

Leave of Absence

Friday, October 30, 2009

HOUSE OF REPRESENTATIVES

Friday, October 30, 2009

The House met at 1.30 p.m.

PRAYERS

[MR. SPEAKER *in the Chair*]

**JOINT SELECT COMMITTEES
(REPLACEMENT OF MEMBER)**

Mr. Speaker: Hon. Members, I received communication from Sen. The Hon. Danny Montano, President of the Senate. It is addressed to me and the subject matter is “Replacement of a Member of the Joint Select Committees Parts I and II”. This letter is dated October 27.

“I wish to advise that at a sitting held on Tuesday, October 27, 2009, the Senate agreed to the undermentioned resolution:

Be it resolved that this Senate appoint Mrs. June Melville to replace Mr. Conrad Enill on the Joint Select Committees appointed to enquire into and report on Government Ministries Parts I and II, Statutory Authorities and State Enterprises falling under those Ministries.

Accordingly, I respectfully request that you convey this decision of the Senate to the House of Representatives.”

LEAVE OF ABSENCE

Mr. Speaker: Hon. Members, I have received communication from the hon. Member for Tabaquite, requesting leave of absence from today’s sitting of the House. The leave which this hon. Member seeks is granted.

PAPERS LAID

1. The audited financial statements of the Cipriani College of Labour and Co-operative Studies for the years ended September 30, 2007 and September 30, 2008. [*The Minister of Labour and Small & Micro Enterprise Development (Hon. Rennie Dumas)*]

To be referred to the Public Accounts Committee.

2. Administrative report of the Tourism Development Company Limited (TDC) for the fiscal year 2008. [*The Minister of Tourism (Hon. Joseph Ross)*]

ORAL ANSWERS TO QUESTIONS

The Minister of Works and Transport (Hon. Colm Imbert): Mr. Speaker, the Government can answer question No. 100 today and we ask for a deferral of the others for two weeks, please.

The following questions stood on the Order Paper:

**Johns Hopkins University/Hospital
(Terms and Conditions of Arrangement)**

- 8.** Could the hon. Minister of Health state:
- (a) whether there is any formal arrangement between the Government of Trinidad and Tobago/Ministry of Health and the Johns Hopkins University/Hospital for the provision of services to the people of Trinidad and Tobago and;
 - (b) if the answer to (a) is in the affirmative, could the Minister state the terms and conditions of the arrangement? [*Dr. H. Rafeeq*]

**Registered Private Hospitals
(Details of)**

- 25.** Could the hon. Minister of Health state:
- (a) how many private hospitals are registered under each of the (6) classes of private hospitals according to the Laws of Trinidad and Tobago, Chap. 29:03, section 8;
 - (b) the date the licence was issued for each; and
 - (c) what was the last date an inspector or inspection team inspected the hospital as required according to sections 18 and 19 of Chap. 29:03 of the Laws of Trinidad and Tobago? [*Dr. T. Gopeesingh*]

**Summit of the Americas
(Details of Cost)**

- 58.** Could the hon. Minister of Finance state:
- (a) The budgeted cost for the Summit of the Americas?
 - (b) Whether there were any cost overruns? and
 - (c) If the answer to (b) is in the affirmative, how much did the overruns amount to and the areas where they occurred? [*Mr. V. Bharath*]

**Pre-Summit Preparations
(Details of)**

- 64.** With respect to the pre-summit preparations could the hon. Minister of Trade and Industry and Minister in the Ministry of Finance please advise:
- A. The number of personnel who were hired;
 - (i) to clean the area along the route travelled by the summit participants; and
 - (ii) paint the curb walls and road barriers along the route? and
 - B. Whether this work was done by existing CEPEP and URP workers? [*Mr. J. Warner*]

**Solicitor General
(Details of Appointment)**

- 67.** With respect to the appointment of a Solicitor General could the hon. Attorney General state:
- (a) the date on which the post became vacant;
 - (b) since the post became vacant, the number of times the Prime Minister objected to the appointment of persons recommended to fill the post;
 - (c) the names of the persons to whom he objected; and
 - (d) the reasons for his objection in each case? [*Dr. H. Rafeeq*]

**Chief Parliamentary Counsel
(Details of Appointment)**

- 68.** With respect to the appointment of a Chief Parliamentary Counsel could the hon. Attorney General state:
- (a) the date on which the post became vacant;
 - (b) since the post became vacant, the number of times the Prime Minister objected to the appointment of the persons recommended to fill the post;
 - (c) the names of the persons to whom he objected; and
 - (d) the reasons for his objection in each case? [*Dr. H. Rafeeq*]

**Director of Public Prosecutions
(Details of Appointment)**

- 69.** With respect to the appointment of a Director of Public Prosecutions, could the hon. Attorney General state:
- (a) the date on which the post became vacant;
 - (b) since the post became vacant, the number of times the Prime Minister objected to the appointment of the persons recommended to fill the post;
 - (c) the names of the persons to whom he objected; and
 - (d) the reasons for his objection in each case? [*Dr. H. Rafeeq*]

**Desalination Plant
Craignish Estate
(Details of Lease Arrangements)**

- 108.** With respect to the Craignish Estate:
- (A) Could the hon. Minister of Local Government inform this House when the State will enter into a lease arrangement with the owner of that portion of the Craignish Estate for the use of a parcel of land for recreational purposes;
 - (B) Is the Minister aware:
 - (i) that a motion for lease of a parcel of land at the Craignish Estate was approved by the Princes Town Regional Corporation on March 24, 2009;
 - (ii) that the use of the land for a recreational ground was approved by Town and Country Planning Division on May 27, 2009; and
 - (iii) that the motion referred to in paragraph B(i) above was forwarded to the Ministry of Local Government on June 24, 2009? [*Mr. S. Panday*]

**Quasi State Enterprises
(Details of)**

- 109.** With respect to the following state or quasi state enterprises:
- UDeCott
 - Home Mortgage Bank

- TTMF
 - NIB
 - NIPDEC
- A. Could the hon. Minister of Finance state, for each agency/company:
- i. the total monthly emolument package attached to the position of Executive Chairman/Chairman namely:- salary and perquisites;
 - ii. the other financial beneficial considerations attached to these positions (including housing, transport, overseas travel, entertainment and medical allowances/facilities);
 - iii. the provision for any bonus payment relevant to these positions and the basis for such payments as they exist in any of these agencies/companies;
 - iv. the actual sums of any bonus paid to the holder of these offices in these companies for each year from 2006 to present?
- B. With respect to UDeCott, could the Minister indicate:
- i. when was the post of Executive Chairman first introduced;
 - ii. whether the contract of the incumbent in this position was recently renewed;
 - iii. the date of the last renewal of the contract of the incumbent; and
 - iv. an indication of the change in the terms and conditions of the current contract compared with the previous? [*Dr. K. Rowley*]

Questions, by leave, deferred.

**Desalination Plant
(La Lune, Moruga)
(Details of)**

100. Mr. Subhas Panday (*Princes Town North*) asked the hon. Minister of Public Utilities:

With respect to the desalination plant at La Lune, Moruga:

- (a) could the Minister state the period the plant has been out of service;
- (b) whether the shutdown of the plant resulted from the non-payment to the contractor and/or contractors associated with the plant; and

- (c) the total cost incurred, including the cost of truck-borne water as a result of the said shutdown?

The Minister of Public Utilities (Hon. Mustapha Abdul-Hamid): Mr. Speaker, in response to question No. 100 posed by the Member for Princes Town North, I do not know if the hon. Member would like me to read the question for him too. [*Interruption*]

Mr. S. Panday: Yes.

Hon. M. Abdul-Hamid: The desalination plant at La Lune, Moruga was out of service for the period June 06, 2009 to September 29, 2009. The shutdown of the plant was not related to any payment issue, but rather as a consequence of an electrical problem in the variable frequency drive panel for the salt water reverse osmosis high-pressure pump. The incident resulted in damage to electrical parts and the malfunctioning of the plant. It was for this reason that the plant was not in service.

In order to ensure that citizens receive a supply of water, WASA uses private contractors to provide truck borne supply of water to residents throughout the country. The cost incurred in the south region for the provision of a truck borne water service to citizens was \$9,325,893 for the period October 2008 to September 2009. The cost incurred nationally for the truck borne water for the same period was \$14,531,656. Again, that was for the period October 2008 to September 2009.

Mr. S. Panday: Could the hon. Minister state the cost for transport incurred as a result of the breakdown of this plant?

Hon. M. Abdul-Hamid: The information was collected by WASA in accordance with their regions. WASA distributes truck borne water supply in accordance with their regions. I provided the information as it relates to the south region. For the south region, for the period October 2008 to September 2009, WASA spent \$9,325,893 on their truck borne water supply.

Mr. S. Panday: Further supplemental. Could the hon. Minister assist us in giving a breakdown as to how that money was spent?

Hon. M. Abdul-Hamid: There is no further breakdown. I cannot give him a house-by-house or street-by-street breakdown of the truck borne supply; what we have is the information in accordance with the region. The south region is the region within which this particular area is located. I have given the cost of truck borne water supply for that particular region.

Mr. Sharma: Can the hon. Minister advise if this plant is serviced by a standby generator?

Hon. M. Abdul-Hamid: Sir, you would have to file that question and I would have to check.

Mr. Peters: Can the hon. Minister say whether, because of the repair of the plant now, the people of that particular area are getting an adequate supply of water?

Hon. M. Abdul-Hamid: My understanding is that the plant is back in service and all the communities that were serviced by the plant, prior to its malfunction, are now being served in the circumstances where the plant is now fully operational. In short, the answer is yes.

Mr. Speaker: Hon. Members, the Minister of Sport and Youth Affairs would like to make a statement. Unfortunately, the statement is not quite ready. I am asking your indulgence to have the Minister make the statement later on in the proceedings.

WRITTEN ANSWER TO QUESTION

The following question was asked by Mr. Winston Peters (Mayaro):

Rio Claro/Mayaro Region

87. With respect to proposed projects by WASA in the Rio Claro/Mayaro region, could the hon. Minister of Public Utilities state:

- (a) All projects proposed for 2009—2012 and the scope of works to be done? and
- (b) The estimated cost of this development, and a tentative date for commencement?

Vide end of sitting for written answer.

MATTER OF PRIVILEGE

(Dana Seetahal SC)

The Minister of Information (Hon. Neil Parsanlal): Mr. Speaker, as provided by Standing Order 27, I wish to raise a matter which, in my estimation, is a breach of the privileges of this House and which, according to the definition provided by Erskine May, can be treated as a contempt.

Specifically, I refer to the contents of an article published in the *Guardian* newspaper of Sunday, October 25, 2009, under the headline:

“PNM out of Control”

and written by Miss Dana Seetahal SC.

Matter of Privileges
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Among other things in the article, I was particularly perturbed by the following statement, and I quote:

“The debate on the Validation Bill devolved into name-calling and bad-mouthing, and the fact that this was allowed to happen must surely lie with the Speaker of the House, who is responsible for regulating the conduct of business in the House.”

Mr. Speaker, the article continues:

“Standing Order after Standing Order was breached and no one was called to task. One such is that the conduct of an MP is not to be called in question (except on a specific motion), and any Member who does so is out of order.”

Thus far, during this Ninth Parliament, several matters of privilege have been raised in both Houses regarding breaches of privileges and contempt and I am sure that we are all now familiar with the learnings on this matter, found particularly in May’s *Parliamentary Practice*, 23rd Edition, on page 128. He says:

“...any act or omission which obstructs or impedes either House of Parliament in the performance of its functions, or which obstructs or impedes any Member or officer of such House in the discharge of his duty, or which has a tendency, directly or indirectly, to produce such results, may be treated as a contempt even though there is no precedent of the offence.”

Further in the text, May details the types of acts and behaviours which, over time, have been deemed by the United Kingdom House of Commons to constitute contempt, and among these can be found constructive contempt, such as speeches and writings reflecting negatively upon the character or conduct of individual Members in their parliamentary roles.

It is important to note that in order to establish that contempt has been committed on this ground, the words "complained of" must reflect on the Member in the discharge of his or her duties in respect of some proceedings in the House or in committee and not merely arising out of the Member’s status as a public figure.

Some of the most serious reflections on Members that can be made concern those against the character of the Speaker and accusations that the Speaker or some other Presiding Officer has shown partiality or bias in discharging his or her duties since reflections on the official conduct of the Speaker are direct attacks on the very institution of the Parliament itself. That is why the House has provided a mechanism for Members to air their concerns about the conduct of a Speaker.

Members are aware that any Member could bring a substantive Motion for debate in the House, in order to have the House consider the conduct of the Speaker. To do otherwise is to disregard the rules of this honourable House and to engage in behaviours that are certain to bring the House into odium and ridicule.

Based on the research that I have done on what pertains in other Commonwealth jurisdictions, it is my understanding that any statement in the House reflecting on the Office of the Speaker, either directly or indirectly, is considered out of order. The Office of the Speaker is a highly regarded one requiring the incumbent to exercise the patience of Job on the one hand and the wisdom of Solomon on the other to ensure that the business of the House is conducted in a manner becoming of the highest court of the land. It therefore requires Members to treat the Speaker's Chair with deference and respect.

In New Zealand, for instance, it is out of order to suggest that the Speaker is defending the government or has made no attempt to stop a barrage of interjections from Government Benches or has tried to curtail the reply of a Member. These are all considered grave reflections on the Chair. As such, it is not far-fetched to apply this same principle to reflections which come from outside of the House and to deem them even more unacceptable. Reflections on the character or actions of the Speaker from both inside and outside of the House have attracted the use of penal powers of the House of Commons. I wish to repeat that any questions on the conduct of the Speaker, in the exercise of his functions must be brought by way of a substantive motion.

Indeed, Miss Seetahal SC says as much in her article, when she notes that the conduct of an MP should not be called into question except on a substantive motion moved for that purpose.

Miss Seetahal SC is a seasoned Member of the other place and is probably more conversant than most with the rules governing the privileges of Members and of the Houses, and yet, within this very article, she liberally quotes the Standing Orders of the Parliament by publicly castigating the actions of the Chair in the performance of his function.

Mr. Speaker, I wish to submit, therefore, that this is a clear case of contempt of the House and I move that this matter be referred to the Committee of Privileges for its urgent consideration and report.

1.45 p.m.

Mr. Speaker: Hon Members, since this particular matter touches me, as Speaker of the House, I would have no alternative but to have this matter referred to the Deputy Speaker for her consideration and report.

Hindu Credit Union (Steps to Bail Out)
[MR. B. PANDAY]

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**HINDU CREDIT UNION
(STEPS TO BAIL OUT)**

Mr. Basdeo Panday (*Couva North*): Mr. Speaker, thank you. I beg to move the following Motion standing in my name and it reads as follows:

Whereas the Minister of Finance in announcing the Government bail out of CL Financial clearly enunciated its commitment to ensure that depositors' assets will not be at risk;

And whereas the Government has now agreed to inject \$5,000 million into CL Financial over the next two years to protect policyholders of CL Financial subsidiary Clico and depositors of the failed wealth management firm Clico Investment Bank;

And whereas the Hindu Credit Union consists of over 100,000 depositors many of whom are small investors who have invested their life savings in the credit union;

And whereas the total liability of the Hindu Credit Union is estimated to be in the vicinity of \$776 million;

And whereas Trinidad and Tobago is currently experiencing symptoms of a recession with the resultant financial hardships on depositors who are unable to access their savings and investments in the Hindu Credit Union;

Be it resolved that this honorable House call on the Government to take immediate steps to bail out the Hindu Credit Union so as to ensure that the deposits and investments of depositors and shareholders are totally protected from loss.

Mr. Speaker, I do not believe that there is a single Member in this House who does not believe that the hapless depositors of the Hindu Credit Union (HCU) should be protected from loss of their life savings. I am sure everybody agrees that they should be. As you can see, that is all we ask in this Motion. We ask that Government intervene so as to save them from loss. [*Desk thumping*] Mr. Speaker, why the Government? Because with such a large sum of money involved, only the State has the resources to deal with the problem of this magnitude.

I am no financial expert and I cannot advise on the model to be used for the "bail out" as it is called, for the use of a better word. My only concern is that the depositors/shareholders of the HCU do not lose their money. [*Desk thumping*] Their suffering is comparable to and equal to the suffering of all people who have

put moneys into financial institutions and have lost them. Their suffering is equal to that of the investors of CL Financial. They are equally human beings and, Mr. Speaker, they deserve to be treated equally by a government acting on behalf of the State. [*Desk thumping*]

Mr. Speaker, the basis of my submission is threefold: The Government has a moral and constitutional duty to treat all its citizens equally and, therefore, must protect the depositors of the HCU from financial loss as they did those of the CL Financial group. [*Desk thumping*]

The second ground for my argument is that the Government has been negligent in its statutory duty to protect the depositors/shareholders of the HCU and, therefore, it has a legal or quasi-legal duty to bail out the HCU. At least, it has a moral duty.

The third limb of my argument is that having failed to perform its supervisory and investigative functions over the HCU in time or at all, the Government created a legitimate expectation in the minds of the public that all was well with the HCU and, in so doing, they misled the depositors and shareholders to invest in the HCU resulting in their eventual loss.

Let us examine the two situations; that of CL Financial and that of the HCU. On Monday, February 02, 2009, the Minister of Finance revealed to this honourable House that CL Financial was in trouble, and this is what the Minister of Finance said. Of course, I am referring to the *Hansard*. This is what she said:

“Mr. Speaker, since enunciating our policy for developing the financial sector in the 2004 White Paper on Financial Sector Reform, this Government has been devoting considerable effort towards strengthening our financial system over the last few years. As is well known to this honourable House, we have been undertaking some wide-ranging reform to our banking, insurance, pension and credit union legislation.

Late last year, this House unanimously passed a new Financial Institutions Bill—the Financial Institutions Bill, 2008—that substantially enhances the ability of the Central Bank to conduct consolidated supervision of banking groups. This piece of legislation also strengthens our risk management capability, by putting in the hands of the regulatory authorities, the power to separate the activities of financial and non-financial entities, thus protecting financial entities from contingent and other group risk.”

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The Minister was clearly stating what was the Government's policy. She went on to say:

“Mr. Speaker, over the past few weeks the banking subsidiary of the CL Financial Limited, Colonial Life Insurance Company Investment Bank (CIB) has been experiencing some liquidity challenges, which came to a head late last week, when an unusually high level of requests for withdrawals placed significant strain on CIB’s available liquid resources.”

Is that not exactly what happened to the HCU? I am drawing a comparison between the two to show why they should be treated equally. That is exactly what happened with the HCU. The hon. Minister continued:

“Colonial Life Insurance Company (Clico) and British American Insurance Company Limited, two affiliates of the CLF, have also been experiencing some liquidity challenges, which threatened to disrupt the smooth working of a domestic financial system and tarnish the strong reputation of Trinidad and Tobago's financial services sector.”

Is the credit union not included in that? The Minister continued:

“We have therefore moved swiftly and decisively to protect funds of CIB depositors, and Clico and British American policyholders, to deal with the liquidity challenges in all three entities, and to maintain confidence in Clico, British American and the financial system as a whole.”

They moved in to deal with the liquidity problem. Was that not the case with the HCU? They had a liquidity problem. The Minister went on to say:

“Mr. Speaker, as a first step I have already signed a Memorandum of Understanding between the Government and CL Financial, that provides a package of financial support with a number of conditions attached.”

Was the same effort made with the HCU? She went on to say:

“These conditions relate to the winding up of CIB, the ordinary rationalization of assets and liabilities of Clico and British American, a change in current business model and corporate governance structures of the group.

The terms of the Memorandum of Understanding require that CL Financial dispose of its shareholdings in Republic Bank Limited, Methanol Holdings (Trinidad) Limited, Caribbean Money Market Brokers Limited and all or any other assets to meet the statutory fund obligations of CL Financial affiliates.”

On that occasion I said, that was not really a bail out, that was a takeover and it was a hostile takeover, and my words have come true. [*Desk thumping*]

I want to refer to another statement made on that same occasion by the hon. Minister to indicate that the Government accepted the fact that it has a responsibility. The hon. Minister went on to say:

“At present, the statutory fund is in deficit. By this I mean that this fund, which under the Insurance Act, must be established to meet the obligations falling due to policyholders, cannot now meet these obligations, and this must be corrected.”

The Government was responsible for ensuring that the statutory fund is in order. You have admitted that and, therefore, what the Minister was saying was that is a responsibility of the Government which having failed to perform has a concomitant liability to protect the shareholders.

Mr. Speaker, the implication is that the Government having recognized that it not merely had an obligation, but a statutory duty to ensure that the statutory fund was adequate in law and in fact, and having failed in its duty, it now has an obligation to the depositors of CL Financial and the others.

The Central Bank itself also has a supervisory function over credit unions. According to the Financial Institutions Act which was passed and assented to in December 2008, the Central Bank is vested with oversight responsibility of licensees which under section 2(1) of the Act is defined in certain ways and so on.

2.00 p.m.

I will only read the relevant part as it relates to credit unions:

“‘financial services’ includes, without limitation, the business of banking, any business of a financial nature, the business of a credit union, insurance business or insurance brokerage, the business of securities and any business relating to pension funds;”

It is probably interesting to note that a publication appeared in the *Express* of Wednesday, April 25, 2007 captioned “Big changes, projects coming at HCU”. It was reported that:

“The HCU is already meeting with the Central Bank of Trinidad and Tobago to become regularized under the financial body.”

They cannot extricate themselves from the situation involving credit unions as opposed to CL Financial.

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Mr. Speaker, continuing the comparison between CL Financial and the HCU that the cost of bail out of CL Financial is estimated to be in the region of \$5 billion and, from my latest report, still rising.

Dr. Rafeeq: More than that.

Mr. B. Panday: More than that, still rising. I am not sure how many persons are involved, but I do not think that matters, because what we are talking about here is human beings and we are talking about the loss to human beings and the loss of one human being is as serious as the loss to any other human being, so the issue is not numbers, the issue is about human beings and the equal suffering they endure when they lose their money.

The HCU bail out on the other hand is likely to cost about \$400 million. Remember, as opposed to \$5 billion the HCU bail out was likely to cost about \$400 million. Why I say that is because it was reported that the liabilities are about \$800 million. Ernst & Young did the valuation of HCU's assets and, of course, that is questionable, the HCU claims that it has been undervalued—but be that as it may—and their valuation was \$4.2 million. Hence the cost to the State in a worst case scenario is about \$400 million.

But instead of the bail out of the HCU in July 2008, all assets of the HCU and the HCU group of companies were frozen and a High Court judge granted an application to appoint a provisional liquidator of the HCU assets on the ground that the HCU was insolvent. Since then, there have been a series of connected matters in court and I have no intention of dealing with the merits or demerits of those cases. My sole objective is to protect the shareholders and the depositors of the HCU from financial loss. [*Desk thumping*] I am not concerned about cases that they have in court. I am not going to deal with the merits and demerits of them. The issue is the HCU depositors must get back their money and they must get back their money because the Government is at fault and is responsible for their loss. [*Desk thumping*]

The Cooperative Societies Act, Chap. 81:03 of the Laws Trinidad and Tobago governs the operations of credit unions of which the HCU is one. The Cooperatives Societies Act makes provision for a Commissioner of Cooperatives who shall have general powers of supervision of the affairs of credit unions. The Act gives the commissioner very wide powers, including the power to hold an enquiry into all aspects of the credit union; including the operations and including their financial position, gives them power to inspect books, accounts and other records of the credit union.

I humbly submit that by giving the commissioner such wide powers, the legislature intended to impose upon the commissioner a legal obligation and a legal duty to exercise those powers so as to protect depositors and shareholders of the credit union. The commissioner and, by extension, the State has a statutory duty to protect the depositors. I further submit that if the State fails to carry out that duty then it has both a moral and a legal obligation to compensate those who have suffered as a result of such failure. [*Desk thumping*]

Mr. Speaker, I propose to demonstrate that the Government was aware of the developing financial crisis in the HCU and did nothing about it. They were aware that they had a responsibility; they were aware that there was a looming crisis and they did nothing about it, which is an act of negligence and a breach of statutory duty since the year 2000—[*Desk thumping*]

Mr. Imbert: Since when?

Mr. B. Panday:—and two. [*Laughter*]

Mrs. Persad-Bissessar: Hurry, hurry.

Mr. B. Panday: Always hurry. [*Interruption*] My mother—bless her soul—used to tell me, "Son careful, hurry man does eat raw meat". You must wait my dear fellow. [*Laughter*]

Since the year 2002 complaints were filtering about the problems in the HCU. [*Rummages through document*] Oh, thank you, I almost thought I was human and there was a fault in my research, but there is none, Mr. Speaker. As I said, since 2002 complaints have been filtering about the HCU. There were several allegations against the operations of the HCU, most, vocally, by the Maha Sabha around 2002 which called for a forensic audit of the credit union. Yet this did not prompt the commissioner to act on his own notion as he was entitled to. At one time, one Mr. Keith Maharaj was the Commissioner of Cooperatives, if I remember rightly. Also in 2002, the then Minister of Finance, Hon. Conrad Enill—

Mrs. Persad-Bissessar: Minister in the Ministry of Finance.

Mr. B. Panday: Minister in the Ministry of Finance, I beg your pardon. The then Minister in the Ministry of Finance, Sen. The Hon. Conrad Enill, had made a public statement that the HCU was under investigation. I am talking about 2002; Minister Conrad Enill had made that public statement that they were under investigation. It means that there were complaints and it was of concern to the Government.

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According to the media reports, HCU's President, Mr. Harry Harrinarine, and a group of supporters protested in front of Balisier House and Mr. Harrinarine met with the Prime Minister. It is now history that Minister Enill was later either forced, or of his own voluntary self, apologized for his initial statement. No one knows what happened that day—the day of the protest—suffice it to say that the Prime Minister and his Ministers were aware that there were concerns being raised about the HCU. That is my point. [*Interruption*]

However, at the time, that was June 2002, the Minister of Labour and Small and Micro Enterprise Development and the Minister in the Ministry of Finance had both confirmed that there were in fact investigations going on. According to the Minister of Labour and Small and Micro Enterprise Development, then Minister Lawrence Achong, there were two investigations, not one; but two: one into the HCU financial operations by the Ministry of Finance and the other by the Ministry of Labour and Small and Micro Enterprise Development into the credit union's administrative affairs. I have come fully armed.

Mr. Imbert: But not prepared.

Mr. B. Panday: As I said, I do not know what happened. What I do know is that the Prime Minister—I read from a report in the newspaper:

“Prime Minister, Mr. Manning, conceded yesterday that not all his Ministers were experienced and would therefore make mistakes.”

Apparently the implication here is that they made a mistake by saying that one enquiry was going on, probably they made a mistake by saying that two enquiries were going on, they made a mistake by saying there was a protest, they made a mistake by saying that they knew anything about the credit union.

He was referring to the recent controversy over a statement by junior Finance Minister Conrad Enill that the Hindu Credit Union was under investigation. A claim by labour cooperatives former Minister Lawrence Achong that there were two probes—he is denying now what they said. The point is, as I say, I am not here to lay blame on anybody. The point I am making is that the Government was aware. All that I am doing here is producing evidence that the Government was aware that there were problems in the HCU. [*Interruption*]

“Responding to questions at a media conference following yesterday's Cabinet meeting at White Hall, Mr. Manning said there is no need for the resignation of any Minister”—I think the guys were calling for the resignation of the Ministers—“and certainly, the Prime Minister has not contemplated revoking the appointment of his Ministers...”

I am talking about 2002.

Mr. Speaker, an even more significant thing took place two years later. If the Government did not know or ought to have known that there were problems taking place in the HCU in 2002, in December 2004 a depositor by the name of Harripaul Rickhi, tried to retrieve from the HCU his fixed deposit of \$80,000 plus interest, which had matured on December 09 of that year, of which he had given previous notice of his intention to withdraw his fixed deposit. After several efforts he was unable to get his money, therefore he went to his lawyer who wrote the following letter to the commissioner.

And I quote directly from the letter:

“I am instructed by Mr. Rickhi Harripaul that having a fixed deposit at the Hindu Credit Union Point Fortin Branch he wrote to the said institution requesting that his fixed deposit be determined by its maturity date, December, 2004 and he would like to receive his monies of (\$80,000), plus interest.

To date the said institution has not paid my client his monies. We are asking that you use your good office to ensure that my client is paid his monies within seven days alternatively legal action will be taken.

That is a letter to the Commissioner of Co-operatives.”

2.15 p.m.

Instead of investigating this letter, the Commissioner's office—now, I say the Commissioner's office. That means his people who work with him and so on, his [*Inaudible*] as opposed to the man itself. I am not here to cast blame on people—gave this man the most callous treatment, dancing him around and round and round, as if he was Fred Astaire. When four months passed and the Commissioner's office did little or nothing, Mr. Rickhi filed for judicial review against the Commissioner.

Again, Mr. Speaker, I want to make it clear because I am not here to blame people and so on. Not the credit union, not the Commissioner, not Mr. Rickhi. I am merely laying before you the facts as I have them in an attempt to build a case for Government to intervene in this matter, to ensure that all depositors of HCU get back their money. [*Desk thumping*]

The judicial review matter came up before the hon. Mr. Justice James C. Aboud, a copy of which I have in my hand. It is a catalogue of bureaucratic insensitivity, prevarication, lies and disingenuous attempts to justify the deliberate incompetence on the part of the Commissioner's office. It makes really awful reading.

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In the judgment, when the Commissioner is sued, by way of judicial review, instead of rushing to correct his fault, they put up the most spurious defence. They argued that the man was not entitled to relief. Why? Because of non-disclosure by the applicant of material facts relating to the application for leave. Again, they said, the applicant's statement, notice of motion and supporting affidavits disclosed no arguable case. The matters raised in the applicant's statement, notice of motion and supporting affidavits are of academic interest only. So whether they acted or not, that is of academic interest. It matters not whether the man got his money back or not at the time. The issue was, they said, do not bother us, that is of academic interest. They also put as an excuse, alternatively, that this matter be dismissed as an abuse of process of the court on the grounds that the applicant had an alternative remedy under section 74 of the Act.

I think that alternative remedy that they were referring to was that he may refer the matter to the Minister. But first the Commissioner has to make adjudication, and it is upon that adjudication that they based their appeal to the Minister. Not only did they put that as really unacceptable reasons to have the man's case dismissed, but in their reply to the application, they made the most spurious allegations against Mr. Rickhi. They also added that the applicant was guilty of duty of candour, that the letter to the Commissioner was a complaint and not a dispute—splitting hairs—and that the letter should have been signed by Mr. Rickhi and not his lawyer. Have you ever heard of such incompetence, such abuse of power, Mr. Speaker? And now the Government escapes! Escapes by not compensating these people. What is even more revealing is that at the time, 2004, Mr. Rickhi was not the only person complaining that he could not get his money. There were 14 others. I read from the judgment:

“The facts therefore, had been ascertained, the issues had been defined, and Ms. Scott”—Ms. Scott, I think was the Co-operative Officer in the office, who was defending the JR—“had endeavoured to bring about a voluntary settlement. The voluntary settlement involved HCU undertaking to repay that many depositors, including the applicant.”

At that time there were 14 other persons complaining. In the very letter, Ms. Scott extended the deadline to the HCU to provide the target. As a matter of fact, the judge had complained that she had done that on several occasions, extending the deadline. It seems to me that the HUC was unable or unwilling to set target dates for the repayment of the deposits, and was also ignoring her requests for written responses to her correspondence. Yet they do not act.

“HCU cannot, by these facts, be said to be involved in a process of voluntary settlement. In fact, by its prevarication, HCU had likely put its many depositors

into a state of panic. The events that followed the meeting of 21 February...cannot be described as...preliminary investigation. It is quite plain that HCU was not in a position to say when the applicant's fixed deposit would be re-paid. Instead of constantly extending the time for HCU to set a target date, Ms. Scott should have proceeded to the next stage, namely, to have the Commissioner formally determine the dispute under section 67(3)(a) of the Act." [*Desk thumping*]

That is my argument, and by failing to do so, they were negligent. If they were negligent, who must suffer?

Mr. Speaker, it must be now beyond dispute that since 2002, and surely 2004, the Government knew that HCU was having financial difficulties and they did nothing about it. They were thereby not only deceiving existing depositors, but misleading potential depositors into investing their hard-earned cash by indicating that all was well with the HCU. Those people are today's victims of the Government's negligence. They are the ones who have lost their money, or have not got it back yet.

The learned judge also remarked at page 9, paragraph 15 of his judgment:

"The applicant was entitled to recover his deposit at maturity on 9 December, 2004 and he made his demand for repayment as early as 25 October, 2004. He also made several visits after 9 December, 2004, and on each occasion HCU gave various excuses for non-payment. After 9 December, 2004, HCU was indebted to the applicant. Any depositor could reasonably infer from this that his funds were not immediately available."

That was knowledge within the purview of the Commissioner of Co-operatives.

Surely, Mr. Speaker, they would have known that at that time at least they should have intervened to protect depositors. This judgment is full of information. Let me read even further what the learned judge had to say:

"In each of these letters Ms. Scott wrote HCU with reference to the claims of different members of the HCU, among them the applicant. She informed HCU that these members made complaints about being unable to recover their fixed deposits and set out brief particulars of the deposits. In the letter of 4 April, 2005 Ms. Scott wrote in relation to some 14 unpaid deposit holders, among them the applicant."

Fourteen persons were complaining, and that would not put you on the alert?

At paragraph 12, the learned judge said:

"The Act creates the office of the Commissioner for Co-operative Development and gives him regulatory control over co-operative societies, credit union societies

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and agricultural credit societies. His powers include the holding of enquiries into the affairs of a society, the management and distribution of the funds of a society, the transfer of assets upon the winding-up of a society, and the resolution of certain disputes involving societies. These are wide ranging powers, the exercise of which is judicially reviewable.”

So that the judgment is clearly indicating that the Government was negligent, and I submit therefore, they are liable.

I would like to read to you, Sir, if I may, another statement by the learned judge. At page 12 of his judgment, in the middle of paragraph 18, he says:

“Admittedly, the determination of a dispute by the Commissioner involves the holding of a hearing, which would obviously have caused delay and further expense. It was probably with a view to avoiding this prospect that Ms. Scott diligently continued writing letters on behalf of the depositors and extending the time on each occasion for HCU to fixe dates for repayment.”

The judge was being kind.

“In my opinion, bearing in mind that so many depositors had been deprived of their funds, Ms. Scott should have strictly complied with the Act and invited the Commissioner to determine the applicant's dispute... Any other dispute resolution process”—would have been—“ultra vires.”

2.30 p.m.

That being the case, Mr. Speaker, the only just and reasonable thing is for the Government to step in and make sure that no depositor of the Hindu Credit Union is likely to suffer loss as a result of what happened in the HCU. I do not think that I could put and rest my case better than Mr. Justice Aboud himself, when he said at page 13, paragraph 22, of that judgment:

“The right of a depositor to recover his money is the hallmark of a stable society. —So you talk about a stable financial position, but a stable society does not matter.—” The loss of public confidence in any of its financial institutions can easily damage or cripple a country's economy. The Commissioner for Co-operative Development has an important regulatory function to perform in relation to co-operative societies and credit union societies in Trinidad and Tobago. These societies hold deposits from vast numbers of working people, which, in most cases, represent their sole cash savings. —The judge has feelings.—” The Commissioner must therefore be decisive and vigilant in exercising his statutory powers. These powers include the holding of an enquiry into the affairs of any credit union society

and managing and distributing its funds in accordance with the Act. These supervisory powers are designed to protect, not the credit union society, but its members. In light of what transpired in relation to the applicant and other HCU depositors in 2005, it would be prudent for the Commissioner to re-evaluate his statutory powers and his management of the Act's dispute procedure...Co-operative and credit union societies play a vital role in the financial system and in the lives of working people. Their importance is equal to that of banking and mortgage institutions." [*Desk thumping*]

That is the judge saying that and not Mr. B. Panday, Leader of the Opposition. I will read it again:

"Their importance is equal to that of banking and mortgage institutions. In regulating and supervising all of the nation's financial institutions there should be no administrative or statutory oversight. Every institution in the financial sector should be governed by legislation that is periodically reviewed."

He then went ahead to make his declaration.

Mr. Speaker, although I believe that I have made out a strong case for the Government's intervention, to save the deposits of the HCU depositors, I am also aware that this PNM regime has a history of discrimination and victimization. It may be that you would not accept this Motion; if you do not, I then say to all HCU depositors, "Do not throw away your documents; put them in a safe place, and I assure you that when the UNC is returned to power and office, we shall make sure that every single depositor of the Hindu Credit Union will recover his or her deposit." [*Desk thumping*] And you know that when the UNC makes a promise, we keep it. [*Desk thumping*] Our record of performance between the years 1995 and 2001 is living testimony to our credibility, [*Desk thumping*] our ability and our capacity to perform.

I beg to move.

Dr. Hamza Rafeeq (*Caroni Central*): Mr. Speaker, I beg to second the Motion, as moved by the hon. Member for Couva North, and reserve my right to speak at a later stage in the debate.

Mr. Speaker: Before I propose the question, earlier on I had intimated that the Minister of Sport and Youth Affairs would like to make a statement. I now call on the Minister.

Mr. Sharma: "Oh, God, dat flag pole."

STATEMENT BY MINISTER
National Cricket Team
(Funding by Government for)

The Minister of Sport and Youth Affairs (Hon. Gary Hunt): Mr. Speaker, it is my privilege and honour, as Minister of Sport and Youth Affairs, to address this honourable House, after the recent performance of National Cricket Team, on a number of matters swirling in the public domain that, if left unanswered, could only detract from the success of this team.

Let me again begin by once more congratulating our National Cricket Team for its success in the recent Airtel 2020 Champions League in India. [*Crosstalk*]

Hon. Members: Shame!

Hon. G. Hunt: On behalf of the Government and the people of Trinidad and Tobago, I extend congratulations to our inspirational captain, Darren Ganga, and his outstanding squad of dedicated, young, talented cricketers. [*Crosstalk*]

Mr. Speaker: Order, please!

Hon. G. Hunt: The Government is especially pleased with the excellent display of teamwork and discipline that the players demonstrated throughout the tournament. By their sterling example, they have become true role models, and the Government is confident that they would be a source of great pride for all citizens for many years to come.

I would like to assure the public that this Government will continue to support the National Cricket Team and all sport, as we have consistently done in the past. What we are witnessing today, not only in cricket, but in several sports, are the rewards of this Government's ongoing investment in the development of sport, and our demonstrated commitment to the development of youth in Trinidad and Tobago. [*Desk thumping*]

What our various national teams have achieved within recent times, is a direct result of a unique and comprehensive national sport policy that has been guiding the Ministry of Sport and Youth Affairs in fulfilling its mandate since 2002.

The Government of Trinidad and Tobago has a philosophy about the role of sport which emphasizes careful planning and long-term development. We believe that if a tree is expected to bear fruit, then it must be nurtured from the time it is a seed and it must be cared for through all its stages of growth.

As I indicated at the airport on Monday last, at the welcome ceremony for our cricketers, the days of last minute, ad hoc approach to sport are long gone. I maintain that once a solid foundation is in place from the start, then international success is inevitable. The Government will, therefore, continue to fund, support and establish the foundation for sporting glory on a sustained basis. We will do so quietly, professionally and without the desire for fanfare; only the desire to fulfil our mandate and serve the population of this country.

Since the team's outstanding success in India, there has been much debate about the level of support that it has received from sponsors, including the Government. I want to assure the public that despite the misinformation that is being spread, the Government, through the Ministry of Sport and Youth Affairs, has been a strong and unwavering supporter of our National Cricket Team. [*Crosstalk*]

Mr. Speaker: Order! Order!

Hon. G. Hunt: Mr. Speaker, the Government has provided \$14.4 million to the Trinidad and Tobago Cricket Board over the past three years, in support of the development of cricket. I am also advised that \$550,000 was spent this year in preparing our national team for the 2020 Champions League Tournament. [*Desk thumping*] The Government, through the Tourism Development Company, also provided \$100,000 for the team for this tournament.

Mr. Speaker, several articles which appeared in different newspapers or were carried in the electronic media over the past days, some with statements attributed to different persons, have proven to be grossly inaccurate and misleading.

Hon. Members: Falsehood!

Hon. G. Hunt: On Sunday, October 25, the *Sunday Guardian's* lead story read:

“Bravo's dad to Manning, Govt... Stay away from cricketers”

Mr. Bharath: Sue the *Guardian*!

Hon. G. Hunt: Mr. Bravo has since vehemently denied ever making such a statement. His denial is yet to be given the same prominence as the statements erroneously attributed to him.

On Monday, October 26, the *Newsday* carried as its back page headline:

"Ganga's men to sidestep Govt fanfare”

Mr. Speaker, both Darren Ganga and Dinanath Ramnarine have denied ever making those statements and, yet again, their denials are never given the prominence of the grossly inaccurate headlines.

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Another non-sport related article comes to mind, as I speak. It is relevant to this discourse. On Sunday, October 04, an article appeared in the *Trinidad Guardian* related to an incident where the reporter stated in his opening paragraph:

“Officials at Queen's Hall...pulled the plug on Sagicor Exodus performance at Wednesday's premiere of the T&T Steelpan and Jazz Festival because it was disturbing the night rest of Prime Minister...and his wife Hazel.”

The headline of the article read:

“Steel, Jazz Fest ends abruptly”

Subsequent to this article being written and published, the organizers of the festival wrote the *Guardian* on October 06 to indicate that no such complaint had come from the Diplomatic Centre or residence on that evening and that no attempt had been made to verify the report with the organizers or to even communicate with them in any way to get accurate information.

Even though a retraction and apology were requested by the Queen's Royal College Foundation, none has apparently been forthcoming from the *Guardian* to date. This is another example of the approach being taken by some sections of the local media with regard to their coverage of matters relating to the Government of Trinidad and Tobago and, in this case, the hon. Prime Minister in particular.

Dr. Gopeesingh: "Privileges Committee for dem!"

Hon. G. Hunt: Mr. Speaker, the latest piece of misinformation is contained in the lead story of today's edition of the *Newsday* newspaper under the headline:

“Government gave \$650,000 to Ganga's team for 2020, but TT Cricket Board insists money was for overall cricket programme.”

I have in my possession a press release from the Trinidad and Tobago Cricket Board, signed by Mr. Forbes Persad, the same person quoted in the *Newsday* story. In this release issued earlier today, Mr. Persad noted, and I quote:

“I wish to draw your attention to an article which appeared in today's *Newsday* newspapers under the headline, '\$650,000 spent on T&T cricket team'. The article conveys the impression to the general public that the Trinidad and Tobago Cricket Board did not receive any financial support from the Ministry of Sport and Youth Affairs to prepare the national team for the recently concluded Champions League Tournament staged in India. I wish to state quite categorically that this is not true. According to our records to date, funding received as well as funding authorized for payment from the Sport

Company to the Trinidad and Tobago Cricket Board for national team preparation for 2009 is approximately \$913,679.01. [*Desk thumping*] Included in this sum is funding for the team preparation for the 2020 tournament in India.”

The sum effect of this misinformation, whether deliberate or not, is to drive a wedge between the Government and the cricketers, in the first instance, and then the good citizens of this country. But in this case, and in all cases where the Government is concerned, truth is our only defence. It is our hope that the facts of Government's involvement, as articulated here this afternoon, would put an end to this sour affair, particularly at a time when we should be collectively celebrating our team's phenomenal performance and internationally heralded success.

I wish to give citizens of this country the assurance that Government support did not begin when the players arrived in India. We were there from the very start, making sure that the team was adequately prepared for this tournament. We recognize that preparing a team is hard work and it takes many long hours. I, therefore, wish to commend the team coach, management and support staff for a job well done.

Mr. Bharath: "What dey getting?"

Hon. G. Hunt: This national team exemplifies all that is good and noble about the people of Trinidad and Tobago. It is a vibrant, disciplined and diverse unit that is brimming with self-confidence and unafraid of international competition.

2.45 p.m.

More importantly, this team symbolizes the strength and power of unity in diversity. These are the qualities that make us a nation of great possibilities and they embody characteristics that lie at the foundation of Government's vision for developed nation status by the year 2020.

This is also the reason for the tremendous support that this Government gives to sport, not only in terms of physical infrastructure, but also in the considerable financial assistance that it has given to all our national teams.

The Government, through the Ministry of Sport and Youth Affairs, has been a strong and unwavering supporter of our national cricket team. Our sport policy speaks as well to the concept of total participation in sport and the ministry has embarked on a programme of community development through sport. This is especially the focus at the youth level.

Every year, the ministry stages a series of sport camps throughout the country where over 20,000 youngsters annually receive training in the fundamentals of several

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sporting disciplines. In this regard, we are also working in close collaboration with the sport company and several communities based sporting organizations to establish sporting programmes at the grassroots level. One such programme is No More Borderlines which has recently opened in the Laventille area to promote harmony and togetherness among residents.

Mr. Speaker, this is the role that the Government intends to play in developing sport in Trinidad and Tobago, but others need to step up to the plate, and in this regard, I speak specifically to the private sector.

Modern sport offers numerous commercial opportunities for the business community and we urge the private sector to join us in taking local sports to higher heights. In order to achieve this, our sport administrators need to recognize that transparency and accountability are essential in obtaining funding and sponsorship from both the Government and private sector. It is therefore important that our national sporting organizations professionalize their operations and adopt more modern systems of management and administration.

Congratulations once again to Captain Daren Ganga and his superb team of young and dynamic Trinbagonians. Special commendations to Kieron Pollard who hit the most sixes in the tournament and lit up the sub-continent with some electrifying displays of Pollard power. We wish him well on his continuation of his cricketing journey to South Australia.

I am confident that the investment that has been made in the development of this team will bear fruit for many years to come. The Government will continue to focus on the preparation and long-term development of sport. In so doing, I am certain that our national flag will continue to fly proudly in international sporting arenas around the world.

The Government wishes the team a successful defence of its title in the WICB President's Cup currently being staged in Guyana.

Mr. Speaker, I thank you.

**HINDU CREDIT UNION
(STEPS TO BAIL OUT)**

Mr. Speaker: The Motion having been seconded by the hon. Member for Caroni Central, I shall now propose the question for debate.

Question proposed.

The Minister of Finance (Hon. Karen Nunez-Tesheira): Thank you, Mr. Speaker.

Mr. Speaker, I am pleased to have the opportunity to respond to this Motion brought by the hon. Member for Couva North. In fact, it gives me an opportunity to set the record straight and correct the mischief of the Motion.

I want to highlight from the onset three key points because these three key points will really speak to the heart of the Motion. The first is the allegation in the Motion that the Government came to the rescue and bailed out CL Financial.

Mr. Speaker, nothing could be further from the truth because when we speak of CL Financial, obviously the implication—and we know that CL Financial is a privately owned company; it is almost family owned and the clear mischief in the statement is that the Government came to the rescue of a select group of private individuals. I would show you that that is absolutely not true; in fact, the opposite is the case.

Mr. Speaker, the second point I wish to make is with the reasons for the Government's intervention because having intervened—not in CL Financial, but in Clico, that is where the Government intervened not CL Financial, the private company and that is what the statement said—but the Government's reasons for its intervention are simply in essence because of the systemic risk that Clico posed, not only to the financial sector, but to the entire economy of Trinidad and Tobago. In fact, that is not indulging in hyperbole; it is not an overstatement of the fact. That is the second point.

And the third point as a sub point really, and I wish to clarify this. The persons who were the beneficiaries of the Government and by extension, of course the taxpayers, the moneys that were put into Clico—and I want to emphasize this—the moneys were not the shareholders' of CL Financial. In fact, I will even go further than that. Not only were CL Financial shareholders not the beneficiaries of the Government's rescue plan, bail out intervention but it goes further. The directors, the chairman, as well as the senior managers of Colonial Insurance Company, Clico Investment Bank and British American, those are the three companies which the Government intervened and none of them have been the beneficiaries of the Government's intervention, meaning that the taxpayers' dollars to the extent to which any of those persons; directors, chairman or senior management may have had investments and have moneys deposited in any of those entities to the extent to which that was the case, none of the taxpayers' dollars have been used for the benefit of those persons; the opposite is the truth.

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I want to start with my first point; which is why CL Financial is not a beneficiary, but not only not a beneficiary of the Government's intervention but further than that, why CL Financial which is the opposite in fact, is being made liable and accountable to provide funding for Clico, British American and Clico Investment Bank?

Mr. Speaker, the reason is very simple. There are a number of reasons, but essentially we can start with the first point and that is that CL Financial's relationship with the other companies was that of a parent so to speak. And as every parent we know, there is that parent/child relationship. So Clico was the holding company, the parent company and there were several subsidiary companies to that company, one of which, of course, was Clico. What was happening was that Clico was acting, so to speak—perhaps this is putting it a bit harshly—as a cast out, because of the kind of product they had on the market, a product called an annuity which was really a short-term deposit with unsustainable high interest rates.

That money was the cash that was collected from those annuities which were being directed, siphoned off to CL Financial the parent company and several investments and other companies owned by the parent. So instead of that money being placed into the statutory fund as was required by law, it was being siphoned off and directed from the insurance company, from the statutory fund to some investments held by CL Financial around the world.

Mr. Speaker, when the Member for Couva North spoke, he made heavy weather of the fact from his point of view that the Government and the Central Bank—because the Central Bank is the regulator of insurance companies—failed to ensure that the money was put into the statutory fund and the statutory fund's assets were equal to liabilities. That is a requirement of the legislation. In fact, if you look at the Insurance Act, in particular, section 37(4), it clearly states:

“Every company carrying on long term insurance business in Trinidad and Tobago shall place in trust in Trinidad and Tobago assets equal to its liability...as established by the balance sheet... at the end of its last financial year.”

But what he did not say is that that responsibility to match your liabilities with your assets only comes to the attention of the regulator who is the Governor of the Central Bank at the end of the financial year. So during the entire course of the year, prior to the amendment of the Insurance Act, a company that had a statutory fund could, during the course of the year not have assets equal to its liabilities and the only time when it was necessary to have that would be at the end of the year and then even after that, according to the law as it stood then, there are three months thereafter to file their audited accounts. That was the fact, Mr. Speaker.

It is important to make the point of the importance of the statutory fund, because that fund essentially was a trust because of the nature of the investment in Clico. It was essentially an insurance product, a pension product and, therefore, there was a responsibility that if you had liabilities being the pensions, the annuities, you had to ensure that you had assets that met those liabilities. And not only assets that met the liabilities, but if the liability was, for example, a long-term insurance, or as was the case in most instances with most of Clico's business, short-term investments what you call those annuities, you had to have assets not only equal to those liabilities, but of an equal kind; short-term liability, you had to have a very liquid asset to meet that liability. The reason for that was that you had to be in a position at very short notice to be able to meet that liability.

Mr. Speaker, so when you look at the situation of why CL Financial is not only a beneficiary but is being held accountable for the state of affairs that Clico had found itself in, it was because of its failure to meet its statutory fund liabilities and I am making the point that it is only at the end of the year and three months thereafter that that matter would come to the attention of the Central Bank.

Secondly, Mr. Speaker, many of the assets and investments held by Clico were investments in the parent company and also companies held by the parent company. Again, even in the statutory fund, one found assets in the statutory fund that were actually assets that belonged to one of the companies owned by the parent company.

More particularly, when one looks at an asset from Clico Investment Bank, \$4 billion was worthless. So there are a number of factors why CL Financial has been made accountable to provide funding in order to pay back and recoup the expenditure the Government has put and the moneys put into Clico by the Government, by the taxpayers. So I want to disabuse the national community that CL Financial is a beneficiary. It is the opposite.

So having said that, because that is the question, why did the Government intervene in a situation where Clico had found itself in these serious difficulties? One could argue that we are in a market economy and in such an economy you are involved in business and, therefore, there is an element of risk taking. Some businesses fail, some succeed, some wind up, some amalgamate and that is the cut and thrust of business. Therefore, you take a risk, your business fails and if it fails, you take the consequences no matter how difficult they are of that failure.

Mr. Speaker, why Clico? In a simple phrase; the systemic risk that Colonial Life Insurance Company poses, not only to the financial sector, but the entire company of Trinidad and Tobago.

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3.00 p.m.

We know very well that because of the global financial crisis many countries have had to wrestle with that same difficulty; many countries have had to wrestle with what they call the contagion risk or the failure of companies that are considered to be a systemic risk. In a simple definition, when we talk about a systemic risk, we are talking about an institution that is said to be systemically important when the failure of their operations are likely to disproportionately have adverse effects on the financial system and ultimately on the economy, and that was the case with Colonial Life Insurance Company.

In fact, the Central Bank in its statement said this and I quote:

“The Central Bank is very conscious of the contagion risk that financial difficulties in an institution as vast as the CL Financial group could have on the entire financial system of Trinidad and Tobago and, indeed, on the entire Caribbean region.”

Why do we say that Clico could have that impact, and, in fact, the CL Financial group? The group controls over US \$100 billion in assets. The group has financial interests in several industries and several sectors including, banking and financial, energy, real estate, manufacturing, distribution; 11 business lines. These include, as I said, energy and petrochemicals, forestry and agriculture, general insurance, life insurance, manufacturing, retail and distribution. We have Angostura, Flavorite, Tru Valu, Marine Services, Media and Communications, IETV, Ebony, Radio 90.5, Medical Services, Real Estate Development, HCL Group of Companies and Republic Bank, Home Mortgage Bank. They own 55 per cent in the largest bank in Trinidad and Tobago. That is not only Clico. We talk about the Clico Investment Bank that accounted for 49 per cent of the total assets of the non-banking sector.

So that indicates very clearly the reason Clico posed a systemic risk. In fact, I should say that Clico controlled 52 per cent of the insurance industry in this country. So there is no question that Clico was an important player and there was no question that Clico posed a systemic risk to the entire economy of Trinidad and Tobago.

What is the role of the Government, in particular the office of the Ministry of Finance? Together with the Central Bank, the Government is responsible for managing the macro-economy; use fiscal measures on one hand and we work together with the Central Bank in terms of open market operations in order to ensure that inflation, which you know, is down to under 5 per cent. We also deal with issues of unemployment, which we know is only 5.1 per cent, when you are

looking at countries like the United States, Europe, Euro Zone, developed countries which have an unemployment rate of 10 per cent.

So the Government has a responsibility to, what we call work towards that elusive goal of equilibrium. In doing so, it has to deal in a very decisive way with any entity that poses a systemic risk and thereby threatens to undermine the economy of the country. That is the responsibility of the Government. I do not think that the Government could sit back. It did not have the luxury of sitting back. The Government had to act and act decisively.

So in looking at the question of intervention and doing some research on the issue of bailing out—in fact, it is an appropriate term; I thought it was actually vernacular because it does give the impression that you are giving someone an ease up. In fact, that is the point they made. The issue about giving a bail out, as it is called, is the issue of moral hazard, because it tends to make the organization that is assisted, perhaps not be as vigilant as it should be; take risks that it should not take, because it feels that it has a backing from the Government, as the case may be.

So that is the moral hazard argument. But we know very well that governments around the world have had to deal with this. We could just look over at the United States, where the whole global financial crisis began and filtered into the real economy. They went to the assistance of AIG, Fanny Mae and Freddie Mac. Those decisions were made on systemic risks arguments but also there were other considerations.

So when one looks at the decision to intervene, systemic risk clearly is a critical factor, but you look at other sub-factors. One of those that we had to look at was the nature of the business in which the entity that poses the systemic risk is engaged. That is important. If you are engaged in making clothes or making cars—I am not making light of that; obviously those are important consumer products and I do not want to give the impression they are not important, but when you look at the nature of the business that Clico was involved in and which posed a systemic risk to the economy of Trinidad and Tobago; the nature of the business was the business of people's pensions, the impact of that cannot be understated.

When you look at the portfolio of Clico, 97 per cent of the premium that was paid as of September 30, 2008, was associated with the pensions business of Colonial Life Insurance Company. So the nature of the business was critical and the business Clico was involved in was people's life savings.

Another factor you must consider—because as I said, it is a difficult decision for any government to have to make. For a government, having made the

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commitment in a slow down—no question there is a slowdown; not a recession—and in a situation where clearly there has—although we are seeing not only the green shoots in the United States, as they reported today in the newspapers, but also, in fact, I read an article saying that consumer confidence is resurging in Trinidad and Tobago, quite apart from the United States.

So whilst we are seeing that confidence being buoyed again, nevertheless one has to understand, making decisions such as that are not easy ones for a government to make. So you look at the systemic risk argument; you look at the nature of the business in which the entity is engaged. Another factor: Was there an opportunity or provision for a saving insurance protection? In other words, you invest in a business—look at banks. A good example of that are banks. In the banking sector they are required by law—it is in the legislation—to take out deposit insurance.

The Deposit Insurance Corporation has been set up to provide protection for persons who have deposits in banks. No such provision applies to the insurance sector. In fact, the Central Bank, although it has extensive powers now, under the powers given to them by the amendments we have made, they have no powers to lend to insurance companies. That is why the importance of the statutory fund. The statutory fund is the insurance that the client and the depositor has, that when he is ready to take out his money that there are assets to meet the liability. That is why it is in the legislation.

Was there an opportunity for those persons who had put their life savings, their pensions into Clico, to have that insurance protection, as you would have in a bank? There was no such facility. So when we look at all those facts—one last point on that, looking again at all the considerations that the Government had to take into account in making a difficult decision. One of the major considerations is the attitude of the major players; the attitude of the principals in that organization. Are they prepared to acknowledge that there is a problem? Are they prepared to acknowledge that and are they willing, whether kicking and screaming, to initiate the change that is necessary to put the organization back on a sound footing?

Because it was clear—the Central Bank Governor said it—the difficulties that Clico found itself in had a lot to do with over-leveraging, a lot of risk-taking, the intercompany transactions, and I just spoke about the annuities; a number of things and pledging a lot of the assets; substantial assets. But those were some of the reasons for the difficulties that Clico got itself into.

So an important factor in a decision of, are you going to come and assist the entity? The entity must be willing to admit to it and, secondly, to initiate the

change. We can say in the case of Colonial Life Insurance Company, that, in fact, was a consideration that would have borne in a positive sense in our decision, and it is reflected in the Memoranda of Understanding that were signed. The first one speaks not only of the Government entering into the Memorandum of Understanding but also, of course, CL Financial. This is my point. Why did CL Financial enter into this agreement? CL Financial entered into this agreement—and it is stated in paragraph one:

“CLF agrees to take steps to correct the financial condition of CIB, Clico and British American...”

By doing what? By selling all of its shareholdings in Republic Bank Limited; selling all of its shareholdings in Methanol Holdings Limited; selling all of its shareholdings in Caribbean Money Market Brokers and selling all or any other assets as may be required to achieve the said correction.

It goes on at clause 6 to say, in fact:

“This agreement was an agreement and an acknowledgment by CL Financial...”

The parent of the child; that they had gone wrong and they were legally responsible for the state of affairs that the organization had found itself in and were prepared to accept their liability.

They understood that it was not just a question of paying off the debt; they recognized—and it is stated in the MOU—the need to restructure the business; they needed to go into different business lines. That was what was agreed to.

A second memorandum was signed in order to deal with the issues, again, by CL Financial with the Government, the directors and shareholders, and essentially it was to ensure that what was agreed to in terms of the restructuring was the removal of the current board of directors; appointment of new directors; resignation of the present directors; removal of directors and replacement of directors of subsidiaries; accounting and reporting, all of these things were agreed to by CL Financial group. So the point I am making here is that there was agreement, whether there was a certain reluctance albeit, there was agreement at the end of the day to come to the table and do what was right.

Two last points before I look at HCU, the circumstances of the Hindu Credit Union. What were we dealing with? Were we treating with an insolvency situation or illiquidity? What we simply mean is this: when you say an organization is insolvent, its liabilities, its debts, outweigh its assets. So even if it

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has assets of \$10 million, if its liabilities or debts are \$12 million, clearly it is an insolvent company and it has to be dissolved; it has to be wound up and then you deal with payment of debts in a particular order.

If a company is illiquid, it does not mean the company is insolvent; what it means is, it is not in a position to liquidate assets at the time in which a certain debt is due. For example, some persons too, on an individual basis, may hold most of their assets not in cash or in shares, which are considered liquid, because you can quickly—well, cash is cash—you can sell shares and get the cash very quickly, but they may hold it in real estate, which is not so easily realizable. It is considered illiquid. That does not mean you are insolvent, it means that you are at a point where you are solvent, but you cannot immediately liquidate all your debts. That is a different kettle of fish, a different situation: insolvency versus illiquidity.

If an organization is insolvent, you cannot save it. If a company is illiquid, that is a different situation; it is capable of being saved even though you have to take the long view in that situation. That is the point with Clico. The Government had to look at the situation with the information known to it at the time. Were we dealing with an illiquidity situation? Were we dealing with an insolvency situation? Looking at the facts and getting the best advice on the situation, we made the determination, because of the huge asset base of Clico and CL Financial. Now those assets are pledged; those assets are encumbered but they are significant assets. Looking at that, determination was made that you were looking at an illiquid situation, meaning that it was a situation where the patient could be resuscitated.

3.15 p.m.

The last point I want to make with regard to this whole issue of looking at CL Financial and Clico is the imperative of the Government. The Government was not looking at helping out the shareholders. The Government has not helped the shareholders. As I said at the beginning, I want to disabuse the mind of anyone here that CL Financial shareholders have benefited and go further to say, that the directors and chairmen, as well as senior officials of Clico Investment Bank, British America and Clico have not benefitted from the taxpayers' dollars.

I can give you an example. It happened in the United States of America with President Obama. When those companies found themselves in the circumstances they did, someone had to be blamed. Clearly, if the insurance company is successful you would blame those who are running it; if the company finds itself, therefor, the blame must be put at that quarter. Given all the factors we knew about what went wrong with Clico, clearly, the fact of the matter was that you

cannot be rewarded for the condition in which the organization has found itself especially with taxpayers' dollars. I believe President Obama passed legislation and there was an uproar in the United States of America over that. He passed legislation that taxed—I believe they were being paid commissions and bonuses—the bonuses at 95 per cent.

I will say coming with the way forward, what is being done. With the financial assistance I gave the plan moving forward. It is dealing with the liquidity situation. We have a memorandum of understanding, a restructuring of the business and reorganizing new business models. That is the plan moving forward for Clico. In terms of what we did moving forward, a new board, directors, business model and restructuring are being undertaken. We amended the legislation. There was a major amendment to the legislation, the Insurance Act. There are several pieces and I will not go through all of them. The only two that I think are critical—this is perhaps not correct, maybe not the word that I would like to use. I want to put on record that currently, the Central Bank does not have the supervisory or prudential oversight over—Sorry he was talking about credit unions and I have not come to that.

With regard to the insurance companies, the most critical change that was made was the issue of the Statutory Fund. The Member for Couva North made the point that the Government or the Governor sat back and did nothing. As I indicated, the need to balance the fund only occurs at the end of the year and the requirement for the audited accounts occurs three months after the end of the financial year. The new legislation provides that you have to make quarterly submissions including information on the position of the Statutory Fund. This allows you to be more proactive and to take immediate action. That is one of the things that the legislation did.

Another important initiative was to allow for on-site investigations. In the Central Bank legislation which I must point to, the emergency powers of the Central Bank under section 44D only extended to banks, not insurance companies. With this new legislation, it extends not only to banks and insurance companies but also I believe to credit unions.

I think that I have outlined the argument with regard to Clico and CL Financial. CL Financial was not the beneficiary. The opposite was true. The reason for the intervention was the systemic risk, but in looking at the systemic risk, we looked at the nature of the business and the attitude of the principals. When I say principals, the major players and all those factors were taken into account in the Government's decision.

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I turn now to the other part of the Motion which is alleging that the Government is uncaring, because that is the implication, must bail out the Hindu Credit Union and declare implicit—Implied in that very clearly is that the Government is uncaring, lacks in compassion and has done nothing and was not prepared to do anything to help the credit union movement as a whole. That is the implication and in particular, the Hindu Credit Union. As I said about CL Financial, nothing can be further from the truth. This Government well understands the credit union movement and the basis upon which it developed not only in Trinidad and Tobago but also the world over.

The fact of the matter was that the conventional and traditional banking sector—[*Interruption*] I so appreciated the contribution from the Member for Couva North. Have you noticed, Mr. Speaker, that I have made no personal comments? They cannot prevent themselves from descending into the arena. The Member for Couva North is the leader because he sets a good example. They would do well to learn from example and conduct themselves at a certain level. I have to say that the Member for Couva North has displayed that today. I hope that they can learn especially as they aspire to leadership. They need to lift themselves out of the abyss and the arena. They cannot help it. Member for Couva North you showed statesmanship. I must tell you that.

I digressed but I come back to the topic of this debate. There was this allegation that we did nothing. This Government is associated with the small man. Mr. Speaker, you know about the Penny Bank and the Unit Trust Corporation. If you remember, the Unit Trust Corporation was a brainchild of the late Dr. Eric Williams who understood that the traditional—I remember Lloyd Best, Member for San Fernando East, lecturing to us. Do you remember that Member for Siparia? You cannot remember. He taught us. He talked about equity and spoke about how the small man could not have access to the traditional banks in Trinidad and Tobago.

If they aspired to an education and business, all legitimate expectations of persons, they were denied that opportunity. This Government understood it. Unit Trust Corporation was born out of that. The Penny Bank was born out of the government's understanding of the legitimate expectation of the small man. To say that this Government does not understand the credit union, it understands it only too well.

When we look at the credit union, essentially, and this is important, a credit union is essentially a financial cooperative. We talk about a financial cooperative. What makes it a financial cooperative? It is a grouping of persons who have a

shared interest, a commonality of purpose and essentially, it may be because of social, economic or a number of reasons. They pool their resources for a common purpose.

[MADAM DEPUTY SPEAKER *in the Chair*]

What distinguishes them from other entities whether insurance, banking or whatever? It is that the members own and control the entity. Not only do they own and control that, there is democracy in the credit union. It is built on the spirit of volunteerism, democracy, one man one vote and they have a say in the running of the organization. When one speaks of the ethos, spirit and philosophy of the credit union, it is one that speaks to self-help, what they call cooperative value, self-responsibility, equity, equality and solidarity. These are the things that make up the credit union movement. All of us, I can speak for myself, have been or are members of credit unions. We understand the credit union movement.

When we talk about the credit union movement, I spoke to the point of its humble beginnings. It is not only for Trinidad and Tobago. It is all over the world. When I did some research it was started in Germany. It was the rural farmers who could not have access to the traditional banking sector, a German man whose name I cannot pronounce started the whole credit union movement. It was built on that philosophy. This Government understands the ethos and philosophy of the credit union movement.

I come to the topic of today's Motion in particular, the Hindu Credit Union. Do you know what surprises me? This is why you have to communicate, communicate, communicate. I read out a speech on February 13, 2009 speaking to how this Government bent over backwards to assist the Hindu Credit Union. The reason for that is this. The credit union movement has grown from strength to strength. In 2007, the asset base of the credit union movement was \$6.8 billion. It is anticipated it is \$8 billion. The membership in a population of 1.3 million is over 500,000 persons. There is no question that the credit union movement and the members of the credit union have made a contribution to Trinidad and Tobago on many different fronts.

The Hindu Credit Union has a huge membership of 100,000. There is no question when you look at credit unions and their size, that the Hindu Credit Union is what you would call one of the larger credit unions. The Government was very mindful of that fact. I come to the point of what the Government did. I have it in my statement that I made on February 13. I would have to repeat all that I said at the time.

The first point is that on April 11, 2008, the Hindu Credit Union came to the Ministry of Finance. This is what they said. They came with a liquid situation.

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Remember I made the point between a liquid and a solvent. They came and represented that they were experiencing a position of liquidity and needed some financial assistance in the sum of \$71 million. This was discussed within the Ministry of Finance.

Understanding the potential loss to thousands of depositors—the decision was made on April 17—we met with officials from the HCU and then offered to give assistance by way of purchase of a property in which the Government was interested in acquiring and found that it was a win-win situation. It was an opportunity according to them, to pull themselves out of a temporary glitch. They had a liquidity situation and had real estate assets. Remember I had said that assets that are illiquid, are real property, land. They had land. They had real property. They were not in a liquid situation. They were not in a position to meet easily, the debts and demands of depositors whose deposits had matured or whatever the case may have been. We were interested in the property. I believe it was the Towers in Chaguanas. I believe that previously, the Government had discussions with UDeCott about purchasing that property. It was not something that was unknown to us. We were interested as the Government in purchasing that property.

To give the impression to the members of the Hindu Credit Union that the Government sat back and did nothing is absolutely untrue. I can say that without fear of contradiction. An effort was made. We said, "Okay, it is a situation of liquidity, you have land, we are interested in it and we are prepared to purchase it." These were the conditions. That is because this Government respects the rule of law; understands due process and that it must operate within the clear framework of the law. What did we say? We said that one of the difficulties—I spoke about attitude. Speaking about the attitude is important when you are trying to assist. The major players must come to the table, acknowledge and be willing to come with clean hands.

I heard the Member for Couva North when he was speaking about this judicial review application. You know as a lawyer that you could give 20 reasons because if you did not get it on one you could get it on two. If you get it on a substantive you get it on a point of law or a procedural issue. The reason given for the judicial review application being challenged was non-disclosure. You know that if you go to court, those who come to equity must come with clean hands.

Other than the common law, when you are appealing to the court you must give full disclosure. That is a good ground for not granting. If you go for an injunction you would not get it if there is not full disclosure. Do not make light of the fact that one of the reasons that would have been put forward was not only nondisclosure, but it was also material non-disclosure.

But I digressed. I want to come back to my point here.

3.30 p.m.

Mr. Speaker, one of the things I said was attitude. The attitude of the persons coming to you to assist, there must be disclosure, there must be transparency. So what we did, we said fine, we are prepared, but one of the things we require is you must allow an independent firm of auditors to go into your entity and determine the state of affairs of your books. Verify what you are saying. You are saying it is illiquid. [*Interruption*]

Mr. B. Panday: Member? You had begun to speak about a proposal that the Government was making, I am sorry if I missed it. What became of it? I am sorry if I missed it.

Hon. K. Nunez-Tesheira: I am giving you that now.

Mr. B. Panday: Okay.

Hon. K. Nunez-Tesheira: Member for Couva North, that is my point here. I am saying that they came to us and the proposal was, purchase the towers. So we said we are interested in it. The Government is interested in acquiring it for decentralization, local government reform, all those reasons, and we said fine, but these are the conditions. You must allow an independent firm of auditors to go into your organization, inspect your books, look at your financial state of affairs to determine whether we are dealing with an illiquid situation, or an insolvent situation. Because remember, if you are insolvent, the patient is dead. You cannot resuscitate.

So we had to verify that because this is taxpayers' dollars you are using, and you have a responsibility using the taxpayers' dollars to make sure that you can account for use of the taxpayers' dollars, number one. That is a condition. The second condition we said is we wanted to see a list of the properties. It was not just properties you know, because they said they were in a situation where they did not have cash. They had assets, real estate, but they had no cash. Unencumbered! What do we mean by unencumbered? Meaning that, it had no mortgage on it. Nobody had a lien on the property. So for example, if the property is worth \$10 million, but the mortgage is \$9 million, the property is just worth \$1 million. So we wanted to make sure that when you come and tell us that you can sell the property, it has no encumbrance on the property.

The third thing we said was we wanted to make sure that he agreed to give us a copy of all the properties. We did not just hide the truth. We told the HCU, when you give us the list, we are taking the list and we are taking it to a law firm for

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them to conduct the title searches. We are not taking your word for it, because we have a responsibility to the taxpayer. We are going to have a title search on all your properties to make sure what you are saying is so, is in fact so. Those were the conditions. And in order to make sure, we said, listen, we need to go in there, we need to allow the independent auditors to go in there. It would be so much better, rather than the Government having to take a hard-nosed position and go in there to safeguard the depositors, to safeguard the persons who had invested their money in the Hindu Credit Union, invite the Commissioner to go in and conduct the research.

Madam Deputy Speaker: Hon. Members, the speaking time of the hon. Member has expired.

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

Question put and agreed to.

Hon. K. Nunez-Tesheira: Do you know what we found out, Madam Deputy Speaker? Let me tell you what we found out. On the first week of June 2008, the Ministry of Finance found out that the proposed property could not be sold because there were co-owners who refused to go ahead with the sale. That was a property the Government was prepared to buy, but could not buy. You think we ended there? You see, that is what they want you to think, that we did not care. We bent over backwards. When they could not sell that property, we said okay, let us look at the other properties. There are properties there which the Government is prepared to buy, because there are properties which we could use for environmental purposes. We again went back to them and they gave us another property. This property they said was at Calcutta Settlement in Freeport, which the credit union stated that it was free—remember the material non-disclosure—from encumbrances. That is what they said.

Madam Deputy Speaker, do you know what we found out? The property was highly encumbered, because guess what? We did the searches. We did not take their word. The Government did the title search, and when we did the title search, what we found out, what we were being told, was not the case. Not only that, the evaluation report that they indicated to us that was a firm that the Central Bank used, when we checked the Central Bank, we found out it was not true. What is the Government to do? What is the Government to do? Twice you are dealing with principals, the major players, and they are not levelling with you. This is taxpayers' dollars.

So, in the meantime, because the conditions of assistance were put to safeguard the taxpayer, to safeguard the persons who were members of the credit union, in the meanwhile, Ernst & Young were inside there—They were allowed. They agreed to let them in as a condition. Ernst & Young went in there, into the Hindu Credit Union, and what they found out and what they reported to this Government in an interim report, was that the organization was not illiquid, insolvent. Insolvent. It was not insolvent because of bad business decisions you know, it was insolvent for all the wrong reasons which I am not going to go through today. So for that reason, what was the Government to do? We did all we could over and over, but you are not dealing with— If you are dealing with persons, or individuals, and organization whose leadership is not dealing with you in an upfront manner, when you want to assist, those are the things you must take into account.

Madam Deputy Speaker, do you know what was the hurtful thing too? Another hurtful thing is what we found out. Remember I made the point that with the banks, you have deposit insurance, so that anybody that has money in a bank has insurance up to a certain amount. I made the point that insurance companies do not have that, but of course, they have the Statutory Fund. So the Statutory Fund is your protection. With the credit union movement there is a voluntary savings insurance fund, and that insurance fund is called the Trinidad and Tobago Credit Union Stabilisation Fund Co-operative Society Limited. It provides credit unions with a voluntary members saving protection scheme. They were offered. The Hindu Credit Union for reasons best known to itself, failed to participate.

Madam Deputy Speaker, I just want to say this. There are at least two instances where credit unions that had gone under and had failed, because they contributed to this insurance fund, were able to provide all of their members with a full recovery of their savings. That is the fact. There was an opportunity to provide protection to the members, but the HCU for reasons best known to itself, failed so to do. I have already made the point that it was an insolvent, as opposed to illiquid and, most important, the attitude of the persons in charge. You want to assist. You want to help. We really, really wanted to help. I can say that without fear of contradiction. We wanted to help and we bent over backwards to try to help. But when we are dealing with the situation we were dealing with we had no choice, because this Government has to be accountable to the people of this country.

So where is the state of play? Because the Member for Couva North spoke about sections 3 and 4 of the Co-operative Societies Act and section 74, he is right, there is a process. There is no question that the process is not adequate for the co-operative movement as it stands today. But one has to remember that when

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that legislation was passed in 1971, you were not dealing with the credit unions of today, and they are to be applauded I want to say for the strides that they have made. There is no question about it. But the credit unions of today are far more sophisticated. There are still the small, there are still the medium, but there are the large ones and they are very sophisticated financial entities in their own right, and therefore, we have to understand that we have to respect the rule of law.

We have to respect the law. And if the law is inadequate, we do what we have to do to change the law. That is the reality. But the reality is, there is a process, and right now under that legislation, first, the Commissioner of Co-operatives, under the law, he has the supervisory function. The only way that the Central Bank Governor has any function is under the emergency powers, under section 44D, that was passed very recently when we amended the Central Bank Act to deal with the issue with Colonial Life in particular, but in general, with the insurance industry.

So right now the process is very clear. It is sections 3 and 4, and it is the Commissioner of Co-operatives who has the power, either on his own notion, on an application, or according to the regulations to hold an enquiry. That is his power. And if a person is aggrieved by the decision of the Commissioner, that person has a right of appeal to the Minister, and after that, he can go from there to a Judge in Chambers. That is the process and that is the rule of law. But quite apart from that, this matter, I am saying, is a matter in which there is a process that must be followed and the process is under way. In addition—which comes again to the issue of the attitude and the issues we had to contend with—the Government did not sleep on it. We did not sit back and allow the situation to perpetuate itself. A tough decision had to be made.

Under the current law, if we had followed the process in terms of the Commissioner holding an enquiry, then you had two months and a whole long period of time before any action could have been taken, we realized the law again was deficient in that regard, so a decision was taken to invoke the inherent jurisdiction of the court, and an injunction was sought.

Madam Deputy Speaker, several orders were obtained by the court, among which was an injunctive relief to prevent the Hindu Credit Union, its officers and its persons in charge so to speak, directors and senior management, from disposing of any of the assets. An order of mandamus, a mandatory order, essentially, to allow Ernst & Young to finish the job it had started and which, according to reports, they were prevented from so doing, and the appointment of a judicial manager.

So, Madam Deputy Speaker, the story of the Hindu Credit Union is a sad story, a tragic story, but we did not sit by. We stepped forward and we truly bent

over backwards to assist. The matter is sub judice. As the other side, full of lawyers, are well aware the matter is before the courts, and apart from which there is a process set out in the legislation. However, I want to make the point and this is the point—and I started by saying about the credit union movement. This Government is committed to the credit union movement, [*Desk thumping*] supports the credit union movement, and many of our Members here are either members of, or were members of credit unions and understand the philosophy, because many persons started from humble beginnings and the credit union movement assisted them. I am sure there are many stories of the camaraderie, the support, financial and otherwise, that was given to many persons in this country by virtue of the credit union movement.

This Government is not standing still. It recognizes the weaknesses in the legislation—and I have with me and it is just by, what should I say, coincidence or serendipity, whichever word, but this week—[*Interruption*] No, but good chance. Happy chance.

Mr. Manning: You want me to bring out my bible or what?

Hon. K. Nunez-Tesheira: No. Happenstance, but very good happenstance. Good fortune, yes. This week we had a presentation made to the Policy Formulation Committee on Wednesday, which had nothing to do with this Motion because the Motion was changed at the last minute. On Wednesday, it was going to be presented—we had planned it over two or three weeks before—the policy proposal for the credit union legislation, and the objective of the proposed legislation is to protect the member s' savings, the fiduciary care and supporting the integrity of the financial system.

I want to say, Madam Deputy Speaker, which is very important, there was a long period of consultation. This is what this Government believes in, consultation and dialogue. I have a list. In fact, the Central Bank prepared it and we have worked hand in hand with the Central Bank on this, and I want to thank them publicly for the support they have given us in this initiative. Also, I have to commend the credit union movement. The two components so to speak of the credit union movement, who came together and sat around the table to come to a resolution on issues on which they were polarized.

We have a record of the meetings. First in September 2008, when they all came to the table; again in March 2008, we met with different components of the credit union movement. At the end of the day, there was the consultation with the Ministry of Labour and Small and Micro Enterprises Development. They worked hand in hand with us on this, Central Bank and the Credit Union movement to

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come to an agreement, a consensus, on the way forward. In fact, this matter is to go, hopefully—I am informed they are getting ready to take it. Not only the policy which has been approved at first by the Policy Formulation Committee to be sent to Cabinet together with the draft Bill, it is expected at the beginning of the next parliamentary term that this new legislation will be laid in this honourable House.

So this Government is not stepping back, it is committed. A lot of hard work has been done and we have gotten the credit unions to do essentially one critical factor which I would say at the very least, is to understand the prudential and supervisory role now of the Central Bank, and understand that the Central Bank must have that supervisory and prudential regulatory oversight. But, because we recognize and understand that a credit union is not a bank, and we understand the ethos and philosophy of the credit union movement, the matters that deal with registration, development, regulation, will stay under the remit of the Commissioner of Co-operatives, under the current legislation.

So, Madam Deputy Speaker, this is to give you a sense of what we have been doing, and the commitment the Government has to the credit union movement, to the people of Trinidad and Tobago, to the Hindu Credit Union, I want the persons who are sitting in the balcony, who are listening, to understand that the Government bent over backwards to help the Hindu Credit Union. That is the reality.

3.45 p.m.

So, in conclusion, the Government did not assist CL Financial. The opposite is true; the Government made its decision because of its responsibility to manage the economy. It is set out in the law. If the inflation and unemployment rates are high, you will hold us accountable. Therefore, we understand that is our responsibility and any entity that threatens to undermine that, we must take preventive measures and we have done that in the case of Clico and continue to do that.

With regard to the Hindu Credit Union, I have made my point and we look forward to the support of the sector and the people of Trinidad and Tobago. As I always end my contribution, because I believe it is true, we continue to deliver because we continue to care.

Mr. Vasant Bharath (*St. Augustine*): Thank you, Madam Deputy Speaker. First of all, I wish to commend the hon. Leader of the Opposition and Member for Couva North for his leadership, vision and statesmanship in bringing this very important matter in the lives of over 100,000 people to the Parliament.

Since the Hindu Credit Union's assets were frozen back in July 2008, two budget presentations have been brought to this House and in neither presentation

was there any reference to the dilemma of the HCU or of the over 100,000 persons who were left in the lurch and who were affected by the freezing of \$767 million worth of HCU assets. Not a single Member on that side has raised the plight of the HCU depositors in either of those two debates.

Over that two-year period, both the Minister of Finance and the Prime Minister have, on several occasions, commented on the economy of the country and on issues of finance relating to Trinidad and Tobago. There has even been, in the interim period in the last two years, a debate on the Clico issue that the Minister of Finance spent so much time talking about today, but not a single utterance from any Member on that side on the shut down of the Hindu Credit Union and the tremendous pressures and hardships now being faced by over 100,000 poor and suffering people in Trinidad and Tobago.

In the most recent budget debate, the Minister of Finance actually stated that her Government was implementing "a progressive programme intended to improve the quality of life of all the citizens of Trinidad and Tobago" and she dealt at length with the issue of the Clico bail out, which at the time she stated was to the tune of about \$5 billion, but we know it is going to be more.

You will also recall, Madam Deputy Speaker, that it was this same Minister of Finance who had strategically withdrawn her investment just prior to the collapse of the Clico issue. This Minister of Finance has absolutely no moral authority to come to this House and talk about the issue of the deposit and the Clico bailout. It is in that context that the hon. Leader of the Opposition, the Member for Couva North, must be strongly commended for the Motion he has brought today. Once again, it rests with the United National Congress to show a level of broadmindedness, national leadership and guidance to the country in this most important issue.

Even by the most inept and low standards that this Government has reached in the past seven years—its conscious and blatant disregard for many of these people who are in the gallery here today and the next 100,000 waiting in their homes looking at this with bated breath—this Government has now sunk to an all-time low in terms of its level of governance of the country of Trinidad and Tobago.

Before I proceed, I want to lay firmly and squarely on the table what has prompted the Opposition's intervention. I want to state very clearly that it has nothing to do with the management of the Hindu Credit Union. We are not talking about any wrongdoing on the part of the management of the Hindu Credit Union. We are not suggesting for a moment that there was any malfeasance on the part of the Hindu Credit Union, nor are we commenting on how the organization was run

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and the type of investments the management got involved in. Our only concern is the fact that the Hindu Credit Union is in this particular situation today—it is in the hands of the liquidators and its assets are tied up. That is all we are concerned about. Any issues with regard to malfeasance or wrongdoing will be ventilated in due course at a different time and a different place.

My solitary comment on this matter, however, is the question of the role of the regulators and whether they were judicious in the exercise of their duties. Were they effective in carrying out the mandate as per the law? Were they negligent? Were they asleep at the wheel? If so, and if any independent investigations had been conducted into their behaviour, has any action been taken against the regulators?

Mr. Dumas: Just a point of order, Madam Deputy Speaker. I would like to point out—*[Interruption]* We are on 36(1). We are in a position in which this matter is exactly one that is before the court. The Member for St. Augustine is speaking to the question—*[Interruption]*. I am pointing out—

Madam Deputy Speaker: I am on my legs. I do not think that the Standing Order you referred to is 36(1). If it is, that is not appropriate to the discussion by the Member for St. Augustine.

Mr. V. Bharath: The Minister has just come here and revealed some document that has recently been presented to her.

Mr. Dumas: Madam Deputy Speaker, I might have made a mistake a while ago. It is 36(2). We have a situation—

Madam Deputy Speaker: It says: If it is "in the opinion of the Chair, prejudice the interests of the parties..." Now both the Member for Couva North and the Member for D'Abadie/O'Meara made reference to these matters. It means that the speakers have to be extremely careful in terms of the references they make to the court matter. So far, he has not gone sufficiently far for me to say anything. I would like to indicate to him that he needs to be cautious.

Mr. V. Bharath: Madam Deputy Speaker, I have gone beyond the point. I have said what I had to say on that matter already.

In the contribution the Minister of Finance made earlier, she talked about a timetable for the legislation, but she has talked about this planned legislation for the longest while. I quote, from her contribution to the Financial Institutions Bill late last year:

“As one would expect, the rapid innovation in the financial sector has brought with it new and heightened risk. Under these circumstances, up-to-date regulations and

supervision are essential to ensure that financial institutions effectively manage their risk. This is particularly important, given that financial institutions have a fiduciary responsibility to their depositors, many of whom are ordinary citizens who lack the means to monitor and assess the risk profile of financial institutions”—“that is exactly the point I will come back to in a short while.

So the point here is that we have brought before us here this afternoon regulations that will control the banking sector in the country, but we also have other financial institutions in the country where it has been identified in the working paper there are still significant weaknesses and where they do not meet in accordance with accepted standards. And I speak specifically of the insurance industry and credit unions in this country...

These remaining pieces of legislation we must remember have been promised by this Government time and time again and, as I said, the FIA alone is not sufficient without these other pieces to allow us to participate effectively in the world's financial system.”

Those are the words of the Minister of Finance. When the Minister read this out in the FIA Bill, in December of last year, we were heartened, particularly in light of the HCU debacle. We were heartened that the Government had in train legislation to be in a position, maybe not to help the existing members of the HCU, but other members of other credit unions. In fact, in a statement that the Minister made in February 2009 on the HCU issue, she actually said that the consultations were being completed and that the stakeholders had all agreed on the legislation coming in with a deadline of March 16, 2009. She gave a deadline.

We are about to enter the month of November and the Minister is now holding up a document saying it has just reached her attention and it is unlikely that this will come to the House during the course of this year, so we are looking at next year. So effectively, we will be almost a year late, if indeed it comes to the House by February or March of next year.

This Motion is being debated because of the people who are sitting in the gallery and many others outside. This Motion is being debated because of the people like a gentleman I will only refer to as Mr. RB because his family has requested anonymity. Mr. RB is a classic example of an HCU depositor. He worked in the heart of the sugar belt and when this Government coldly shut down the sugar industry in 2003, Mr. RB took his life savings; he took his take-home pay and put it in the HCU in the same account that he has been saving his meagre monthly earnings for many years.

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Mr. RB had anticipated that he would have been able to utilize this hard-earned money to preserve his health to prolong his life possibly and generally to enjoy his financial years.

4.00 p.m.

He never got a single warning from the Central Bank nor the Governor. He never got a single warning from the supervisor of credit unions. He did not get a warning from the Minister of Finance. He did not get a warning from the hon. Prime Minister, that there were issues with the Hindu Credit Union. In fact, the only warning that he got or he may have had an inkling of was when the previous Minister in the Ministry of Finance, as the Opposition Leader alluded to earlier on, Sen. The Hon. Conrad Enill, actually expressed concern and he was publicly forced by the Prime Minister to make an apology. When people from the HCU went down to Balisier House, the Minister was forced to make a public apology.

Mr. RB had no reason to doubt that his investment in the HCU was under any risk at all. In fact, he would have had every reason to believe it was well protected and very safe. This gentleman, Mr. RB, is what we would consider to be the salt of the earth; a diligent nation-builder. He worked long and very hard hours in a most menial labouring task, doing jobs to provide for his family, his children and his wife. Every cent that Mr. RB earned was by the dint of extreme diligence and long hours in the baking hot sun, in the blistering sun and pouring rain. In the midst of insects and snakes, he went to work on a daily basis, "trodding" long distances back and forth from his place of work to home.

When Mr. RB became critically ill, he went to the HCU to take his funds out and he found the institution, the Hindu Credit Union, was in the hands of the liquidator and he could not access his money. Equally sad, is that Mr. RB saw on the media that the Government had intervened to assist Clico Investment Bank and how they stepped in to save the depositors of Clico Investment Bank. When he saw the intervention on behalf of Clico and the Government's stony silence with regard to the HCU, he had to try to reason in his mind what would have caused that. For long periods of time Mr. RB sat in his humble home in Barrackpore and wondered why his family and himself had been put through this distress, pain and indignity by this Government; a man who had toiled very hard all his life and worked very hard for himself, his family and his country. He was unable to get his funds that he so urgently needed to have this desperate operation. Banks refused to give him loans because all his money was tied up; all his collateral was tied up in the HCU. He could not raise money anywhere else.

A few months ago, Mr. RB died, let down in the hour of his greatest need by this Government; a government when he needed them most, that turned its back on people like Mr. RB and many others. He went to his grave battered and bruised, believing in a system that would assist him, that did not. Today, I spoke to his family very recently, the family still asks questions, searching questions and still shed silent tears for their dear departed.

There are countless examples of this nature that have afflicted and affected depositors of the Hindu Credit Union. I see them every day in my office. Unfortunately, their passivity, thus far, has allowed this Government to run roughshod over them and to take advantage of them.

I can tell you of a lady who came to me recently from northeast Trinidad, who has had to sell cakes and hold garage sales to be in a position to pay for her health care. I can tell you about youths today, who are unable to carry on with their postgraduate studies, because the money that their parents had put aside for them is no longer available. I can tell you about children who are studying abroad, who have to send money for their ailing parents to pay medical bills, because their moneys are tied up in the HCU. [*Interruption*]

Mr. Manning: Are you suggesting that these people who find themselves in this unfortunate position, and I sympathize with them, are as a result of the actions of the Government of Trinidad and Tobago; is that what you are saying?

Mr. V. Bharath: Absolutely; 100 per cent. The people who deposited their moneys in the HCU did so because they believed in the system. This is the point on which I am going to respond. The people who deposited their money in the HCU believed in the system. They believed that the Government had their backs. They believed that the Government was looking after them. They believed that the Government would have put in place, appropriate safeguards and measures to protect their money to ensure that they were safe. They were under the impression that there was proper legislation in place; proper oversight mechanisms. Yes, the Government is at fault, because they neglected to do that. Is that not the responsibility and duty of a government? The mere fact that the HCU was a publicly-known body with branches all over Trinidad and Tobago, doing business all over the country with a number of branches, would have convinced any reasonable person that requisite safeguards were in place by this Government, otherwise they could not be allowed to trade.

When you go to the hospital, you do not ask to see the credentials of the doctors and nurses before you get treated, do you? You assume that the government and its

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agencies had put in place in that hospital system, people who are appropriately qualified with the relevant experience to be able to deal with you appropriately.

When we in Trinidad meet with the Cuban doctors that the Government has brought in, do we not accept that they are properly qualified and experienced to be able to attend, or do they ask for their certificates and qualifications before they come to give you an injection? Of course not! The same applies when you jump into a taxi in Port of Spain; you assume that the taxi driver is properly and adequately licensed to be able to carry four or five passengers. You assume that the Government has put in place the mechanisms to ensure that the taxi driver is properly ensured and qualified and has a driving licence. That is what the Government is supposed to do.

When you go to the bank for a loan, you do not ask to see the managing director and you do not question where the investments are that the bank is making, you make the assumption that you go to a bank, whether it is Royal, Republic or First Citizens, that the bank has in place the proper safeguards and measures to safeguard your money. That is what you do. This is the system that the HCU depositors relied on; they relied upon that particular system when they deposited their hard-earned money into the Hindu Credit Union.

I am not talking about multi-millionaire. I am not talking about people with a lot of money, I am talking about the vast majority of depositors in the Hindu Credit Union who worked all their lives and very hard. They had to forego a lot of luxuries in life. When people were spending money left, right and centre, they were saving. They were saving, possibly with a dream to buy a car, a piece of land, to send their children abroad to study, to secure retirement, or in the event that they got sick in their old age, they can look after themselves. They believed truly that the Government had the necessary machinery in place to protect their sayings. But alas, this was not so, their faith was obviously misplaced. The Government does have a system in place, but it is not for the poor people of the HCU; it is for the influential and the wealthy.

The million dollar investments, there are lots of million dollar investments in Clico, are what this Government is committed to bailing out and to protecting. In fact, we must ask the question. The Minister cleverly avoided it. The Government is also bailing out a company called CMMB. This is an investment organization that invested on behalf of wealthy clients. Why are they being bailed out? Today, we ask the question but, of course, the Minister will not have an answer for that. The depositors of the HCU are poor people; poor law-abiding people. They did not have the kind of millions of dollars worth, as the Minister of Finance has in Clico.

We got to understand also, the rationale as to why people invest in credit unions. As with all credit unions, the HCU had a certain appeal to a sense of family and a sense of commitment. Like many other credit unions, some people invest not just for the financial returns, but also because of the camaraderie, the emotional and sentimental links. That is the appeal of credit unions. They are about people who share a common bond and a unified purpose. The people who invested, the HCU investors, had done absolutely nothing to deserve that painful misery that they are being put through. Throughout their lives, the people who have invested in the HCU would have heard, and they verily believed, that here, every creed and race find an equal place.

As recent as the recently-concluded Fifth Summit of the Americas, we heard the hon. Prime Minister boast of "equity, tolerance and the creation of conditions through which our citizens can achieve their fullest potential". No doubt, with the advent of CHOGM coming up, we are going to hear the same words again. At various times, the Minister mentioned it again today and the Government proffered alternative reasons for its non-intervention in the HCU. The Minister today, again, spoke at length about why Clico was bailed out and she again proffered the sentiment that Clico was bailed out, simply because it presented a systemic risk to Trinidad and Tobago and to the economy of Trinidad and Tobago. [*Interruption*]

Mr. Manning: Are you saying it did not?

Mr. V. Bharath: I am not saying it did not. We are not suggesting that for a moment, hon. Prime Minister. You have not read the Motion. Speaking on the Clico issue, the hon. Prime Minister said in this House:

“In the case of the Hindu Credit Union, there were no assets to back up the liabilities of the company. Not only that, but the Hindu Credit Union is in a very different situation from Clico and, therefore, it was the Government's judgment in this matter that the Hindu Credit Union should be left on its own, because there was no systematic risk.”

Mr. Manning: Systemic.

Mr. V. Bharath: Perhaps, the saddest part of this duplicity is the confession by the Minister of Finance, when she said the real reason that Clico was bailed out was because it is a very large organization and, of course, it would have contagion effects within the economy if it was not bailed out. If you extrapolate that, what she is suggesting is that if the HCU problem was bigger, maybe in the magnitude of \$5 billion or \$10 billion, then the Government would have bailed them out. In

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fact, if their mistakes were larger, then they would have qualified for the same relief, because they would have presented the same systemic risk. *[Interruption]*

Mr. Manning: No, the asset base of the credit union was larger. In other words, if it presented a systemic risk to the people of Trinidad and Tobago, then the Government would have been justified in intervening.

Mr. V. Bharath: Prime Minister, it is the same thing. The liabilities of the organization would have filtered into the economy.

This is very twisted logic to justify discrimination; it is as simple as that. We on this side have absolutely no problem, as I said at the outset, with regard to the argument for bailing out Clico. We have absolutely no problems with that. We are not disputing or debating for a moment that the Government has stepped in or why they stepped in to assist Clico, but we ask that the same rules apply to the Hindu Credit Union. That is all we are asking.

Although there may be no systemic risks with regard to the HCU issue, is it not the first duty of a government to seek the interest and protect the rights and welfare of the people of the country? Of course, it is. How many people have been put on the breadline as a result of this? How many businesses have been forced to shut down as a result? Does the Government not have a moral and legal responsibility, as alluded to by the Leader of the Opposition, to look after its most vulnerable people?

I had an opportunity, very recently, to look at the PNM's People Charter where the Prime Minister sometimes quotes selectively and commits his party to the improvement of the quality of life of all citizens. In fact, the PNM manifesto, hon. Prime Minister, you will know, talks about a spirit of caring and a sense of social justice. *[Interruption]*

Mr. Manning: Which one?

Mr. V. Bharath: Your last manifesto.

4.15 p.m.

In fact, the Vision 2020 documents extol similar virtues of nurturing a caring society, as the Minister of Finance is at pains to tell us every time she speaks. These are the banal clichés and tired expressions of an administration that speaks one thing and does something completely different.

There is the other version of why they did not bail out the HCU, which the Minister talked about again today ad nauseam, when she could have easily referred us to the

Hansard because she repeated almost the same thing she said the last time. The Minister said that a similar offer is opened to HCU as was opened to Clico, and the proviso was that there should be a full and independent audit of the credit union's account. That explanation is equally hollow and irrational as the previous one.

Dr. Moonilal: To say the least!

Mr. V. Bharath: It is a facade. It is a mask that they put before their faces in an attempt to avoid recognition by the eye of equity. That is what it is! Who appointed the liquidator at the HDC? Is it not the Government? Is the liquidator not a creature of the Government? Of course, he is. Why then has the Government not instructed that an audit takes place? [*Desk thumping*] The same way they could instruct a liquidator to go in, they can instruct an audit.

The Minister talked about attitudes—they did not want them to come in. If you suspect someone of committing a crime, are you going to wait for that person to come to the courthouse or are you going to go and get that person? Are you going to just leave that person and let him run free? At the end of the day, I am not suggesting that a crime is being committed, but it is the Government's duty to make sure that in the same way it put a liquidator there, it is their duty and responsibility to get that liquidator to appoint an auditor to audit the company's books. They have access to them.

We are hearing reports that HCU's assets and properties are being sold off and being disposed off. If this is the case, are we to gather from the Minister's statement that it is being done now without a comprehensive audit of the assets and liabilities of the HCU? That is basically what the Minister has stated. There is no audit, and the HCU's management has prevented them from doing an audit. Therefore, if that is the case, is the Government responsible and accountable for any asset stripping that is taking place at the HCU? Is there a case for a criminal investigation as a result? Who is looking after the people who most matter in this issue, the shareholders and the depositors?

I want to make a comment where the Minister tried to mislead us when she talked about the fact that the beneficiaries of the bail out at Clico were not the shareholders. What the Minister was trying to insinuate or trying to tell the people was that the people who actually owned shares in Clico were not beneficiaries. We understand that, and we know that. What the Minister did not tell the population and the Parliament is that in the HCU and in all credit unions, the term "depositors" is used in the same way as "shareholders". In fact, the Clico annuity holders are equivalent to the HCU depositors. So, if you are bailing out the annuity

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holders in Clico, you owe the same duty of responsibility to bail out the depositions in the HCU. This has nothing to do with the shareholders. We are not asking you to bail out the shareholders of the HCU. We are not asking you to bail out Harry Harrinarine. No! We are talking about the depositors in the same way that the annuity holders at Clico have been bailed out. That is what we are talking about.

Madam Deputy Speaker, it is abundantly clear that this Government can present no cogent argument for its hands-off approach that it has taken with the Hindu Credit Union. The only possible explanation that many have proffered is that this whole issue is politically motivated, and it is a further expression of the Government's unequal treatment which they have embarked upon on every facet of national life. You see it in the award of HDC houses to people; you see it in the award of bursaries; you see it in the award of construction contracts; you witness it in the award of CEPEP contracts; in URP jobs; in big government jobs; you see it in the appointments of ambassadorial positions; you observe it in the abandonment of the agricultural sector and in the neglect of rural roads and drains and so on.

Madam Deputy Speaker, this discrimination is evident with the funding of cultural activities that we have spoken about. Mr. Sharma and many others have spoken about this on many occasions about this level of discrimination. This discrimination is, again, apparent in the award of Independence Day honours. They could snigger all they want, but it is a fact. It is palpably clear in judgments where the courts have denounced over and over the institutionalized discrimination that is taking place. [*Desk thumping*]

Dr. Moonilal: That is a fact.

Mr. V. Bharath: It is symbolized by the Prime Minister's deliberate shunning of certain functions like Arrival Day, Divali and Eid celebrations. That symbolizes it. It is evident that when PNM supporters are allowed to congregate in a public square—

Dr. Moonilal: And break the law!

Mr. V. Bharath:—under the nose of the Commissioner of Police without his permission, but yet still they want to go and arrest and harass people who are holding a meeting to protest against Government's policy on a private ground on private premises. This HCU case is nothing more and nothing less than another blatant example of the unequal treatment by this Government.

Madam Deputy Speaker, I wish to remind both the Government and the nation of Martin Luther King's declaration that "injustice anywhere is a threat to justice everywhere." [*Desk thumping*] After today, the Prime Minister can do as he

pleases—he can shrug his shoulders; he can walk away from this; he can go back to his champagne and caviar lifestyles, be ferried around the world by jet aircraft, private jets, accompanied by armed personnel wherever he goes, and that is his right as Prime Minister of Trinidad and Tobago—

Dr. Moonilal: With Mrs. Manning.

Mr. V. Bharath:—peeping out from behind his \$3 million curtains; come snugly wrapped up in his \$3,000 bed sheets—*[Interruption]*—Yes! Have you not yet been invited? Have you not been to the Prime Minister's residence? *[Interruption]* Snugly relaxing!

Mr. Imbert: Madam Deputy Speaker, on a point of order. Standing Order 36(1). He is wholly irrelevant to the Motion. *[Desk thumping]*

Hon. Member: What!

Madam Deputy Speaker: Hon. Member, I would say that you have been going a little irrelevant. Normally, on Private Members' Day, I know a lot more latitude is given, okay.

Mr. V. Bharath: I have almost concluded my contribution, I have gotten to—

Mr. Manning: Well, Madam Deputy Speaker, at least I am sleeping in bed sheets in which I am authorized to sleep. *[Laughter and desk thumping]*

Mr. V. Bharath: I am not quite sure who you speak of.

Hon. Member: Who?

Dr. Gopeesingh: Is it at the Hyatt?

Mr. V. Bharath: We gather that you frequent the Hyatt quite a lot, begging and pleading we are told. *[Desk thumping]* Madam Deputy Speaker, there is a very simple solution to this whole matter, and it is simply that the Government must treat this matter of the HCU with the same level of equity and equality as they have done with the issue of Clico. You know, I speak on behalf of thousands of voices; thousands of people who do not have the influence to be able to get into Parliament to speak for themselves and do not have the voice—150,000 people. I ask and I implore this Government to rethink its position on this matter.

The Government is on trial here today. Its honour is at stake and its legacy is on a fine balance. I implore the Government to do the right thing, despite the fact that the Minister of Finance and her family may not have any money in HCU, I implore them to do the right thing.

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This Government has already secured its place in the annals of the histories of Trinidad and Tobago as the most corrupt and most incompetent. I, therefore, beseech them to save themselves from further embarrassment and acrimony and from also now being labelled as the most truculent and prejudiced as well. I call upon them once and for all to make good all of the losses to the depositors of the HCU. If they fail, I want to reinforce and reiterate the commitment made by the Leader of the Opposition that when the UNC gets into Government we will make sure that all outstanding moneys to all of the HCU depositors will be repaid immediately. [*Desk thumping*]

I thank you very much. [*Desk thumping*]

The Minister of Labour and Small and Micro Enterprise Development (Hon. Rennie Dumas): Madam Deputy Speaker, I think I would start by asking the Member for St. Augustine: Which office in the UNC election is he going to seek on the UNC executive? [*Interruption*] You see, this has nothing to do with the governance of Trinidad and Tobago. This Motion has everything to do with the discard of the legal system that manages credit unions in Trinidad and Tobago and, therefore, all that we are hearing today is an opportunity to place on the UNC's agenda, using the Parliament as a vehicle for the most vile display of racial claims that I have heard in this House for the longest while since I am here. [*Desk thumping*]

Madam Deputy Speaker, the claims that were made here have to do with the blatant attempt to use this honourable institution to create a racial war in this country; to create a racial platform; and an argument for discrimination, as I had hoped would be repudiated here.

I came into this House with some respect for the Member for St. Augustine, but I want to assure you and the national population that I just lost all. [*Desk thumping*] I am telling the gallery that also. [*Desk thumping*] This has been an abuse of the people who depend on them and who support them. We have a situation, and let us examine what has been the HCU. Let us be clear.

I heard the Member for St. Augustine talk about this farmer and this worker. He said that when Caroni (1975) Limited was shut down he put his money into the HCU, and he did not get it because this Government which discriminates against him and which has a racial perspective of history of victimization—but I also know a gentleman from Mason Hall whose money was tied up in the HCU. I also know a gentleman from Laventille whose money was tied up in the HCU, and who the directors of the HCU misled and placed in their hands the promise of extraordinary interest rates. We know that they also suffered when the HCU was

closed down. Do you know the difference? The difference is all the responsibilities that were carried out were under the eye of the law. Today, the UNC is unmasked as it has been an organization which cares nothing about the law; nothing about the basis or whatever it is—

Mr. Bharath: On a point of order, Standing Order 33(4).

Hon. R. Dumas: What is that? What is 33(4)? [*Interruption*] Exactly, let us be real.

Mr. B. Panday: I said nothing—

Hon. R. Dumas: You are too smooth to say anything. You just let the ones—

Madam Deputy Speaker: Member, I am not quite clear as to what you are saying. Are you saying that the Member is misquoting you or misrepresenting you?

Mr. Bharath: Yes.

Madam Deputy Speaker: Can you specify?

Mr. Bharath: Madam Deputy Speaker, at no time did I mention the word "racial" or allude to the fact that the discriminatory practice was racial. At no time! [*Desk thumping*]

Hon. Member: It is in the *Hansard*. [*Interruption*]

Mr. Bharath: Not once! [*Interruption*]

Madam Deputy Speaker: Hon. Members, it is now tea time and, therefore, we will suspend the sitting and resume at 5.00 p.m.

4.31 p.m.: *Sitting suspended.*

5:00 p.m.: *Sitting resumed.*

TRINIDAD AND TOBAGO FOOTBALL FEDERATION (INC'N) BILL

Question put and agreed to, That a bill to provide for the incorporation of the Trinidad and Tobago Football Federation and for matters incidental thereto, be now read a second time.

Bill accordingly read a second time.

Bill referred to a special select committee of the House appointed by the Deputy Speaker as follows: Hon. Dr. Amery Browne (Chairman), Mr. Nileung Hypolite, Hon. Fitzgerald Jeffrey, Dr. Tim Gopeesingh, Mr. Basdeo Panday.

Adjournment

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ADJOURNMENT

The Minister of Works and Transport (Hon. Colm Imbert): Madam Deputy Speaker, I beg to move that this House do now adjourn to Friday, November 06, 2009 at 1.30 p.m. and we shall do the Metrology (Amdt.) Bill which is now shown as No. 4. That is what we will be doing on that day in addition to the rest of the Order Paper if we have time.

Madam Deputy Speaker: Before I put the question on the adjournment there are three matters to be dealt with. The first matter will be Item No. 13 on the Order Paper by the Member for Caroni East.

Influenza A (H1N1) Pandemic

Dr. Tim Gopeesingh (Caroni East): Thank you, Madam Deputy Speaker. I asked for this Motion on the Adjournment because of what is happening in the country in terms of the anxiety and the apprehension, particularly about the influenza A (H1N1) pandemic.

The Motion is the urgent necessity by the Government and the Ministry of Health to fully inform, educate and allay the widespread fear, anxiety and apprehension of the citizens; aid the medical, nursing and paramedical personnel on prevention, testing, early detection, treatment and management; in addition to much desired policies, programmes and protocols on the influenza A (H1N1) virus.

The apprehension and fear of citizens in Trinidad and Tobago is widespread in terms of—people are uncertain as to where to go for treatment or for testing, first of all, and for treatment if they have symptoms resembling symptoms of the common cold which might be similar to the symptoms of the 10

Everyone knows the symptoms of the common cold are sore throat, runny nose, fever, headaches, body pains, sometimes occasional diarrhea and vomiting. The symptoms of the common cold and the influenza H1N1 are basically the same and there has been very little differentiation worldwide as to how to be able to distinguish it clinically, one from the other. So most people have gone on to do the influenza A testing which is influenza A or B, and if it is influenza A+, they cannot definitely have the (H1N1) virus. If it is positive they could possibly have the influenza A (H1N1) virus. Not always. But if it is negative they generally would not have the H1N1.

Now the questions we want the hon. Minister to answer this evening—I know you have been making attempts to communicate with the population, but the population still remains uncertain as to what to do. For instance, if one of us as

colleagues in this House gets a common cold and we are frightened whether it might be H1N1, where do we go? Many of us would probably go to our general practitioners and the specialists because we might be able to afford it. Some of the people in Trinidad and Tobago cannot afford it. But from what we understand, most of them end up going into the major hospitals as Port of Spain, Eric Williams, San Fernando and Sangre Grande.

These areas as the Minister indicated in a statement recently—I think I have it here—where the Minister said:

“Recently, following the first reported H1N1 related deaths in the country, we experienced an overcrowding in our facilities which caused an increase in inconvenience experienced by patients and those who accompanied them.”

Certainly, there has been overcrowding.

The World Health Organization (WHO) indicated that the vulnerability of a population depends upon the capacity to respond and this is where we feel that this country has fallen down in its capacity to respond. Normally, we have difficulties in the health sector to respond to the day-to-day illnesses, because you see that patients stay in Accident and Emergency Department for sometimes two to three days, unable to get the type of medication and the treatment that they need, waiting for a bed and some of them die in the Accident and Emergency Department.

So with the incoming of the second wave of this influenza H1N1 pandemic virus, a number of people who are at special risk are afraid and they end up having to go to these Accident and Emergency Departments at hospitals. We know that San Fernando General Hospital is one of the overcrowded areas at the moment. What has happened at San Fernando General Hospital, is that they have put up a tent on the outside of the hospital, this tent now, patients having to wait for about six hours sometimes and sometimes in the rain waiting to be tested and they become frustrated. At the end of it all, some of them are not even tested. Now the testing is done by doctors, generally, with a naso foreignal swab and put into a cultured medium and then they go for the testing of the influenza A.

We do not know where the testing is done, hon. Minister. It would seem as though—I did a survey myself, Madam Deputy Speaker. I called about 30 of the health centres and some of the district health facilities. Some of the district health facilities have the testing, like Arima Health Centre; Chaguanas; Couva, but let us hear what happens in other areas; Palo Seco, no testing; Marabella Health Centre, none; Tabaquite; Plymouth in Tobago; Macoya; Freeport, they are told to go to Couva; La Brea; Woodbrook; Aranguez; Blanchisseuse and Cedros.

These are just some of the areas where I asked whether they have this testing available for the influenza A and they do not have it. What we, as the UNC recommend—and which you said you were making an effort to get the public and the private sector involved in—that all the health centres should have the facilities for testing of, first of all, the influenza A virus. The testing is very simple, it is like a pregnancy test kit, you put the swab into an inkwell and the inkwell is taken and an antibody put into it, just like you drop the urine in a pregnancy test and it will tell you whether it is positive or negative.

It is not difficult. It is cheap and it is effective. So the 105 health centres in Trinidad and Tobago should have it available so patients who are concerned whether they have the H1N1 will go to these health centres and not overcrowd the hospitals and the Accident and Emergency Departments. That is the first issue. So where to go? They should be told that they can go to the health centres; not to overcrowd the general hospitals and they can be tested at the health centres.

The next question: Where is the tamiflu? Many people are confusing the tamiflu as a vaccine: tamiflu is not a vaccine. It is a drug that is being used in the treatment for patients who have the H1N1. Now the tamiflu as well, is not available to all health centres and to areas where they should be. I know you had a task force that was looking after it and you gave the county medical officers of health the responsibility to distribute the tamiflu to the health centres.

Just a week ago my colleague, Mr. Bharath and myself had to call the Chief Medical Officer to find out why Princes Town District Health Facility did not have it. They were told it was given but could not be found. That is the district health facility which is supposed to have it.

We on this side are asking that the tamiflu tablets be given to all the health centres with strict protocols for its use, because the children will have a particular dosage and the adults will have a particular dosage. So in terms of where to go for the testing, we say at all health centres in addition to the hospitals. Where to get the tamiflu treatment? At all health centres in addition to the hospitals. You indicated that you wanted, at some time, to have the private sector involved. I would advise that you have stakeholders consultation meeting with the Trinidad and Tobago Medical Association, the General Practitioners Association of Trinidad and Tobago, even bring in the medical council and the medical board, the Pharmacy Board and all the stakeholders relevant in terms of who will be able to distribute these pharmaceuticals.

I see nothing wrong in getting the same pharmacies that distribute the CDAP drugs to be able to distribute some of the tamiflu. There are senior pharmacists

there who could be held responsible in conjunction with the doctors who are prescribing to be able to get the tamiflu drugs. So, you have the tamiflu at the health centres; you have it at the hospitals; you have it at the pharmacies which give out the CDAP drugs, and also involve the 10 private institutions, nursing homes as well to be able to have these drugs available to them. So as far as being able to test and to have the tamiflu, these are the areas we would like to recommend.

Now, there are a number of protocols which ought to be used in the management of patients with tamiflu and management of staff who are looking after patients who may have the infection. What we would like to see is a massive dissemination of information to medical health care personnel looking at infection control procedures and measures for caring of patients with febrile acute respiratory diseases. That should be available to all nursing personnel; medical personnel; paramedical personnel. For instance, the issues there: Hand hygiene; gloves; gown; medical mask; particulate respirator; eye protection; adequately ventilated single room and so on. That information should be on protocols for all staff concerned. Then there should be protocols disseminated for infection control strategies for specific procedures in health care facilities.

I do not believe that the health care facilities have these protocols well documented for every one of the medical personnel to follow. For instance, what they do is a quick reference guide that PAHO—Mr. Minister, I believe that you would probably be aware of all of these protocols that PAHO has put out. They have a number of guidelines and protocols, and of course, your advisory committee would probably guide you on this. For instance, they need to know when a patient arrives at the reception area, how do you triage them: Those who have the disease; do not have the disease; or who are very sick. The physical examination. Who needs nebulizer treatment. The general nursing care. Collection of a sample, suctioning, resuscitation, incubation, bronchoscopies, et cetera.

The other area that is unclear: Barrier control. We had an instance where there was one person in the Intensive Care Unit at the San Fernando General Hospital with serious illness and that person was mixed with the rest of patients in the Intensive Care Unit. Now that should not happen. You do not mix a person who is infected with the others in the Intensive Care Unit.

There should be some guidelines and protocol for the barrier control to prevent the disease. They should be quarantined.

5.15 p.m.

You have taken seven years to bring about additional beds in the intensive care unit. You have not brought out the additional beds in the Intensive Care Unit at the San Fernando General Hospital; they still have six beds there. In the Eric Williams Medical Sciences Complex the beds are used for cardiac surgery patients, those who are ill from surgery and other things, so you do not have enough beds for patients who may have the H1N1. Most of all, I want you to give the undertaking that you would consider opening the paediatric intensive care unit as early as possible, because if children get this disease and they need respiratory and ventilatory support, they have to be mixed with the other patients. I know that you opened Ward 2 at the San Fernando Hospital, but we understand that in Ward 2 the children are being mixed with the adult patients while they are being investigated and treated. This is an area of major concern.

Madam Deputy Speaker, there are a number of areas where the country is asking for more information. The medical personnel and the paramedicals are asking for more information. I will just enumerate some of them: Training on how to put on masks; personal protection equipment; how to take off the protection equipment; respiratory hygiene and cough etiquette, which you have indicated in the past; prevention of injuries from needles and other sharp instruments; cleaning and disinfection of respiratory equipment; cleaning the patient care environment; linens and waste management droplet precautions; contact precautions; airborne precautions; particular respirator seal check; patient areas and patient transportation and, most important, mortuary handling and post mortem examination; there has been nothing on that. So we need some answers from the hon. Minister and we expect answers for the benefit of the national population.

Hon. Ministers: Time, time! [*Crosstalk*]

The Minister of Health (Sen. The Hon. Jerry Narace): Madam Deputy Speaker, I am very pleased to be here this afternoon; I thank the Member for Caroni East for giving me the opportunity. I think he was very sincere when he asked those questions this afternoon.

It is a fact that not any every single citizen in this country understands what is the difference between the common cold and the H1N1 or when they go to a health institution, what they should or should not expect. I think that he has asked some very salient questions. Every opportunity that we get, we educate and inform the national community. I want to thank the Member for Caroni East. It is most timely.

You would recall that I have said on several occasions that we were prepared for this pandemic long before it occurred. In fact, we put in place a pandemic plan long before we actually met with the A (H1N1). When we learned of it, we immediately put a multisectoral team in place that included a number of different areas, from agriculture and so forth; it included CEOs, the Regional Health Authorities, the airport, the port and a number of different people.

We sought to quickly bring as much information to the national community as we could; so much so that the very Member for Caroni East, during the budget debate, congratulated the Minister and the Ministry on the work being done. *[Interruption]* I have the *Hansard* here. It was also backed up by several editorials which commended the Ministry for the way it treated with this A (H1N1).

I must say that the Member for Chaguanas West asked for the information from the Ministry of Health and we provided it. If you look, you would see the difference; it is right here. *[Minister Narace displays magazine]* I can make a copy available. *[Crosstalk]* I would not have enough time to go through all of it, but you could check on the website; you could also call 800-WELL; you could go on our channels and we would tell you the difference. You would get the information. We have worked with the Ministry of Education; we have sent it to the schools. In fact, the very stakeholders' meeting that he asked for, we held one just last week and invited all those groups and asked for their cooperation, including the business community, so they could put up posters that would show the difference and guide persons on what they should do.

Capacity to respond—I am just answering the questions that you have asked, Member for Caroni East. We met with the Trinidad and Tobago Manufacturers' Association (TTMA) and asked them to arrange for some doctors to assist us in this pandemic. They have agreed and if you saw the newspapers you would have seen that 10 doctors or more went to North/Central. We are trying to deploy more doctors, as many as we can. We have extended the hours at health centres, and we are treating with it in that way.

Overcrowding at hospitals—There was a time when there was some overcrowding, but that has now abated and we are continuing to work with the private sector. In fact, we made Tamiflu free, available to all private practitioners and all private institutions. As you would know, Tamiflu is a controlled drug. It is supposed to be controlled by the Ministry because, as you correctly said, it is not to be used as a prophylaxis; it is used as directed by a physician. Therefore, to put it over the counter you run a big risk. I am sure the Member for Caroni East would understand that risk.

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In terms of testing and swabbing, he knows that all health centres have the capacity to do that and all private institutions. It is at all the health centres; we have made that possible.

Dr. Gopeesingh: No Jerry, check for yourself.

Sen. The Hon. J. Narace: Dr. Sundar Nidi has been charged with what we call the on-the-ground response. It would sound as though the tents he spoke about are a bad idea, but what makes them a very good idea is because the virus does not like breeze, as the Member for Caroni East would know. So where you have a lot of ventilation and breeze—in fact, the best way to sanitize an office is really that you ought not to close it down, but just to get two big industrial fans. That is the advice of Dr. Hilwig and several of the specialists.

We brought a specialist from Mexico to train everybody in the clinical aspect of it, so they would know what protocols to follow in terms of the clinical aspect. In addition to that, I want to advise the Member for Caroni East, and I know he knows this, that each case is dealt with under the clinical judgment of the physician. It does not mean that you must or must not get Tamiflu. In terms of building capacity, we used the tents; we have put additional staff and additional nurses.

You would remember, Madam Deputy Speaker, that I had to come to this Parliament and the Senate and beg to approve a special board so that we could bring in additional doctors and nurses, planning for the possibility of a second wave. With the good wisdom of this Parliament, and I thank them for that, we were able to bring in additional doctors and nurses, and they are assisting us at this time.

In terms of the information, I do not think that it would be fair to say that the Ministry of Health did not put out sufficient information. We have tried to put as much information out as possible. We have called many press conferences. We have engaged the media. I want to thank the media once again; if you look at the news you would see those ticker tapes; they are trying to bring more information. I agree that some persons would feel a sense of fear given the dangers of this pandemic. I do understand that we have to continue to do more; that is exactly what we are trying to do.

As we go through, I do not know how much more time I have left.

Dr. Gopeesingh: You have plenty time.

Sen. The Hon. J. Narace: In terms of ICUs, what we have done is increase the number, including in Tobago, by getting respirators and the necessary equipment. We have built some capacity for H1N1 and we have identified Caura as a

possibility for 100 beds, should that become necessary; we have all the equipment. Let me tell you, Madam Deputy Speaker, it is arising out of the Summit of the Americas that a lot of equipment we have can now be made available should it be required. That is one of the things.

Dr. Gopeesingh: They have TB up there, Jerry.

Sen. The Hon. J. Narace: I want to remind Members that sanitizing does not mean closing down a place. If someone had H1N1 and it was confirmed and he worked in a particular environment, with just some ordinary cleaning agents and two big industrial fans, within a couple of hours that place would be sanitized. The virus does not live longer than that. I am sure the Member for Caroni East knows that.

Let me just inform the national community that in terms of Tamiflu, we still received 150,000 doses and we still have 104,000 doses for adults. In the case of children, we have ordered 25,000 and we still have 21,000. So in large measure, we have a very, very healthy supply of Tamiflu. Only this morning I had a telephone call from the Deputy Director of PAHO. We had a discussion and I told her, just out of an abundance of caution, that we wanted to get an expert to come to Trinidad and Tobago so we could continue to ramp up our response to make sure that our citizens have the best possible chance in dealing with this pandemic. They have assured me that they would send a specialist down here to continue, as we seek to strengthen our clinical response.

I will use the balance of time to simply say who is a high risk patient. It is important that high risk patients seek immediate attention. They include pregnant women; children under five years of age; persons with chronic medical conditions, including asthma and other lung conditions; sickle cell anemia; heart disease; diabetes; obesity; HIV/AIDS and any another other condition affecting the immune system. I repeat, persons who fall in the high risk category should seek immediate attention. If you look at the Member for Chaguanas West, he would tell you the difference between the symptoms, so I need not tell you that.

Dr. Moonilal: What do you mean by that?

Sen. The Hon. J. Narace: Sorry, the magazine; his publication; my apologies. [*Laughter*]

What are the emergency warning signs? I think I should use this forum to say: fast breathing or trouble breathing; not drinking enough fluids; being so irritable that the child does not want to be held, and that is in children.

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Mr. Manning: Fluids do not include rum, you know. [*Crosstalk*]

Sen. The Hon. J. Narace: Flu like symptoms improve but then return with fever and worse cough; fever with a rash; sudden dizziness; in adults, difficulty breathing or shortness of breath; pain or pressure in the chest or abdomen; sudden dizziness; confusion; severe or persistent vomiting.

Hon. Member: Ramjack John!

Sen. The Hon. J. Narace: What should I expect on my first visit? You will be assessed by the clinician, according to your level of risk. There is a no one specific set of intervention for every individual and patients are managed and treated on a case by case basis.

When am I to be tested and who makes the decisions on getting swabs? Swabbing when not necessary would not help. Clinical management does not depend on swabbing. Tamiflu may not be administered by a doctor, even without the confirmatory result. It is the decision of the physician to test or not to test and on how to manage the patient.

Madam Deputy Speaker, the Ministry of Health and the Government recognize that this is a very serious threat. We have continued to say that. We continue to say that persons ought to be concerned and ought to seek the information. Personal responsibility through knowledge, education and practising the proper respiratory hygiene is what would cause Trinidad and Tobago, in the first instance, to have a good response.

In terms of vaccine, we expect vaccines in November. In total we expect a minimum of 280,000 vaccines. The US procured 10 per cent of their population; we are procuring 20 per cent. Based on my discussions with the Deputy Director of PAHO this morning, everything seems to be on track, I am pleased to report.

I thank you.

5.30 p.m.

Gandhi Village (Failure of Government to Repair Roads)

Dr. Roodal Moonilal (*Oropouche East*): Madam Deputy Speaker, I am hoping that the response from the Government on this Motion will be equally productive and helpful as the Minister of Health's this afternoon but, regrettably, given the respondent, it is not assured at all that it will be.

Madam Deputy Speaker, the matter I am raising is the failure of the Ministry of Works and Transport and its related agencies to undertake emergency repairs and rehabilitation of the roads at Gandhi Village, Debe as requested by Members of Parliament including the Member for Oropouche West, the Penal/Debe Regional Corporation and villagers of Gandhi Village.

Madam Deputy Speaker, Gandhi Village is located in the vicinity of Debe on the SS Erin Main Road outside of San Fernando, for those of you who are not familiar with south Trinidad. It is a very small village, very traditional and so forth and when one is trying to bypass traffic on the Erin Main Road which is a major artery, thousands and thousands of vehicles pass on a daily basis through Gandhi Village on their way to San Fernando, Penal, or Siparia and it is an escape from the traffic from the main road. Over the years, that road has been under severe disrepair and is in dire need of rehabilitation.

Madam Deputy Speaker, I want to begin by talking about Vision 2020 and I want to remind the Government that there is no developed country in the world today that we can point to where development has come about without rural development, rural industrialization. [*Desk thumping*] If you go to Germany, Holland, the Nordic countries and so forth, what stands out for a lot of tourists is the level of development in their farmlands, their rural areas if you drive through, and for Trinidad and Tobago to achieve developed country status and have the claim, it involves considerable effort in the area of rural development and the development of roads, water, irrigation, energy and so forth. So this matter is serious even in the context of overall development of Trinidad and Tobago, but it is more serious than you can imagine for the people who live and drive there every day, the residents.

I do not want to spend all my time talking about the inconvenience of bad roads, I think most people understand that and are familiar with it. I just want to give a brief overview. A few weeks ago, constituents in Gandhi Village motivated themselves to take protest activity to come out on the road and protest with placards and they staged demonstrations early in the morning.

The Member of Parliament for Oropouche East took a decision that he will not attend or participate in the demonstrations and even constituents could not understand why, and I indicated to them that it is the pattern of the Government when residents take independent protest activity for the Government to point the finger at the politician, the Member of Parliament and suggest that it is politically motivated and that our involvement means it is politics and we are behind it or we

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are sponsoring the protest. I promised the residents that I would raise this matter in the Parliament using the instruments available and complement their independent protest activity, and today I am doing that.

Madam Deputy Speaker, over the years, places like Oropouche East, West and Naparima and so forth have spoken out against the imbalance in development, we have moved that into a discussion on discrimination and I want to put on record that the residents themselves have taken strong action. In December 2005 they wrote to the Minister of Works and Transport; March 22 2006, they got a reply from the Minister of Works and Transport; November 06, they wrote to the Penal/Debe Regional Corporation (PDRC), they wrote to PURE—what is the meaning of PURE? I think it is an agency under the Ministry of Works and Transport for dealing with roads and so forth.

On November 17, 2006 again they wrote to PURE and the PDRC; January 27, 2007 the PDRC wrote to the Ministry of Works and Transport; May 28, 2007, the PDRC wrote to the Director of Highways; July 24, 2008, the PDRC wrote to the Minister of Local Government; March 02, 2009, the community in collaboration with others took protest activity; June 08 2009, they wrote to the Minister of Works and Transport and the Member of Parliament for Oropouche East.

Madam Deputy Speaker, they are good writers in Gandhi Village. I think they make good pen pals. They have been writing to the Minister of Works and Transport, the government agencies, the Director of Highways, the Penal Debe Regional Corporation and Members of Parliament, but what have we done?

Madam Deputy Speaker, without reading these letters, on June 30, 2005 I wrote the hon. Minister of Works and Transport pointing out the problems with roads in the area including Gandhi Village. On June 08, 2009—but before I get there, I go to March 2006—more than three years ago.

In response to a telephone call from a person identifying himself as an executive assistant and/or employee of the Ministry of Works and Transport—I will not call the person's name because he has been calling all MPs diligently doing his work—asking to present a list for priority action, roads for paving and repair for priority action to the Minister of Works and Transport. On March 16, 2006, we wrote the Minister identifying nine areas including Gandhi Village, and this was at the request of the Minister of Works and Transport.

Madam Deputy Speaker, nothing happened, of course. We then moved to July 06, 2006 another letter to the Minister of Works and Transport including our concern with Gandhi Village; in June, 2009, now we have come to 2009—I am

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skipping a couple years of letters—we wrote to the hon. Colm Imbert, Minister of Works and Transport again.

“I write to request your assistance to repair the Gandhi Village Road, Gandhi Village which is unfortunately, amongst the worst roads in my constituency.”

This is the Member for Oropouche East writing—

“The road is now in a woeful state of disrepair partly because of its repeated use by heavy motor vehicles transporting construction materials and so forth, several motorists have suffered major damage to their vehicles, inconvenience to children when it rains, taxis will not go there so children have to walk to go to their homes and to their schools and community places.”

We pointed out this in a letter to the Minister of Works and Transport in June 2009, in July 2009, again we wrote a letter this time to the Minister of Local Government. So the record is there, that is the point. To this day, our residents have taken protest activity. I understand, Madam Deputy Speaker, coming out of the protest activity and on the same day this Motion was filed, that the Minister of Works and Transport contacted a resident in the area to appease residents that he is concerned, he has received letters and the ministry will intervene and pave the road and so forth. That happened on the very day this Motion was filed.

I understand, Madam Deputy Speaker, on the day this Motion was placed on the Order Paper for debate which is today, yesterday evening they started dropping materials on the road. I am hoping that as my presentation comes to an end in 15 minutes, that will not be the end of the repair and the rehabilitation programme, and worse, they will not pass and pick up the material tomorrow when the Motion is finished.

Madam Deputy Speaker, I am calling on the Government to make a commitment on this matter because the obvious reason is, why we ask the Government to do this when there is a local government corporation which historically looked after roads. But the Government has rearranged the delivery of services and goods to the extent that today the Ministry of Works and Transport through the PURE programme, and the Ministry of Local Government through other agencies are delivering these resources and undertaking these works, not the Ministry of Local Government, so we must come to the Parliament and address Ministers.

Madam Deputy Speaker, I want to put on record a concern I have relating to this matter of roads, infrastructure and so forth in Oropouche East. It has to do with RuDeCott, and I want to say at the start that there is no difference in my

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mind between RuDeCott and UDeCott; they are on the same path whether it is RuDeCott, UDeCott or any other "Cott".

Madam Deputy Speaker, I wrote a letter to RuDeCott complaining of problems in my constituency with roads and other infrastructure dated March 17, 2009 requesting help, and I got a letter from RuDeCott, the Rural Development Company of Trinidad and Tobago on July 29, 2009 which I must put on record.

July 29, 2009.

Dr. Roodal Moonilal

Dear Dr. Moonilal

We acknowledge receipt of your letter dated 17th March. Rural Development Company Limited is only authorized to undertake development works in communities that have been assigned by the Ministry of Local Government, our line ministry.

We hereby advise that the community in which you are writing—

Mr. Imbert: Madam Deputy Speaker, Standing Order No. 36(1). The Motion is about the Ministry of Works and Transport, not RuDeCott.

Dr. R. Moonilal: Madam Deputy Speaker, I am raising the issue of infrastructure and roads.

Madam Deputy Speaker: Yes, but your Motion is specific to Gandhi Village, Debe and the Ministry of Works and Transport, so I think you need to—

Dr. R. Moonilal: Madam Deputy Speaker, when I was writing these handful of letters, I also wrote RuDeCott on the roads in Gandhi Village and pursuant to the roads in Gandhi Village, since all roads lead to Gandhi Village now, in this debate, I want you to get the response from RuDeCott to these concerns, but I like how they try to escape it.

In fact, in Oropouche East, the Member for Diego Martin North East is known as Minister No. 36(1).

Madam Deputy Speaker: If you are saying that you wrote to RuDeCott as it relates to Gandhi Village, fine. What I understand you to mean is that you wrote as it relates to general infrastructure. If you wrote to them as it relates to the road, you can use the letter, if not, as I indicated before, then you have to continue.

Dr. R. Moonilal: Madam Deputy Speaker, I wrote to RuDeCott concerning infrastructure including roads, as we write to the Minister of Works and Transport concerning roads and other infrastructure.

So the long and short is that RuDeCott indicated that Debe, where Gandhi Village is located, let us keep Gandhi Village. Debe is not an approved community for rural development. Now that sounds bewildering and they went on to say that we should contact the Government and the Minister of Works and Transport and other Ministers. So let us get the Minister of Works and Transport now; we should contact the Government to ensure that Debe is an approved community for rural development. What scandal is that? An organization that spends millions of dollars, telling us that Debe/Gandhi Village and surrounding areas are not approved for assistance with rural development including roads.

So this RuDeCott has to also come under the microscope, we need to examine what it is doing, and we need to examine what the PURE programme is doing. So let us examine what is happening at the Ministry of Works and Transport with the PURE programme where we are writing letters upon letters, communicating to the relevant agency and all we get are promises and nothing is being done, and Gandhi Village is one, but there are other roads as well but, of course, we will bring separate Motions to deal with the other roads and the same Minister.

But Madam Deputy Speaker, we consider this to be a wilful act of neglect on the part of the Government to communities in southern Trinidad particularly Debe and surrounding areas.

5.45 p.m.

The people of Gandhi Village also wish that is put on record here that they started their protest activity and unless and until their roads are paved properly, rehabilitated, drainage work implemented and so on, they will intensify that protest activity by going straight to Sackville Street, Port of Spain, the office of the Minister of Works and Transport, and the Parliament, to bring to light the plight that they suffer and their hardships.

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

The Minister of Works and Transport (Hon. Colm Imbert): Madam Deputy Speaker, throughout the Member's rambling contribution, I thought of the kindest word I could use to describe his presentation. I thought; I struggled and I am afraid—and you may rule me out of order, Madam Deputy Speaker—the kindest word I could use to describe his presentation was "dotish"; "dotish". I will say it louder, "dotish".

Mr. Peters: That is the only word you know.

Hon. C. Imbert: I will now explain why his presentation was dotish. The roads in Gandhi Village, every single road in Gandhi Village, every single one—

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and the Member is very well aware of this—is the responsibility of the UNC-controlled Penal/Debe Corporation—every single road. Not one road in that village—not one; and the Member is well aware of this—is the responsibility of the Ministry of Works and Transport. Not one! Every single road is the responsibility of the UNC-controlled Penal/Debe Corporation.

Before I came here, I took the time to request of the Minister of Local Government—because these UNC corporations are so incompetent that every year they get millions of dollars in allocations for development work and because of their incompetence, they cannot spend it—and I asked the Minister of Local Government to tell me what is the total of unspent balances in the Penal/Debe Corporation, money they have received to repair roads such as the roads in Gandhi Village. As of September 2008—I am sure the figure is higher in 2009—they had in excess of \$2 million in unspent balances, money that they could have spent to repair the roads in Gandhi Village. But they are incompetent.

Because these UNC corporations are incompetent, this caring Government on this side has taken it upon itself to do the work that should be done by that corporation. Contrary to the untruths put into this Parliament by the Member for Oropouche East—and I repeat, the untruths—in fiscal 2008, which is between 2007 and 2008, the Ministry of Works and Transport rehabilitated six roads in Gandhi Village, despite the fact that not one of them is our direct responsibility.

The Ministry of Works and Transport, being an agency of a caring, compassionate PNM Government, rehabilitated six roads in Gandhi Village between 2007 and 2008 at a cost of \$9.1 million. So that is to correct the untruths put into the record by the Member for Oropouche East. But he is accustomed doing that. This is not the first time.

Let me also correct the record. The Minister of Works and Transport received correspondence from a group in Gandhi Village, not that hon. Member, but from the Gandhi Village Community Council of Gandhi Village, Debe. The Minister received correspondence earlier this year in 2009 and it reads as follows:

“From: A Pariman, President and I Katwaroo, Secretary.

The residents of Gandhi Village are desirable of the complete upgrade of their road. We believe our road should be given priority since it has not been paved for the past 25 years.”

Now, Gandhi Village in Debe has been the responsibility and under the control of various UNC Members of Parliament for the last 25 years. There was a UNC government in power

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for six of those 25 years, and if I am to believe this correspondence from the village council in Gandhi Village, for the six years that the UNC was in power they did not spend one red cent on the roads in Gandhi Village. But this PNM Government has spent \$9 million on roads in Gandhi Village. [*Desk thumping*]

So when the Minister of Works and Transport received this letter from the Gandhi Village Community Council in Debe, the Ministry, the engineers, the technicians and so on, went out, did their investigations, looked at the main road in Gandhi Village and I received a report from the engineers in the Highways Division indicating to me that the road should be repaired; this is the main road in the village now which is also the direct responsibility of the Penal/Debe Corporation.

I received a report about a month ago, long before this foolish Motion was brought into this House and the engineers recommended to me that it was appropriate to do work on the main road leading in and out of Gandhi Village. They advised me that we should do some deep patching, some strengthening, some stabilization of a landslip in the area and that we should construct some box drains, replace two cylindrical pipe crossings and resurface the entire roadway. This was submitted to me approximately one month ago by the engineers in the Ministry.

The estimate for the works that I have just described, let me repeat: this is the deep patching of failed areas of the roadway; strengthening of the existing roadway; stabilization of an existing landslip by means of a gabion basket retaining wall; construction of roadside box drains; replacement of two collapsed reinforced cylindrical pipe crossings; hot mix asphalt resurfacing of the entire roadway. It is estimated to cost \$4.4 million. And based on the report from my engineers which I want to repeat, I received one month ago, I picked up the telephone and I spoke to the persons who had sent me the letter. I spoke to—

Dr. Moonilal: Gandhi?

Hon. C. Imbert: Yes, the Gandhi Village Community Council. I spoke to Katwaroo and I indicated to the person that it had been recommended to the Ministry—to me—that we should do some work on the main road leading in and out of the village and I indicated to the community council that I had accepted the recommendation of the engineer to do the work in question.

So a contractor was mobilized. The contractor is, in fact, on site as we speak, which makes this Motion so dishonest. Having spoken to the persons in the area; my engineers having gone to the village and done their investigative work; the people are well aware of it; I do not know why the Member for Oropouche East instigated some miscreants in that area to do a protest when it was known to

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everyone that the Ministry of Works and Transport was coming to do work in the area. *[Interruption]* Miscreants, yes. We already spent \$9 million in Gandhi Village; we are about to spend another \$4 million in that area—\$13 million in one rural village in Trinidad—\$13 million. That puts paid to the untruth uttered in this House by the Member for Oropouche East that this Government is not dealing with the problems of rural Trinidad.

I want to repeat. We have already spent \$9 million on roads in Gandhi Village two years ago and we are spending another \$4 million in 2009 on the main road in and out of Gandhi Village. This Motion is therefore frivolous; it is vexatious; it is an abuse of this Parliament; it is a waste of our time and that is why the only word I can use to describe this Motion is "dotish".

Thank you, Madam Deputy Speaker. *[Desk thumping]*

Question put and agreed to.

House adjourned accordingly.

Adjourned at 5.55 p.m.

WRITTEN ANSWER TO QUESTION

The following question was asked by Mr. Winston Peters (Mayaro):

Rio Claro/Mayaro Region

- 87.** With respect to proposed projects by WASA in the Rio Claro/Mayaro region, could the hon. Minister of Public Utilities state:
- (a) All projects proposed for 2009—2012 and the scope of works to be done? and
 - (b) The estimated cost of this development, and a tentative date for commencement?

The Minister of Public Utilities (Hon. Mustapha Abdul-Hamid): For the period 2009—2012, WASA has under consideration at least three major projects:

- a desalination plant for Mayaro; and
- two (2) service reservoirs for Rio Claro.

Details of these projects have not been finalized.

- (b) Given the answer to part (a), this question does not arise.