

*Leave of Absence**Wednesday, December 09, 2009***HOUSE OF REPRESENTATIVES***Wednesday, December 09, 2009*

The House met at 1.30 p.m.

**PRAYERS**[MR. SPEAKER *in the Chair*]**LEAVE OF ABSENCE**

**Mr. Speaker:** Hon. Members I have received requests for leave of absence from the following Members: the hon. Paula Gopee-Scoon, Member of Parliament for Point Fortin, from today's sitting of the House; hon. Anthony Roberts, Member for St. Ann's East, from today's sitting; Mr. Ramesh Lawrence Maharaj SC, Member for Tabaquite, from today's sitting of the House; Mr. Kelvin Ramnath, Member for Couva South, from today's sitting of the House. The leave which these Members seek is granted.

**PAPERS LAID**

1. Audited Financial Statements of the Trinidad and Tobago Mortgage Finance Company Limited for the financial year ended December 31, 2008. [*The Minister of Finance (Hon. Karen Nunez-Tesheira)*]

*To be referred to the Public Accounts (Enterprises) Committee.*

2. Errata re the Report of the Auditor General of the Republic of Trinidad and Tobago on the Non-Receipt from Certain Entities as at 2009 October 30 of financial statements for the financial year 2008 and prior financial years/periods. [*Hon. K. Nunez-Tesheira*]
3. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Mayaro Civic Centre for the year ended September 30, 2006. [*Hon. K. Nunez-Tesheira*]
4. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Mayaro Civic Centre for the year ended September 30, 2007. [*Hon. K. Nunez-Tesheira*]

*Papers Nos. 2 to 4 to be referred to the Public Accounts Committee.*

5. The Prison (Amendment) Rules, 2009. [*The Minister of Works and Transport (Hon. Colm Imbert)*]

**STATUS OF CHILDREN (AMDT.) BILL**  
**Special Select Committee Report**  
**(Presentation)**

**The Minister of Works and Transport (Hon. Colm Imbert):** Mr. Speaker, I wish to present the Fourth Interim Report of the Special Select Committee appointed to consider and report on a Bill entitled "an Act relating to the protection of children and for matters related thereto".

**ORAL ANSWER TO QUESTION**

**The Minister of Works and Transport (Hon. Colm Imbert):** Mr. Speaker, the Government is in a position to answer 50 per cent of the questions on the Order Paper today; in other words, we will be answering question No. 118. We ask that the other question be deferred for two weeks.

*The following question stood on the Order Paper in the name of Mr. Winston Peters (Mayaro):*

**Prime Minister**  
**(Details of Lawsuits Against)**

- 117.** With respect to the lawsuits determined in the courts against the Prime Minister by Public Officials and other persons for the period December 2007 to date, could the Attorney General provide this House with the following:
- (a) a list of all such court matters;
  - (b) the applicants who filed these matters;
  - (c) the judgment in each matter; and
  - (d) the total cost borne by taxpayers in each matter, and a description of costs incurred?

*Question, by leave, deferred.*

**Rio Claro Magistrates' Court**  
**(Refurbishment of)**

- 118. Mr. Winston Peters (Mayaro)** asked the hon. Attorney General:
- With respect to the Rio Claro Magistrates' Court, could the Minister state:
- (a) whether there are plans to construct or refurbish this court;
  - (b) the estimated cost of this project and the proposed scope of works;

- (c) the tentative date for completion; and
- (d) the name of all contractors assigned to this project?

**The Attorney General (Sen. The Hon. John Jeremie SC):** Mr. Speaker, with respect to part (a) of this question, I am advised by the Judiciary of Trinidad and Tobago that it has plans to refurbish the Rio Claro Magistrates' Court at No. 4, Guayaguayare Road, Rio Claro.

With respect to part (b), the proposed estimated cost of phase one of the refurbishment, as advised by the Judiciary, is \$3.2 million.

The proposed scope of works for phase one:

- Expansion of the registry to include the increase in staff accommodation; installation of Clerk of the Peace and Assistant Clerk of the Peace offices;
- Installation of new registry counter and cashier cage;
- Installation of new bathroom facilities for staff;
- Upgrade of the existing courtroom, that includes:
  - Complete retrofitting of static furniture;
  - The installation of modern technological courtroom infrastructure, that is to say, audio digital and IT systems;
  - The improvement in courtroom seating;
  - Installation of probation offices, joinery works for the registry;
  - Installation of kitchen and lunch room for the staff;
  - Upgrade of magistrates' chambers;
  - Upgrade of existing vault;
  - Construction of secured parking for judicial officers, senior court staff; construction of security office;
  - Installation of perimeter fence and construction of guard booth.

With respect to part (c), I am further advised by the Judiciary that the proposed date for the completion of phase one was initially carded for March 2010; however, due to a recent shooting incident which occurred at the court, there has been some delay in the resumption of work due to security concerns. The revised date for the completion of phase one will be May 2010.

*Oral Answer to Question*  
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As to part (d), I am also advised by the Judiciary that the names of all the contractors assigned to this project are: Central Project Management Limited; Construction Services and Supplies Limited; Douglas Contractors Limited; Global Financial Services Limited and Sotheby Development Limited.

**Mr. Sharma:** Would the Attorney General indicate if the work includes facilities for physically challenged people?

**Hon. Jeremie SC:** This is a Judiciary project, so the answer which I have read was prepared by them essentially. I have no information on that.

**EVIDENCE (AMDT.) BILL**  
**Senate Amendment**

**The Minister of Works and Transport (Hon. Colm Imbert):** Mr. Speaker, the Government has a small matter to deal with under this item on the Order Paper.

I now beg to move,

That the Senate amendment to the Evidence (Amdt.) Bill listed in the appendix be now considered.

*Question proposed.*

*Question put and agreed to.*

Clause 7.

Senate amendment read as follows:

In the proposed section 15I, in subsection (1), delete the proposed paragraph (f) and substitute, after paragraph (e), the following:

“(f) the witness is a child and the video recording was made in the presence of an adult chosen by the witness;”.

This appears in the Supplemental Order Paper and the Attorney General is available to provide any clarification that may be required.

**Mr. Imbert:** Mr. Speaker, I beg to move that the House of Representatives doth agree with the Senate in the said amendment.

*Question proposed.*

*Question put and agreed to.*

**HINDU CREDIT UNION  
(STEPS TO BAIL OUT)  
[Second Day]**

*Order read for resuming adjourned debate on question [October 30, 2009]:*

Be it resolved that this honourable 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. B. Panday*]

*Question again proposed.*

**Mr. Speaker:** On the last occasion, the hon. Minister of Labour and Small and Micro Enterprise Development had spoken for five minutes; he, therefore, has 40 minutes of original speaking time remaining.

**Hon. R. Dumas:** Mr. Speaker, thank you for the opportunity to continue to make a contribution on this matter. [*Interruption*]

In the interest of making sure this House maintains the serenity with which it has started, I will have to not threaten the Member for Fyzabad. [*Laughter*]

At the beginning of the conversation the last day, the question of an intervention with the specific aim of treating with the interest of a number of persons arose. The concept of seeking public intervention as a matter of public policy and intervention in financial matters that impacts on national income and national level issues, as well as sector issues, as well as individual issues, is not unknown to Trinidad and Tobago or the wider polity of public affairs.

We have a situation in which the Leader of the Opposition is piloting a Motion seeking intervention by the State, using its resources, to benefit individuals in the community. He is suggesting that this is appropriate, this is proper and this would be an exemplary and laudable use of public funds. Unfortunately, that is not a policy or a statement of policy that continues to flow from the Opposition.

In this case it is argued that a comparative would be the case of CL Financial and its subsidiary Clico, posited against the case of the Hindu Credit Union. I want to suggest that the case is not made for a number of reasons.

**1.45 p.m.**

Before I proceed I think that there is a matter to which we need to pay attention. The last day after listening to the contributions of the Member for St. Augustine and the Member for Couva North, I did raise an objection that maybe,

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this matter could have some difficulty in debating it at Parliament, while this matter is before a tribunal and in the court. The matter of the management and assets of the Hindu Credit Union is at this point in time before a tribunal that is laid down according to the Cooperative Societies Act.

In a sense, we have an argument that the State should not await the procedures as laid down in the Cooperative Societies Act and should proceed to intervene before the completion of the matter before this tribunal. I suggested then that that creates a certain difficulty. It is also correct that this matter is before the courts of Trinidad and Tobago, in that the Hindu Credit Union, the commissioner and other parties concerned have matters relevant to this before the courts of Trinidad and Tobago.

As the chairman of the tribunal I have a certain difficulty, in that to put into the debate in Parliament the discussion of the tribunal and arguments before the court may present some problems. I am asking your guidance in this matter, Mr. Speaker.

**Mr. Speaker:** If the tribunal is akin to a court of law you have to be extremely careful in how you tread. I get the impression that the tribunal is some sort of judicial body. In those circumstances, if I am correct and you are better able to indicate that to me, whether the tribunal can be considered a judicial body, then, you would have to be very circumspect in how you contribute, because whatever you say here, perhaps, may be used there. You have to be very careful.

**Hon. R. Dumas:** Which is exactly my position of difficulty because to continue the debate is to continue to discuss the merits of this matter while the very merits of this matter are before the court.

**Mr. Speaker:** In those circumstances, I think that you have a fair number of your colleagues here who I am sure are prepared to continue this debate. That is a matter for you.

**Hon. R. Dumas:** Thank you, Mr. Speaker. I want us to be careful that the House is not used to treat with matters which are being treated with elsewhere.

**Mr. Sharma:** The Speaker will decide that.

**Hon. R. Dumas:** Member for Fyzabad, I know that you would love to have the whip, but unfortunately that is in the hands of the Member for Caroni Central.

Just a brief history. On October 09, 2008, the Commissioner for Cooperative Development issued a winding up order against the Hindu Credit Union pursuant to section 58 of the Cooperative Societies Act. In support of that order certain information was laid to the public. It was argued that the financial management of

the credit union had fallen into question. Therefore, the issues of liquidity as well as viability had arisen. In that context, the commissioner appointed Mr. Ramdath Dave Rampersad as liquidator of the HCU and the winding notice was published. The board has opposed the winding up and the order.

I argued earlier that the two matters that were compared in the Motion cannot be compared. I say that on the basis that in one situation you have an agreement that the management of the institution is agreeing with the Government that there is an intervention that would be proper and appropriate and there is an agreed process for that intervention. In this case of the Hindu Credit Union, we have a situation in which the board opposes violently, firstly, the process of probing into the institution and, secondly, the process of intervention that is used. In that context, for the Government to intervene it would require one of two things: It would require the Government to take the HCU unto itself which by definition would be a forced acquisition, or it would require that the Government convince the board of the HCU to abandon its arguments and allow the Government to intervene.

At no time has this Government argued that intervention may not be appropriate. We have argued that intervention in the face of the nature of the opposition and counter claims to the finding of the enquiry would be totally inappropriate. You cannot have two leaderships of a board. You cannot have two owners and managers of an institution. Our position on this side is that while intervention in financial matters and institutional and administrative matters may be appropriate, it must be supported by good public policy and good administrative principles.

Our confusion continues. The Member for Couva North advocates in this Motion he is a seasoned legislator. Such a seasoned legislator is he, that he would have been in this House at least for half the time in which this law has existed. Therefore, it must be confusing to us if we seek to analyze the action of bringing this Motion and the advocacy on behalf of this Motion by the Member for Couva North, when we know that his experience as a legislator, he could not have found the present provision of the Cooperative Societies Act as invalid.

**Mr. B. Panday:** "What you saying about me?"

**Hon. R. Dumas:** I am suggesting humbly, that you, as an experienced legislator, if you had found difficulty with the Cooperative Societies Act, you would have known exactly how to change this. Since you know what is in this Act—sorry, Mr. Speaker, let me not address the Member for Couva North. I am not yet exalted to that level. If the provisions of the Cooperative Societies Act are not obnoxious to the Member for Couva North and the UNC, then these provisions

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must be the considered policy which the UNC plans to follow. This is what is expected to guide their responses to public matters. They had the opportunity to change this Act but it was not changed. As an administrator, the Member for Couva North held the highest administrative office in this country. Again, if there was no need in his previous consideration that this law should be changed and there should be provisions for intervention in the credit union, to protect credit union members, the validity of this being held so today, to me, is called into question.

I suggested it the last time and I come to it again. The only explanation for this Motion given the mover of the Motion and arguments made in support by the Member for St. Augustine, is the fact that we must see the Motion as political. It is in the understanding that the Member for Couva North is a politician. It is in the understanding that the Member for St. Augustine would love to be associated with the Member for Couva North in all his political activities that he stands as seconder to this Motion with all the atrocious arguments he made.

It is only because the Member for Couva North knew exactly on which date he was going to hold the internal election of the UNC, that this Motion is a precedent to that Motion. [*Interruption*] I would love to mind my business but when they make the business of the UNC the drivers of their parliamentary action and a motion like this emerges from that action, then certainly, they would have made it national business. [*Desk thumping*] There is an argument that says—it is something that I learnt quite a number of years ago when I was in primary school. I had a very good teacher, Mr. Carrington. He said that every saint has a past and every sinner, hopefully, has a future. As we begin to understand this Motion, it bears reference to look at the proposal and where he is, to understand the Motion.

**Mr. Speaker:** I have been advised that you are the tribunal. So this tribunal is just composed of yourself. In those circumstances, what I have said earlier— [*Crosstalk*] Order! Order! If it is that you are the sole member of this tribunal, then, if there were other members the position would have been different. If you are the sole member of the tribunal then you can proceed unhindered.

**Hon. R. Dumas:** Mr. Speaker, that is why I have been very careful not to say anything about the proceedings before the tribunal. That is why when I heard Members opposite abusing the information, I sought to draw it to your attention, Mr. Speaker, that this matter is before the tribunal and the court. The tribunal has referred some of these matters with the agreement of the board of the HCU before the court for advice. That is why I suggested that there is no way—it is said out there that ignorance of the law is no excuse. That is exactly why I am saying that the Member for Couva North knows the law and the whole of the UNC knows the law. When they come here to take



the matters out of the hands of the tribunal and court, they know the law and there must be a reason for it. The only explanation is in their political behaviour.

I suggest that the commissioner in laying his argument made a public declaration of why he laid these matters in his winding up order. I want to inform Parliament that a number of legal challenges arose as to the conduct of the hearing of the tribunal, not the behaviour of the tribunal.

**2.00 p.m.**

Unlike Members opposite, I know that this is a matter of public policy and not Rennie Dumas' policy. The question was: Should the appeal be heard with a hearing or, in the stricter sense, go over all the evidence? That is one of the issues the HCU board raised. What is the record of appeal that they should depend on? That was another issue. The third issue was whether the Minister had a jurisdiction on the appeal, under section 74, to hold a closed hearing to facilitate the Fraud Squad and other people deliberating on whether some of the information may have public interest; whether the Commissioner of Cooperative Development, in exercising his discretion to wind-up the credit union and appoint a liquidator, was bound to give the board of directors of the credit union an opportunity to be heard.

In light of the questions that arose, the matter was referred to the Court of Appeal for consideration. It is in that context, in consultation with all parties, the matters pending were referred to the High Court. Mr. Speaker, it beats consideration of some of the accusations I have heard from the Member for Couva North and the Member for St. Augustine. If all parties agree that a matter be placed before the court, then all these emotional words, all these cries of discrimination, all these arguments that were made of impropriety on the part of the Government, one would want to know where is the injured party.

One of the things we must understand in a credit union is that the membership, through their organization, manages the affairs of the credit union. When the membership fails to manage its affairs and its affairs get to the commissioner, to the tribunal and the court, we are being told that it is the responsibility of the Government to intervene and negate, not only the considerations of the members, but also the provisions of the law.

**Dr. Gopeesingh:** Where was the Director of Cooperatives in all this?

**Hon. R. Dumas:** Mr. Speaker, I would like to share some information with the Parliament. We also heard how wicked we were and that we were not seeking the interest of labour, et cetera. There are three pieces of information I would like to place on the table where that is concerned.

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During the period in which this economy was managed by the UNC, for example in 2000, 2001 and 2002, the labour force was 586,000. Of this, we had rates of 80 per cent being employed. By the third quarter, the labour force was 639,000. We, therefore, have been able to demonstrate that there was more than a 100,000 person rise in the labour force. In that context, if you have consideration of what the working population would have been and you take the percentage change in the number employed, we would be able to demonstrate that we have been able to find work for more than 200,000 workers in this economy that were not employed during the period of the UNC. When you consider that that is more than 20 per cent of the labour force at the time in which the UNC was in office, by all definitions, it is a tremendous achievement.

We were then told how wicked we were. The changes in wages during the period were by more than 50 per cent. In that period of eight years, the average earnings of the worker in Trinidad and Tobago moved by more than 50 per cent. An administration that is able to do that anywhere in the world would be one that is paying attention to the interest of labour. In fact, the only place in which this growth has not been taken into account and considered must be in the halls of the UNC.

Every single institution in this country built its affairs on the progress made by the working people of Trinidad and Tobago. Whether it is the banks or the credit union themselves, they built their strategies for sales, their strategies for loans and income upon the earnings of the working people, the change in the numbers of the working people and the distribution of the working people across the country. Too often we forget that is where the money in the country is spent.

We can demonstrate that the majority of credit unions, through the support given to them by the State, were able to grow, increase their numbers in terms of membership as well as increase the amount of funds they manage. Unfortunately, you cannot argue that every negative in the economy and the society is to be laid at the feet of the Government and that every positive comes from someplace in the sky that the UNC would like to think about, except from the hands of this Government of the people.

In terms of the processes of the law, we can demonstrate that hundreds of credit unions have been able to conduct their business and their activities as active credit unions in the present economy of Trinidad and Tobago. The argument is being made that a change in the economy that occurred this year was the reason for the Government having to intervene in the interest of the Hindu Credit Union.

I want to make the argument that if that is true, then one would have seen all the credit unions going through a similar pathway. That is not correct. We had a number of credit unions that failed. Unfortunately, the Hindu Credit Union was

one. In terms of active credit unions, there were a number of credit unions that increased both their deposits and increased their membership and one has to ask oneself if there is any relationship one to the other.

We would have a ranking of the credit unions. The purpose of placing that on the table is in the interest of supervision and public policy. There is a close eye being kept on credit unions. If, in 2004, in terms of size and total assets, the Hindu Credit Union was number one, in any sector of the economy where your number one institution has issues, then the Government would look closely.

One of the things that we would want to note—and it comes from the testimony of the proposer of the Motion—is the argument that they sat and noticed certain things, allowed them to go and, today, they lay the cause and effect of those things at the feet of the present Government. The Hindu Credit Union, in 1986, had shares totalling \$207,718. The loans due were \$111,700. The asset value was \$183,851. You will remember that over the years the Government intervened by changing the prospects for savings for individual workers. Members of the working class were allowed tax cuts if they transferred funds to credit unions. Therefore, credit unions have always enjoyed a particular and special place in the legislation, in the public policy, in the advocacy and in the financial arrangements made in the country, with the result that, in 2004, the shares were \$163 million, loans due were \$603 million and the assets given as \$1.03 billion. That is where the credit union went to; built by working class people and growing.

If a slide occurs, then one has to be very concerned. The law makes provision for treating with that matter, including action by the commissioner, with the result that, in the particular credit union under consideration, the irony is that there are so many other credit unions that changed their status that we have heard nothing about.

**Mr. Sharma:** Can I get some clarity? Would you kindly say what interventions your Government offered the HCU?

**Hon. R. Dumas:** I am sure, if you were listening, you would have heard the Minister of Finance deal with that matter. That matter was dealt with extensively and I prefer not to treat with it. It is the responsibility of the Member to listen as his colleagues make a contribution. [*Interruption*] The irresponsibility of the Opposition continues.

We can give a list of 201 credit unions that have gone into receivership in the years between 1946 and now. In other words, other members of the society, as members of credit unions have had to face the issue of having their credit unions wound up. Again I suggest that the argument that someone has a discriminatory

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view against the Hindu Credit Union because of who the majority of their members are, as expressed by the Member for St. Augustine, has not been borne out by this fact. If anything is borne out at all, it is the absence of consideration of the fortunes of the other members of credit unions by the Members for Couva North, St. Augustine and the UNC. We have to ask ourselves: Is there a special consideration required by the words of the Motion as given?

**2.15 p.m.**

We want to suggest that if this Government is going to intervene, then it must be on a matter of broad public policy, impacting on all the credit union members who have a difficulty.

Mr. Speaker, I think by now it has become public knowledge that the State has already decided how it is going to intervene on behalf of the regulatory system, and in terms of the protection of all our credit union members. Unfortunately, you cannot at the same time be changing your policy when you have in place a framework for protection that might be ignored.

Mr. Speaker, credit unions all over the world got together and decided as the World Council of Credit Unions, they would have a set of tool kits that credit unions would be managed by. The PEARLS monitoring system exemplifies and explicates in this booklet by one Mr. David C. Richardson of the World Council of Credit Unions which was published in October, 2003, the system that is supposed to encourage credit unions' management in terms of how they treat with the assets of the credit union; the individual memberships' rights; and matters of that nature to avoid us having these kinds of conversations. [*Interruption*] Member for Caroni East, one day you should take time to sit, listen and learn rather than prattle in the middle of conversations. [*Crosstalk*]

Mr. Speaker, "PEARLS" stands for the issues of protection; effective financial structure; asset quality; rules of return and class; liquidity and examinations of the signs of growth. In this context, there is a financial performance monitoring system that has been advocated for credit unions worldwide.

The Government has spent a lot of money working with credit unions in seeking to have this system examined, adapted and adopted by the credit unions in Trinidad and Tobago and, therefore, the Government stands behind this system. One would have to ask oneself, if a credit union finds itself in difficulty, whether the system was put in place or whether any advice from this system was put in place. The credit unions themselves have been self-monitoring and, in fact, the advocacy for self-help as it were and the advocacy for self-management have

been so strong in the credit union sector that any attempt by the State to intervene in the monitoring and management has in the main been stoutly resisted.

I remember when the advocacy came from the Member for Couva North and the Member for St. Augustine, they claimed that this Government did not act. Even in their testimonies to the House, they said that when questions were asked, they described the virulence with which the resistance to any intervention came. I remember that some of the advocacy for that resistance came from Members in the Opposition. Members in the Opposition supported the argument that the State should not intervene; that the credit union should be a self-monitoring and a self-managing entity and, therefore, it is quite a contradiction that we are here in the House with a refutation of that position. Now, we understand that one could change one's mind, but I think you need to say that whatever you change must be applied to everyone.

Mr. Speaker, I would like to say that the concept of one credit union is bad, but all credit unions are bad does not permeate the society and, therefore, in that context, we want to make it clear that we consider that all the credit unions have to perpetuate the best management practices that have evolved over the years and that they follow the PEARLS principles and that all credit unions pay attention to the first consideration of their existence, which is the benefit of membership. We believe that if the understanding is that the credit union is a cooperative of willing and voluntary membership that this matter would be treated very differently.

Mr. Speaker, it may not be a very well-known fact that there is something called the commissioner's account in which the value of credit unions members funds where credit unions are liquidated or wound up reside. Again, for the information of the Parliament, at this point in time, we have funds from 22 credit unions in the commissioner's fund. This is at December 08, 2009. Maybe this is an example of the extent to which the Opposition jumps the gun and seeks to push a decision where there is no need to do so since no reference was made to the possibility of an intervention coming from another direction. They were so eager to claim that the Government has no intention or goodwill towards the Hindu Credit Union and they obviate or wipe out any possibility of the State intervening on their behalf. Sometimes by their arguments they make it a little more difficult.

**Mr. 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. N. Parsanlal*]

*Question put and agreed to.*

**Hon. R. Dumas:** Mr. Speaker, I would like to do two things before I take my seat.

**Dr. Moonilal:** Apologize!

**Hon. R. Dumas:** I will always apologize if I am wrong, only when I am wrong. One of the things is to ensure that the processes followed under the law are quite regular. They have been exercised in quite a number of instances and have even resulted in improvements over time. For example, there were a number of credit unions whose registration had been cancelled and they have amalgamated with other credit unions and have grown from strength to strength.

There is an issue that, I think, we can treat with as extant from the Hindu Credit Union, and that is the question which arises that some persons who are members are proposing solutions that are just not real and I would raise them. Some people suggested that a group of businessmen will get together. I think one of them was the Member for Chaguanas West who suggested that they would get a group of businessmen together to buy out the Hindu Credit Union. Again, it should be a matter of law and, therefore, a matter of knowledge that the credit union cannot sell itself.

I think sometimes when I hear some of the advocacies—I think some of it crept into what was coming from the Member for Couva North and the Member for St. Augustine. The concept of a businessman buying out the credit union does not arise. It cannot be done by law and, therefore, it would require changes in the law to accommodate that. The argument was made that if a group of businessmen could be found who are willing to inject their funds, but I want to suggest that in the way they were suggesting it, it would no longer be a credit union.

What we will have to advocate is that if you have businessmen with that kind of funds and wanting to put money into a credit union that maybe they may want to become members of one credit union or the other including the Hindu Credit Union.

Mr. Speaker, when people say discrimination—the Opposition likes to say the PNM likes to discriminate.

**Dr. Moonilal:** That is so. We like to say that.

**Hon. R. Dumas:** Mr. Speaker, No. 62 on my list of cancelled credit unions is the People's National Movement Credit Union.

**Dr. Moonilal:** You mean you could not run that!

**Dr. Gopeesingh:** Is that an admission—

**Hon. R. Dumas:** It is an admission of wisdom that times have changed and, therefore, different things have to be done differently. [*Desk thumping*] Mr.

Speaker, you see, that is what they do. They argue out of both sides of their mouths. [*Desk thumping*] If one credit union under the process is closed down then that is discrimination, but if another credit union is closed down, they cannot run their business. Is it possible that the second argument can also be applied in the first case? [*Desk thumping*] Mr. Speaker, sometimes I wonder if the people who send these people here listen to them. [*Crosstalk*] I wonder if they really listen to them.

Mr. Speaker, the County Council Employees' Credit Union was cancelled; the ADB Members Credit Union was cancelled; the Royal Castle Workers Credit Union was cancelled; the Customs and Associated Personnel Credit Union was cancelled; the Non Pareil Estate Workers Credit Union was cancelled; and the Holy Cross Northern Credit Union was cancelled. In other words—[*Interruption*] I told you 69 since 1946. What we are suggesting is that to come to the House and scream discrimination and bad management and so on, we want to suggest that you look at it again.

**Mr. Abdul-Hamid:** Why did they not say anything about them?

**Hon. R. Dumas:** Mr. Speaker, again I make the point that a number of credit unions are active.

**Mr. Abdul-Hamid:** Why did you not bring a Motion on those?

**Hon. R. Dumas:** Mr. Speaker, No. 1 is the Lambeau Credit Union from Tobago and 130 is the Zion Knights Spiritual Baptists Credit Union. In other words, the activity and the range of organizations which run credit unions based on their community of interest is 130 that are active in the country.

Mr. Speaker, therefore, we advocate that people participate in credit unions, but we advocate that the participation be based on the community of interest; be based on sound management principles, and that as you join and carry on your business, pay attention to what is happening with the leadership.

### **2.30 p.m.**

There is a list of 201 inactive credit unions—because we have those that were deregistered and we have those that are active—these range from the Arima Credit Union to the Good Sheppard Credit Union. For various ways and various reasons these credit unions become inactive, become de-established, joined with each other—amalgamate—like all other business entities you have that range of opportunity and that range of fortune. [*Interruption*] But, Mr. Speaker, a lot of the credit unions' fortunes may depend on the quality of leadership, and certainly, may not depend only on the activity of external forces that have been suggested.

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In the instant matter I make no judgment, I am being careful not to do that. I am arguing that if you have adopted the PEARLS guidelines, if we adopt the guideline that active membership is in fact what keeps leadership in check, then, certainly we can have an advocacy for strong credit unions as we can have an advocacy for strong institutions in Trinidad and Tobago. Unfortunately, I do not know that there is any possibility of any membership keeping the leadership of the UNC in check.

**Dr. Moonilal:** You gone back.

**Hon. R. Dumas:** No, we are very clear—

**Mr. B. Panday:** I think you want to be on my slate, you know.

**Mr. Abdul-Hamid:** There are a number of vacancies.

**Hon. R. Dumas:** Mr. Speaker, I want to suggest that the Member for Couva North's slate only has one member so there are a number of vacancies for offices on that slate. [*Laughter*]

**Mr. B. Panday:** You are not welcome.

**Hon. R. Dumas:** The second thing that I want to do is to assure the members of the Hindu Credit Union that the Government is not unmindful of whatever are the travails that the individuals may be undergoing.

Even as we say that—and there are mechanisms—I think the Member for Diego Martin Central is the Minister with the responsibility for social development and he is an activist Minister. He is a Minister that has ensured that you have national access to all the social services and all the services required. [*Desk thumping*] It is clear that a national safety net, a national system of treating with activities is available—

**Dr. Moonilal:** That is a good point.

**Hon. R. Dumas:**—to every citizen who is in trouble. These special circumstances arise, whether those special circumstances are in health or those special circumstances are financial, economic and business matters, then those matters can be treated with under the respective ministries.

The experience in this country has been that where citizens have been under distress or in any form of distress this caring Government has stepped in and either assisted them individually and directly or has devised a programme that will meet their particular circumstances.

Mr. Speaker, the problem that the Opposition faces is that they accept no position that treats with developing our citizens or supporting our citizens from a



position of principle, from a position of public policy, but yet we see them coming to the Table to advocate particular and special interest. We want to suggest that the best managers of any special interest that may arise in this matter would be the Government of Trinidad and Tobago and we would be careful to so manage the affairs that arise. The public policy matters that arise from this matter, that where legislative change is required, that would happen, but certainly the focus cannot be on the single institution in the face of where that single institution is, rather than dealing with the wider public issues.

I am sure that the Government would hasten to advise the Member for Couva North and, possibly, the Member for St. Augustine—and I see the Member for Oropouche East is preparing to speak—that if this matter was dealt with from a public policy framework—

**Mr. B. Panday:** Just because he is talking to me.

**Hon. R. Dumas:** Yes, of course, he is taking instructions—advocating a public policy intervention that will hold across the board for credit unions, credit union membership, the welfare and protection, then certainly the Government would be in a position to respond.

Mr. Speaker, I hope that I have been able to lay down what the credit union management policy of the Government is without impinging on the responsibilities. We have to conduct the affairs of the individuals and institutions in the movement and, have not compromised any of my responsibilities under the law.

I thank you.

**Dr. Roodal Moonilal (Oropouche East):** Thank you very much, Mr. Speaker, having had my instructions. [*Laughter*]

It is a pleasure to participate and to join in this debate on the matter before us, which, let me say from the outset, I see as a matter with greater emphasis on social policy than on economic policy, and I would like to speak to that issue primarily, the social policy dimension of the Motion as opposed to the economic and financial issues which I believe my colleague from St. Augustine and the mover of the Motion dealt with adequately.

I would just like to read sections of the Motion because I think it is important to begin by outlining some of the issues raised by the Member for Couva North. I want to begin by congratulating the Leader of the Opposition, the Member for Couva North, for placing this Motion on the agenda of the Parliament [*Desk thumping*] and causing a debate on such an important social issue that affects over

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100,000 citizens of Trinidad and Tobago who have incurred financial loss as a result of the situation that the HCU found itself in.

The Motion reads:

*“Whereas* the Minister of Finance in announcing the Government bailout 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 billion into CL Financial over the next two years to protect policyholders”—and so on—

*“And whereas* the Hindu Credit Union consists of over 100,000 depositors many of whom are small investors who have invested their life savings...

*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...

*Be it resolved* that this honourable 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.”

There are several issues I just want to flag immediately in this Motion and the mover from Couva North in drafting this Motion alerted us to the fact that this is done in the context of the Government bailout of CL Financial. I want to begin by indicating that when the issue of CL Financial came to the Parliament, this Parliament met on February 06, 2009 to discuss CL Financial business in the context of amending two pieces of legislation; the Central Bank Act and the Insurance Act, so we came to amend the law to cater for the bail out of CL Financial. Where was the public policy issue then?

Today we heard a lecture on public policy, that any attempt to assist the depositors of Hindu Credit Union must be looked at in a matter of public policy framework. Where was the public policy then? The Government came quickly with law amendments to amend the Central Bank Act, to amend the Insurance Act and let us deal with this matter before us, but today we are not hearing about that, we are hearing about public policy and the wider issues.

The related matter is that the Minister of Labour and Small and Micro Enterprise Development addressed this Parliament on this issue, under his ministry as well, under his portfolio, he has responsibilities for cooperatives and credit unions, but

we did not hear from the Minister in all of his 75 minutes of any legislation being proposed by his ministry to amend the archaic, the out of sync, the anachronistic, the old laws governing credit unions, Chap. 81:03.

The Minister said this is old legislation and the Member for Couva North would be familiar with it. But at no time did the Minister indicate to the Parliament whether his ministry was drafting new law to reform credit union legislation so that we can protect credit unions.

Mr. Speaker, I have a list of matters to raise concerning the Minister of Labour and Small and Micro Enterprise Development and his recent contribution. I was surprised that the Minister of Labour and Small and Micro Enterprise Development did not tell us that the Government is looking to reform the legislation to deal with credit unions, because the Minister of Labour and Small and Micro Enterprise Development said 69 credit unions were also cancelled and 201 inactive. That, by itself, tells us that all is not well in the sector. Why would so many credit unions be inactive and why would they be cancelled in this way? This is a small country and that seems to be a lot.

**Dr. Gopeesingh:** Why has he done nothing about it?

**Dr. R. Moonilal:** What has he done? If you have figures like this which the Minister came—he should have told us, well, this thing is related to the law, the lack of regulatory control, the lack of a modern policy and legal framework—

**Mr. Sharma:** Governance.

**Dr. R. Moonilal:**—governance issue and be prepared to deal with that, but just do not come and tell us 69 cancelled, 201 inactive and leave the story there, you have a responsibility.

We also got a fascinating piece of information coming out. It is good that we were so attentive during the discourse from the Member for Tobago East, and I may have to apologize to my friends opposite for the first time. I may have to tender an apology. We learned that the PNM could not run a credit union and we expect them to run the country. [*Laughter*] We expect them to manage the finances of the country. The Minister told us the PNM Credit Union closed, cancelled, they could not run it.

**Mr. Sharma:** What a shame!

**Dr. R. Moonilal:** To add insult to injury, he said they could not run it and one of the reasons was poor leadership. He said the credit unions all shut down and dissolved because of the quality of leadership. [*Interruption*]

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Now, you expect them to be managing the economy and they admit today that they could not run the credit union. The parlour at Balisier House is probably in receivership as well if this is the approach of the Government. I think we must be very careful now how we approach this Government if that is their track record. But the Minister spoke and told us nothing of policy reforms. He quoted, I think, who is the man, somebody name PEARL?

**Dr. Gopeesingh:** The PEARLS document from 2009.

**Dr. R. Moonilal:** He quoted extensively from the PEARLS document, which is fine, but where is the Trinidad and Tobago document? Where is the ministry's policy agenda? Where is the ministry's legislative proposal? Where were they to address such a serious issue as this matter?

The Minister, I humbly suggest, was found wanting. The Minister of Labour and Small and Micro Enterprise Development also made a speech—I think it was a good speech for a credit union AGM to talk about governance and so on—but really did not help much in terms of the matter before us today.

And the Member for Couva North wisely presented this matter in the context of a bailout of CL Financial, also in the context of the deeper issues and problems facing depositors, economic recession for example, hardship.

**2.45 p.m.**

Mr. Speaker, I want in a way, to take back this debate from where it has gone, and locate it where we began. This matter is about poor people, people who had their savings. They put their savings, in some cases their life savings, into their deposits in a credit union, and they were of the opinion that the credit union is under the legislation, Minister, Commissioner of the Co-operatives, regulatory bodies. If it is that the managers were doing things that were not completely on board, if there were improper management practices, whatever, we do not know, the depositors were of the view that the Government, the regulators, the commissioner and the Minister would protect their interest. That is it. That is a credit union. That is what credit unions are. "It is not de sou sou run by somebody down de road that yuh send money and yuh collect and so on, and de man migrate and you can't get back yuh money." It is not like that. This is under a legislation—the credit union. I was happy that the Minister raised the issue of the old laws, and I want to meet and treat with that first.

In this matter, the Minister of Finance in her contribution told us of course, Government had made initiatives to help, and the problems they found with the properties, that the properties were encumbered and they could not purchase the

properties when they did title search and so on. But the Minister also told us and I am looking at the Minister's statement on October 30, 2009, earlier this year, and I quote:

“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. The Hindu Credit Union for reasons best known to itself, failed to participate.”

The Member was making the point that unlike the insurance companies where there is a deposit insurance fund, statutory fund and so on for protection, the credit union does not have anything like that. What they have is the Credit Union Stabilisation Fund. But the Minister of Finance is saying that the HCU for reasons best known to itself, failed to participate. What did the Minister do? What did the Minister of Finance do; what did the Minister of Labour and Small and Micro Enterprise Development do, when they realized that the HCU over the years did not participate in the Credit Union Stabilisation Fund?

Mr. Speaker, I want to make a point. This is a small country. This is not a continent and Europe and so on. This is a small country, and generally in a place like Trinidad here, people hear rumours, people hear stories. You hear all sorts of things. You know this is a country where nothing remains secret for long. You will pick up a vibe, you will hear, and over the years some of us were hearing stories about the HCU. You would hear on the radio sometimes that somebody went to get their deposit and they could not get it. You know this is a talk show country. This country is really a talk show country now. You have about seven stations and you cannot hear one song. Everybody in the morning quarrelling. So people would call in the radio and say, I went for my money. I did not get my money and so on. So everybody knew that there were some problems, and for years now—

A colleague of mine told me, they knew there was a problem because once they went to a function at the HCU and at the beginning they were testing the mike, and instead of sound check, sound check, they hear bounce cheque, bounce cheque. So they knew things were bad. Instead of sound check, it was bounce cheque. So things were bad, everybody knew that. But what did the Government do? What did they do? The Minister admits that the Credit Union Stabilisation Fund Co-operative Society did not participate. This is one, let me point out another.

In the Co-operative Societies Act, Chap. 81:03, at section 47, says:

“(1) Every society that realises a surplus from its transactions shall establish and maintain a reserve fund.”

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It also provides for an annual audit and the establishment of a reserve fund.

Now, Mr. Speaker, I am not an authority on this matter. The Minister spoke, and the Minister is aware of the legislation. In fact, he quoted section 74, which provides for an appeal under his office. But the law provides for a reserve fund to be established. This is in the statutory provision. Did the Hindu Credit Union establish a reserve fund? My information is no. But if they did not, it is in the law. What did the Commissioner of Co-operatives do, and what did the Ministry of Labour do? [*Desk thumping*] Clearly, they would be aware of the provision in the law for at least one-tenth of the net surplus of the society each year to be provided for, should go into a reserve fund, subject to the approval of the commissioner, and be used for the business of the society or invested and so on. And if they did not provide the reserve fund, they did not satisfy that requirement in the law, a reserve fund, what did the Commissioner of Co-operatives do and what did the Minister of Labour and Small and Micro Enterprise Development do? Because we have raised an argument that there was complicity; that the PNM government by complicity participated in the collapse and demise of the Hindu Credit Union, by their failure, their negligence in providing regulatory control and oversight. [*Desk thumping*] That is the case. That is our case, and the Minister at no point made reference to the reserve fund. Then the Minister of Finance admitted that they knew that the Hindu Credit Union did not participate in the Credit Union Stabilisation Fund Co-operative Society Limited, and that fund is used for protecting the deposit of depositors. That is the purpose of the fund.

So, we are saying that the Government cannot absolve itself. It cannot throw blame. It was amazing on the first occasion this matter arose in the Parliament, I was going through the speeches and the contributions in preparation for this contribution, and when I came to my friend, the Member for Tobago East, he began on the last day with a bouncer. It was ill directed, wide, and it went for six "bys". He began with a bouncer, coming down from on high as soon as he—but it was wide. It was off the mark, ill directed. The first thing the Minister stood and said is that the Leader of Opposition and Member for St. Augustine started talking race.

Mr. Speaker, I did a word count here and within the first 75 words he uttered, he said, "...the UNC's agenda...as a vehicle for the most vile display of racial claims...", in the first 75 words uttered by this Minister of Labour and Small and Micro Enterprise Development.

**Mr. B. Panday:** It is in his heart.

**Dr. R. Moonilal:** Where that come from? It dropped from the sky. We raised the issue of the Hindu Credit Union to protect depositors, poor people of every

race, of every class. [*Desk thumping*] We made the point that there are depositors in Tobago East. You thought he would have shown greater sympathy, empathy, heart, care for the people of Tobago East who are also depositors, but within 75 words, "vile display of racial claims". I looked through the contributions from the Member for St. Augustine and Couva North, and on Microsoft Word there is something how you can find. You type in a word and you can find it. So I typed in "race"—[*Interruption*]

**Mr. Bharath:** Control f.

**Dr. R. Moonilal:** Control f. I do not know what you mean by that—[*Interruption*]

**Mr. Bharath:** That is how you find words.

**Dr. R. Moonilal:**—but you could look for a word. I typed in "race" in these speeches and it was not even mentioned. The word did not arise. Not once. Where did that come from? How could you begin your contribution that way?

**Mr. B. Panday:** It comes from the self-conscious.

**Dr. Gopeesingh:** It is embedded in his mind.

**Dr. R. Moonilal:** It is Freudian. It is Freud. Sigmund Freud wrote about that, I think. He alerted us. Is it the id and the inner consciousness, where you have that darkness within that comes out? Whether disturbed or not, it surfaces. It is like in a volcanic state that it erupts at a moment because it is there; inactive, like the credit unions he described.

You see, Mr. Speaker, let me make the point. This matter has nothing to do with race. Absolutely not! Gender, class, nothing! It has to do with poor people losing their money. That is what the matter has to do with. [*Desk thumping*] This is why I said it is a social issue.

The Minister of Finance gave us some discussions, and sought to carry an argument that there are several reasons why the Government could not have intervened in the HCU matter, as opposed to the CL Financial matter. Today, the Member for Tobago East said something different. He did not repeat anything there, he said something different. He said that there were matters before the court. But you know CL Financial also has matters before the court concerning assets, valuation of assets. So there were court matters there too, not only with HCU. But the Minister of Finance led an argument that CL Financial had contagion risk. It was systemic risk to the economy and so on. That is one.

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Secondly, the CL Financial in some way co-operated, but the HCU, they were deceptive. They did not co-operate, they did not come with clean hands, et cetera, et cetera. But I submit that this is the Government of Trinidad and Tobago. They can enforce compliance. So if somebody is not co-operating, you cannot think of the CEO, or the President, or the board member who is not co-operating or might be rude. You have to think of 100,000 depositors. That is your concern. It is not because the managers may not be co-operating or they are deceptive; everybody at CL Financial was not deceptive. And in the matter of CL Financial, to this day, taxpayers do not know how much money was the bail out. Five million dollars, \$8 million, \$12 million, \$20 billion.

**Hon. Member:** Billions.

**Dr. R. Moonilal:** Billion. Taxpayers of Trinidad and Tobago—and I am coming to squandermania in a moment because I am leading my argument to explain why the Government will not and cannot intervene in the HCU. They have squandered the money, so they will not even find the funds now to provide for the depositors. But the CL Financial matter which is linked to this by definition in the Motion, the Government cannot tell taxpayers how many billions and billions of dollars at the end of the day will go to CL Financial.

When CL Financial was bailed out, they paid dividends after. They took taxpayers' money, and a few weeks after paid out. Gave people money. Gave away taxpayers' money. We do not know how many billions. To this day, there is no audit. There is no audit of CL Financial to this day. They continue to pay salaries and big hefty perks. There is a moral issue that is linked to the social issue, is that you bailed out people who are already rich.

**Mrs. Persad-Bissessar:** Some are.

**Dr. R. Moonilal:** Some. You helped some people who already have. We are not saying not to help people and bail out and so on.

**3.00 p.m.**

A credit union, as the Minister said, is an assembly of poor people; that is where you put a little something inside. You borrow money to help fix the house; you borrow money if you want to purchase a motor car. The credit union is traditionally the small man bank; he cannot go to the bank. It was discovered, early o'clock, that the poor man could not go to the bank; he does not have the requisite collateral. The bank would not even see him; he cannot get an appointment to go there, but he could go to his credit union and say, "Look, I



want to get a small amount of money to help with de house expansion"; the small man and woman, that is how they operate. The 100,000 depositors of the HCU constitute, by and large, poor people who have to send their children to school.

A constituent came to see me—I will not call his name. He had children in school and one, in particular, in a university abroad; very bright. I must say, that person did not get a scholarship, and did not apply. I want to make a proposal concerning the list of scholarships and this matter, because there are depositors who have lost their money and cannot send their children to school or continue their education at tertiary level. I am bringing a constituent's plight to the Parliament.

I am asking whether the Government of Trinidad and Tobago would consider identifying depositors of the HCU who are now facing the plight of being unable to send their children to school and provide them with one of these bursaries. [*Desk thumping*] [*Dr. Moonilal displays document*] When I look through this I see a bursary for deaf studies; I see for Jazz studies. There is one here for the Hair and Nail Centre in Port of Spain. I see one to pursue a degree located in a train station in Canada, Station B. I want the Ministry and the Minister of Labour and Small and Micro Enterprise Development, in collaboration with the Cooperative Division, to identify depositors who would have this problem, as my constituent was telling me, of being unable to fund their education.

Inside here they provided local assistance to persons, \$15,000 for living expenses in Trinidad; somebody in a law school in Chaguanas. Many of us are familiar with that school; good school—but they have living expenses for Chaguanas. [*Laughter*] There is a provision given to pay a local institution's tuition fees, but it is free for nationals of Trinidad and Tobago. They get GATE and apart from that, they do not pay tuition; the Government pays tuition at this institution I am talking about; it is free. They have given funds for someone to pay tuition at an institution that is free. [*Crosstalk*] There is no tuition to pay; none. There is a name here with a degree located next to the name and that person never did the degree; never. So if the money went this way, use the money in a better way; provide the depositors of the HCU and their children with bursaries of a similar nature. [*Desk thumping*]

With great respect for my friend from Port of Spain South—I know my friend will be well intentioned. The truth is, when this was going on, the Member for Port of Spain South was not in Port of Spain.

**Dr. Gopeesingh:** Joan Yuille-Williams set her up.

**Mrs. Persad-Bissessar:** She inherited it.

**Dr. R. Moonilal:** When this was going on, the Minister used to live in the Hilton. The Minister for Port of Spain South was not in Port of Spain and was not in South; she was not on the compound, so we do not blame this Minister. It was unfair to have this Minister come in the House and present us with this thing—oral and maxillofacial surgery, private helicopter licence. [*Interruption*]

**Mr. Speaker:** Hon. Member, I think you have made your comparison and your point; do not make this a debate dealing with that. I think your point is well taken and you need to move on.

**Dr. R. Moonilal:** Thank you for the guidance. Let me return to the race issue; I want to leave the scholarship matter and get back to the race issue. I leave it with that recommendation. I want to make a second recommendation now, but the scholarship might be connected to my second recommendation as well, but I will proceed.

Many depositors of the HCU were also former employees of Caroni (1975) Limited. Many of those depositors took their VSEP money—they got VSEP money—when this Government committed that indefensible, outrageous and criminal act of closing Caroni (1975) Limited; 10,000 workers off the breadline. They collected their VSEP and many took the money and placed it in the Hindu Credit Union.

Today they have advertised in the newspapers that some of these former workers would be provided with land, pursuant to their agreement. They are now asked to pay \$30,000, more or less, plus legal fees, for that land. I am calling upon the Government to exempt from payment of those fees all the depositors of the Hindu Credit Union whose money was lost. [*Desk thumping*]

**Mr. B. Panday:** Who are they paying these legal fees to? Why can they not get their own lawyers?

**Dr. R. Moonilal:** I understand that they told the applicants who would receive these lands that in 14 days they have to get the money and give them. These are people who are waiting at the HCU's door for their money, and in 14 days they must get \$30,000 plus legal fees, or else, "No land for you." The Government has a moral responsibility and a duty to exempt the depositors who are also successful applicants for land, former Caroni workers, from all fees: legal fees, land fees, any fee; all. [*Desk thumping*] That is their duty, because you, the Government of Trinidad and Tobago, participated in a process that led to the collapse of the Hindu Credit Union.

When the credit union members came years ago by Balisier House, you remember, they encircled Balisier House. The Prime Minister met with them. The Minister in the Ministry of Finance had indicated that there were problems they

were looking at; in Trinidad and Tobago everybody knows. You would hear the rumours. The Prime Minister made the Minister in the Ministry of Finance apologize; when they should have been doing their diligence, checking, sending their officials, auditors, and they had power under the Act. What is the purpose of an Act, if you will not implement the law? You should police and monitor and enforce the provisions there for the credit union.

This was a credit union with a significant membership. I am not saying that one credit union is more important than another; certainly not; but I can tell you that this credit union had over 100,000 depositors; millions and possibly billions of dollars in assets. It was a high flying credit union, jump high jump low. When you land in the airport you used to see the credit union advertised in the airport. When you go to cricket, World Cup, you see Hero, Honda, Pepsi, Hindu Credit Union, in the Oval. I mean, it was a high flyer.

You should have been alert to know, "How is this happening?" "We have to look after this; participate." They had reports before them; they knew of the Credit Union Stabilization Fund; they knew of the Reserve Fund; absolutely nothing. They abdicated their responsibilities, their duty under the Act; they left it. Do you know why? They were playing games; they thought that they had support to get. They thought that with so many persons as members, they would play games to get political support in the build up to an election, local government election and national election. So they did not want to be too strict with the credit union, because they thought they would get political support.

The Minister of Finance is not in the House, regrettably, but she could tell us during the campaign whose music truck she was on; who provided the music truck, the deejay to go up and down O'Meara, D'Abadie. It was the Hindu Credit Union, deejay, music truck, et cetera, et cetera. That was the approach; they were looking to induce, solicit political support, so they did not want to touch management. They said, "Listen, forget all these little problems we hearing about; dem fellas important; they have people; we could get vote and support; we could get deejay and ting." That was the problem.

When you were supposed to be acting as a responsible government, you thought, "They have support; they have voters; leave them, let dem do anything they want." When it came to the attention of the Minister in the Ministry of Finance and he said publicly, and privately as well, that there was a problem, the Prime Minister had abused him; sent him in public to apologize to the Hindu Credit Union. He humiliated him, belittled him, treated as a novice employee. *[Interruption]* Yes; well, I would not say that; my friend from St. Augustine had a more colourful way to put that, but I cannot. That was how he treated him, with contempt.

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So the Government cannot come today and say, "This is a matter we did not know about; they had the Act, and we found out late in the day." Today the Minister told us that they were keeping a close eye on credit unions. What happened to the eye in 2002, 2003, 2004? Did it have jaundice? What happened to the eye in the sky? They could not police, not even with the blimp; from blimp to bicycle. They could not look at the Hindu Credit Union and say, "Look, this is trouble here", or use the Act. There is a provision in the Act.

The very distinguished Member for Cumuto/Manzanilla, outstanding former Minister of Labour, told us that there are provisions in the Act where the Minister could intervene; send in people immediately to clean up the mess you see with management and investment. *[Interruption]* The distinguished Member for Cumuto/Manzanilla, when this country was blessed with a Minister of Labour who was truly a people-oriented Minister, intervened in the El Dorado Consumer Cooperative and the Diego Martin Cooperative. He intervened when issues of mismanagement and abuse of power arose.

I am not surprised that in Diego Martin they would have problems of mismanagement; I am not surprised at all. *[Laughter]* I do not know if the Member intervened to save the PNM Credit Union. I do not know if there was anything he could have done; let us put it that way. It might have been so bad that not even the Member for Cumuto/Manzanilla could have saved that credit union. I think he took a look at it, but he said that it was not possible to save them.

We have the precedent of El Dorado and Diego Martin; the UNC government intervened. When it came to the Hindu Credit Union, the PNM either did not read the law or if they knew the law they said, "Nah, we eh touching that; dat have politics", and that really is the story. That is where we are today. Regrettably, I do not think the Member for D'Abadie/O'Meara was a depositor with the HCU, otherwise we may not have had this debate today. *[Laughter]* That would have rolled over, had the Member for D'Abadie/O'Meara, the Minister of Finance, been a depositor in the Hindu Credit Union. I put it to you, Mr. Speaker, that we would not have been debating this matter today. *[Desk thumping]*

Old Year's Day is coming; that day has a lot of significance and relevance to the distinguished Minister of Finance. It is a day when the Minister reflects on financial matters and takes active steps to withdraw in time, which is very responsible. Anybody who withdraws in time is always very responsible. I believe that the Minister of Finance would have assisted in a more energetic manner, because her statement, which I read, said that apparently she bent over backwards to help the Hindu Credit Union. It was not enough; let us put it that way. The bending over backwards was not enough. *[Laughter]*

Had the Minister been a depositor with some funds at Chaguanas, or wherever the office was, we would have solved the problem on Old Year's Day. She would have been with a bag running down by "de" market in Chaguanas and moving in the Hindu Credit Union, and everything would have been saved. We would not have had a problem. Old Year's Day is an important day, because that is when some people prepare for their Old Year's Night parties; they engage in a little festive occasion; but our goodly Minister of Finance on that day looks at her financial investments.

The Hindu Credit Union suffered this plight and we are in this position today. The Minister claims they were deceptive; the Minister said that they did not cooperate, as if Clico cooperated. She said that they did title searches. There was a governance issue at the Hindu Credit Union and that caused the problem, because they could not help.

All credit unions, trade unions in some cases, all institutions like these, because they are generally people institutions, sometimes they may not hire the best managers; they may not have the resources to pay for top flight management, and there is a greater responsibility to police credit unions because of that fact. They may not have the professionals, the best staff, the most qualified people; that is the reason you must be more cautious with credit unions than with any other institution, because it involves "poor people money" at the lower rung of the ladder and it may involve people who are not trained.

There are many credit unions of which you would hear stories. They have persons working there and they really do not have the formal training; they may not have the expertise. This is why we have the law.

This is why I am calling upon the Government and the Minister, although it is late in the day and not related to the Motion, to indicate to us when the Government would bring legislation to reform and repeal the Cooperative Societies Act, to repeal the current legislation on the credit union movement; this is what we are calling for.

### **3.15 p.m.**

The Minister also took time which we appreciate so much, to speak about the labour force. I must respond because I think that he knew I was going to speak after, so he would have raised these issues of the performance of the PNM Government as it relates to employment. He gave us some labour force statistics. He looked at employment creation but, interestingly, the Minister did not mention job loss. This is an economy where for this year alone it is estimated that 50,000 persons have lost their jobs, that is regardless of contract work, part-time work and so on. The Minister did not remind us about that. He told us about the 50 per cent increase in real earning.

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One observation I have with my friend, the Member for Tobago East, is that he gives us many statistics but we are never privileged to hear the source of the data. I told him before that in Parliament you are entitled to your opinion but not your facts. You should have your opinion. When you bring data tell us where you got this data from so we can check it. You may be right.

**Miss. Le Gendre:** From where you got your data?

**Dr. R. Moonilal:** Andre Bago. "Da is where ah geh meh data from. Yuh like dat one." We got the data from the *Newsday*. The Member told us about wages, but he did not tell us about job loss and impending job loss. Do you know that in the Telephone Directory they already took off the Board of Inland Revenue and they have the Trinidad and Tobago Revenue Authority. They have not yet established it but it is in the Telephone Directory. I am told that it is not there. More persons will lose their jobs with the establishment of the Trinidad and Tobago Revenue Authority. The persons at Inland Revenue and customs are gone. This situation that the Minister is alerting us to has changed and would continue to change and get worse with job loss.

I predict another 75,000 persons will lose their jobs in 2010, if you look at a baseline data and statistics for the private sector and add the public sector including two or three areas in the Government where they are now reducing their staff in several ministries. They also plan to license teachers. The Minister did not mention that. Why did he not tell us about the unemployment figure when he was raising the issue of real wages, job loss, about 200,000 workers are employed and 80 per cent employment in 2001.

What about the job loss since then. That is an important issue. That is in addition to these people who may be depositors because many of them did not have jobs. They took their VSEP money from Caroni (1975) Limited but they are not working and are out of money. Where are they to go? They have property tax to pay.

The Minister went further and gave us an idea. He helped us there. My friend, the Member for Tobago East, alerted us that there is the Ministry of Social Development that can come to the assistance of people who are in need. There are special programmes for special circumstances. Do they give scholarships too? Does the Ministry of Social Development give out money for scholarships and helping to build your house? Do they provide investment and money for persons to send children to school and for their normal living expenses?

This is the money of depositors. When you have money and get your interest you use that and you have money that you can go and take. The Ministry of Social Development is not a substitute to help 100,000 depositors. They cannot help and

there are serious problems. The Member for Diego Martin Central came in this House and made one of the most amazing and baffling statements ever. He said that in the distribution of the Smart Cards the sum of \$23 million was given to persons who did not deserve it. He said that in the House. It is on record.

**Mr. 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. [*Dr. H. Rafeeq*]

*Question put and agreed to.*

**Dr. R. Moonilal:** Thank you very much, my willing colleagues on both sides. I am talking about the Ministry of Social Development. The Minister admitted that that Smart Card business had fraud to the tune of \$23 million, yet the Member for Tobago East is saying that when we have the poor and helpless depositors who have lost their money, go to the Ministry of Social Development for Smart Cards. They have admitted that the corruption cost there is \$23 million.

Again and again, we indicated that constituents applied for these cards and other facilities. I admit, as Member of Parliament, it is our duty to help our constituents and recommend them for government services and houses. They spoke as if we committed a sin by recommending constituents. When we do not do that, do you know what they come in Parliament and say? They say that we do not recommend anybody so the reason constituents do not get help is because you tell them not to apply. When you apply, they say look, they knew of it and they were applying. We are proud that when you look at the Ministry of Housing, Planning and the Environment you would see over 400 applications supported by Members on this side for Oropouche East, Oropouche West, St. Augustine, Caroni, Siparia, Mayaro, Cumuto and Couva North.

Is the Minister telling the Parliament that persons who are the depositors of the HCU and lost their money can apply to the Ministry of Social Development for Smart Card and would be treated fairly and equally? Do you know at the heart of this Motion, what is the issue? Let us face it squarely. The way the Motion is set up, it speaks to the issue. At the heart of this Motion is the serious problem in this society of inequality of treatment. [*Desk thumping*] That is a constitutional right. The Equal Opportunity Commission that had the most painful birth, as a baby they were kicking and abusing that baby. They had to go to the Privy Council in London for somebody named Lord Woolf to pronounce on it and say this is good law, implement it. To this day the Equal Opportunity Commission has not heard

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or resolved one complaint. In fact, I understand that the directors got back pay. They got a salary increase by some Salaries Review Commission Report.

According to the Minister, when you go to the Ministry of Social Development for help and you do not get it you have no Equal Opportunity Commission to go to and say that you have been treated unequally. The Motion is about inequality of treatment. That is one of the dreaded problems facing the country.

The issue with the bursaries, we support people who received help. The UNC has always been a party that has certain principles as fairness, social justice, national unity and equality. Those issues are at the heart of the United National Congress in opposition and in government. That is why we brought the Equal Opportunity Commission, passed freedom of information legislation and constitutional amendments to provide joint select committees. That is the heart of the UNC's policies. This Motion is about inequality of treatment.

You treated depositors of CL Financial in one way but you cannot treat depositors of the HCU in the same way. That is the issue in this Motion. It comes out in everything. They would not have the resources and their Members and the Minister of Finance have indicated that it is a resource issue. It involves over \$400 million because when they had the money—this is a country that hosted two summits for \$1.5 billion. Next year is the Commonwealth Games. We had the money and squandered it on summit and these high flying projects and big buildings. When poor people lose their deposits we cannot come to their assistance and say, "Take yuh lil few thousand dollars that yuh loss."

Squandermania! Squandermania every day on the TV following all these issues involving corruption and so on at an enquiry. That is where the money went. When they have to look for the few million dollars to help HCU depositors, the money is not there because people cannot account for money.

It is amazing in this country that serious allegations are being made of leading office holders in this country who go on the Waterfront for the monthly lime with the Prime Minister and they will not go to defend their names. They prefer not to go and allow those crushing testimonies to go on the record undisturbed and untested, rather than go to defend them. Could you imagine that? They prefer to have these stinging allegations remain on the record than to go and defend them because they know that there would be greater exposure.

That is where the money went and why we have the inequality of treatment with CL Financial. CL Financial is an intrinsic part of this Motion. That is why in the wisdom of the draftsman, the author, it is structured in such a way—which the



Member for Tobago East recognized—to give us the opportunity to debate the CL Financial matter. Inequality of treatment is what the Government has to defend. I hope that the next speaker in this matter will come to Parliament and tell us what the Government has done so far to provide for equality of treatment for all citizens and the current problems involving the HCU.

There are some recent developments that I want to address as well. I also want to indicate that many people may not know that when the HCU went under there were also several matters involving their employees who had matters before the court, particularly the Industrial Court, for breach of contract, unfair dismissal, et cetera. When this came to the fore and the HCU was declared insolvent, liquidators moved in and so on, the court then could not do anything. The workers said, "We give up. We lose." It looked like a waste of time to pursue these matters in court because who would pay and when. Several workers who had their grievances and trade disputes before tribunals involving the HCU as a party to those disputes, then faced another problem. They may have been allegedly unfairly dismissed and their recourse to the court to seek damages or compensation went down the drain. They would not get the benefit of the court, a ruling, compensation and damage for losing their jobs in circumstances where they allege unfair dismissal.

### **3.30 p.m.**

When you add that to the pot of unfair circumstances that are dire and horrible, it makes for a very ugly picture.

**Mr. Dumas:** I am trying to figure out what you are asking. Are you suggesting that the Government should acquire the HCU even as the board is resisting agents of the Government in court, and by what law?

**Dr. R. Moonilal:** The Minister was not here earlier when I spoke about the law. Is the Minister saying that, under section 4(3) of the Act, under powers of the commissioner, there is no provision to intervene in this matter and determine management issues, restructure and force compliance with the Act? Is the Minister saying that is no longer relevant?

Is the Minister also saying that because of the failure to monitor the reserve fund and the Credit Union Stabilization Fund, the Government now washes its hands completely; that there is no power for the Commissioner of Cooperatives at this moment because these matters are in court involving an appeal before the Minister; that the hands of the Government are tied; that it cannot do anything, including withdraw the action of the High Court, go for discontinuance and move into the Hindu Credit Union with a management team or a new board?

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[MADAM DEPUTY SPEAKER *in the Chair*]

[*Interruption*] Do not humbug me; let me finish what I am suggesting. Is the Minister saying that the Government cannot move in, isolate and identify the depositors who have lost their money and begin a programme immediately to provide funding, whether it is 100 per cent or 70 per cent to assist the depositors at this moment? Is the Minister saying that your hands are tied because of the court matter?

**Mr. Dumas:** Yes. We are speaking here of an institution which the law says has a right to manage itself. They elected a board which comes to court and says that they are resisting whatever is the process in place and then, by agreement between the chairman of the tribunal, the HCU board and the commissioner, all three parties to this matter, refers the matter to the court. Are you suggesting that we throw that aside and intervene with the individuals?

**Dr. R. Moonilal:** I suggest that you return to the Ministry later today, call a meeting with your legal staff and then go outside and get some legal advice.

**Mr. Dumas:** The best legal advice is the court.

**Dr. R. Moonilal:** Madam Deputy Speaker, I am not giving way. I am in full flight and the Minister is striking me down. Convene a meeting with your legal advisors inside the Ministry and source good legal help outside the Ministry, go to the court and let them tell you the options available to discontinue that matter and settle the matter outside of the court. Look to your Act, which provides for the Commissioner of Cooperatives intervening and establishing a board and, apart from that, you are at a point now where you can identify the depositors. I do not want to talk to you in a language that is for another place, but it is a question of identifying the depositors and flinging the money. Give the people the money!

If you require legislative reform; if you require amending the Act, come here and talk to us. We are not beasts. You flung money for the summit; you are throwing money at UDeCott—a man cannot answer who is his brother and brother-in-law—and you tell me you cannot identify depositors; cannot provide the moneys for them.

You are saying as well that you cannot amend the law that provides for them. I am talking to you in a language I think you understand. I know you well, Member for Tobago East, and I know that you know that language. I have to communicate with you. You understand well now. All the time I am saying provide the funds, you did not understand.

You need to amend the law? Come to us and tell us; we will help. Why is that so difficult? You changed two pieces of legislation to help CL Financial. You did

that overnight. You sent all the Order Papers when we were in our pajamas to come the next day to change two laws and you are telling me you cannot amend the legislation to provide for saving the poor depositors?

Christmas is coming. These are people without money. I am not sure that persons opposite understand what it is to lose your life savings; to reach 60 or 65 years and \$300,000 that you have saved has gone. I am not sure they understand the gravity of that. To a person without constitution that could lead to gramoxone when you lose money that you identified to help you at the stage of old age. You know that the elderly like to put their money to get some interest, so that when the month comes they get a little "chee chee". They take that so that the prescription drugs they do not get on CDAP could be bought and when the grandchildren come, they would have their money coming in to get a little toy item or two for the grandchildren. If you deny them this, you deny them their soul.

When I talk this way, I know what I am saying. Remember I have constituents who talk to me. Elderly people tell me that Christmas is coming and they do not have money for toys for the grandchildren and when they come on Christmas day they will be crying that they do not have something to give them. I told them not to buy toy cigarettes. They have banned that now.

This is the situation and we have to put the people emphasis here. You say: "Where has all your money gone all these years you have been working?" "Well, boss, I had \$75,000 or \$200,000; I put it in the HCU and it has gone." We face that every week. Those are people who will not easily apply and be granted Smartcards or bursaries.

This matter can be resolved. They can intervene at the court, go down to the HCU, get the list of depositors and start putting them in some order. Even the depositors can be classified. You can realize who is who and start providing funds. What is so immoral about that?

The distinguished Leader of the Opposition in this contribution on the Motion quoted extensively from a judgment, Justice Aboud, where the judge said that to provide social assistance and to help a credit union is in the national interest. So we hear a lot about economic, contagion and systematic effects in Economics. All that sounds nice. We can read approximate that in lippy and other books. But the judge said that the Government has a duty to assist depositors of credit union because of the nature of credit unions.

Madam Deputy Speaker, the Government cannot come today and tell us that their hands are tied; they are in court. They are a party to the matter in the court, so their hands cannot be tied. You can discontinue and come to some arrangement; work it out and provide resources. You cannot tell us that the HCU is deceptive.

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In the financial world, you have to work. These are professional managers. You can work together; come to terms and do it in the public so that they will know and the public and the depositors will exert influence on the management when it is done under public scrutiny.

The Government has a duty to explain and they have not convinced us on the basis of their discriminatory treatment between CL Financial and the HCU. We have also not been convinced as to why they have washed their hands on this matter.

I was saying earlier that there was some recent issue and I was hoping that the Minister would have addressed it. He did not and maybe someone else will. It is also our knowledge—it was in the newspapers that the HCU continues and there is some misunderstanding, there are some companies in the financial group of companies that continue to operate, but the HCU itself is in liquidation. I understand that the managers continue their business in some of these areas.

To some extent does the Government exert control over that if that involves money of the HCU? One of the problems the Minister discussed in the matter of CL Financial—there are a lot of paradox and contradiction here. The Minister said they were bailing out CL Financial, but could not touch some companies in the group because Clico money was being used elsewhere and instead of going in a statutory fund, they were participating in servicing other financial products that were unsustainable.

What is the relationship now and is it similar to the HCU financial group of companies vis-a-vis the HCU itself?

Is that HCU money that is still being used? It does not sound proper that when you are before the court with depositor's money tied up, that you take the group of companies operating with assets, building plant and equipment, that is the HCU money presumably for depositors. How can that occur in the context of the freeze almost on the business of the HCU. That is a matter which arose quite recently. I think the manager and lead actor in this HCU is back in some type of business in other companies and is mobilizing.

**3.45 p.m.**

The Government has to indicate to what extent it can assist to ensure that the company's assets and so on work in tandem with the Hindu Credit Union while the liquidator sort out the problems of the depositors.

I want to reiterate a point emphasized by the Member for St. Augustine, and that is we are not here to complain and cast aspersions on management, managers

and so on, because we do not know. We have not had the benefit of a report into their management; we have not had the benefit of reports about management practices and so on. We do not know. We read the newspapers, so we cannot speak to the issue of management without some authority.

What we do know is about the depositors and the social conditions of depositors. This is why in the beginning, I said that my contribution is really about social policy—helping these people—and not about the economic matters. My friend, the Member for St. Augustine, addressed that matter in detail. We benefited enormously from his contribution, following on the Leader of the Opposition, who spoke at length about the plight of these people and used a judgment to build his case for equality.

So where are we now in this debate? We are at a position where the Government is saying that its hands are tied and it cannot do anything. There are fundamental differences between CL Financial and the HCU, so they cannot help there either. We have refuted that beyond doubt. We have given support to the Insurance Act and the Central Bank Act and we are begging and pleading. If the Government needs to amend the Act it could come and bring it. We would return on Saturday morning to amend this Act so that we can provide—*[Interruption]* We will go and take tea and return later. If it is a one page thing, amend the Act pronto so that we can provide a facility to give the money to the depositors if that is the problem. I put it to you, that is not the problem. The problem is that the Government does not see the importance of helping depositors of the Hindu Credit Union. In their book, these are people who we are sorry for.

As I said in the beginning, I would say in the end that the Government participated in that matter when they took no steps and they had knowledge. The then Minister in the Ministry of Finance, Sen. The Hon. Conrad Enill, had knowledge of the wrongdoings and the problems and brought this to the attention of his Cabinet colleagues and the Prime Minister, and the Prime Minister told him to go and apologize to the Hindu Credit Union. He was ridiculed. He was treated in an unfair manner himself. They had years upon years to go to the Hindu Credit Union and act decisively and they did not. They participated in this and allowed it to happen, and the poor people lost their money.

Unlike the Member for Cumuto/Manzanilla, when he was Minister of Labour, he intervened at El Dorado and Diego Martin and, in this case, the Government did not intervene. It is that negligence that we are pointing out in this Motion, and because of that negligence they are under a stronger duty to come to the defence of depositors, precisely because of the negligence. They certainly cannot escape.

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So, I pray that my words have not fallen on deaf ears otherwise there is a scholarship for deaf ears studies that you can apply for. I am hoping that the Government would listen. Of course, it is the Christmas season and it is a time for giving and receiving, but it is the time that the Government would want to show a human heart, a humane face and tell the depositors of the Hindu Credit Union something, but I do not have much faith that the Government will respond to this Motion in a positive manner.

I want to remind the country and the depositors that the UNC and the Leader of the Opposition has promised and, again today the UNC is promising that all depositors of the Hindu Credit Union should take a nail and mark down on a piece of wood how much money they have somewhere, because they are depositors and that money is theirs, and an incoming UNC administration will provide the money to them. [*Desk thumping*] If you feel that you are an elderly and so on and you are sickly, you could put that in your will and give it to your beneficiary and your children and tell them that the money that you have in HCU is yours, because that is your property. That is your money and you have your interest in that.

You could tell your lawyer to put it down in your will—the money from the HCU that will be given to you by the UNC is for my beneficiaries and children, and you are certain that money will be repaid to you by the incoming UNC administration. That is the promise we make. [*Desk thumping*] Do not feel that the UNC will abandon the depositors of the HCU. That money is as good as gold, and we will take steps to ensure that it is returned to you. I do not say that with fluff, I say that because in the UNC we care. Those persons who are depositors are close to our heart and we would provide for them. Thank you very much. [*Desk thumping*]

**The Minister of Tourism (Hon. Joseph Ross):** Madam Deputy Speaker, thank you very much for this opportunity to make a brief contribution on the Motion before us this afternoon. There are some observations that I feel I should make before I get into the meat of my contribution.

First of all, I recognize that when the hon. Member for Tobago East, the Minister of Labour and Small and Micro Enterprise Development, was making his contribution, one could have recognized how serious Members were on the other side about the interest of HCU members. The hon. Member was making his contribution, and for 75 minutes there were only three Members on the other side listening to him. This is an indication of how serious they are with respect to seeking the interest of the members of the HCU.

Madam Deputy Speaker, I take serious interest in this issue of credit unions generally, having served as the president of two credit unions and on the supervisory committee of two credit unions. I am proud to say that I am still a member of one. Today, Tranquility Credit Union is still one of the better small credit unions in Trinidad and Tobago.

**Hon. Member:** Where they are?

**Hon. J. Ross:** At NP compound. One of the reasons, and I will deal with some of those things later on, is that this particular credit union has seen the importance of adhering to the PEARLS principles outlined by the Member for Tobago East, and I will deal with that a little later on. Another reason is that credit union saw the need to have serious supervisory committees over the years. We will deal with some of these recommendations later on.

Madam Deputy Speaker, I listened very attentively when the Member for Couva North was making his presentation and I tried to summarize what he was saying, but let me take a few of his points. He said that the Government has a moral and constitutional responsibility to treat all citizens equally. He said that we have created a legitimate expectation in the minds of the public that all was well with the HCU and, therefore, misled depositors and shareholders to invest in same. The rest of his presentation was basically the same.

Firstly, let me make it abundantly clear that the situation that existed with Clico, as the Minister of Finance took pains to point out, was quite different to the situation at HCU, unlike what Members on the other side are trying to show. The fact is that the Government never bailed out CL Financial. [*Interruption*] That is a fact. The Minister of Finance made that abundantly clear throughout her contribution. I am not going into all those details, but you have been making the statement. [*Crosstalk*] I am saying that the Government did not bail out CL Financial. [*Crosstalk*] You have to look at the structure of Clico as against the structure of the HCU. We will deal with that matter. You had your time, Member for St. Augustine.

I also listened to the Member for St. Augustine and, again, I took some points from him to see whether he was making sense and, again, a lot of rhetoric. He said that the depositors in the HCU believed in the system and that the Government had their backs. They believed the Government would have put in place safeguards and so on. I would come to that. Madam Deputy Speaker, a lot of rhetoric.

We heard the Member for Oropouche East and, I think, I should deal with him first; the last in, first out. He spoke about the absence of the Ministry's position on the failure of so many credit unions. He said that there was no word from the Ministry on the new legislation.

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Madam Deputy Speaker, as I stand, I believe that I can give you the assurance that the Ministry of Finance will soon come to this House with legislation to deal with credit unions once and for all. [*Desk thumping*]

Madam Deputy Speaker, he talked about the ex Caroni (1975) Limited workers placing their severance pay, et cetera, in the HCU and have lost so much money. I am asking the Member—again, this is his interest. He asked me certain questions and then he left before I even attempted to answer them. He asked about the ex Caroni (1975) Limited Workers and I am going to ask him, if he was so interested in the ex Caroni (1975) Limited workers who are members of their constituencies, I am saying—and they have the expertise there—why did they not take the time to educate the workers on investing their funds and advise them to stay away from HCU? [*Crosstalk*] I am going to tell you why to stay away from HCU. I am coming to that.

The Hindu Credit Union did not fail today or yesterday. I am going to show you later on in the discussion that the HCU's failure started even within your reign of horror. [*Laughter*] So, Member for Couva North, you are throwing all that burden upon the present Government and, again, this is inconsistent with the reality.

**4.00 p.m.**

**Mr. Sharma:** Poor you, you do not have anything to say.

**Hon. J. Ross:** You do not worry. The Member for Couva North, again, we could understand his dilemma. On this side we could understand his dilemma. We think that he used the moment to campaign. He needs his support and we understand his position at this point in time. He has to come out as really serving the interest of HCU and ex-Caroni workers.

This is basically what this whole time was spent on the other side pointing out, talking about discrimination to give the impression that this Government is against HCU and ex-Caroni workers. Nothing is further from the truth. [*Interruption*] You continue to throw the blame for HCU's failure on the current Government when the mismanagement of HCU can be traced back to your period as I said, and I would get the statistics in a while and show you. [*Interruption*] It could be traced back to your reign. That is the period in our country—and I am sure that no right thinking person would want us to go back to. [*Desk thumping*] No right thinking person, no true patriot in Trinidad and Tobago would want us to go back to those years.

[MR. SPEAKER *in the Chair*]

For many, many years the HCU was a well run organization. I am familiar with some of the early leaders of the HCU.



**Mr. Sharma:** Like who?

**Hon. J. Ross:** I would not call their names here. I am talking about decent, respectable gentlemen who really and truly worked hard to build a solid credit union, but what eventually happened in the HCU was a case of what monkey see monkey do. This is what happened with the HCU, because what they were seeing during the period when the UNC was in power, they were seeing contracts for millions of dollars being given out without a written document.

**Mr. B. Panday:** Name one?

**Hon. J. Ross:** I would not call them out now; I mentioned them in the past.

**Mr. B. Panday:** When?

**Hon. J. Ross:** This is why, Member for Couva North, many of those people who were paving roads had difficulties in getting their money.

**Mr. B. Panday:** Name one? Name one?

**Hon. J. Ross:** I am telling you, I am not calling them here.

**Mr. B. Panday:** You could call them anywhere.

**Hon. J. Ross:** But I am telling you that many of the contractors had difficulties in getting their moneys because there were no documented contracts.

**Mr. B. Panday:** Name one?

**Hon. J. Ross:** Mr. Speaker, people were promoted to seeing requisitions without the requisite qualifications and competence during their reign. This is what the HCU members were seeing. We had MPs—and I would not name any, Member for Couva North—on your side who were taking up houses that were built for poor people.

**Mr. B. Panday:** Name one?

**Hon. J. Ross:** I would not name him.

**Mr. B. Panday:** Name one?

**Hon. J. Ross:** I would not name them.

**Dr. Gopeesingh:** Name one?

**Hon. J. Ross:** You know them.

**Mr. B. Panday:** No, I do not know them. [*Crosstalk*]

**Hon. J. Ross:** Who the cap fit, let them pull the string, Member for Couva North. *[Interruption]* This is what was happening. So, I am saying, what eventually reached to the HCU, they were seeing all of these things and what monkey see monkey started to do.

**Dr. Gopeesingh:** And you tolerated it.

**Hon. J. Ross:** I am coming to that.

**Dr. Gopeesingh:** You did nothing about it.

**Hon. J. Ross:** I am coming to that. *[Crosstalk]*

Mr. Speaker, now they come to blame this PNM administration as one of the most wicked Government, not caring about poor people. Which Government in the history of Trinidad and Tobago—I do not need to go and elaborate, the records are there. This Government has demonstrated over and over its concern and its commitment to the development of poor people in Trinidad and Tobago, so I take great umbrage with those accusations that Members on the other side are making. *[Desk thumping]*

We can go on to show how much the people in this country—I am talking about poor people, and I am a classic example—have benefited from the provisions made by PNM administrations over the years. *[Desk thumping]* So, for the Member for Couva North to say that Government has a moral and constitutional responsibility to treat with all citizens equally, who knows it more than the People's National Movement. *[Desk thumping]* Who knows it more. *[Interruption]* I do not think that we can say the same for Members on the other side.

**Mr. Dumas:** True.

**Hon. J. Ross:** Mr. Speaker, I have experienced for myself harassment. I have experienced discrimination in places where I worked under the administration of the other side and I know several individuals who have had the similar experience. I am asking myself, why all this fuss now? Why all this fuss now about HCU?

The hon. Member for Tobago East indicated that there were so many credit unions—I think he said something like 69 and somewhere in his statement I think he said some 201 credit unions—that had similar experiences to HCU. On this list of credit unions—the 69—he mentioned some. I would also mention a few that had similar experiences as HCU.

We have the Neal & Massy South Credit Union; we had the Barrackpore Employees Credit Union; South East Port of Spain Credit Union and, most notably, the Water and Sewerage Authority Credit Union. I can speak about the experience of the

Water and Sewerage Authority Credit Union. Several experienced difficulties during the time of the administration of the UNC, there was not one bit of noise, no clamouring that Government should intervene. No clamouring whatsoever, and they never really intervened despite what the Member for Oropouche East was trying to say. They never intervened! But why now with Hindu Credit Union?

Mr. Speaker, I know of individuals today who have placed all of their savings within some of these very credit unions and after they left their employment they had nothing to show and they were not able to recover one cent from these credit unions. Did we hear any noise from the other side on some of these credit unions? The Water and Sewerage Authority Credit Union was spoken about extensively throughout Trinidad and Tobago when they were going through their crisis time, I never heard one day Members on the UNC benches ever came out in support of the workers of WASA.

As I speak, one particular individual, that guy saved every single cent he could have saved with the intention that when he retires from work he was going to build a house for himself and his family. He lost every cent in the credit union. There was never one iota of noise coming from those benches to protect the workers of the Water and Sewerage Authority Credit Union among the others, so I am asking myself why was HCU singled out? Then they are talking about discrimination on this side. Who is discriminating? [*Desk thumping*] That is where the discrimination comes from.

**Mr. Abdul-Hamid:** Inside your minds.

**Hon. J. Ross:** The records will show that the HCU failed for a number of reasons. I was given a list of these reasons by my colleague for Tobago East—you have it here? Yes, I got it—and some of these reasons were captured in the report of Ernst & Young, who was supposed to be the auditors. Here are some of the comments on this report: The financial records of the HCU were not being properly maintained in accordance with standards; investment in the subsidiary companies with the exception of Bankers Insurance had resulted in the HCU extending significant loans and other funding to subsidiaries and so on.

Mr. Speaker, a list of what I would call "bad management and accounting practices": No fixed assets register; intangible assets as well as properties for which there was no legal title amounting to some \$39 million write-off, and you go on and on. This speaks immensely. It shows in no uncertain terms that HCU was badly managed and, as I indicated earlier on, this bad management did not start in the PNM's time, in this Government's time, it existed even in the time when those on the other side were in Government and they did nothing to correct it.

**Dr. Gopeesingh:** You had eight years to correct it.

**Hon. J. Ross:** That is why we are dealing with it. [*Interruption*] You were there when it started.

Mr. Speaker, a credit union is a different kind of organization. A credit union operates on certain principles: The principle of voluntary and open membership; the principle of democratic member control—listen to that, it operates on the principle of democratic member control—and while I am saying this, it is my understanding and I should bring it out and let them deny it. It is my understanding that many Members on the other side have interest—and I am talking about not just personal interest but their own financial interest—in the HCU. Nothing is wrong with investing in the credit—

**Mr. B. Panday:** Name one?

**Hon. J. Ross:** Name one! I want you all to deny it.

**Mr. B. Panday:** I do not.

**Hon. J. Ross:** I did not say you, Member for Couva North. I said Members on the other side. Are you Members? You are only one. Members on the other side have been seen numerous times attending the Annual General Meetings of the HCU over the years.

**Mr. B. Panday:** Nothing is wrong with that.

**Hon. J. Ross:** Nothing is wrong, but what I am saying, you were aware of what was going on. Did you raise it? Did you raise it?

**Mr. B. Panday:** [*Inaudible*]

**Hon. J. Ross:** The supervisory committee which is supposed to play a major role in controlling the financial operations of the credit union ceased to exist during the term of your administration. What did you do about it? What did you do to ensure that there was proper supervision in the HCU, one of the largest credit unions in Trinidad and Tobago? What did you do about it?

**Mr. B. Panday:** In which year?

**Hon. J. Ross:** Under your term.

**Mr. B. Panday:** They were all right then. In 2001 they were okay.

**Hon. J. Ross:** The third principle is that of member economic participation.

**4.15 p.m.**

The fourth principle is the autonomy and independence; the fifth is the principle, education, training and information; the sixth principle is the co-operation among co-operatives; and the seventh principle is the concern for community. But in all of that, Mr. Speaker, credit union members have been taught that one of the risks they face, if they do not manage their affairs properly, is the risk of their shares being diluted.

They risk losing their money that they put into the credit union, and they have learnt to accept this risk. They have learnt to accept it. So now to come and single out HCU, and say that Government must bail out HCU, that Government must give back the money that depositors lost, is unreasonable, is unfair, is unjust and it is an act of discrimination, because there are many other credit unions that went through similar circumstances.

Mr. Speaker, since the hon. Member for Tobago East talked about the PEARLS ratio, I want to take us through what really was going on in the HCU. What was going on in the HCU? Based on the information I was able to get, I would like to look at some of the important ratios that the credit union could have been using. Imagine a credit union which had the largest asset base and so on, and yet in terms of management controls, they were lacking significantly. An effective financial structure is necessary to achieve safety, to achieve soundness, to achieve real growth and efficiency in the financial operations of any credit union, and I am going to show you that HCU failed to achieve a sound financial structure, and this accumulated over the years.

Let me first of all look at how they managed their assets. We are looking at the PEARLS ratio that the hon. Minister spoke about. We look at their non-financial investment to total assets. Their non-financial investment to total assets and the purpose of this ratio, Mr. Speaker, is to measure the percentage of their total assets, that are invested in non-financial investments. What they are saying is that credit unions should look at their non-financial investments—things like pharmacies, groceries, residential housing, developments, and so on.

I am looking at the PEARLS ratio, and when you look at the real purpose of the credit union, the standard tells you that the ratio of your non-financial investment to your total assets should be zero, zero, zero. In other words, the standard is saying, do not invest one cent of your assets in a non-financial investment. This is a principle. It is a standard that applies to the credit union movement, internationally. What we found, was that the HCU invested as much as 35 per cent

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in non-financial investments, and this figure increased from during the time of the other administration, to now. So what I am saying, who was monitoring the HCU at the time?

Mr. Speaker, they are throwing all the responsibilities on this current Government for the failure of the Hindu Credit Union, and I understand that the Member for Couva North who was supposed to be an excellent labour leader—and we believe that—who had an interest in co-operative movements, allowed that to slip by. So what we saw here was the HCU totally ignoring its improper investment strategies.

Mr. Speaker, the next ratio I want to draw your attention to is that of borrowed funds to total assets. It is a measure of the total assets that are financed by external borrowing from banks and other financial institutions, and for the credit union movement, the standard says that credit unions should not be borrowing money from other financial institutions to finance their assets. What we found at the HCU was 4 per cent, 4.8 per cent, 2 per cent, 4 per cent, that is how the figure was going. Over the last four years of its existence, 4 per cent of its assets was spent for finance, from borrowing from financial institutions. Which organization in its right mind would want to borrow at high interest, to lend at low interest? Sooner or later, it will collapse.

**Mr. Abdul-Hamid:** Bust.

**Hon. J. Ross:** It will collapse, and this is what we were seeing at the Hindu Credit Union.

Mr. Speaker, another important ratio which shows how HCU was going over the years—and I am going through these to show that HCU's position did not just happen. It started to accumulate and it started particularly during the administration of the Members on the other side.

**Mr. B. Panday:** That is not true. No evidence there.

**Hon. J. Ross:** Mr. Speaker, in terms—[*Inaudible*]

**Mr. B. Panday:** No evidence for that.

**Hon. J. Ross:** So what I am quoting here is—[*Interruption*]

**Mr. Dumas:** No evidence for the election.

**Mr. B. Panday:** You started so long and you did nothing when you were—[*Inaudible*]

**Hon. J. Ross:** I worked out all the ratios myself. I worked out all the ratios myself.

**Dr. Browne:** [*Inaudible*]

**Dr. Gopeesingh:** So what is the supervisor of insurance saying?

**Hon. J. Ross:** This is the point. This is the point. Member for Diego Martin Central, you have it. This is the point. Mr. Speaker, when you look at their institutional capital to their total assets—and we are talking here about all legal and non-distributable reserves, current year surpluses and so on—the standard says that a minimum of 1.4 per cent is required. A minimum of 10 per cent is required. You look at it, 1.4 per cent, 2 per cent, 2.2 per cent and so on over the years.

Mr. Speaker, what would one expect? The credit union will collapse. It will collapse. Non-earning assets to total assets! Non-earning assets! You are talking about some of the assets that they have been investing in; that is not bringing money on the members' shares—[*Interruption*]

**Mr. B. Panday:** You are quite right.

**Hon. J. Ross:**—and deposits. What has happened? The standards again, the same PEARL ratio, that the hon. Minister referred to, sets a minimum of 5 per cent of total assets. They say, "Well, okay, we allow you 5 per cent. You invest 5 per cent on non-earning assets." Do you know what was the percentage invested over the years? Twenty-five per cent going straight across. This is how they were operating. The standard says, less than 5 per cent should be invested in non-earning income assets. They were investing 25 per cent over the years.

Mr. Speaker, if time had permitted I would have gone through all these different other ratios, but I am making the point that HCU was badly managed over the years. It did not just happen. My advice as a credit unionist myself—it would hurt me if I leave here and just listened to the set of criticisms that have been levelled against us, without advising credit unions on the outside, as to some of the measures. Until the adequate legislation and so on is put in place, there are measures that credit unions can put in place to regulate themselves. I would like to quote from an article on the management of some of the things they can do to manage their affairs, and to manage them effectively and efficiently to ensure that the credit unions in fact run as profitable organizations, or at least make returns to their members.

Let me now look at some of the things, for instance, that the supervisory committee would be required to do. These are known to them, but I think we should reiterate it that members on the outside, the public who are listening and who are members of credit unions, must so insist that the management of their credit unions take these necessary steps and ensure that they have competent supervisory committees. What these supervisory committees will do among other things, is ensure that the members' funds are safe, and financial resources of the

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credit unions are safeguarded. One of the things they can do is to insist that the management of their credit unions report to them, along the lines of the same PEARLS ratios that the hon. Member for Tobago East was talking about.

Secondly, hire an external audit firm to conduct an annual audit, and the audit would require an opinion to determine whether the financial statements present fairly the conditions of the credit union, and further the auditor may also be contracted to perform other agreed upon duties. Things like: okay, the supervisory committee may not have all the resources to examine the internal controls in the credit union. What we are saying is, the supervisory committee must ensure that the auditors look at the internal controls. I also would like to advise some of my credit union colleagues, to ensure that the audit committee conduct members' verification audits at least once every year or two. This again, is designed to help safeguard members' funds.

It is very important, Mr. Speaker, that these committees audit or verify the existence of their members, review management policies and procedures to determine if they follow board policies. All these things are enshrined within the by-laws of most credit unions, and I am sure the Hindu Credit Union was fully well aware, and I am advising my colleagues outside, members of credit unions, to ensure that these things are brought to the fore on a regular basis. Do not take the risk that members of the HCU took, otherwise, you may end up just as the HCU is finding itself in and looking for someone to blame for your failures.

Mr. Speaker, in closing, I want to say, one, that this Government has demonstrated in no uncertain terms its interest in helping, in fairness, in equity, in responsibility, in serving the people of Trinidad and Tobago, and this will be seen further when we bring adequate legislation to deal with the credit unions once and for all.

I thank you. [*Desk thumping*]

**4.30 p.m.**

#### ADJOURNMENT

**The Minister of Works and Transport (Hon. Colm Imbert):** Mr. Speaker, I beg to move that this House do now adjourn to Friday, December 11, 2009, at 1.30 p.m.

On that day we will do the matter that is on the Order Paper today, the Prison (Amdt.) Rules. It is my understanding that the Opposition had requested of the very competent Acting Leader of the House, while I was away, some information on the previous rules. I have them here. The previous rules flow from the Laws of Trinidad and Tobago, 1950 edition, Chap. 27. I have two copies here



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for the Opposition. You can compare these rules, together with the new rules, so you can see exactly what is being done.

I also wish to announce that on Friday, December 11, 2009 the Government will lay a Property Tax Bill to introduce a new regime of property taxes and an amendment Bill to the Valuation of Land Act, both of which we intend to debate to conclusion on Friday, December 18, 2009.

They are both simple majority Bills, as far as we are told. We are laying both of them on Friday, December 11, 2009 and we intend to debate them to their conclusion on Friday, December 18, 2009; so the Opposition will have a full week to look at them together. One cannot work without the other; they both operate together. We will ask that they be taken together.

*Question put and agreed to.*

*House adjourned accordingly.*

*Adjourned at 4.33 p.m.*