relationship of 1.7 per cent.

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What has occurred between 1994 and 2007 is as follows: In 1995, the asset base was \$6 billion, then it moved to \$7 billion, to \$8 billion, to \$11 billion, to \$13 billion, to \$14 billion, to \$16 billion, to \$20 billion, to \$29 billion, to \$42 billion and it is projected in 2007 to go to \$47 billion. What that basically means is that the asset base of the institution has moved from \$6 billion to \$47 billion. But while that has occurred, the authorized capital to total assets ratio has declined to 0.2 per cent. By all standards that is not acceptable and, therefore, what we have done is, we have simply said that if we have to maintain our 1994 position—the relationship between authorized capital to total assets—then we expect it to be 1.7 per cent and if you work that out, the number is \$800 million and that is what we are seeking to do.

I can also tell you that during the course of the history of the bank, the authorized capital to total assets ratio has moved as high as 6.8 per cent in 1966; it has been low—0.1 per cent—in 1984. But we believe that in the context of the growing economy, in the context of the things that we have to do and in the context of trying to prepare Trinidad and Tobago to be an international financial centre to deal with issues of the Caribbean Single Market and the Economy; cross-border activity and so on, in the context of all that risk relative to the expansion of the financial services sector, then one has to make sure that the regulatory body has the wherewithal and the ability to deal with any issue and this is what this measure is doing. It is simply giving the Central Bank a measure of stability and independence as it does its work. So how did we decide on this amount? I just explained that.

The Member for Siparia talked about the question of widening the gap between the rich and the poor and it is something that we need to talk about, because if you think about it, there are really four ways in which an individual can earn income: either as an employee; self-employed; a business owner or an investor. Depending on where you sit, your ability to, as it were, increase your wealth, or increase the income, is based on a number of things. This Government, by policy, has done a number of things to try and shift individuals from, what we call the poor side of the equation to the rich side of the equation. It is fundamental. Decisions that you make impact your ability to be either poor or wealthy. We, in recognizing that, have decided, by policy, that we would put in place a financial literacy programme to make more citizens aware of the fact that they need to make different decisions and different choices if they have to get different results, and that is working well.

We have also put in place, by policy, certain kinds of support mechanisms to ensure that those who were traditionally only of the employee class, now have the ability to move into the business class. It is by that mechanism—moving from the employee class to the business class—that you change the wealth dynamics within the society and you seek to reduce the gap that exists between the rich and the poor. It is by that mechanism.

On the issue of poverty, our policy has been that one of the ways in which you move poverty is by educating your people. Therefore, in the context of the policies that we have embarked on over the last five years and where we have put our resources, we have said that in preparing Trinidad and Tobago for a knowledge-based society, the first thing you need to do is to make sure that any individual who wants to have an education, regardless of income status, can, in fact, have one. We have done that by policy and we have seen, by policy, the impact that is having on our population. Therefore, we are moving to the stage where, if not this generation, but certainly the next generation will not have that issue to deal with.

Additionally,—and we talked about this—in our first two years in office, the criticism was that the Government is not doing anything. What we were, in fact, doing is making sure that the social sector policy positions were correct. While it is correct that the delivery systems are not what they need to be, as so many of the other delivery systems within the central government system, it is something we are currently working on and we will have that result in a very short space of time.

The issue of Government spending that came up as it related to what we have to do, conventional wisdom is something that basically has to be looked at in the context of the particular needs of the society. It may surprise you to know that in our discussions with the IMF, they actually frowned on spending for the social sector, because on the basis of the models that they follow, that really is not on. But in the context of our responsibility to the citizens of Trinidad and Tobago, we believe that all our people must participate and, therefore, there are some instances in which we do not take the policy advice because it will not achieve the objectives that we have set out. In this particular instance, we have a particular objective and in carrying out that particular objective we are very clear about the choices that we are making between investment, spending and savings. We have put in place the appropriate policies to deal with those specific objectives and as far as we are concerned, in the context of what we see and in the context of how we deal with our business, we are being successful.

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There was a discussion about the questions of transparency and accountability. As far as I am aware and as far as Members will recall, the Central Bank, as an organization, must submit to the Parliament—and we do that on an ongoing basis—its report that talks about the issues relative to its governance; what it is doing by policy; what are the amendments it has made; what are the various areas in which it is moving. On the last occasion, in addition to the economic policy report that talks about the economy, it also talked about the operations of the Central Bank and it placed into the record of the Parliament, all the issues that have been raised today as matters of accountability.

I am also aware that this particular Central Bank, the governor and his team, were subject to one of the committees of Parliament where they were required to come and give an account of their stewardship, and even to talk about matters relative to the internal audit report and to explain what those issues were and what they are doing about it. In that context, therefore, I believe that the accountability, the transparency and the reporting issues that were raised by the Member for Siparia, would have been dealt with in the manner in which we had identified that they would occur.

The question of energy shocks—price shocks—we have said in the course of our discussions that the mechanism we have put in place to deal with this is the Heritage and Stabilization Fund. The Fund has two elements to it; one that deals with price stabilization issues in the event that you have price shocks, and the other has to do with heritage in the event that you get to the stage where the asset is depleted. We have basically put in place a mechanism to deal with that and that is moving quite nicely.

As it relates to the Member for St. Joseph who really made the point about the Home Mortgage Bank to which we responded, and the question of the legislative agenda, I think that we will put out very shortly where we have reached on all of these matters. One of the challenges that we had faced in the legislative agenda had to do with the level of consultations and the level of stakeholder involvement in moving the legislation forward. As it relates to the one on the credit unions, for example, there are still three issues that are outstanding. All the rest of the issues are resolved and we are moving to the stage where we are coming up with some draft legislation. Again, the relationship between fiscal and monetary policy; fiscal policy drives the activity and monetary policy follows. That has been the way it is; that is the way it is and to say anything other than that would not be correct.

The Member for Fyzabad made an impassioned plea and the substance of his contribution was, really, whether or not the needs of the population are being met

and whether or not there is equitable distribution of State resources. From where we sit, by policy, we have put in place mechanisms to ensure that all in our society benefit. The next level of intervention that needs to be made, really, is at the level of institutions, to ensure that the institutions can respond in the manner in which the population has come to expect us to respond. That will require some discussion with those on the other side, because in some instances, the institutional arrangements must change.

The one that we have been successful in during this term is with the police service. That system we have put in place where the Commissioner of Police really has responsibility for those under his charge and he has absolute responsibility in the deployment of his organization, I think is a model that, if we look at it over time, we would find that it is a requirement for the future, because outside of that, there really is not a system by which we can reward, sanction or, in fact, make interventions relative to the institution or the environment that is taking place. Therefore, the issues that were raised are extremely important, in my view, but I believe that what we are seeking to do at this point in time, on the basis of the size of the Central Bank's asset base and on the basis of trying to maintain that independence, recognizing the growth in the sector and the responsibilities of the institution, is something that we should, in fact, support.

With those words, I beg to move. [*Desk thumping*]

Question put and agreed to.

Resolved:

That the resolution of the Central Bank of Trinidad and Tobago to increase its authorized capital from one hundred million dollars (\$100 million) to eight hundred million dollars (\$800 million) is hereby ratified.

Mr. Speaker: It is just about two minutes on, so with the leave of Members, perhaps it is a good time to take some tea. We will return at 5.00 p.m. sharp.

4.30 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

INSURANCE (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 Insurance Act Chap.84:01 be now read a second time.

The matter for consideration of this honourable House is the amendment of the Insurance Act Chap. 84:01 to revise the limit on investment on equities by private occupational pension plans. Currently, a private occupational pension plan that registered under the Insurance Act, Chap. 84:01 can invest in ordinary shares not exceeding 50 per cent of the accepted value of its total assets in Trinidad and Tobago. Owing to the continuous increases in local equity value beginning in 2002, several pension plans saw their equity holdings rise above the 50 per cent limit. As at the end of December 2004, 42 out of 204 active pension plans had exceeded the 50 per cent limit. Pension plan holdings of equities in most countries rarely exceed 40 per cent of total assets, as they are heavily invested in government and corporate fixed income securities.

The situation in Trinidad and Tobago is that there is a shortage of both government and corporate fixed income securities. A number of initiatives are being implemented to address this. In the last few months, in Trinidad and Tobago a programme to increase the supply of government securities has been initiated and steps are on the way to develop a secondary market for government paper. More fundamentally, as part of Government's Financial Sector Reform Programme, the Central Bank has initiated work on new pension legislation which in line with international best practices would reduce dependence on portfolio limits while emphasizing the adoption of a prudent person approach. Because of the need to have broad-based consultations with major stakeholders, which is normally a very involved and time-consuming process, we expect that this new pension legislation—based on the information of those who were involved in the process—is unlikely to be ready before the end of 2008.

Pending the introduction of this new legislation, it is critical that any additional leeway given to pension plans to purchase equities be subject to the maintenance of the most stringent prudential safeguards. After wide-ranging discussions and agreement with major stakeholders—this is one of the reasons that this is coming now—there was a requirement for us to have significant stakeholder discussions.

The Central Bank has formulated an amendment to the Insurance Act, Chap. 84:01. The merit of this amendment is that it provides the room for well-funded pension plans to invest in additional equities if the funding situation is significantly in excess of minimum regulatory requirements. There is an investment policy approved by the Central Bank and they provide quarterly financial statements to the Central Bank. The proposed amendment is as follows: All plans with a surplus of 50 per cent or less of pension liabilities will remain subject to existing equity limit of 50

per cent and plans with a funding ratio of 150 per cent will be allowed to invest equities beyond the 50 per cent limit. Put another way, these plans will be able to make additional equity investments with any surplus in excess of 50 per cent of pension liabilities. The value in aggregate of the investment permitted based on the two situations that I have just described is not to exceed 70 per cent of the total assets of the plan. The merit of this option is that it provides the room only to well-funded pension plans as additional equities are financed out of the pension fund surplus, after providing a significant buffer equivalent to 50 per cent of pension liabilities.

The investing activities of pension plans have a significant impact on the liquidity and vibrancy of the stock exchange. As individual plans have reached the existing allowable limit for investing in equities, that is 50 per cent of assets, there has been a sharply bearish trend on the stock exchange. This amendment is intended to increase effectively, the allowable limit from pension fund investment in equities from 50 per cent to 70 per cent, subject to the criterion that the fund's assets must exceed 150 per cent of its pension plan liabilities. This criterion has been established in order to compensate for the inherently greater risks that derive from higher levels of equity investment allowed. This measure is expected to increase trading activity by releasing \$690 million of investable funds and should contribute to the reversal of the bearish trend on the stock market. It represents the upper limit of the relief that may be won from this source. While this measure would contribute to greater vibrancy of the market, it needs to be complemented by additional efforts on the part of the government regulatory agency and the private sector. These efforts must be devoted to reviewing and developing solutions to the well-known systemic problems, that impede more active trading on the stock exchange.

This amendment will provide additional room for well-funded pension plans to make up additional investments in equity up to a certain level and subject to adequate prudential safeguards. There is approximately \$712 million of unused capacity for equity investments for the sector as a whole. With these amendments capacity would be increased by an additional \$1.8 billion for the sector as a whole. If this amount is invested in equities it would be a significant boost to the stock market.

I will examine the amendments to the Bill clause by clause.

Clause 1 which cites the short title of the Bill is self-explanatory.

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Clause 2 specifies that the Act means that the Insurance (Amdt.) Bill, 2007.

Clause 3 which will amend section 46 of the Insurance Act to clarify the Second Schedule of the Act sets out the securities and other assets in which the assets of a statutory fund could be invested and the manner in which such investments are to be made.

Clause 4 amends section 186 of the Act to ensure that the trustees of a registered pension fund plan could invest the assets of the plan, in the assets permitted by section 46 as well as in a manner set out in the Second Schedule.

Clause 5 amends the Second Schedule to set out the criteria that would allow over-funded registered pension fund plans to invest in ordinary shares in excess of 50 per cent of the accepted value of the total assets of the company for the plan.

On the basis of the foregoing this honourable House is asked to approve the amendment of sections 46 and 186 and the Second Schedule of the Insurance Act, Chap. 84:01, in the manner set forth in the Insurance (Amdt.) Bill, 2007, now laid in this House. In doing this amendment there had to be an understanding of the inherent risk and the ability to ensure that pensioners would not be affected based on activity that can take place in this portfolio of funds. The proposal before the House takes into account that in analyzing the portfolio of pension funds; looking at the liability issues and matching the asset liability mix, it would allow the best way of moving forward to deal with issues relative to increasing a participation in the stock market, but at the same time ensuring that the risk to movements to pensioners are not as great as they would have been ordinarily, if this particular method had not been put in place.

In the examination of this exercise it is very clear that there needs to be some level of discipline in the pension fund relationship with investment managers. For that reason the Central Bank is putting a mechanism in place that says that they must report and there must be a way in which the Central Bank can be kept up to date with what is happening. At the end of the process, it is the responsibility of the regulator to ensure that when individuals invest in this type of activity to deal with the pension and long-term liabilities, they are ensured that the resources would be available.

I commend these amendments to this House. With these few words, I beg to move.

Question proposed.

Mrs. Kamla Persad-Bissessar (*Siparia*): Mr. Speaker, this Bill concerns and revolves around among other things, issue of accountability; responsible administration and consideration of pension for the elderly. It is very specific in that it deals with investment by the trustees of pension funds into various kinds of equities. As the Minister said, this Bill proposes to vary levels of investment of pension plans. In interfering with the existing provision in the Insurance Act of 1980, we are putting a change in terms of the level of risk to contributors to the fund.

We see where employees have spent their lifetime working towards certain benefits; contributed to pension plans and when they retire, for some reason or the other, when they look for that pension all kinds of stories come out. You hear about funds being short; money is missing and files are missing. This happens while money was being deducted over the working life of the employees. As my colleague is reminding me, as what happened in Caroni and the North West Regional Health Authority. When that happens it is robbery, theft because these funds were contributed by persons seeking to enjoy their retirement, if not in any great degree or quality of luxury, certainly, some kind of comfort zone at the end of their working lives.

That is why provision was put in place in section 5 of the Act. It meant that pension fund managers could not risk more than 50 per cent of the fund's assets. You had 50 per cent that was protected completely and the other 50 per cent could be invested. On one hand, the fund is constrained in a level of investments and the proceeds of that should go to the benefit of the contributor to the fund, but on the other hand, it would have been unwise to invest so much that you place basic contribution on risk and in the event of a mishap on the stock exchange or elsewhere, there is that safety net of that 50 per cent which you were not allowed to place in investment. We are talking about pension funds. Remember that pension funds and annuities are based on the concept of preparing for retirement. The obligation of the contributor and his needs are provided for in that context. What we are doing here is no light matter. At the end of the day, we would be changing that safety net of 50 per cent and saying that more can now be invested.

I note in the proposed Bill the varied limits and conditions under which the investments can be made. It varies the level of risk by allowing very large sums of pension funds to increase substantially, their investments. If things go smoothly, the contributors would benefit but if something happens, they would lose their potential earnings and everything. That risk is always a tremendous reality. We hope that regulatory schemes would be in place to ensure that increased returns would translate to higher pension and that risk does not accrue to the pensioner at that point in time.

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It is important when we see what has happened in the insurance industry. In his Motion, the Minister averted to two companies that have gone under. Two insurance companies went into receivership. There were policy holders and persons with outstanding claims against those two companies who suffered financially and mentally. They were placed in anguish because the law says that you must have a valid insurance policy to drive your car. You pay money and purchase insurance. You have the certificate which says that you are covered for a certain period of time and when something happens, the company goes into a position where it cannot continue to do business.

There are many drivers on the road who have these policies. The father of someone close to our office was involved in an accident in which a truck ran into the car. The car was written off and only to discover that the company was in judicial management. What does this person do? Why was nothing put in place? While we talk about being able to invest more of the pension funds we must be sure that you have the protection and regulatory monitoring mechanisms. They are saying that the judicial manager must complete their work. At the end of it, when they complete their work, as you know from the practice of the law, there would be very little left because these people seem to be very good at dissipating assets.

My question is: How could this have happened? I would like the Minister to tell us. We have a supervisor of insurance. Where was the supervision? I heard the hon. Minister say that with these investment pension plans they must report on an ongoing basis. Did the insurance companies not have to report on an ongoing basis? Is there not a supervisor of insurance? What went wrong where these companies have gone into judicial management? This situation would have been developing for a long time and I speak of these two companies that have gone under. Central Bank officials would have seen what was happening, but by the time they decided to act it was too late.

I refer to a newspaper article in the *Trinidad Guardian* dated January 25, 2007. This is more than one year after the Central Bank had indicated publicly that Goodwill General Insurance and Citizens Insurance were in jeopardy. One year after the Central Bank reported that these companies were in jeopardy, we get this article. The headline is:

“No good will at Goodwill”.

No good will at Goodwill reports the findings of the court appointed judicial manager Renee Lisa Phillip of the firm Panel Kerr Foster. In a December 4, 2006

report, Phillips states there is evidence that significant real estate previously owned by the defendant was disposed of. The report further noted that the company did not possess significant saleable assets including Goodwill.

The company had about six months of life left. The searches reveal that all shareholdings were disposed of before the commencement of the judicial management process.

Shell company. By the time they wound it up under judicial management there was nothing left for anyone and people were left crying. My colleague for Couva South just reminded me of something that happened years ago. Summit Finance, International Trust and other finance companies that went under.

All the warning flags went up in January 2006. Orders were issued against conducting business in March 2006. It was not until September that a judicial manager was appointed. In the interim, the company continued to write and renew contracts increasing accumulation of unknown liabilities. By the time the judicial manager was brought in there was nothing left to salvage. Four companies expressed interest in purchasing Goodwill but the judicial manager would not allow it because there did not appear to be anything to sell.

In another article on the same day, January 25, 2007, there is the headline, A sorry mess. It was reported as follows:

Goodwill General Insurance Company Limited has \$1.4 million in cash according to September 13 2006, financial statements submitted to the High Court by judicial manager Renee Lisa Phillip. Its property plant and equipment are worth \$500. However, Goodwill has liabilities totalling \$34.3 million.

The company had \$1.4 million in cash; its property, plant and equipment worth \$500, but its liabilities were \$34.3 million. As I said, they continued to underwrite new business. [*Interruption*] Scams or whatever they may be, why was nothing done before it reached that point? The Central Bank indicated publicly one year before. There is a supervisor of insurance. What does that supervisor of insurance do? They reached the point where the company was stripped down to a shell and people were out there holding policies and are now crying out. I do not know if you want to intervene.

Hon. Enill: I thank the Member for Siparia. The Member is absolutely correct. That is the reason the supervision was changed from the Ministry of Finance to Central Bank. The Central Bank is now applying some of the skills in

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banking supervision to insurance supervision. When they took over the responsibilities for these companies, these companies were in a bad case. They stopped the public from being at risk by doing business.

One other change we made is that we changed the law. Prior to the move being made from the Ministry of Finance to the Central Bank, the Ministry of Finance did not have the ability to stop people from writing. When we changed the amendment, the Central Bank can stop you and you would have to go to court to get the court to unstop them. The arrangements that are now in place are stronger. You would see the Central Bank taking more responsibility and more aggressive action to deal with that issue you raised.

Mrs. K. Persad-Bissessar: Thank you. for that explanation. What has become of the supervisor of insurance in all this? If you shifted functions, have you written off the supervisor of insurance? As far as I am aware the supervisor of insurance is still in the law.

Sen. Hon. Enill: The supervisor of insurance has now been merged into the function of the Central Bank. The position is called the Inspector of Financial Institutions. They have jurisdiction for the banks; pension plans; insurance companies and that whole range.

Mrs. K. Persad-Bissessar: The Minister is saying to this House that mechanisms have been put in place to try to arrest similar developments. We are gratified to hear that. I will like to hear what kind of arrangements are being put in place with respect to these pension funds. This is a sub group of the financial services industry, that is why I raised what happened there. What are the checks, balances, monitoring system and regulatory framework? The same thing would happen again if you do not have checks and balances. I am being advised that the law was deficient. Even though the judicial manager was new in January, by March they were still underwriting and by September the judicial manager was appointed, by which time the company was completely stripped. I do not know when this amendment was made. I do not recall.

We come to the pension fund. I have raised that issue; it is insurance related and we will come back to pension fund in a moment.

ARRANGEMENT OF BUSINESS

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Mr. Speaker, based on previous discussions, I ask that the debate on this matter be suspended so that we could take the Motor

Vehicles and Road Traffic (Amdt.) Bill, Senate Amendments, after which we would return to this debate.

Agreed to.

MOTOR VEHICLES AND ROAD TRAFFIC (AMDT.) BILL

Senate Amendments

The Minister of Works and Transport (Hon. Colm Imbert): Mr. Speaker, I beg to move,

That the Senate amendments to the Motor Vehicles and Road Traffic (Amdt.) Bill listed in Appendix II on the Order Paper be now considered.

Question proposed.

Question put and agreed to

Mrs. Persad-Bissessar: Mr. Speaker, may I seek your guidance. Will each one be read and then we speak?

Mr. Valley: Yes.

Mrs. Persad-Bissessar: Why do we not take all at one time? I need to speak for a short while.

Mr. Speaker: We can do that.

Question put and agreed to.

Senate amendments read as follows:

Clause 4

4(a) Delete.

4(b) In the proposed section 70(2):

(i) delete the words “twelve months” and substitute the words “three years” occurring in paragraph (a); and

(ii) in paragraphs (a) and (b), delete the word “for” occurring immediately before “holding” and substitute the word “from”.

Clause 5

A. In the proposed section 70A(2)(a), delete the words “five” and “six months” and substitute the words “eight” and “three years”, respectively.

B. In the proposed section 70A (2)(b),

Delete the words “ten” and “twelve months” and substitute the words “fifteen” and “five years”, respectively.

- C. In the proposed section 70A (3):
- (i) delete the words “twelve months” and substitute the words “three years” and
 - (ii) in paragraph (b), delete the word “for” occurring immediately before “holding” and substitute the word “from”.
- D. In the proposed section 70A (5), delete the words “in uniform or on showing his authority as a member of the Police Service”.
- E. In the proposed 70B (1), delete the words “in uniform or on showing his authority as a member of the Police Service”.
- F. In the proposed section 70B (3), delete the words “in uniform or on showing his authority as a member of the Police Service.”
- 5 G. In the proposed Section 70B(5), delete the words “five thousand” and “six months” and substitute the words “eight thousand” and “three years”, respectively.
- H. In the proposed section 70C(6)(c), delete the words “six thousand” and “six months” and substitute the words “eight thousand” and “three years”, respectively.
- I. In the proposed Section 70C(6)(d), delete the words “ten” and “twelve months” and substitute the words “fifteen” and “five years”, respectively.
- J. In the proposed Section 70E(1)(a) delete the words “six thousand” and “six months” and substitute the words “eight thousand” and “three years”, respectively.
- K. In the proposed Section 70E(1)(b), delete the words “ten thousand” and “twelve months” and substitute the words “fifteen thousand” and “five years” respectively.

Mr. Imbert: Mr. Speaker, I beg to move that the House of Representatives doth agree with the Senate in the said amendments.

5.30 p.m.

Thank you, Mr. Speaker. I really do not know why the Leader of the Opposition is so anxious. The Minister has to present the amendments before there is a reply. There cannot be a debate without a presentation and then response. [*Interruption*] Gracious? Look, behave yourself!

Mr. Speaker, through you, I need to correct Members when necessary. The amendments are necessary in order to correct an error. They are all more or less related to the same error. In 2000, there was an amendment to the Motor Vehicles and Road Traffic Act and in that amendment the penalties for drunk driving were increased to a fine of \$8,000 and imprisonment of three years for the first offence, and a fine of \$15,000 and five years for the second offence. This was done by the former administration so it is necessary to put things in perspective. In addition, the period of disqualification after commission of an offence was increased from 12 months to three years. That is what was done in 2000 by this House and the other place and the amendment was also assented to in 2000. Since then, the penalties for drunk driving on the first offence has been a fine of \$8,000 and imprisonment of three years and on the second offence, a fine of \$15,000, imprisonment for five years and disqualification for three years.

When the Bill was drafted, the legislative drafters, unfortunately, did not take account of the amendment made in 2000. When the Bill was sent to committee, again regrettably, the technical support that the committee had from the Chief Parliamentary Counsel's Department did not pick up the 2000 amendments.

It was to the credit of the committee that it requested that proper analysis be done to make sure that what we were doing was consistent with existing law. It was picked up by a Senator, who had been looking at the consolidated version online of the laws of Trinidad and Tobago. This particular Senator had made it his business to read the report of the joint select committee—290 pages. It was clear from his contribution that he had read every single page because he was very familiar with the thinking of the committee and the policy that was brought to bear in terms of the amendments made to the legislation by the committee. It was he who pointed out that the penalties in the legislation that was before the joint select committee were inconsistent with the penalties appearing in the consolidated version of the Motor Vehicle and Road Traffic Act online.

We checked with the representative from the Chief Parliamentary Counsel's Department, who actually confirmed that this was so. What was done in the other place was to make the amendments before you in order to make the legislation

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consistent with the amendments made in 2000. Although it may appear that there have been some drastic increases in the penalties, that is not so. They have actually been on the books for the last seven years.

However, Mr. Speaker, the committee also examined the question of disqualification. There was a lot of deliberation in the committee in terms of disqualification, flowing from the contribution of the hon. Member for Siparia about the fact that as a Parliament we should look more at rehabilitation and reformation, rather than being punitive and penal.

The committee examined this issue in some detail. In fact, the Member for Pointe-a-Pierre made the point that the penalty was a particular fine and a magistrate may decide he or she would charge someone a nominal fine. The person might have been just fractionally over the limit. We are setting a limit of 0.08 per cent in terms of blood alcohol content, and a person might be 0.081, and, for whatever reason, he may be found guilty of being over the limit in terms of blood alcohol content, but without previous offence. They may just have been unfortunate in terms of the situation. Although the magistrate might decide to impose a small fine, the way the legislation was worded, the view was that the person would lose his licence. They felt it was unfair on a first offence, where the disqualification was compulsory.

The committee discussed it at length. There were contributions from members of the UNC, the COP, the PNM and Independent Senators. There was a lot of deliberation on this matter and it was felt that, for the first time, the legislation is going to be enforceable. Previously, although there was a law on the books, it was virtually impossible to get proof that the person was actually drunk in that a sample of breath or blood could not be taken without the person's permission. The Member for Barataria/San Juan pointed out that on occasion, in his capacity as a medical doctor, he had been asked to take a blood sample of a person suspected of being drunk and committing the offence of drunk driving, and the person would refuse because it was an invasion of privacy.

There was a situation where, although there were penalties and although there was a disqualification on the first offence, the law was not enforceable because you could not get the evidence to convict the person of drunk driving. Now, the legislation has in it a provision where you will take a sample of someone's breath or blood; you set a threshold for their blood alcohol content and you will be able to acquire the evidence which would cause the person to get a conviction and thereby be subject to a serious fine and significant jail term.

It was felt in all those circumstances, since we wanted to look at rehabilitation for a first offence, that we would remove the disqualification provision. When you look at these amendments, you are not going to see disqualification for the first offence. You cannot really pick it up from the amendments without looking at the amendment Bill. I will tell you what is happening. The disqualification now kicks in from the second offence and not the first.

Going back to the Bill we passed in this House sometime ago, the court was also given a discretion because this is again flowing from the presentation made by the Leader of the Opposition. The court was given a discretion either to order a longer period of disqualification if they felt it warranted it, or order community service or a different type of sentence rather than strict disqualification.

So, Mr. Speaker, what we have before us are amendments intended to make the legislation consistent with the changes made to the penalties in 2000 and to cause disqualification to occur on the second offence and on the third offence, the disqualification is permanent. Now, with the amendments, for the first offence, the person will be subject to a fine of \$8,000 and three years imprisonment. The disqualification is a moot point. If the magistrate or the judge is of the view that the person has created a serious infarction; if they are three times over the illegal limit; they have knocked down somebody; they have caused vehicular manslaughter or serious injury to someone, the judicial officer can order a jail term of three years. Therefore the question of disqualification is moot because you cannot drive while in jail.

The court still has the power to order the three-year jail sentence on the first offence and, therefore, the question of disqualification is really not as relevant as it may appear to be and as some people may have promoted it to be. So the penalty for the first offence arising out of these amendments will be \$8,000, and those who have knowledge of the court process will know that is a maximum. The magistrate can impose a fine up to \$8,000. That is the judicial officer's prerogative. They can also impose a jail term up to three years or not at all. It is entirely within the discretion of the court.

On the second offence, once the amendments are approved by this honourable House, the penalties will be up to \$15,000 and imprisonment of up to five years; and the disqualification of three years kicks in on the second offence; and on the third offence, the person is permanently disqualified from holding a driver's licence. In jail, you are disqualified by proxy.

A person may get a two-year jail sentence and disqualification for three years, so it gives the court maximum flexibility and discretion to order a sentence as it

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sees fit. The court has a lot of flexibility here. The point is quite relevant that if you are in jail for five years, then disqualification for three years is nothing.

In addition, we have also deleted the word “in uniform” or “on showing his authority as a member of the police service”. A person in the other place made the point that this would allow plainclothes police officers to stop someone. That person made the point that someone may be driving home late at night when a person suddenly stops him and the person is impersonating a police officer. So, we made it consistent with the parent Act which simply says “a constable”. We took out the words “in uniform or on showing his authority as a member of the police service” and simply made it “a constable”. When you go back into the definition of “a constable”, a constable is a police officer.

We sought to make the definition of the words “police officer” consistent throughout the legislation in the parent Act, the Motor Vehicles and Road Traffic (Amdt) Bill and in the amendment.

Hon. Member: Does the constable have to wear uniform?

Mr. C. Imbert: In accordance with the administrative procedure, I am advised that the constable must be in uniform or must produce their identification.

Mr. Ramnath: [*Inaudible*]

Mr. Imbert: You would not stop. I would not expect you to stop, hon. Member for Couva South, if you are driving down the road and a man jumps out at you without any identifying features. We sought to take out ambiguous words from the amendment and to make it just a constable. That is the effect of this amendment.

Essentially, we are harmonizing the Breathalyser Bill with amendments already made to the Motor Vehicles and Road Traffic Act, 2000 to ensure that there is no conflict or ambiguity and that the legislation is workable. For the first time, the police are the going to have the tools to get a conviction from a person who has alcohol in his blood stream over the prescribed limit and who is deemed to be impaired and unfit to operate a motor vehicle.

I thank you.

Question proposed.

Mr. Speaker: Hon. Members, please be reminded that when you are contributing, your comments must be limited to the amendments before us.

Mrs. Persad-Bissessar: Mr. Speaker, I would not detain us very long on this. This country has waited for half a century to see legislation of this nature. It is not

a perfect piece of legislation, but it is a start and it will embrace in future the measures to keep updated with the modern challenges.

This Bill, as the Minister has pointed out, came before this House in November. It was referred to a joint select committee. It was returned with amendments and these amendments are here today. It is really a sterling example of what meaningful consultation can achieve. The Minister mentioned that one of the things that informed the amendments before us was the Act passed in 2000. That piece of law was passed by this House when we were in government; UNC legislation. We passed two pieces of legislation to deal with death by dangerous driving. In 2001, we passed the supporting regulations.

I have two issues I would like to raise and I am sure the Minister would be happy to provide further details. The first has to do with the comments made, put in very nice language, that the police now have the tools. The law was there before but they did not have the tools because you could go to court, but you could not prove that a person was under the influence. We have now put into place the system for breath and blood testing.

However, Mr. Speaker, you can have the tools but you also have to have the manual to use the tools and, regrettably, I have not seen regulations. If we want to say to the country that we have finally passed the law, which we want to do—we all recognize that in the anticrime talks, it was the UNC who has pestered for this to be part of the package of legislation—if we want this to work, we have the tools; we are now given the law which says we can test, but it cannot be implemented unless we have the manual, that is, regulations, which will be the administrative procedures to go about doing that.

Hon. Minister, it would be vital for you to work with your draftsmen to get those regulations out because without them, this piece of law will remain on the books, very much like the law already there outlawing drunk driving without the mechanisms for testing and proving. What is the status of the regulations to give effect to the statute that we want to put in place? Those regulations are vital.

Secondly, the 2000 legislation referred to by the Minister really was in some ways very pioneering for this country, but not for the rest of the world. Within that we established a legislative framework for a points system. What has become of that system, a very important piece of legislation? Through that, defaulting drivers would accumulate points against their record. When those points reach a certain limit, sanctions such as suspension, disqualification and revocation of driving permits would follow.

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You know what is happening in the courts; we all know what is happening in the courts. There is a backlog of cases. We can deal with this through the points system and, therefore, three strikes you are out. I ask the hon. Minister to be kind enough to share the status of that points system that was established in an Act of 2000.

Mr. Valley: [*Inaudible*]

Mrs. Persad-Bissessar: On the Minister's word. He said that the changes were predicated upon the existence of the UNC Act of 2000. I am saying that it is predicated upon that, but there are other things within that 2000 law and I am asking him to tell us what is the status of the points system.

Basically, I just had those two points to raise in this debate. My colleague, the Member for Princes Town, has some other issues he would like to raise and I am sure that the Member for Barataria/San Juan would not forgive me if I did not also ask about the status of the point he raised on cellphones. I heard that in the Senate the hon. Minister was very strong about dealing with persons driving while speaking on cellphones. I am sure he would also tell us the status of the drafting of legislation dealing with cellphones.

I thank you.

Mr. Panday: Mr. Speaker, this amendment before the House today is an embarrassment to both the House and maybe to the Senate and shows the need for legislation to be updated and codified in proper order so that when one is looking at legislation pertaining to any particular topic, if it is properly codified and in order, we would not have a problem.

This problem applies to most of the legislation we have. There have been amendments, but unless you go into the consolidated index, you do not know where you are going. Further, the Government Printery needs to be more efficient in printing legislation and having it made public. When you have this kind of legislation that impacts upon society in such a significant way, we suggest to the Government that, instead of running all the advertisements with their beautiful faces and wasting Government money boasting of what they are doing when in truth they are doing very little, they can use the same funding for television, radio and press advertisements educating persons on the seriousness of the legislation.

It is not proper merely to pass legislation and not bring it to the knowledge of the public. There is a maxim in law that states that ignorance of the law is no excuse to break the law. But when laws come so fast and furious and the sanctions

are so great, it is an obligation upon the authorities to bring this type of legislation to the notice of the public.

When one looks at the sanctions imposed in the 2000 legislation, one asks oneself if that is merely deterrent legislation just to say you hear it is this heavy fine that will bring people to order. The Attorney General said in this House during the debate on the Kidnapping Bill that kidnapping has probably been reduced when they heard how draconian the legislation is. I humbly submit that, in these circumstances, there is need to educate the people.

Another point is, since that legislation was merely deterrent legislation and there were no regulations or no mechanisms in place to ensure the implementation of those pieces of legislation, there was not the hope of the framers of the law to say that they were merely putting that there to prevent people from committing the offence. Now that we have the mechanism in place, I am not one to advocate a reduction in the sanctions, but merely to ask if these are realistic sanctions—three years and \$8,000; \$15,000 and three years. The motorcar might not be valued \$15,000. We ask ourselves: Are these realistic sanctions?

When we pass legislation, we must not appear to be comics, but to be realistic in what we are doing. I wonder if the framers of the legislation looked at other offences to see whether offences of a similar nature carry this type of sanction or are we merely trying to put emotive legislation on the law books for whatever purposes.

Mr. Speaker, that takes me to another point. What about the collateral offences that may occur from this section? We are speaking about section 70 offences. Sections 70, 72, 73 and 74 offences go with dangerous driving and driving without due care and attention. Are the sanctions in that little area of the road traffic law similar to those sanctions or is there a necessity to upgrade them to meet the sanctions? At this time, I do not intend to argue on the pros and cons of the amendments, but since the hon. Minister spoke about harmonization, we think that we should look at the whole Motor Vehicles and Road Traffic Act, Chap. 48:40 and harmonize all the law.

This Government blows hot and cold. When it brought the Bail Act, it took away the discretion of the judges to grant bail for certain offences. We were saying that judges of the High Court are members of the Upper Bench; and are persons with more experience and powers than a magistrate. This same Government said that they had no faith in the judges, so they took away the discretion to grant bail. If one looks at all the amendments to crime legislation that have come before this honourable House recently, one will see that this

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Government has been methodically eroding the discretion of the judicial officers. But here today, the hon. Minister, stated that he can give three years or less; he can charge, alluding to the Interpretation Act, up to \$12,000.

Mr. Speaker, magistrates are from the Lower Bench. I am not casting aspersion on magistrates, but I am saying that the Government is blowing hot and cold.

They are giving members of the Lower Bench—magistrates who have a lower qualification—to be appointed magistrates. I think it is seven years or five years practice and they could be appointed a magistrate; somebody with less experience. However, I think, in order to become a High Court Judge you need a minimum of 10 years at the Bar, before you can be considered. In this case, you are giving the magistrates discretion, while, that the same time, too in other pieces of legislation, which are similar to this type of legislation, you are taking away the rights of the judicial officers to exercise their discretion. These are some of things we need look at.

Thank you very much, Mr. Speaker.

6.00 p.m.

Mr. Imbert: Thank you, Mr. Speaker. I will deal with the comments that were made on the amendments.

[Mr. Ramnath rises and leaves Chamber]

Mrs. Robinson-Regis: “Whey yuh goin?”

Mrs. Job-Davis: “Yuh not voting?”

Mr. Imbert: “He just want to go home. Yuh know him already. Yuh know he doh like to stay here.”

Mr. Speaker, I will deal with the comments that dealt with the amendments. Members engaged in adventures. With respect to the manual that we need for the breathalyzer, administrative procedure, I can inform the Member that with respect to these penalties that will come into force with these amendments, the police have been doing the necessary preparations, together with the Bureau of Standards in order to establish procedures for the testing of persons whom they suspect may be driving under the influence of alcohol, and also to finalize the type of instruments and a code of practice for testing persons.

The committee was of the view that a period of approximately two to three months was necessary after all the amendments had been made to the legislation

for implementation. For this reason, there is proclamation clause in the legislation. The legislation comes into effect on a date to be proclaimed. There was consensus among Opposition and Government that we use this proclamation period to complete the training of the police officers, who now have to be certified by the Minister of National Security. The police officer who performs the breathalyzer test has to be certified by the—*[Interruption]* It seems that Members believe that we will not, but we most certainly will be proclaiming this law within the next three months. That is the outside limit.

Mrs. Persad-Bissessar: Thank you. Will the Minister give way?

Mr. Imbert: Can I do that?

Mrs. Persad-Bissessar: Yes, you can give way. Thank you. You are talking about the training and whatever, which is very good. I am glad to hear it, but when I spoke to you, I spoke of the regulations. Under clause 78:

“the Minister may, subject to affirmative resolution...”

That has to come back to the Parliament. That is what I am talking about. Where is the time frame? I am sorry I did not answer you before when you said that I seem to be in a hurry and jumping the gun. I said that I would answer you when I rose. There comes a time in your life when time is of the essence and you want to get things done as fast as you can. When will the regulations come into place?

Mr. Imbert: I do not know how to deal with all aspects of that contribution just made by the Member. I am in no position to determine whether time is of the essence for the Member for Siparia or not.

The point is, as I was saying, the police have already begun the preparatory work, and the Bureau of Standards has already begun its preparatory work and the period of two to three months has been set, in order to complete the training and establish procedures and complete a code of practice.

With respect to regulations, if one were to look at the legislation very carefully, one would see that the matters that require regulations were narrowed down to a small band. The legislation gives various Ministers the authority to publish, by order, the types of instruments that will be used, the procedures for the certification of constables for using the machines, the laboratories that will be certified for the testing of blood and the persons who will be approved for the testing of blood.

In terms of regulations, we were very careful in the committee to tighten it, so that the regulations required are really quite minimal. What I can see, in terms of

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regulations, are, perhaps, to clearly outline in law procedures that police officers must follow in terms of taking the breath test. In terms of specifying the breathalyzer instruments, the laboratories that can take blood tests, the persons who are qualified to take a blood test and the certification process for constables, they are all in the legislation. We have given the various Ministers of Works and Transport, National Security and Health, the power to publish all of that by order. Regulations are not required for that. Regulations, I can see, are required to codify the procedures the police officers must use.

That, again, is another reason we gave ourselves a two to three-month period for proclamation of this legislation. The regulations are almost complete and we will most certainly, within the two or three-month period, come back with the regulations, in terms of procedure. The regulations will be passed in both Houses before the two to three-month period is up, if necessary.

I will not comment on the point system and the cellphones because there are no amendments before this honourable House that deal with cellphones or point systems. As a result, as far as I know, in accordance with the rules, I am not permitted to go into areas that are not covered in the amendments. Just to make a general comment, we will deal with these issues in another forum, at another time. They are very, very important issues but they are not covered by these amendments; cellphones and point systems. We are not amending the point system or the road traffic legislation, in order to allow cellphones. We are not doing that today and, in accordance with the procedures, I am of the view that I am not permitted to go into a lengthy debate on that. I have said it three times.

With respect to the comments of the Member for Princes Town, in terms of why we are here and why we are doing this, the Member is absolutely correct; we do not need continuous updating of legislation. It needs to be circulated to legal practitioners and the judicial officers, to ensure that everybody, and the public at large, is in the loop.

I am proud to be a Member of the PNM Government that for the first time, in the history of Trinidad and Tobago, has published on the Internet a consolidated and completely up-to-date version of *The Laws of Trinidad and Tobago*. It was this Government that did it. Last year, the Minister of Legal Affairs, Sen. The Hon. C. Kangaloo made the announcement that the updated *The Laws of Trinidad and Tobago* is now available online. I have gone online myself.

Mr. Panday: How is it that the Chief Parliamentary Counsel people did not know?

Mr. Imbert: I have gone online myself and downloaded the updated version of *The Laws of Trinidad and Tobago* and it has proven to be extremely useful. In fact, if this PNM Government—Minister John Rahael is showing me, I am coming to that in a little while—this forward-thinking—[*Interruption*]

Mr. Sharma: Stay on the amendments.

Mr. Imbert: I am on the amendments—farseeing, proactive, visionary PNM administration had not done an electronic version and had not posted a link on the Internet for the downloading of *The Laws of Trinidad and Tobago*, that Independent Senator would not have been able to go online and establish the lacuna, in terms of the debate. It just goes to show, Member, you are absolutely right, this PNM Government has done what it is supposed to do.

I can also say, as Minister Kangaloo has pointed out recently, that—

Mr. Sharma: “Yuh promoting yuh candidate”?

Mr. Imbert: Yes. Good candidate and she will win too. The Minister of Legal Affairs has completed the work for the publication of the updated version of *The Laws of Trinidad and Tobago* up to 2004. I do not know if you picked it up. I think she announced it at a press conference—or it has not yet been announced. We have done the work.

Mrs. Persad-Bissessar: You are promoting your candidate, but the Member for Arouca South did that.

Mr. Imbert: Minister Rahael has the CD in front of him. That is the electronic version.

Mrs. Persad-Bissessar: Arouca South did that.

Mr. Imbert: No, problem. We are a team over here. He has the CD. As I have said the PNM Government has done the necessary work for the publication of the updated version of *The Laws of Trinidad and Tobago* up to 2004. The last time that was done, I think was in the 1970s.

Mrs. Robinson-Regis: In the 1980s.

Mr. Imbert: It was 1981. Six years of UNC government and they did not do it. This PNM administration has done the necessary work. You will have the hard bound version like this available and the electronic version/CD, as the Member for Port of Spain North has pointed out. Again, this PNM administration has done what is necessary to ensure—[*Interruption*]

Mrs. Persad-Bissessar: Minister, will you give way for one short question?

Mr. Imbert: “Nah”.

Mrs. Persad-Bissessar: I want to get a copy of that. All of us in this Parliament should get copy of the CD.

Mr. Imbert: You will get it.

Dr. Rowley: You are entitled to it.

Mr. Imbert: The Minister will be making a comprehensive statement on it in due course. You will get everything, talk to the Minister about it. To end the point, Mr. Speaker—the Minister will make a comprehensive statement on that in the near future. Speak to the Minister about it.

In terms of the final point made by the Member for Princes Town, that we are introducing penalties and giving a magistrate certain discretion, I was quite flabbergasted at that contribution. The Member also said: “Are these realistic sanctions? A car may not be worth \$15,000. Is it emotional? Are these sanctions in section 72 harmonized with section 70?” But the fine of \$8,000 and the jail term of three years, the fine of \$15,000 and the jail term of five years were introduced into this Parliament by the UNC administration in 2000 and, therefore, the question as to whether—[*Interruption*] yes. The fine of \$8,000 and three years and \$15,000 and five years, was brought to this Parliament by your government and, therefore, I was flabbergasted to hear the Member for Princes Town say: “Where did you get these penalties from? Are they realistic?” Do not try that.

I was wondering who the Member for Princes Town was directing that question to. Was he directing the question to his Attorney General? Was he directing the question about whether the sanctions are realistic to his Members? Was he asleep in 2000? What is going on in this Parliament?

The question as to whether the sanctions are realistic or emotional, address that to the Member for Siparia and the former Member for Couva South. Ask them, because they were the ones who brought it to Cabinet and brought it to the Parliament, debated it, introduced it and justified it.

Without any further—[*Interruption*]

Mr. Panday: Hon. Minister, I want to ask one question.

Mr. Imbert: I hope it is a good question.

Mr. Panday: How many police officers are being trained for this programme? The last question is: The critical level which you indicated, of how

many milligrams per litre could medication cause the alcohol in blood to show up; medication like Ferrol or something like that? I am looking at defences.

Mr. Imbert: Mr. Speaker, you would have to stop me if you find I am going outside my remit. All of that was covered in the report of the joint select committee on the Breathalyzer Bill in the debate, when we introduced it, when we completed the debate and in the other place. I will summarize. There are many circumstances that can occur that would alter the blood alcohol content and will alter the reading; many things, but it is an offence, in the legislation that we brought, which we are now amending, to wilfully and knowingly do something that will alter your blood alcohol content in order to avoid being prosecuted or a conviction. We have put that in knowing. We had submissions from two eminent doctors who gave us a very scientific dissertation, both of them, on the effects of medication, illness and various tricks that people use, in order to try to beat the system. They gave us a very comprehensive—[*Interruption*]

Mrs. Robinson-Regis: Tabaquite did not approve.

Dr. Nanan: I disagreed with them and I want that on the record.

Mr. Imbert: That is okay.

Dr. Rowley: I know they were right.

Mr. Imbert: The two specialists gave us a very comprehensive dissertation, in terms of how people try to beat the system, how medication can affect the reading and if you have a particular type of illness or chronic disease, how it could affect it. The way the legislation is drafted, it deals with a normal person, under normal circumstances. The person would have to prove—yes, it is a defence—that they were not over the limit and it is a false positive. Legislation could never be designed for every possible situation. It is designed for a normal situation, normal circumstances and a normal person. As I said, it is an offence to tamper with your metabolism, in order to try to beat the system and get a false reading.

Mr. Panday: What about the number of police officers?

Mr. Imbert: I cannot give you that information at this point in time. I do not have that information, but certainly as many as are required.

Mr. Speaker, I beg to move.

Question put and agreed to.

INSURANCE (AMDT.) BILL

Mr. Speaker: Member for Siparia, you have 31 minutes of original time.

Mrs. K. Persad-Bissessar: Mr. Speaker, just before we suspended to go into the Motor Vehicles and Road Traffic (Amdt.) Bill, I had raised the issue of what had transpired with Goodwill Insurance and the hon. Minister had indicated—I see he is not here at the moment but I really would have liked to hear his comments—that systems and mechanisms had been put in place and that situation would not arise again. I shall be happy, perhaps someone will advise—and I would like him to tell me when those systems were put in place. When I look at what has happened, it appears to me that the Central Bank was already involved in monitoring and regulating the receipt of financial statements. Insurance is a financial service. It is regulated by the Central Bank. It involves investment and risks. I mentioned Goodwill Insurance which dissipated all its assets and made it into a shell company, by the time it went to judicial management.

In the same article that I quoted, it was reported as follows—I quote those words further:

“Goodwill also did not submit any quarterly returns or management accounts to date, that is January 2006, which demonstrates an act to continuous violation and lack of compliance to directives given by the Central Bank”.

Therefore, we cannot take comfort in what the hon. Minister has said. I went along and listened to him when he said that they were looking at the mechanisms that are put in place and that insurance has now been brought under the Central Bank. This article is saying that:

“Goodwill did not submit any quarterly returns from management accounts to date, which demonstrates an act of continuous violation and lack of compliance directives given by the Central Bank”.

What does the Central Bank do when there is violation of its directives? Do you sit and wait until the company has been made into a shell company; which is what happened here? The advice from that article is:

“No financial reports went to the Central Bank from 2001—2004. Audited accounts for 1996—2000 and unaudited accounts from 2001—2003 failed to satisfy the requirements for solvency, as set out in section 77 of the Insurance Act”.

This was going on for years. The company did not satisfy, whether by audited or unaudited accounts from 1996—2000 and from 2001—2003. This company did not satisfy the requirements for solvency. As early as then, these audited or unaudited reports were showing that this company was insolvent. It violated the Central Bank directive and there were no financial reports to Central Bank from 2001—2004. Previous to that, unaudited accounts and audited accounts down to 2003, did not satisfy solvency requirements. What did the Central Bank do?

I come back again: Where is the monitoring? Where are the regulations? If something is wrong, why are no steps taken to deal with the defaulter or the violator of the law? Why now we have come and we hold our heads and bawl because the company is in judicial management with \$500,000 in assets, \$1.3 million in cash, but liability of over \$34.3 million? How can we say that somebody is at fault? What will be done, having found that this has happened? What will be done? Will the culprits be brought to justice in some way? What about the people out there holding policies with this company where the policies have now become worthless? They are not even worth the paper on which the policy is printed. I do not take comfort from the hon. Minister's words. I would be grateful for further clarification from him, in terms of what has happened with this.

His answer to me was that they have now set up the Central Bank to monitor it. Yet, all this time the statements are not going and the returns are not going in; violating the directives of the bank. The question that needs to be answered is, if there was close scrutiny of financial service providers, how could this happen? The persons who ran Central Bank during that period of time, owes the Goodwill Insurance customers an explanation as to whether the Central Bank missed these developments, whether the Central Bank was trying to fix them, or it was just that the Central Bank was playing sleeping on the job. It had been said that at that time, the Central Bank had the most brilliant head ever during those years. Therefore, we want an answer. How could this have happened under the watch of those very brilliant persons? It may well be that they missed what was happening, they were trying to fix it, or they just ignored it completely and were not aware.

I am speaking of the violations during the period 2001—2003. From 1996 to present, this company has broken all the rules. Careful scrutiny, especially after the red flags went up, this could have stopped the situation from escalating and reaching to the point where it has gone.

In the case of Goodwill Insurance, there appears to be some tax evasion as well. We are not hearing anything from the Government as to what they are doing to recover any outstanding taxes. Has the Government, or the relevant agencies

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looked into this matter to determine whether the law has been broken as it appears to be broken and what steps will be taken to bring those culprits before the law of the land, if they have broken the law? I again ask, what steps are being taken, through you, Mr. Speaker, but the Minister can answer.

We are talking about investments in the financial services sector. What we are seeing is insufficient scrutiny and regulation among the insurance groups, which is a subgroup of that sector and it begs the question, therefore, what other subgroups, within that sector, are also not being properly regulated?

It also goes to the issue of securing the interest of customers and the contributors, against mal-activities by unscrupulous companies and company executives. The new limits that we are now wanting to set, will mean that pension funds can invest more money than they are already doing and while it seems that this will offer protection of customers' interest, there is no way that we can be over sure if it is working efficiently, unless the resources are placed behind it for monitoring and compliance.

When a company can go for almost seven years without disclosing its financial statements, they can do any kind of spin doctoring and by the time—as the “Trini” would say—“de mark bus”, they would be long gone and it would be too late for the ordinary citizen in this country. We want to make sure—I do not know how we can do that or what comfort I could get because at first I thought I would be comforted when I was told that the Central Bank is now monitoring and looking after it, but that was already happening and yet this company was allowed to escape in this way.

There is also legislation—we are speaking about the financial services sector when we talk about insurance pension funds—in a police unit to deal with money laundering. That is another area with cause for great concern when we are talking about pension funds, investment and insurance companies. If financial statements are not being submitted, how can the dealings of these companies be scrutinized to see that they are not in breach of this law or any of the other regulatory laws? We have no way of determining that the operations are in compliance with the law.

We have this provision in the existing Insurance Act, that speaks of the level of investment being allowed under certain concessions. The question then is: Do we have a guarantee, at the moment, that enough measures are in place or will be put in place for the necessary scrutiny that will ensure that all times, companies are in compliance with the law? That is to say you are now overextended above the 50 per cent, you are going to be allowed to invest out of people's pension funds, which is not your money. That is the money of the pensioners and retirees.

You will be allowed to invest it. Will they be in compliance with the law and if they are not, what steps will be taken to bring them to yield as soon as you discover it? You do not want to wait, Mr. Speaker, you may have many more years before retirement and some may not. Someone does not want to wait until they have reached into retirement to discover that their pension fund has been frittered away.

I see the Member for La Brea, I speak to him through you, smiling at this because we do know the difficulties that people face at the end of their retirement. I think it is because he has indicated to us that he may be going into retirement soon. I am sure he would want to ensure that his pension funds are well protected.

Mr. Bereaux: They are well protected.

Mrs. K. Persad-Bissessar: Based on our past experiences, I am not convinced that there are sufficient measures or that we can rely on this Government to manage the situation, to ensure that protection to persons' pension funds and contributory moneys that are in those funds.

The question then arises: How do you enforce, uphold the law, cultivate obedience and respect for the law, when the Government does appear to be breaking the law with impunity? We are talking about insurance. I have already raised in this House and elsewhere that the car in which the Prime Minister is being driven is in breach of the motor vehicle statute because it is driven without a number plate.

I now want to raise it in relation to insurance matters. It is in breach of the Motor Vehicles Act, in terms of registration that a motor vehicle must carry a number and the numbers are set about with the letters of the alphabet and that a particular number is designated. That is the law. The only other person exempted from that is the President and Members of the national security forces. The Prime Minister is not listed in the exemptions. The car that the Prime Minister is being driven in—parked out there; I am sure that you have seen it from time to time—with the Coat of Arms, is in breach of the Motor Vehicles and Road Traffic Act.

Let us deal with that when it comes to insurance. If the vehicle is not properly registered—it cannot be, because for it to be properly registered you would have to change the law. Whilst we have missed pieces of law, that law, to the best of my knowledge and from my research, has not been changed. There has been no exemption to any person other than the ones I have listed such as the President and members of the security forces.

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If you are driving this vehicle with the Coat of Arms, you are not properly registered. The vehicle must have the registration number, which must be displayed in a particular way. If that car gets into an accident—to put it very mildly—if that car bounce down somebody or hits somebody else's car, you do not have to worry about that car. The persons in that car would be totally covered by the State and otherwise. You do not have to worry about insurance.

Someone who is working for me at the moment, his father's car was badly damaged in an accident and the insurance company was one of the defaulting companies. The car has been written off and they cannot get a cent. They are poor people. We are talking about an ordinary man and this car for some reason—it could happen, because we know how they drive on the road; not because of the Prime Minister, but that is how they drive the car. The car is speeding all over of country. Will the insurers agree to pay claims if the vehicle is not being driven in compliance with the law? That is the question I am asking now.

You are not properly registered under the law and insurance companies, I know from my practice in the early days—I did a lot on motor vehicles, running down claims—of practising as a lawyer. Insurance companies will not honour a claim and will not pay where, first of all, if the person does not have a valid driver's licence and is not properly registered with the licensing office. This would be a good way to escape liability. If something should happen with the vehicle in which the Prime Minister is being driven in, if it gets into an accident, will the victim be able to claim against that insurance company? You are not properly registered under the law, from my reading of the law. Therefore, the insurance company will evade and escape liability. That is how I read the law with that.

There is a further very important point. If the Prime Minister, his spouse or children are in the vehicle with him and it gets into an accident and they are injured in some way, will the insurance company honour their claims? Will the company be liable, because the vehicle is operating in breach of the Motor Vehicle and Road Traffic Act.

Dr. Rafeeq: What about the driver?

Mrs. K. Persad-Bissessar: My colleague is raising—we spoke about the occupiers in the car—the issue of the driver as well. Will the driver be covered? An insurance company again, could seek to legally evade. They could say: “Look, you are not in a car that is registered under the laws of Trinidad and Tobago. It is not registered in compliance with the Laws of Trinidad and Tobago.” Here we

talk about enforcing and implementing law, but I have a very serious concern for three classes of persons: the driver, the occupants of that car and any other victim out there, in terms of anybody getting into an accident with that car.

The number of accidents we are seeing today—as I was coming to Parliament, there was a huge accident at the Lady Young Flyover. The traffic backed up. A truck was totally across the road and a maxi taxi—it is really heartrending when we see the number of accidents taking place. We have just dealt with the breathalyzer.

On this issue, I raise another matter. We know that pensions are to provide for future needs and retirees. Persons like to know when they advance in age they are provided for and they get accommodation, medication and funeral arrangements. They also aspire to educate their children. Medication is costly and food prices are very high. When we look at the present senior citizens' grant, the first thing we observe is the inadequacy. I have dealt with that at length, on another occasion and will repeat that once again. As we come to a new budget, we will want to pay particular attention, in terms of the amounts.

The Monteil issue is relevant here as well. It has been raised in this House on the question of investments. Therefore, we are allowing larger percentages of the pension funds to be invested. What, how and where? What measures are being taken to investigate the conduct of the Treasurer of the PNM, the former Chairman of the Home Mortgage Bank, Andre Monteil who acquired 25 per cent shareholding in the Home Mortgage Bank to the tune of \$110 million? We know that he stepped down from the various state boards. What has become of the shares? That is a very important issue that the Minister in the Ministry of Finance could answer for us. When this issue first came to light, we talked about a cover-up. Mr. Monteil is also the official who was involved in a matter with CLICO and Home Construction. There were allegations that he facilitated a land transaction with Chief Magistrate Mc Nicolls to repurchase property for \$400,000, which was against the policy.

He was also Chairman of the Housing Development Corporation, which is state owned. He was Chairman of the Education Facilities Company, state owned, responsible for construction. With Mr. Monteil in charge of the largest housing development project in the country, via the State, board member on the largest constructor of private sector housing and in charge of a large financial institution that specializes in housing, that is the recipe for disaster. Certainly we would talk about conflict of interest. We will be returning to the issue of the share acquisition matter.

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The Prime Minister appears to be directly involved in this matter. I made the point previously that the Prime Minister was not empowered under the law to investigate it or to pursue any prosecutorial action that may become or is already applicable. That was and is the job of the DPP, the police and is also the job of the Securities and Exchange Commission (SEC). Where is this? We are talking about financial services again. Where are all these people? We saw with the supervisor of insurance and the Central Bank and, the failure of Goodwill Insurance; we are seeing what seems to be insider trading or conflict of interest, but certainly something that is not above board. What has happened?

The Prime Minister stood up and said that he was investigating the matter. The Prime Minister has no investigative powers. He has no prosecutorial powers. Where are the state officers when it comes to dealing with the people's business and the moneys of the people of this country? The SEC is responsible for regulating against improper and illegal behaviour, such as insider trading. That is what, it is alleged, happened in the Monteil matter. We are very disappointed that up to today nothing has come out of that matter. I would be grateful if the hon. Minister of Finance—again we are dealing with share acquisition—could shed some light on that for us. While you want to allow this greater sharing of pension funds, we are talking about somebody who seems to have his finger in every pie with a conflict of interest arising.

It is very suspicious, in my respectful view, that this matter, when it was brought to the Prime Minister, he said he was investigating. It must have been a very quiet investigation, because we have heard nothing more of it. The Prime Minister has undertaken that the findings would be the subject of a report and that it would be made available at the time he felt it was appropriate. I am not aware that the Prime Minister has any power to investigate.

Mr. Valley: Mr. Speaker, as you are aware, the Member for St. Joseph raised that issue, when he spoke on the last matter, while you were outside. You missed my contribution also, but “say wat”. You would have to read it. The Minister in the Ministry of Finance indicated that the Minister of Finance now has in his possession the report and that he would be making a statement on it very soon.

Mrs. K. Persad-Bissessar: It is only when we raise it here we hear about reports. Further, the Minister can do what he wants. The point I am making is that the Prime Minister has not investigative or prosecutorial power. Where there is a breach of the law, you put it in the hands of the officers who have that power, the DPP, the SEC and, of course, the police themselves. That is the point I am making. It is a further conflict of interest that the Prime Minister should be involved in

investigating this matter. When that report comes what would we get, a sanitized report. What is the point? You get it out to the DPP and the SEC, the public will say: Above board, clean hand, no involvement, independent, impartial, et cetera. How can the Prime Minister—himself to himself? Mr. Monteil is the Treasurer of the PNM. How can you have himself investigating himself and expect when you bring that report, you will get any creditability with it and have anybody believing anything in it?

Whilst you may mean well, no one is going to believe you. It is said that justice must not only be done, it must be seen to be done. I am not saying that the report is necessarily tampered with in anyway. First of all, the Prime Minister has no power and no jurisdiction whatsoever. The length of time it has taken, how can you expect anyone, with due respect, to come and say that report clears anything? Therefore, we still wait to hear from the SEC. Where are these watchdog institutions in the society?

I mentioned the fiasco with Goodwill Insurance and the same thing happened with Citizen Insurance. The state institutions are not functioning in the way that they should. The Central Bank did not do its job. Where is the SEC? Where is the DPP in all of this? We cannot see or hear. The SEC should have promptly investigated this matter and passed its findings on to the DPP, who would have then determined if there was sufficient evidence for criminal prosecution.

I raised the issue of Mr. Monteil because I know that he was, until recently, associated with the T&TEC Pension Plan Fund as well. I do not know if he has also removed himself from the T&TEC Pension Plan Fund but I would be very disturbed to hear that he is still involved, given the previous activities. One has to be very careful and very critical so that similar situations do not recur when it comes to dealing with poor people's money. That is the pension of poor, old people. We always have to look out for conflict of interest, particularly when the people involved know the law. They know better, but they are boldface enough to attempt misdealings.

I think the public has a right to know about this matter. If the Member for St. Joseph raised it, fair enough, but I do not think the report is sufficient. I want to hear from the SEC and the DPP, not from any report done by the Ministry of Finance and the Minister of Finance. That report is not going to come and say anything to us at all.

My colleague is advising me that the Chairman of the SEC has been posted abroad. I do not know if there is any sitting Chairman of the SEC and, perhaps, you can clarify for us. There is no investigation taking place with respect to the SEC.

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While we talk about giving powers to invest more, I wonder if there might be a company or companies that have requested that this amendment be brought. I wonder if we are passing this law to assist a specific company, where the pension fund is so big and juicy that they just want to get their hands into it, to put it out there to invest it. I would like to know whether this law is being passed to assist any specific company. Therefore, was there a request from the insurance industry, as a whole, for this amendment? Was there any consultation with the companies involved in the insurance industry before we brought this, or was it a closed-door something, maybe with the same Treasurer of the PNM, who is also involved in an insurance company? I do not know. I cast no aspersions.

Was there consultation with the Association of Trinidad and Tobago Insurance Companies? There is such an association. Did you have consultations with them? Did you speak with the insurance companies as a whole? What consultative exercise took place to make this change? When you did that, you should not only speak to ATTIC, because the persons holding the pension funds, it is totally in their interest to be able to invest a larger percentage of the fund. Did you have any consultations with the associations of the employees, because it is really their money? If I am contributing to a pension fund, I want to know what is happening with that money, before they spend it out and “bad” invest it and end up like Goodwill Insurance with \$500 in assets, \$1.3 million in cash and \$34.3 million in liabilities, meaning money owing to people who hold their policies. I would like to know what will happen with respect to that.

Did you consult employees whose pension plans are going to be affected? I am not certain which employees will be affected, but I would be happy again, if the Minister could tell us, which employees and whose pension funds are we talking about here? Which set of pension funds is it? Is it the employees of X Company, Y Company or is it my pension fund? I do not know what the Parliament does with my pension fund. Is it the pension fund of the *Hansard* reporters? I do not know if that is going to be affected. Is it the pension fund of anybody, the ushers in the Parliament? Whose pension funds are we talking about? We are now giving greater risk. We are allowing these moneys to be used at a greater risk. I need to know that. I am sure, the people who are putting money in their pension funds want to know if their pension funds are being interfered with in this manner. It will be totally overboard—[*Interruption*] You will talk about the Speaker's pension fund. I shall leave that up to you. You all seem to have a special something. We do not know whose pension fund it is. Is it the T&TEC workers? I do not know.

BWIA workers? Let us not talk about that because you will recall that we spoke about the shares; these mystery shares that have disappeared with the BWIA workers who are still out there when it was transferred to CAL. The Government has a history of taking workers' moneys and shares. You gave them shares. Have you given them now? Are they back to their—*[Interruption]*

Mr. Valley: Mr. Speaker, that is quite unfair. In 1995, when I was in charge of BWIA, the workers were allotted 15 per cent shares. Nothing was done between 1995 and 2001.

In 2002, when we came we had to deal with that. Again, I can inform the Parliament, efforts are underfoot to compensate the workers for those shares, but that should have been done since 1996.

Mrs. K. Persad-Bissessar: Mr. Speaker, we raised this issue here last year when we were dealing with something on BWIA. We were talking about the matter when BWIA's assets were transferred to Caribbean Airlines. The workers had written to us and came to see about the 15.5 per cent shares in BWIA, which had become worthless on paper. It is true that you might have given them the 15.5 per cent on paper. The workers continued—I received correspondence up to two weeks ago—and up till now, unless the Minister may not know, those workers still do not have anything as to where the 15.5 per cent shares is at.

Mr. Valley: There was an issue and the compensation for the shares is being sorted out. This should have all been avoided, if they were not on autopilot. Those employees should have been given their shares since 1996. That is the reality.

Mrs. K. Persad-Bissessar: I do not know if the Minister is missing the point. It is not about getting the shares in their hand, it is about the fact that the assets of BWIA no longer exist because they have been transferred to CAL. Therefore, the workers have nowhere to go and say: "Eh, I own 15 per cent of zero". There is no asset. It is like Goodwill Insurance that transferred out all its assets. BWIA's assets have been transferred to CAL. The people holding a piece of paper saying 15.5 per cent or 15 per cent—it is nothing. It is nothing!

Mr. Valley: I do not really want to get involved in this. Had these people been given their shares, they could have sold their shares on the market within the period. It has come to a position, no—what is the reality? The reality is that BWIA, before the transfer, was in fact bankrupt. The Government, as you have seen in the Finance Bill; which was a supplementary Bill, had to put US \$350 million, TT \$2.3 billion. There was zero, but the Government because of the situation—*[Interruption]*

Mr. Sharma: The Minister is misleading the House.

Mr. Speaker: You cannot have an intervention.

Mr. Valley: Because of the history of the thing, the Government has decided to look at providing some level of compensation for those employees. That is in the works at present.

Mr. Sharma: It is unfortunate that the Minister is misleading the House.

Mrs. K. Persad-Bissessar: You want me to give way?

Mr. Sharma: Yes, thank you. Mr. Speaker, it is very unfortunate that the Minister—

Mr. Speaker: No, no.

Mrs. K. Persad-Bissessar: I can give way.

Mr. Sharma: How is Ken treated differently from me?

Mrs. K. Persad-Bissessar: The comments from the Minister, there are totally unconvincing. Up to today, the workers are holding with hat in hand waiting for this to become reality, in terms of money value.

To say that years ago they could have gotten their shares and sold their shares, that is now what they are worried about. They are worried that you took away and made BWIA into a shell company, just like Goodwill Insurance and now they have paper with their individual names and the shares, which were sent out to the unions. They have all of that, but regrettably it is not worth anything.

If the Minister is saying to us again—because we raised this previously—that they are going to try to work it out and give them something, you better do it soon because time is running out. These workers have continued from since then. They remain under pressure and they have not been able to collect the shares. Is it two minutes of regular time or extended time? I need a few minutes more. Do you need to extend now?

In addition to these persons who were employees, who own shares, what about other people? Other people also bought shares in BWIA. When you made it into a shell company you transferred all the assets over to CAL. What happened to their pieces of paper? It happens in everything. We talked about Goodwill Insurance Company and what was happening with the Monteil issue.

Now we are being told that these pension funds will be invested. I asked a question, but I do not know who will answer me, but I guess someone will. What are the checks, the balances, the regulatory mechanisms and the monitoring mechanisms to ensure that people's hard-earned money, when they are young and

working and putting it into pension plans that this will not be lost and frittered away; it will not be another Goodwill or BWIA situation, where, at the end of the day, when you look for it, it is not even worth the paper that it is printed on?

I thank you, Mr. Speaker.

Mr. Gerald Yetming (*St. Joseph*): Mr. Speaker, I join this debate, and I shall be brief, in support of this Bill; a simple piece of legislation, which is really a piece of legislation to correct a problem. We have spent a lot of time, sometime aback, in this House dealing with the issue. You would recall that in the budget statement of 2007, which was from the Minister of Finance and Prime Minister, he spoke about the fact that the downturn in the stock market at the time, had been as a result of declining demand by pension funds and that an important contributing factor to that downturn in the stock market had to do with the restriction of the legislation that limited their holdings of equities to 50 per cent of total assets of their fund.

The Prime Minister and Minister of Finance acknowledged that the downturn in the market was as a result, substantially, because of the declining demand by pension funds. In fact, in the debate on the Appropriation Bill, the Minister in the Ministry of Finance, Sen. The Hon. Enill, in the Senate in October 2006, acknowledged that it was the decision of the Inspector of Financial Institutions that undeniably had a negative impact on the market. Although he also stated it was not the only source of the market's decline.

During the budget debate, I spent some time dealing with this problem; a problem which was caused, in my view, by the Central Bank, through the Inspector of Financial Institutions, calling on the pension funds to reduce their equity holdings to 50 per cent of their investment portfolios.

The first point I made then was that the problem of the pension funds holding more than 50 per cent of equities was not as a result of over exuberance by pension managers and trustees in investing in equities. It was as a result of the fact that we were in a serious bull market in a booming economy. Share prices were just escalating and as a result of the substantial increases in the prices of shares, that caused the percentage of equities being held by these pension funds to increase beyond the 50 per cent. It was not as a result of over-exuberance by the investing public. The point I made at the time, was that I thought that the supervisor of financial institutions of the Central Bank was a bit irresponsible for calling on all the plans, most of which had exceeded the 50 per cent, to reduce their holdings.

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There is precedence where you have problems with institutions. I refer to the credit unions, for which legislation has not yet come. Maybe that is the reason why the legislation to put the credit unions under the jurisdiction of the Central Bank may have been delayed.

In the *Review of the Economy*, that the Government has put out with the budget documents, it was stated that the legislation was going to come to put the credit unions under the jurisdiction of the Central Bank. It made a statement in that document with a heading called: Transitional Provision, which stated that this transitional provision would give non-compliant credit unions, a grace period to achieve compliance. In other words, the Government has decided that when they eventually bring the legislation to govern the credit unions and to put them under the jurisdiction of the Central Bank, they know that a lot of the credit unions will not comply with the provisions of the prudential that would be outlined and that they would make allowances for a transitional period.

The argument that I have used and others have used and clearly we have a difference of opinion with the Government, is that notwithstanding the fact that regulations may have provided for pension plans to hold no more than 50 per cent of their portfolios in equities—bearing in mind that the exceeding of the 50 per cent came about as a result of the market and bearing in mind that most of the pension plans were affected—that the Central Bank and the Government could have used a transitional arrangement so that there would not have been that immediate sell-down by pension plans in a very, very thin market and bearing in mind that pension plans and institutional investors account for 80 per cent of the market. With these pension plans coming to the market to, dump, for want of a better term, their excess holdings on the market, with no buyers, then clearly caused a crash in the market.

The Minister in piloting this Bill talked about this piece of legislation being a stopgap measure. I think he said that the overall and more wide-ranging legislation was in the works, that there was consultation with the stakeholders and that it may not come to Parliament until 2008. This piece of legislation is a stopgap measure. My point is that this stopgap measure could have been applied a long time ago. It could have been applied even before any order or direction was given to the pension plans to sell down.

In fact, there were not many options to consider. One proposal was—I had thrown out: “Why not raise it to 50 or 60 per cent, bring quick legislation and put in a sunset clause? Give the pension plans time to adjust to that 50 per cent.” There were two other very, very basic alternatives being considered and it did not

have to take all this time to come up with this piece of legislation, which provides a simple solution to the problem. If it had been done then, then you would not have had that over-adjustment of the market because it is true to say that the market, at the time, was due for correction.

I do not think that anybody will disagree with that, but it would not have gone through the serious adjustment that took place. In fact, what we are looking for now—because of what may be considered overcorrection—is a further correction in the opposite direction.

7.00 p.m.

So I had made the point that it was a single act by the Central Bank and the supervisor for financial institutions—an act that I consider irresponsible—that caused the problem, that in fact continues up to today, and I know we would have disagreement on that, but that is fine. Because at the time this thing took place, the market capitalization in May 2005 was \$123 billion; in September 2006 was \$88 billion and what that says is that between May 2005 and September 2006, investors, including individuals, institution investors and pensions plans lost \$35 billion.

The interesting thing is that a major group that lost a lot of that \$35 billion was the very same pension plans. So the act which was intended to bring pension plans in line with a regulation and ostensibly to protect the pensioner, damaged the pensioner more than anything else. And a lot of the surpluses of pension plans as a result of that decline in the market, disappeared overnight.

I am saying that this proposed measure is late. It could have happened before pension plans were told to sell down and it would have prevented the crash in the market. Even with it happening, and having discussed this since September last year, for this to come now, is also very late. This should have happened a long time ago. As I said, there were not many options to consider. The market was, in my view, artificially damaged; there was tremendous loss of wealth, apart from the pension plans.

I mean, we had individuals who invested in mutual funds, including the Unit Trust, who would have lost money in the process. For those who cashed in wholly or partially in that period, would have lost money, and that is money that they would never recover, and we would have certainly had a more orderly correction in the market if this drastic thing had not happened.

Hopefully, the additional capacity, I think the Minister at the end of his piloting made reference to the additional capacity of pension funds to invest. Really, it is up to trustees and pension managers to decide whether they are going

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to go into equities or not. The fact that they have the greater flexibility, the law does not force them to go into equities to the new limit. So, the risk that the Member for Siparia was expressing concern about really does not exist; it is up to pension managers and trustees to make their own judgement on whether they will wish to use the additional capacity given to them now to go into equities or not. Hopefully, the additional capacity will provide that reverse market correction, which I think is required now to deal with, what I consider to be an over adjustment in the market caused by the original Central Bank decision and to apply that 50 per cent limit.

So, Mr. Speaker, with those few words, I support the provisions of this stop gap Bill to deal with the investment limits of pension funds in equities.

Thank you.

Mr. Valley: Mr. Speaker, I want to move the adjournment.

Mr. Speaker: Now?

Mr. Valley: Yes, Mr. Speaker, if you do not mind.

Mr. Speaker: Okay.

ADJOURNMENT

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Mr. Speaker, I beg to move that further debate on this Bill be deferred to Friday, July 20, 2007 at 1.30 p.m. On that day also, I want to inform my colleagues that the Government intends to debate Bill No. 4 on today's Order Paper, An Act to amend the Law Reform Act, which is the only other matter on our agenda. Mr. Speaker, there is an item on Committee Business that we would like to take before the adjournment of the House.

In addition, we would expect to lay a negative resolution relating to the appointment of the Police Commission. There is one other correction in a piece of legislation, with respect to the Retiring Allowances, which is going to end really what we hope to do other than committee business.

I beg to move therefore, that this matter be adjourned to next Friday and I ask now that we deal with Committee Business, Motion No. 1.

Thank you very much, Mr. Speaker.

Mr. Speaker: Hon. Members, the question is that debate on an Act to amend the Insurance Act, Chap. 84:01, be postponed to Friday, July 20, 2007 at 1.30 p.m.

Question put and agreed to.

FREEDOM HOUSE (INC'N.) BILL
Special Select Committee Report
(Adoption)

Mr. Hedwige Bereaux (*La Brea*): Mr. Speaker, I beg to move the following Motion standing in my name:

Be it resolved, that the Report of the Special Select Committee of the House of Representatives appointed to consider and report a Private Bill entitled, An Act for the Incorporation of Freedom House and for matters incidental thereto, be adopted.

Mr. Speaker, this Committee was appointed and comprised the following Members: the Member for La Brea as Chairman; Mrs. Eulalie James, Mrs. Dianne Seukeran; Mr. Harry Partap and Mr. Ganga Singh.

Your Committee held two meetings as follows: On Friday, February 02, 2007 and Friday, April 13, 2007. There appeared before the Committee: Dr. Joseph Seenath, Mrs. Teresa Seenath, Ms. Nicole Melville, Ms. Keisha Butcher, Legal Counsel and Mr. Sunil Budhu, Accountant.

During its deliberations, in addition to taking oral evidence from the promoters, your Committee examined the following documents: the Constitution of the Freedom House ministries; financial statements for the years 2001, 2002, 2003, 2004 and 2005; the by-laws of the Freedom House; register of members; minutes of the meetings of the Board of Directors held in 2002 to 2005 and a detailed document on community transformation.

Recommendations. Your Committee made a careful examination of the clauses and preamble of the Bill and took into consideration all the evidence. Your Committee is satisfied that the facts and allegations presented in the Bill are true and correct.

Your Committee wishes to report that it has completed its deliberations and has found sufficient proof in support for the incorporation of the Freedom House by an Act of Parliament.

Your Committee therefore recommends that the House of Representative accept this Bill.

All Members of the Committee agreed. Thank you.

Question proposed.

Mr. H. Bereaux: I beg to move.

Question put and agreed to.

Report adopted.

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

Bill accordingly read the third time and passed.

Question put and agreed to.

House adjourned accordingly.

Adjourned at 7.12 p.m.

WRITTEN ANSWER TO QUESTION

The following question was asked by Mr. Ganga Singh (Caroni East):

**Expatriates Employed at Caribbean Airlines and Incumbent CEO
(Terms, conditions and salaries of)**

- 46.** Could the hon. Minister in the Ministry of Finance state:
- (a) What are the terms, conditions and salary of the incumbent CEO of Caribbean Airlines; and
 - (b) How many expatriates have been engaged for employment at Caribbean Airlines and what are their contractual terms, conditions and salaries?

The following reply was circulated to Members of the House:

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): At present there are three (3) expatriates engaged for employment at Caribbean Airlines Limited. They are the Chief Executive Officer, Mr. Peter Davies, the Director of Marketing, Mr. Francois Parisseau and Ms. Anne Cole, Vice President, Human Resources.

The terms, conditions and salary of the CEO, and the other two (2) expatriates are considered to be of a competitive nature and release of this information into the public domain is considered prejudicial to the Airline's strategic and competitive position. All of these expatriate employees have confidentiality clauses in their respective contracts which impose a shared obligation on both Caribbean Airlines Limited and themselves to maintain confidentiality of the contractual terms, conditions and salaries. Because of this fact and the fact that the information is of a competitive nature, the Government is unable to provide the information requested.