

Leave of Absence

Tuesday, December 13, 1994

SENATE

Tuesday, December 13, 1994

The Senate met at 10.00 a.m.

PRAYERS

[MR. PRESIDENT *in the Chair*]

LEAVE OF ABSENCE

Mr. President: Hon. Senators, Sen. Wade Mark has been granted leave to be absent from sittings of the Senate during the period December 11 to 17, and Sen. Andre Maloney has been granted leave to be absent from sittings of the Senate during the period December 9 to 16, 1994.

LATE ARRIVAL

Mr. President: Hon. Senators, I am advised that the Acting Prime Minister, Sen. Dr. The Hon. Lenny Saith, Minister Joan Yuille-Williams and Sen. Martin Daly will be a little late for today's sitting.

PAPERS LAID

1. Report of the Auditor General on the accounts and financial statements of the Primary Education Programme for the year ended December 31, 1992 as required by loan contracts 796/SF-TT and 215/IC-TT between the Government of the Republic of Trinidad and Tobago and the Inter-American Development Bank. [*The Minister of National Security (Sen. The Hon. Russell Huggins)*]
2. The Financial Statements of Reinsurance Company of Trinidad and Tobago Limited for the year ended December 31, 1993. [*Hon. R. Huggins*]
3. Sixteenth Annual Report of the Ombudsman of the Republic of Trinidad and Tobago. [*Hon. R. Huggins*]
4. Report of the Auditor General on the accounts of National Broadcasting Service of Trinidad and Tobago Limited for the year ended December 31, 1993. [*Hon. R. Huggins*]
5. Report of the Auditor General on the accounts and financial statements for the year ended December 31, 1993 of the Non-Reimbursable Technical Co-operation Agreement ATN/SF-3388-TT between the Government of the Republic of Trinidad and Tobago and the Inter-American Development Bank. [*Hon. R. Huggins*]

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6. Report of the Central Bank of Trinidad and Tobago for the year ended December 31, 1993 [*Hon. R. Huggins*]

ORDER OF BUSINESS

The Minister of National Security (Sen. The Hon. Russell Huggins): Mr. President, I beg to move that at this stage the Senate deal with Bills Second Reading instead of Motions.

Agreed to.

DEVELOPMENT LOANS (AMDT.) BILL

Order for second reading read.

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

That a Bill to amend the Development Loans Act, Chap. 71:04, be now read a second time.

The Development Loans Act authorizes the Government of Trinidad and Tobago to borrow externally or internally by the issue of bonds for the purpose of financing general development in Trinidad and Tobago. This was Act 19 of 1964, and at that time the limit was US \$30 million, but the Act allowed for increases to be made to that limit via resolutions of both Houses of Parliament. The last such resolution was passed in November of 1990 when the limit was taken to TT \$5,000 million. Of course, any further increase under this Act must be done by resolution.

Today, however, the purpose of the Bill before the Senate is to change that US \$30 million under the original Act to an amount of TT \$7,500 million as the limit. So, in effect, we are increasing the limit under the Development Loans Act by TT \$2,500 million; that is the first purpose of the Bill.

Secondly, the Bill attempts to clarify, because there appears to be some vagueness as to whether Government can issue bonds under the Act for the purpose of repaying existing borrowings effected by state enterprises, statutory authorities and the University of the West Indies, and we wanted to be able to do that, so that we are making it clear via this Bill that we are able to do so.

This has become necessary, because the Government, as Senators would be aware, via the divestment programme, is really cleaning house, and as part of the effort, the Government is required to convert some of its contingent obligations in these companies to direct obligations of the Government that have occurred with

companies such as National Fisheries, on which some Senators had much to say on the last occasion.

Senators would know also that we are at present looking at the divestment of Trinidad and Tobago Airways Corporation and this Bill would allow us to convert some contingent liability—\$499 million worth of indebtedness. That is the indebtedness that we have to accept to put BWIA in a position that it can be divested and have a new lease on life. There is also Trinidad and Tobago Meat Processors, an old company that has been liquidated but there is an outstanding amount owed to Republic Bank of some \$2.98 million that Government had guaranteed, and we have to take it over as our own obligation and arrange for repayment.

The University of the West Indies; an indebtedness of some \$62.3 million to Republic Bank. Trinidad and Tobago Printing and Packaging Limited, a total amount of some \$16.4 million that we are taking over.

10.10 a.m.

The Government is at present working on an arrangement with respect to the Water and Sewerage Authority and that would require our taking over an indebtedness of some \$560 million.

I do not know if I have given the amount for National Fisheries before, but it is about \$86 million.

I would have to say a bit more about Caricargo because we are taking over about \$7.8 million with respect to this company. In addition, Senators may know, that the Government, by means of a debt equity swap arrangement, dealt with some other indebtedness of Caricargo. This was a joint venture between the Government of Trinidad and Tobago—50 per cent owned—and the Government of Barbados.

The company began operations in 1980 at the conclusion in 1979 of a memorandum of understanding between both Governments. The company always had financial problems and required support from the shareholder governments. Since the inception of the company, Trinidad and Tobago injected about Bbds \$12.5 million as equity capital and guaranteed jointly with the Government of Barbados its loan facility with the Caribbean Development Bank. On April 1, 1992 the company ceased operations as financial projections indicated that it would not be turned around.

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In June 1993, the decision was taken that the company should proceed to dissolution. The shareholder governments then accepted responsibility for the liabilities of the company, as at that date. These liabilities included debt of \$60 million with the Barbados National Bank and \$2.8 million with the Caribbean Development Bank. The Government of Trinidad and Tobago, by means of a debt swap between the Central Bank of Trinidad and Tobago and Barbados have met its obligations of Bbds \$29.4 million to the Barbados National bank.

Quite simply, the Government of Barbados owed the Government and the Central Bank. In our effort to really monetize a deficit of Caribbean governments we did a debt swap with the Government of Barbados, that is the Government of Barbados assumed the obligation of Trinidad and Tobago to the Barbados National Bank in exchange for a relief of its obligation to us. That amount was about Bbds \$29.4 million.

Consequent upon this arrangement, Government is now indebted to the Central Bank of Trinidad and Tobago in the sum of \$72 million, because, of course, the obligation was to the Central Bank of Trinidad and Tobago. Government is also liable to the Caribbean Development Bank in the sum of US \$1.25 million, being its proportionate share of the liability of the company to the Caribbean Development Bank, so the amount that is represented, \$7.8 million, is simply the US converted to TT dollars.

In addition, the Bill makes provision for planned borrowing of the Government for the years 1995—1996. It is estimated that the development programme requirement, a loan funding in 1995, would be about \$425 million for 1995 and \$375 for 1996; that is outside of the facility. Under the last government, an arrangement was entered into in 1989 for the building of some police stations, which has continued. This was the design/finance/construct mechanism for the execution of the projects with the awarding of the contract to Maritime Life Caribbean Limited for the provision of accommodation for the police service. Under this mechanism the Government awards the contract to a single developer who is responsible for the entire project from the design phase to the commissioning.

The Government offered its own liability for the loan until the end of the construction and maintenance period for the projects being executed. The design/finance/construct projects completed to date include, the police administration building—Members would know of that beautiful new building across the road—the Cedros Composite facility, St. James Barracks refurbishing and four district police stations.

The Maximum Security Prison, which is also being constructed using the same mechanism, is now nearing completion and involves a joint effort between Maritime Life Caribbean Limited, the Royal Merchant Bank and the Finance Company Limited. The total commitment for the design/finance/construct projects is about \$450 million inclusive of interest, and upon final completion—in other words, at the end of the maintenance period in 1995—1996—provision would have to be made within the requested increase of \$2.5 billion. At that time, we would be taking all these obligations on the books and an allowance was made here for the \$450 million within the overall \$2.5 billion that is requested in this increase.

To sum up, one purpose of the Bill before us is to allow incremental borrowings over the period 1995—1996 in the amount of \$425 million in 1995 and \$375 million in 1996.

Another purpose is to bring to account the obligations under the design/finance/construct arrangement in 1995—1996, an amount of about \$450 million to take on the books of Government's existing loan obligation of state companies, statutory authorities and the University of the West Indies.

Members ought to note that we are not talking here about incremental borrowing, but bringing to account and taking on as direct obligations contingent liabilities of the Government in its effort to clean the slate, as it were, with respect to a number of state companies and to put the University of the West Indies in a position that it can do what it does best, without being disturbed by monetary problems.

Another purpose is to allow for the increase in the debt occasioned by the depreciation of the TT currency as a consequence of the flotation of 1993. As I said, the Bill allows for borrowing both internally and externally.

As a fact, in the recent past, we have limited the use of this legislation to domestic borrowing because there is now the External Loans Act, Chap. 71:05 that the Government would normally use if we are borrowing externally, but there is some external obligation under the legislation, and with the depreciation of the currency occasioned by the flotation of the currency last year, the amount represented in TT dollars would have increased, so that it makes provision for that also. That is the purpose of the Bill before this honourable Senate.

I commend it to hon. Senators.

Question proposed.

10.20 a.m.

Sen. Surendranath Capildeo: Mr. President, the hon. Minister was very concise in the introduction of the Bill, but I think the nation needs a little more explanation on what he intends. For example, if we look at the Bill itself, and begin with section 4:

- "(a) by repealing subsection (1) and substituting the following subsection:
- (1) For the purpose of—
- (a) financing general development in Trinidad and Tobago."

That is quite clear and understandable.

Then, the Minister began to outline a number of enterprises for which the taxpayer would have to accept responsibility. My rough calculation, looking at the figures which he called out very rapidly, shows that we are involved almost immediately with \$1.1 billion, to say the least. And if we take in 1995 and 1996, we will be up to the two billion dollar mark.

I have a problem of legitimacy with this Government. I would like to quote from page 2 of *Newsday*, a national newspaper, dated December 12, 1994. I begin with the last point the hon. Minister raised, which is a very important point—the depreciation of the TT currency as a consequence of flotation. He glossed over that, but he says that he is taking that into account in his interpretation, and he has advised that we accept it on this Bill. When I look at the *Newsday* of December 12, 1994, the headline says:

"Rough nine months for a 'solid' dollar"

The word 'solid' is in inverted commas.

"Despite a claim by the Minister in the Ministry of Finance Kenneth Valley that the TT dollar is as solid as a rock the currency lost ground against all the major currencies, with the exception of the Canadian dollar, during the first nine months of 1994.

According to the October issue of the *Monthly Statistical Digest of the Central Bank*, the TT dollar had its biggest loss against the Japanese Yen losing more than 75 cents as the Yen appreciated..."

And it went on to deal with the pound, the Deutsch Mark and the US dollar. Apparently the only currency with which we made some progress was the

Canadian dollar. I would like the Minister, having read this, in his reply to give this country some understanding of this so-called flotation and fixed-solid-as-a-rock dollar of Trinidad and Tobago. Has he taken that into consideration when he is asking us to increase the amount to TT \$7,500 million?

I think the Minister may want, having regard to the headline I saw this morning that we will invest in the largest ammonia plant in the world, to look at that figure and increase it even more.

Mr. Valley: That is another Act if one has to borrow.

Sen. S. Capildeo: We go on now:

"(c) repayment of borrowings effected for general development:

- (i) by a statutory authority within the meaning of the Statutory Authorities Act;
- (ii) by an enterprise that is controlled by or on behalf of the State; or
- (iii) the University of the West Indies."

I begin with the University of the West Indies because it is of strategic importance to the development of this country. If the country and the Government do not understand that if this university is not brought up to the standard of a 21st Century university, we are spinning top in mud, then all "fall down."

Therefore, I would have preferred it if we had, rather than a brief reference to the University of the West Indies, some firm commitment from the Government that the university will be developed into a 21st Century institution of learning and the financial provisions made adequate from today onward. Also, that the ridiculous percentage of people in this country who are entitled to university education be increased as much as possible within reasonable limits.

If we have to go to the country with a proposal that the university be funded by taxation in some form to educate our children, it would be worth our while and we should also look at that very seriously. If we should tax the obscene profits made by the banks because of the flotation of the dollar and put it in the university, so that our children would be educated, I would understand that.

To my mind, the university is one of the most important institutions, if not the most important, in this land for our future, and it should spread its tentacles throughout the length and breadth of our education system. I should have loved to hear much more from the Minister with respect to its financing.

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I come to the question of statutory authorities. Statutory authorities like T&TEC are a very, very sore point. The Minister talks about bonds—borrowings which arise out of the issue or sale of bonds in settlement either in whole or in part. I should have liked the Minister to go into detail on the meaning of the word "bonds." I should have liked him to explain to us how—in what form and manner—the bond will take shape, and what it means to the taxpayer of Trinidad and Tobago. Clause 5 states:

- "(2) Where ... bonds are issued or sold—
- (a) in pursuance of section 3(3)(a), the bonds shall be negotiable bearer bonds; or
 - (b) in pursuance of section 3(3)(b), the bonds shall be transferable by delivery with endorsement."

If I were to look at the list:

National Flour Mills

\$86 million

Trinidad and Tobago Airways Corporation

We do not have a figure.

Trinidad and Tobago Meat Processors

\$2.9 million

Mr. Valley: I am sorry, Mr. President. I gave a figure for Trinidad and Tobago Airways Corporation—\$499 million.

Sen. S. Capildeo: Then that makes the position even more interesting. We have already reached \$2 billion. We will be issuing bonds or whatever form of documents to the tune of \$2 billion. I think the nation ought to be told the details of these bearer bonds. We need to know something about these bonds, because we are entering a new era in this country. We are entering an era where the Government wants to build up its stock markets and people will get accustomed to the idea of trading in bonds and shares. I see many fancy television programmes enunciating the Government's policy; some of them should be taking care of this.

I should like an explanation from the Minister as to the nature and details of the bonds. They are dealing with very, very touchy issues here. They are dealing with the statutory authorities and two come to mind immediately—T&TEC, on which we have enunciated our position very clearly and, we will be dealing with WASA, on which I should now wish to enunciate our position. We are completely

opposed to any divestment of WASA. Therefore, if we are going to trade WASA for bonds, we would like to know the details of the bonds and how they will work.

The Minister also referred to the question of the design /finance/ construct arrangement with Maritime Life. I should like to know what has happened to Maritime Life and Pride. I would like to know if Pride has crashed. I should like to know if it will be reopened. I should like to know whether the Maritime Life bid is still there. We need to know these things. If the Minister does not tell us, we would not know.

There is a creditability gap, not between the Minister and me personally, but between the nation and the Minister. Yes. I should like to quote another newspaper. I have just quoted the *Newsday* on the question of the solid-as-a-rock dollar; now let me quote page 3 of the *Daily Express* dated December 13:

"Jobs for the boys

The latest employment figures from the Central Statistical Office (CSO) show that 90 per cent of the 14,000 jobs created between 1993 and 1994 went to men ...

Finance Minister Wendell Mottley,..."

The Junior Finance Minister is sitting here, so he has to accept the blows for him.

"in his "Review of the Economy", attributed the increase in employment to job creation in the petroleum, agriculture and manufacturing sectors."

That is the Minister of Finance in a statement which will go all around the world in *The Review of the Economy*. But here our national newspaper, on page 3, is saying that the CSO figures did not support the findings. So, who told a fib, the *Daily Express* interpretation of the hon. Minister of Finance, or the Minister in the Ministry of Finance?

10.30 a.m.

I have a credibility problem via the national newspapers of this country, so when the hon. Minister comes and reels out the figures, and I will read them back so the country would get it clear: National Flour Mills, \$86 million; Trinidad and Tobago Airways Corporation \$499 million; Trinidad and Tobago Meat Processors, \$2.9 million; University of the West Indies, \$62.3 million; Trinidad and Tobago Printing and Packaging, \$16 million; WASA \$560 million; Caricargo, \$7.8 million; Maritime design/finance/construct relationship, \$450 million; 1995 Development Programme, \$425 million; 1996 Development Programme, \$325 million.

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I ask, Sir, why in the light of this kind of lack of credibility that is exhibited in our newspapers, do we not have any documentation to substantiate what the hon. Minister has spelt out here just now? Or are we to accept his word? Am I to read in the national newspapers some time later on that what the Minister says and what the statistic prove are two different things? It does not augur well for the country when there are two daily newspapers in sequence attacking the credibility of the Government.

This is our Government, notwithstanding the fact that I stand here as a Member of the Opposition, and when a national newspaper attacks the Government's credibility, it is attacking my credibility too, and that I take objection to. We could be partisan on issues, but where the image of the country is concerned, there is no partisanship; we are all citizens of this country.

We have just read the events that took place in Miami and we now understand our position with Nafta. I had asked about it during the budget debate but the Minister declined; I think he was too rushed that night with BWIA. We do not know where we are.

Mr. Valley: Mr. President, I said in the winding up that Trinidad and Tobago remains the next logical choice after Chile.

Sen. S. Capildeo: Mr. President, the hon. Minister is becoming like the hon. Minister of National Security—"crime is a thing of the past and six people get murdered in one week!

Sen. Huggins: I did not kill them.

Sen. S. Capildeo: He did not kill them—women butchered left, right and centre. They should stop making statements. Let us get back to the point, Sir.

This is a procedural Bill, one in the economic life of the country which must take place, but I say, having regard to the position in which this Government has found itself, by putting itself—they did it, we did not do it, I did not write the newspaper reports and I did not interpret the figures for the hon. Minister. When the Government comes to the Parliament with such a Bill which involves billions of dollars of taxpayers' money, the least we could expect from them is the documentation to support their arguments.

I say again, we are all in this together and although it is not my function to assist the Government—because that is not my responsibility, I will not exercise responsibility without power—I cannot assist them unless they help me to assist them by giving me the documentation. If there is no documentation, they are

asking me to take their word. I cannot take their word, having regard to what I read in the national newspapers.

Again, I want to be very brief on this, I understand what the Minister is doing. I would suggest to the Minister, in the light of the development that they project is going to take place in this country, that this figure be revised, because if the flotation is not controlled and it assumes a Jamaican-like or Guyanese-like proportion which is a reality, then the figure of TT \$7,500 million or US \$1.2 billion would be a joke. We would have to come here every Monday morning to this Parliament and revise that figure.

I want an honest statement from the Minister on the flotation, because he referred to it. His words were, "we have to take into account the depreciation of the Trinidad and Tobago currency as a consequence of flotation." It must have dawned on him somewhere that that possibility exists, and if in his ministerial dark rooms, and in the corridors of power where they are wont to stroll with their heads up in the clouds and feet—God knows where—there are whispers that the controlled flotation will not be so controlled sooner or later; and if the currency of Trinidad and Tobago is going to be devalued to such an extent, one would seriously want to reconsider the US \$1.2 billion ceiling.

I want to close with the suggestion to the hon. Minister that in future when they come to the Senate with these kinds of Bills, which, as I say, are not Bills of policy or principle but in reality procedural Bills in the financial make-up of the state, they come with adequate documentation so that all the Senate, that is the Independent Senators, the Opposition Senators and even their backbenchers would be able to understand what we are doing here. So that when we pass the legislation we have an easy conscience and would not be saddled with newspaper headlines two or three days later saying that the whole measure was skewed and cockeyed.

I thank you, Mr. President.

Sen. Dr. Eric St. Cyr: Mr. President, I am at a disadvantage in that I was not sure that I was going to be here this morning and I only saw the document as I got in here, but I really must join the debate if even at that great disadvantage.

The annual Budget exercise, important as it is, deals with year-to-year flows and policies which support those annual transactions and we have opportunities to revise those year by year. It also seems that this exercise to amend the legislation giving approval for the stock of debt in the nation, could look as if it is routine,

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deriving from policies pursued from year to year. I want to suggest that this year it is a far more serious exercise than a routine one.

My reading is that there is a fundamental policy shift that is taking place in the nation, the policy of privatization. My understanding is that we were not privatizing; we were only divesting some of our assets, but the evidence that is coming through suggests that there is a more fundamental change in the national economic direction. I do not want to belabour that point which we had spoken about at length before, but just as we did not pursue a policy in this country of state ownership of the means of production, but we had a very practical mix of ownership with necessary changes as we went along, just so I do not think that we should pursue a policy of total privatization, certainly in respect of two of the fundamental planks in any society such as water and electricity supply.

10.40 a.m.

I would think that we would be making a great mistake were we not to treat those as public utilities, and maintain ownership and control of those two utilities, at the very least. They are fundamental to life and they are fundamental to the standard of living of the broad mass of the people; and they go further: they impact on the health of the entire nation. Were we not to have a good potable supply of water accessible to all the nation, those of us who are better off and could pay the rates would be affected were hygiene not to be generally at an appropriate level in this nation.

I am saying that I sense that we have moved away from the pragmatic policy of divestment into what is coming through almost as an ideological stand of privatization. If this is so, I would like to say to us as a nation that we should assess what we are doing and be clear and explicit that what we are doing is what we want to do.

With respect to the Development Loans Act or whatever its proper title is, I see that there are a number of balls in the air at the same time. As the national balance sheet will come through, say, in three to five years time, I am not now able to assess clearly what is happening; the exchange rate problem we are not able to be sure of. Two years ago I commented that we should denominate the external borrowing limit, not in TT dollars, though that is the currency that as an independent nation we are legally bound to reckon in, but, perhaps, in some international currency which is robust. We are exposed on that front where we have substantial foreign debts, that is substantial state-owned debts.

As we attract increasing amounts of foreign investment here, there is also a tremendous national exposure on private capital invested here which is featuring also in the national balance sheet. That is the second area, which I am not sure that we have really assessed what the balance sheet position of the nation is looking like, and will look like in five, 10, 20 years in the future.

The third point I want to make is that we are in a transitional phase. We are selling state-owned assets and we are selling some of them to foreigners, so that we are reducing the asset side of the national balance sheet. At the same time, it seems that we should be reducing the liabilities side if we are to remain just about equally well-off. What I hear being planned, is that we are going to be, while reducing our stock of the state-owned assets, increasing the stock of state liabilities. I am very, very, very worried that we are doing this without a full national debate on this point where the detailed information could be made available.

I certainly should have liked an opportunity, over a day or two, to grapple with the figures which the hon. Minister has put out here, so that I could make sense of what is happening. Also, if there is any expertise in the nation, especially in the hallowed places of the University of the West Indies, to have some informed comment on this very important national issue.

As I said, I am at the disadvantage of not having been able to prepare myself adequately. I do hope that I have not misled, in any way, this honourable Senate or the nation or misrepresented, in any way, the position of the Government. I do think it is a responsibility, at the very least, today to say that we are sure that we are on firm ground in the way we are proceeding.

With those very brief remarks, I thank you.

Sen. Kamla Persad-Bissessar: Mr. President, this Bill which is before the Senate reminds me of a similar one which came before the Parliament in 1990, when the then Government sought to raise the limit on borrowing to \$2 billion dollars. At that time the Member for San Fernando East as he then was, on November 16, 1990, stated—and I quote from his contribution on page 6 of the *Hansard* document at 3.10 p.m:

"They are really asking for \$2 billion. They are asking the Parliament today for a blank cheque for \$2 billion to finance the election campaign in the year 1991."

Mr. Valley: Mr. President, on a point of order. The Senator seemed to be quoting the Member for San Fernando East, that is, quoting from the other place. I thought that in the Senate we were not supposed to take into consideration what happens in the other place. It seems as though she is quoting from *Hansard*.

Mr. President: You are not supposed to carry on a debate in this Senate started in the other place or try to reply, but I believe the Senator is quoting from the *Hansard* record of 1990, if I am not mistaken. Nothing is wrong with that. It has been done quite often, once they need it to reinforce their point, but not to reply to something which was said in the other place.

10.50 a.m.

Sen. K. Persad-Bissessar: Thank you, Mr. President. In 1990 the Member for San Fernando East was saying that the then government was taking action which could be construed as attempting to lay a bed of thorns for their successors.

In my respectful view, the Bill before us is, in fact, attempting to give a blank cheque to the present Government and one wonders how this Government could put forward this Bill in light of the arguments that were advanced before the House then with respect to a similar bill. What we are doing, by way of this Bill, is attempting to create a debt which has to be paid by future generations. We are, in fact, indebting future generations. That is what this Bill is attempting to do.

The Government is saying that it wants \$7 billion odd—it wants this limit raised—for example, we know that money is being sought for 1995/1996 but we do not know what projects these moneys will be utilized towards. There is no account or transparency with respect to how those moneys will be utilized. We are told that it is partly for paying off debts already accrued by state enterprises.

I ask the Minister to be good enough to tell us how much money the Government has already obtained from the sale of state enterprises—troubled, indebted or otherwise those state enterprises may be. Is it really \$1.4 billion that this Government has collected from the sale of state enterprises?

Sen. Capildeo: Where are the documents?

Sen. K. Persad-Bissessar: If that is so, as my colleague here asks, where are the documents? If that is the figure, the next question is: What is being done with this money? What has been done with moneys already borrowed by this Government?

When we look at the purport of the Bill, it says that it is for general development. What does the term "general development" mean? Is it simply to

pay existing debts? Must it not include development in the sense of social amenities for the people of this nation? I should like the Minister to tell this Senate how much money the Government has borrowed to date. What has happened to those moneys, in respect of which the Government is now seeking to get approval to go into further debt? In this Senate from time to time, in the newspaper, throughout the public, the concern is with social amenities in health, in housing, in education. It appears that it is just shambles one is looking at—the shambles of the health system; the shambles of the education system. Where has the money gone—the sum of \$1.4 billion—that the Government now wants to borrow extra money to repay moneys owed by state enterprises and statutory authorities?

The further point is that, strange enough, what we are doing is creating a debt to pay a debt. That is to say, the Government wants to borrow more in order to pay off debts. Surely, that cannot come under the term "general development." I ask the Minister to clarify how seeking to borrow to pay off debts is, in fact, general development. If the Minister could answer, I would give way.

Mr. Valley: Mr. President, quite simply, if the hon. Senator would read the Bill she would see that it makes provision for the repayment of debts incurred by state enterprises and statutory authorities. That is one of the amendments in the Bill before the Senate. So that it is not merely for general development as in the basic legislation, but one has to take into account the purpose of the amendment.

Sen. K. Persad-Bissessar: Very well! With the greatest respect, I have read the Bill. If I had not read it, I would not be speaking on it.

I go back to the point that we are creating a further debt to pay off a debt. What are the proposals for paying off that further debt? We are sitting here and saying that we now want \$14.2 billion—now we want \$7.2 billion; would we, in the year 2000, be saying to this nation, in order to pay that old debt the Government needs further money? It does not seem to be the kind of policy decision we should be going into at all.

The major point I wish to emphasize is that, as I said before, what is being sought is, in effect, a blank cheque. Therefore, we cannot support this Bill.

Thank you very much, Mr. President.

Sen. John Rooks: Mr. President, the Minister is accusing hon. Senators of not reading the Bill. The previous speakers are entirely correct. According to the Explanatory Note:

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"The purpose of the Bill is to amend the Development Loans Act (Chap. 71:04) to authorize the Government to issue bonds for the purpose of repaying sums of money owed by statutory authorities, state enterprises and the University of the West Indies, where the related borrowings were for the purposes of the development of those bodies.

The Bill contemplates the issue and sale of bonds, transferable by delivery, for repayment of sums now outstanding as well as for amounts that may become due in the future."

I think it is impertinent for the Government to bring this sort of Bill to this Senate. The Minister comes in and reads out a long list of losses which we are not even given to read ourselves, yet we are supposed to retain that in one fell swoop and adjust it. The Government has not given the University of the West Indies the money it should have received, and the Government now wants us to do it. I think that is entirely wrong.

I am against this Bill entirely. Taking the T&TEC (Amdt.) Bill, as an example, where it was brought out that we were being asked to be rubber stamps and approve Bills on which we have no information, here it is the Government is doing the same thing again. Therefore, I will not be voting in favour of this Bill.

Thank you, Mr. President.

Sen. Everard Dean: Mr. President, on a quick reading of the Bill, I see that clause 4 says:

- (1) For the purpose of—
 - (a) financing general development in Trinidad and Tobago;
 - (b) repayment of borrowings effected for such general development; or
 - (c) repayment of borrowings effected ..."

While I have no problem with clause 4(c)(iii) which deals with the repayment of the moneys to the University of the West Indies, I have a little concern with respect to clause 4(c)(ii) which states "by an enterprise that is controlled by or on behalf of the state."

I say this because if one takes the view that development is about people, one would come to the conclusion that this Bill does not really concern the development of the people. In effect, what the Government is trying to do is to raise some money—in some part of the Bill—to pay off the debts and to bring some state enterprises into a divestment mode.

11.00 a.m.

In saying this I am fortified by an informed comment coming from a professor of the University of the West Indies in the person of Dr. Karl Theodore. In one of his writings to the *Catholic News* dated October 16, 1994, he said in part:

"When we say that development is about people we should not be simply using a form of words. For people feel pain, people feel hungry, people need to feel secure about the things they have worked hard to acquire. We should seek to ensure that the elements of our adjustment programme would always pass the people test. For if it passes all the conditionality tests that our creditors put in place and it does not pass the people test we will have built our castles in the air."

The article went on:

"All too often the word out of Washington, for example, is that they know more about Trinidad and Tobago than the people who happen to be representing the country in crucial discussions. At a recent conference on negotiations held at the University of the West Indies, some of the revelations made were, to say the least, very embarrassing. It was almost as if we entered into some of these negotiations with a thoroughly mistaken notion of the value of what we were bringing to bear to the discussions, and in many cases we entered the discussions knowing precious little about the agencies with which we were about to make significant deals."

I think that is a profound statement, Mr. President, coming from a man of the stature of Dr. Karl Theodore, because it is rumoured by the man in the street that most of our negotiators really do not know what they are doing. Whether this is so or not, I am not in the room, so I cannot say that, but the information coming out surely gives one that kind of impression.

The final quote I want to make from the *Catholic News*, Mr. President, is this:

"For this is a time when the cumulative effects of the economic contraction have already started to destroy our self-confidence and our love for each other. It is also a time when the absence of confidence and cohesion in our society could mark the beginning of a form of recolonisation a hundred times more crippling than what we have previously experienced."

I think this is the point that the previous speakers have been making, which I would endorse fully, in that when we are talking about development—in this case

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we are talking about a large part of the national assets being prepared for divestment and I do not think the people of this country have had sufficient time or opportunity to discuss these matters fully.

Thank you very much.

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Mr. President, let me start by thanking Members for contributing to this debate though expressing some concerns which may have little to do with the Bill before us, but which are fears they may have with respect to the overall direction of the Government. I share the view of Sen. Dr. St. Cyr that we need a full debate on the whole area of divestment, and so forth.

I want to assure the Senate, as I said in the last debate, that within one month we would have the White Paper here and in laying it we want to ask the Parliament to debate, so that Senators will really air their views with respect to the paradigm shift, as it were. Because, it is correct; there is a change in the way we view things.

I think we have to realize that in the old system, when we were inward looking, and in the framework of industrialization by invitation, there were certain things—fixed exchange rate; the negative list; all those protective barriers; high state involvement in the commercial sector—all those things went with it.

We are not at the forefront of the change because we cannot be, as a small country. We have to understand what is happening in the world—the world currents—and our job is to position our country in such a way so that we can look after the interest of our people. We have to analyze what is happening. We did not change the world—it is Reagan and Thatcher who changed the world—the whole world.

Unless we understand what is happening and position ourselves, we are going to be left behind. The other morning on CNN I heard Mickey Cantor, who is from the United States, Secretary of Trade [*Interruption*] I would, but Mickey Cantor, talking about the United States and saying that if they do not change, they would be left behind—the United States! If Mickey Cantor, Secretary of Trade of the United States is saying that, what can this poor Minister of Trade in Trinidad and Tobago say?

Sen. Merritt: Poor?

Hon. K. Valley: Mr. President, there is a paradigm shift, but the same way that there was that enabling environment when we were in that framework of industrialization by invitation, similarly to meet the open market international competitive norms of the 90s and into the 21st Century, we must have a certain enabling environment.

Last week when I was here, Sen. Capildeo was quoting from "*Reinventing Government*" which I think is really cutting the path of what is happening worldwide. Public utilities are important. We have to provide services—water and electricity—but does that mean that Government is the most efficient medium to provide those services? The fact that we have an obligation to ensure that service is provided, does it mean that Government has to provide it directly, or that Government can set up the control mechanism, have appropriate competition policy, regulatory environment and allow persons to come in—persons who may be much more efficient to provide those services?

Those are issues we need to debate, because this is our country and we have to air the views. Should we go back in the old system of losses and so forth? Or should we have Government instead providing an appropriate regulatory and legal environment? We have to debate that.

11.10 a.m.

In our 1991 election manifesto at page 12 we outlined what our views were with respect to state enterprises. We really did not take an ad hoc approach. We viewed what was happening and said Government ought to be a facilitator. The manifesto states:

"While the State will essentially be a facilitator for economic activity, participation in the commercial sector will continue at appropriate levels where:"

We did not say, majority; we did not say 100 per cent. It continues:

- "- the industry or enterprise is of strategic importance, e.g. oil and gas, and telecommunications;
- the enterprise provides a major social service, e.g. T&TEC, WASA, PTSC;
- the industry or enterprise is essential to the economic diversification drive and the private sector is unable to channel financial resources into such investments, e.g. downstream petrochemical plants from urea, methanol or natural gas;

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- a foreign investor is interested in a major project but wishes to minimise country risks by including the State as a partner."

Under those circumstances we said that we will maintain an investment at appropriate levels. We said:

- "- Government shareholding in the above companies will be reduced over time through a programme of divestment."

So that even when we consider the industry or firm to be strategic, realizing at that time we had 100 per cent ownership, we said it would be reduced over time to appropriate levels via a programme of divestment. That is the first thing. We said we would maintain participation in, what we deem to be strategic sectors of the economy, but not necessarily at 100 per cent, reducing over time to appropriate levels.

Then we said:

"An orderly programme will be implemented to divest Government shareholding in companies which do not fall into any of the classes mentioned above."

So that we would have an orderly programme of divestment to take care of companies which are considered to be non-strategic. Then we spoke about the widest possible participation that my Friend, Sen. Daly, spoke about on the last occasion, and then he left before I had a chance to speak.

I am sorry I did not take this out before, but I have it here with me. As I said some time before, every other week we meet at Investments and look at the different companies, and just hot off the press this morning we were looking at the status of Government's investment portfolio as at November 30, 1994. I can tell you that so far, according to this report, our divestment completed—I do not want to go back into our divestment programme—and this information can be made available to the House.

Sen. Capildeo: Make it available!

Hon. K. Valley: Mr. President, as I said, there is the White Paper that is going to be here—

Sen. Daly: Mr. President, as I am back, perhaps the Minister would clarify something for me. Can he explain why we will be receiving the White Paper on divestment and debating it after seven or eight major divestments have taken place?

Hon. K. Valley: Mr. President, the divestment programme has been informed by our manifesto position. I have just outlined that. More than that, in 1992, in our first year, we developed the *Medium-Term Policy Framework* which dealt with divestment. That was the first one, and Members are aware of the second *Medium-Term Policy Framework*, which also outlined the position.

The White Paper was started in 1992, and as I mentioned in Sen. Daly's absence, it was the subject of a number of reviews, and so on. I am convinced now that we can have it in this Parliament within a month. I said on the last occasion that we would have liked to have it here much earlier.

I hear the genuine concerns of Senators on that lack of information and we have made a commitment to supply the Parliament with much more information with respect to the divestment programme. It is in this light that I am saying that the information with respect to the status of Government investment, this matrix can be made available to Senators so that at a glance they would have some information concerning where we are on that investment portfolio.

I am admitting that there is a fundamental policy shift and that is in response to the shift in world thinking, and all we are saying is that we cannot act piecemeal; we have to put everything in place. It is a jig-saw. In one mode under one paradigm there is a certain enabling environment, and if that changes, there must be a consequential shift or move with respect to that enabling environment. That is what we are doing and we have to do it if we have to provide for our people.

We are not taking an ad hoc approach to divestment. It is informed by what is happening in the world. We would maintain some level of participation in strategic enterprises and we would have an orderly programme of divestment for non-strategic enterprises.

I am of the view that public utilities are important; I know that, but also that Government may not be the most efficient medium for the direct provision of that service. Government maintains an obligation to have it provided at reasonable cost, and of high quality but Government may not be the most efficient, direct provider of that service.

There were other issues raised by Sen. Dr. Cyr—since I am dealing with his comments. He spoke about exposure in respect of foreign debt. Let me say that there are mechanisms to protect against that. In the old days we did some currency swaps with respect to the yen obligation. I understand in the last Government they were unravelled and they made quite a lot of money, and so forth. In doing currency swaps, obviously, one has to have a view concerning the direction of the currency.

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Given the yen rates right now, I would not advise anyone to hedge against the yen. That is my personal view. I think the yen is extremely strong at this time and if I were to borrow in yen, my own feeling is that there would be a depreciation over the medium to longer term rather than further appreciation. I could be wrong, but the price has to be extremely attractive for me to consider hedging a yen debt at this time.

Perhaps I can deal with Sen. Capildeo's issue with respect to that newspaper article about the currency. Quite simply, the US dollar is the intermediate currency of the TT dollar. It still is. The TT dollar rate with respect to other currencies is as a result of the US dollar rate with those currencies. The fact is that with respect to the US dollar, since the initial depreciation, there has been a movement of a mere four per cent.

However, it is true also that the US dollar has had some depreciation vis-à-vis the yen, vis-a-vis the mark and the pound, and so forth, but note also, that there is that inter-relationship between the US dollar and the Canadian dollar. So that while the US dollar is depreciating against those other currencies, it is strengthened against the Canadian dollar so that you see the TT dollar Canadian rate is in our favour. It is no magic.

When I spoke about an allowance for the depreciation of the currency, I was speaking about the initial depreciation. You remember when we floated the currency, immediately it moved from \$4.25 to \$5.77. That is the opening price. I am not speaking about depreciation since that time, because it has been minimal.

The other issue was: Have we assessed how our balance sheet would look 5, 10, 20 years from today? Quite honestly, although one can do scenarios, that is all that would be at this time.

11.20 a.m.

The last point—selling assets and at the same time reducing liabilities—is a valid one. Let me make the point that, yes, we are doing that. When the Government sells assets, it does something with the money. The Government is extremely careful that the proceeds from divestment are not used for current expenditure. We have taken that as a policy issue. The money may be used for financing or assisting in financing capital expenditure, the repayment of debt or other investment.

For example, let us take the case of Printing and Packaging Company Limited. We sold that company for \$11.6 million which would have normally gone into the general pot, but it was used for capital expenditure and so forth.

Let me now deal with Sen. Bissessar's point—

Sen. Bissessar: Mr. President, this has to do with the same point as to what is done with the moneys acquired from proceeds of sale.

Hon. K. Valley: That is what I was going to deal with.

Sen. Bissessar: If the Minister is, then—

Hon. K. Valley: Mr. President, the Senator wanted to know what the Government was doing with the proceeds from divestment. I wondered whether the Senator read the Bill. I should like Sen. Rooks to note that I was saying that “that Senator did not read the Bill”; I did not say that all Senators did not. If I gave that impression, my sincerest apologies to Sen. Rooks.

Sen. Capildeo: Why is the Minister being rude to the lady?

Hon. K. Valley: I am not being rude, and I do not mean to be rude to the lady. The thing is that we provide the information. After hearing the hon. Senator, I sent for a copy of *The Review of the Economy* and if the Senator would, first of all, turn to appendix 16, she would see “Central Government Financing Transactions: 1985—1994”, and there is a line “Proceeds from Divestment.” We do not have to guess the figures, and the Senator should not think so unless, like Sen. Capildeo, the Senator would believe that hon. Senators on this side would come to the Senate and intentionally tell untruths.

Perhaps, we should inform Sen. Capildeo concerning what happens.

Sen. Capildeo: Mr. President, on a point of order. I never made any suggestion. I said that the national newspapers are taking issue with statements made by the Ministers and it reflects badly on the nation. I never said that Ministers intentionally come here to tell a fib; other people have said so, and very emphatically too.

Hon. K. Valley: Mr. President, *Hansard* would record what the Senator said, and one would see that the last statement was a variation from the exact statement.

Let me just make the point that it is extremely surprising to me that Sen. Capildeo would talk about the credibility gap when they are going up and down the place stating that this Government is the cause of the problems of their leader, but that is another issue.

Sen. Capildeo: Mr. President, on a point of order. What relevance is that to this debate? Unless, the Minister's conscience is troubling him, because he posed

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the question which is recorded in *Hansard*: What happens if a Member is charged? Ought he not to resign from his seat?

Hon. K. Valley: I said that?

Sen. Capildeo: The Minister said that before the charge was laid.

Hon. K. Valley: Mr. President, I was making the point that the information provided to the Senate indicates quite clearly, the quantum of divestment proceeds. Appendix 16 states that in 1992—our first year in office—proceeds from divestment were zero. There were no proceeds from divestments; we were setting up shop, so to speak. In 1993, proceeds from divestment were \$492.4 million; in 1994, the preliminary estimate was \$399.9 million.

The figures are here and if the Senator wishes to determine exactly what the moneys were used for, she needs simply to look at the information with respect to the surplus or deficit on the recurrent account for the years and see how that was financed. The Senator also wanted to know what happened with the external borrowings. That is all here! The appendix talks about the external borrowing and repayments; and domestic borrowing and repayments. I would just refer the Senator to *The Review of the Economy* at the appropriate appendices.

In dealing with that I hope that I have satisfied some of the concerns of Sen. Dr. St. Cyr, particularly the last point about continued divestment without national debate. Again, I assure the Senator that the Government wants to have that because it really wants to get the views of the national community with respect to our overall programme.

I now turn quickly to Sen. Capildeo. I have dealt with the currency issue. Dr. Capildeo asked—

Sen. Capildeo: Mr. President, on a point of order. I am not a doctor; the doctor died a long time ago.

Sen. Dr. Saith: The Senator would like to be!

Sen. Capildeo: No, I am an ordinary man.

Hon. K. Valley: Mr. President, Sen. Capildeo wanted to know the meaning of bonds.

But let me make the point that these are existing obligations. These are obligations that the state enterprises, statutory authorities and UWI owe, at present, to various financial institutions. There is some evidence of the indebtedness or

debenture, because the Government does not have the cash to pay. As the guarantor of these obligations, for example, as in the case of National Fisheries Limited, that has been sold, or BWIA, because the Government is looking for alternatives, it is saying, "Let us substitute our paper for the paper you were holding from the state companies. We are going to give you an instrument that is tradeable on the market. We are going to give you a bearer bond which the financial institution can then sell on the market."

We are not really talking about any increase in monetary variables; these obligations were already there, and to the extent that they now have this paper, even if they were to sell it to another institution or to someone else in the system, the money and the paper remain in the system. We are putting it in a form that is then freely transferable so that it would assist in the development of our stock market.

Sen. Prof. Spence: Mr. President, I am still a bit confused about the point the Minister was making with respect to the use of the funds. He seems to be saying that they would go into capital account, but in the course of his presentation he said that if one looks at *The Review of the Economy* one would see the deficit in the recurrent account and how these incomes were used. What I would very much like—I think many of us are concerned about this point—is to have a demonstration of how proceeds from the sale of these capital assets are reused in capital efforts.

11.30 a.m.

Hon. K. Valley: appendix 13 in *The Review of the Economy* shows the overall surplus, I want to look at recurrent surplus, first of all. The current account balance, in other words, recurrent revenue minus recurrent expenditure for 1992—remember we had no divestment proceeds in 1992 and this is after current capital expenditure of \$379.2 million, so that it is recurrent revenue minus recurrent expenditure minus capital expenditure that I am giving you.

In 1992 that figure was \$282.6 minus capital expenditure \$379.2 so that before the capital expenditure you would see there was a surplus. In 1993 that figure was \$332.3 million, positive after capital expenditure of \$393.8 million. You would see that before capital expenditure that figure is \$700 million plus. Similarly, the figure for 1994 is \$419.8 million after capital expenditure of \$569.9 million positive.

The point I am making is that there was no deficit on the recurrent account, therefore, looking at that basically there could be no use of divestment proceeds for current expenditure.

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When one looks one would see that either the external debt—for example, on Appendix 16 it is the external financing; In 1993 we repaid a net amount of \$514.9 and in 1994, \$97.5. So that you would say that the reduction is in the debt repayment.

As we said in the manifesto, our position with respect to the proceeds of divestment would be for capital expenditure or for debt reduction.

Sen. Prof. Spence: The problem with the way the council presented its debt capital expenditure development expenditure, is not always added to the capital base. There are development projects in there which do not necessarily add to the capital base. I think this is the point Sen. Dr. St. Cyr. was making.

Hon. K. Valley: Mr. President, the capital expenditure today is really capital expenditure. Long ago, as Senators would know, that capital expenditure used to include things such as transfers and subsidies. We have stopped that long ago. The capital expenditure is true capital expenditure today.

A point made by Sen. Capildeo and also Sen. Rooks that the Bill should have been accompanied by the supporting information. Again, yes, when we hear requests from Senators for more information, we have no problem. We would take that on board. What I attempted to do was to really provide an explanation for the use of funds. If Senators feel that before coming to the Senate they would like that information we are going to take that point and from here on we would supply that information.

Having said that, perhaps, I can go to Sen. Bissessar. After going through in detail how the \$2.5 billion would be used, the Senator charged us with requesting a blank cheque from the Parliament. That is obviously not so.

Therefore, with those few words, and as directed by my Leader, I beg to move.

Question put and agreed to.

Bill accordingly read a second time.

Bill committed to a committee of the whole Senate.

Senate in committee.

Clauses 1 to 5 ordered to stand part of the Bill.

Question put and agreed to, That the Bill be reported to the Senate.

Senate resumed.

Bill reported, without amendment; read the third time and passed.

LAND ACQUISITION (AMDT.) BILL

Order for second reading read.

The Acting Prime Minister and The Minister of Planning and Development (Sen. Dr. The Hon. Lenny Saith): Mr. President, I beg to move,

That the Land Acquisition (Amdt.) Bill be now read a second time.

You will recall in May of this year I had the pleasure of introducing this bill into the Senate and it was the subject of a comprehensive and long debate, at the end of which the Bill received unanimous support in the Senate.

Under normal circumstances, it would not have returned to this honourable Senate. However, when it was sent to the other place, unfortunately the debate was not completed before Parliament was prorogued and hence the Bill has to be once more introduced and debated in the Senate.

Since that time the Bill has been subject to debate in the other place and was passed with two minor amendments. The rationale for the Bill, as Senators are well aware, is to improve substantially the present system of land acquisition in the country and to provide a more level playing field, if I may use that phrase, between the state and those whose lands are to be acquired.

In the circumstances, I do not believe it is necessary for me to go through the Bill clause by clause, and I wish at this stage to move that the Bill be now read a second time.

Question proposed.

11.40 a.m.

Sen. Kamla Persad-Bissessar: Mr. President, this Bill seeks to amend the Land Acquisition Act, Chap. 58:01. I am rather surprised at the very—

Sen. Huggins: Not to amend. It is too repeal.

Sen. Persad-Bissessar: To repeal and replace Chap. 58:01. I am very surprised at the very scanty details presented by the Minister. This is the first time this Bill is coming to me in this Senate. I am surprised—

Mr. President: In fairness to the Minister, before you became a Member of the Senate, the Bill was fully debated, and I believe it is for that reason that the Minister did not think it necessary to go into detail. I appreciate that you would join the debate because it is the first time that you would get the opportunity to

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speak. My only advice is that you might wish to be careful that you say nothing that would go counter to what your colleagues may have said on a previous occasion.

Sen. K. Persad-Bissessar: Mr. President, I thank you for your guidance.

I still say then if that is so, then I am indeed very surprised, and I remain even more surprised, I would say, because the Bill that is before the Senate has not addressed some of the concerns that were raised previously. When we look at it as we go through it, clause by clause, there are still major difficulties and concerns with it. Regrettably, I must say that I am indeed surprised to hear that this Bill was fully debated and yet came back in this form before the Senate.

When I look at clause 2 which is in fact the interpretation section of the Bill, I am still very concerned that even though clause 2(1) has widened the definition of 'a person entrusted', in my respectful view, it does not go far enough. What it does is to now include with the legal landowner, tenants under the Land Tenants (Security of Tenure) Act; tenants under the Agricultural Smallholdings Act and tenants under the Rent Restriction Act, but regrettably, it does not appear to deal with another category of persons who may have an interest in the land. This category comprises persons who may be in actual possession of the land for upwards of a certain period of time.

In equity, the law recognizes that a person in actual possession of land having undisturbed and adverse possession for upwards of a certain period, acquires an interest in that land. He too, would be a person interested. In fact, when we look at the whole thrust of the legislation which deals with squatters, we see that this Government has considered that in legislation which would in effect allow squatters to be given leases under that legislation; but yet in this Bill, it seems to me that no consideration is being given to the person who is occupying private lands, and therefore would be in the position of a squatter, but with more than just a squatter's rights. He would also have the right of an adverse possessor and therefore an equitable interest.

If we are then committed, I may point out the McIntyre Report that was quoted only last week, puts squatter households in this country, at the time that report came in, at 50,000 persons. In fact, squatter households would be far more now in 1994 than at the time of that report. It is my respectful view that some consideration should be given under "person interested" to someone who has acquired an interest in land by virtue of possession.

Further when we look at the definition in clause 2(1), 'public purposes' is not defined. The argument is that there is no need to define public purposes because in law, "public purposes" is, in effect, defined through case law and pronouncements that would have been there. Yet clause 2(3) Part I of the Bill states:

"For the purposes of this Act 'public purposes' includes the purpose of fulfilling any obligation of the state under any treaty or agreement made by the Government with the Government of any other country, territory or place, and any purpose pertaining or ancillary thereto."

Whilst no consideration is given to limiting/expanding "public purposes," yet time and care were taken to include in this legislation dealings and treaties with other countries.

It has become obvious, and from its own pronouncements, that this Government is interested in global village and global economy. In fact, clause 2(3) shows that thrust, but, with the greatest respect, it cannot be just that. There are persons in this country for whom "public purposes" could have been widened to include—and that again would refer to squatters for whom lands could have been acquired with respect to private property, in order to help those squatters with a possessive right, as it were, to acquire lands for the purposes of granting leases to them as well.

Whilst I am saying that "public purposes" in law would have its legal meaning as a technical term, the Bill expands the meaning by clause 2(3), yet fails to address, as it were, squatters in this country. It could have done so quite easily in the same way that it includes treaties with foreign countries.

If we look at clause 3 of the Bill, we would say, without any compunction, or that I am contradicting my colleagues, there appears to be some improvement with respect to notice requirements in the existing legislation. Now the landowner or the person interested is to be served personally; no longer is he left to the mercy of a gazetted notice. That, therefore, is definitely some improvement.

When we look at Part II, clause 3(4)states:

"The President may take action on a representation submitted within six weeks of the date of publication referred to in subsection (1)(a) by a person interested, to the Secretary to the Cabinet where the representation is in respect of the possible acquisition of the land or any part thereof, referred to in the Notice."

Clause 3(5) states:

"The Commissioner may—

- (a) after seven days, not including Saturdays, Sundays and public holidays, from the date of publication referred to in subsection (1)(a) have elapsed; and
- (b) whether or not a representation has been made under subsection (3).

enter upon the land for investigative purposes only and do all or any of the following things."

The Minister pointed out that this subsection has been amended in the other place so that the Commissioner may, after 14 days, whether or not representation has been made, onto the lands for investigative purposes, and there is a list of things he can do.

Clause 3(4) is saying that the landowner or the person interested, has the right to make representation within six weeks to the Secretary to the Cabinet of the date of publication referred to in (1)(a), so that there is really five weeks after a landowner is personally served with the notice.

And the process in clause 3(5) allows the land Commissioner, whether or not the landowner has objected, to enter for investigative purposes. Surely this cannot be just and equitable. This cannot be eradicating inequities which are in the existing legislation.

11.50 a.m.

Firstly, when we look at clause 3(5) and what the investigative purposes include, we see:

- "(a) survey and take levels of any land in any locality ...;
- (b) dig or bore into the subsoil of such land;
- (c) do all other acts necessary to ascertain whether the land is adaptable to the purposes for which it is required;
- (d) set out the boundaries of the land intended to be acquired ...;
- (e) mark levels, boundaries ...;
- (f) cut down and clear away any standing crop, fence, tree or bush, where otherwise the survey cannot be completed, the levels taken or the boundaries or line of the works marked;

- (g) set up and maintain gauges in any stream or watercourse ...;
- (h) do all such other acts as may be incidental to or necessary ..."

The question is then: What is the purpose of representation? This clause is saying whether or not representation is made by the landowner, whether or not he objects, the Commissioner may, after 14 days, go onto the land, cut down crops, cut down bush, dig holes and so forth; in other words, injuring the value of the land. How can this be right? How can it be just to say that he can do so whether the landowner makes representation or not? In my view, the Commissioner of Lands should not be allowed to go in for investigative purposes.

The amendment says 14 days, but it should be more than that, to give the landowner, who has crops or whatever he has on the land, more time to put his house in order before they come in to cut down anything. Therefore, clause 3(5) should not read 14 days, as amended, but more than that; perhaps should read six weeks, to give that landowner time to put his house in order. This is especially important when we consider that he has six weeks, after publication of the notice, within which to make representation. Again that would give him some time to make his representation to the relevant authority.

Secondly, the 1991 Bill had envisaged a period of two months, which has now been cut to seven days. Again, I say, six weeks would be a reasonable period for clause 3(5).

If we look at clause 4 of the Bill, we see what it does is to provide for the Commissioner to take possession of the land and use it for the intended purpose, prior to the making of a formal vesting order. Clause 4(4) provides that if the Commissioner fails to take action within six months of the gazetted notice, then the order lapses and the owner is entitled to compensation for loss of all expenses reasonably incurred.

A similar provision obtains in clause 8(4) of the Bill, but what it does is to exclude compensation—and this is in clause 4(4)(b)—for loss of bargain or for damages for breach of contract. This envisages a notice given, possession gone into, but the Commissioner fails to take possession of the land within six months of the publication of the notice. The order lapses and the person interested in the land is now entitled to compensation. But the only compensation the Bill purports to give is compensation with respect to expenses reasonably incurred?

What does this mean? Does it mean legal expenses? Does it include loss of crops, for example? In my respectful view, it does not. 'Expenses reasonably

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incurred' are not losses actually accruing to him. Expenses incurred, it seems to me, would be active—expenses put out. That cannot be fair and just; and the landowner should be compensated for loss of use of the land during that six-month period before the order lapses.

Further, to debar him from compensation for loss of bargain, is also inequitable. As it were, he could have had alternative uses for the land. He may have been able to get a higher value for his land. He could have had a contract for sale and because of the acquisition notice lost that sale or bargain. Why should he not be compensated for it? He would have lost it only by virtue of the acquisition process being completed. To debar him from compensation for loss of bargain under clause 4(4) and also under clause 8(4)(b) is not equitable, and clause 4(4)(b) should be deleted.

When we look at clause 5(4), which gives the Government the power to acquire land by expediting the acquisition process in the national interest, it envisages circumstances where one can by-pass all the normal notice requirements, the delays which would have come about under clauses 3 and 4 of the Bill, and, in a sense, this is necessary. It envisages, as it were, powers similar to emergency powers. Again, it would have been not just useful, but more acceptable, if the legislation were to spell out what circumstances, in the national interest, would make it necessary to resort to this clause of the Bill.

Clause 9(1) is where the acquisition is deemed to be abandoned:

"(1) Where, in any case to which section 9(1) applies, no declaration has been made under that section by the President within six months of the publication of the Notice under 3(1)(a), any person interested may serve a notice on the Secretary to the Cabinet requiring that one of the following steps be taken in respect of the land ...

- (a) an Order be issued ...
- (b) a declaration be made under section 5(3); or
- (c) a declaration be made under section 8(1).

(2) A notice served under subsection (1) ..."

And clause 9(3) states:

"If no step is taken under subsection (1) within two months of service of a notice under that subsection, the acquisition of the land or any part thereof, shall be deemed to have been abandoned and thereupon section 8 shall apply as if a declaration had been published ..."

This, too, is definitely a welcome addition to the legislation. It sets in play a redress procedure for the landowner where the notice has been published and thereafter nothing happens. We have heard in this Senate and elsewhere of the long delays where parts of the process are done, the final part not done and people are waiting years and years for moneys and not knowing whether the acquisition is abandoned. This power, the provision of clause 9, would be welcome in that way.

12.00 noon

When one looks at clause 9(1)(3), one sees, first of all, that the landowner gets the right to require steps to be taken after six months; the landowner cannot do anything with the land for six months, a notice is published and he is on hold. Then he has to wait a further period of two months after making representation, so in effect, it is eight months that the land is being held up.

If this legislation is to address inequities, it is my respectful view that the period should be reduced so that the landowner does not have to wait eight months before he knows that the land is now his own or that the acquisition process has been gone through with. Perhaps a three-month period would be more equitable.

Clause 10 of the Bill gives the highways authorities power to get expeditious acquisition. There is an argument that in the same way that the highways authorities are given powers here under clause 10(1), there should be equal provisions with respect to the drainage authorities to deal with problems for flooding and drainage.

I think there is very little need to speak of the drainage problem in this country, especially in the South and Central areas and even in the North. Flooding is a problem that just will not go away, and the comment from that other side in this Parliament, that it is an act of God and is happening all over the world, is just not good enough. That power could have been included here to give the drainage authorities similar powers as given to the highways authorities.

Whilst it is true under other legislation there are emergency powers for the drainage authorities to deal with flooding, the question that surely arises is, how often has that ever been used? Secondly, in those cases that land is not acquired, the drainage authorities can go in under that legislation in emergency situations and do something at that point. But the land will not be acquired in the way that it would be acquired under this legislation. To say that it exists there—it exists in a

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different manner and in a limited form, it could have been dealt with definitely within this legislation and therefore gone some way in alleviating the flooding that we are having.

When we look at the compensation sections of the proposed legislation, Part III, one wonders why there are so many exceptions as to what should be taken into account in assessing the compensation that is payable. What Part III does is to set up the factors that should be taken into account to decide how much compensation should be given to a landowner where his property is acquired compulsorily under the legislation.

Clause 12(1)(b) says:

"the special suitability or adaptability of the land for any purpose shall not be taken into account if that purpose is a purpose to which it could be applied only in pursuance of statutory powers, or for which there is no market apart from the special needs of a particular purchaser or the requirement of the Government or any department of Government or any local or public authority;"

Mr. President, why should the special adaptability of land for any purpose not be taken into account in dealing with assessing the amount for compensation? Why leave it out? Surely that is an important factor in determining the value of the land; surely that is an important factor in determining how much compensation should be paid to a landowner. Similarly, when we look at clause 12(3), it states:

"In making an assessment under this Part, the Judge shall—

- (a) take into account—
- (b) not take into account—"

Again, the factors which can be considered in determining the amount of compensation are limited.

Clause 12(3)(b) states:

- "(i) an interest in any improvement to the land made without the planning permission required under the Town and Country Planning Act;
- (ii) an enhancement in the value of the land resulting from a use where the use was instituted without the planning permission required under the Town and Country Planning Act;"

Why is it that we are excluding improvement value which might have been done 10, 20, or 30 years ago, simply on the basis that it does not comply with the Town and Country Planning Act?

It is true that we are saying that we are not encouraging persons to break the law, that they must not build without Town and Country Planning's approval, but the reality in this country is that it happens, and Town and Country Planning Division turns a blind eye to it. It has been going on for a number of years. How could they now say that they are not going to take that into account, when the value of the land has obviously been enhanced because of that factor—something that has been allowed to continue?

When one looks at clause 12(4):

"In making an assessment under this section, the Judge is entitled to be furnished with and to consider all returns and assessments of capital value for taxation made or acquiesced in by the claimant and such other returns and assessments as it may require."

Clause 12 (1) states:

"the value of land shall, subject as hereinafter provided, be taken to be the amount which the land if sold in the open market by a willing seller..."

If that is what is to be taken as the measure for assessing the value of the land, then why is it that we are asking for returns and assessment of capital value for taxation? In my view, this too, seems totally unnecessary and indeed imposes hardship on those who are required to produce documents like these.

Clause 13(1) says:

"Subject to section 15, no account shall be taken of any increase or diminution in the value of the land acquired which is attributable to the carrying out or the prospect of the carrying out of so much of a scheme of development as would not have been likely to be carried out if the acquiring authority had not acquired or did not propose to acquire any of the land authorized to be acquired under the scheme."

Again, why should this be so? In my respectful view, the restrictions that are being placed on compensation throughout the Bill do not, in a sense, clear the way or eradicate the inequities that the existing legislation has. There are numerous restrictions on what is to be taken into account in dealing with compensation.

Clause 22(3) of the Bill is a welcome clause which says:

"Subject to subsection (6), the amount of any advance payment under this section shall not exceed eighty per cent of an amount equal to the compensation as estimated to be payable under this Act by the Commissioner."

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There is now provision for payment to the landowner which shall not exceed 80 per cent of an amount equal to the compensation. Whilst that is welcome, at the same time it has a converse effect, and that is to say not only “shall not exceed 80 per cent”, but the opposite can happen. That is to say one may get 1 per cent or 1/2 per cent or .25 per cent. Whilst it sets an upper ceiling on the amount of compensation that could be paid to the land owner, whilst he is waiting for the final step in the acquisition process to take place, it does not set a lower ceiling. In addition to setting that maximum at 80 per cent, there should be a minimum below which the Commissioner should not fall.

Generally, legislation of this nature is long overdue and I would say, regrettably, each time Senators on this side speak, the charge is that we are obstructing, we are preventing the legislation from going through. There are provisions within the legislation which are very welcome, but I would submit that there are other areas which need to be gone through again. This is why I say, I am very surprised that if this Bill had come before this Senate and the other place on several occasions, it is still in this form where there are so many unacceptable clauses.

Thank you

12.10 p.m.

Sen. Surendranath Capildeo: Mr. President, I rise to speak out of vast experience in this matter, having threatened to bulldoze the Golden Grove Prisons so that my client could get adequate compensation for his lands. I want to suggest that occasionally when I have the chance to look at our TV stations I am seeing some programmes paid for with taxpayers' money—I hope not—enunciating the good news of the Government.

I want to suggest to the hon. Minister that land acquisition is a very sore point amongst a number of people. Many of our citizens are suffering, and have suffered, because of the delay in compensation by the state. In the old days the procedure was that the state would move onto the lands, and the citizens would spend years—in some cases they would die—before compensation is made. I hope that it is not the taxpayers paying for these expensively produced programmes. I want to suggest that the procedure should be outlined in the Land Acquisition Bill for public information because it is a sore point, and there are a number of families who are suffering.

The old procedure would have been a notice from the state to the owners of the land of the intention by the state to acquire the land. Then there would have

been a survey by the state, a notice would have been published in the *Gazette* and then the owner would have to prove his title and ownership to the land. He would then have to do a valuation of that land, and submit that to the Director of Surveys.

Now, that term 'Director of Surveys' caused a problem, because the Director of Surveys is a descendant of the Sub-intendant of State Lands. There is a difficulty in relating that—who is the Director of Surveys, and what are his functions? Then there was a valuation to be done by the Valuation Division and the Government evaluator would meet with the private individual's valuator and they would try to work out a compromise agreement. If there was a disagreement, it would have been settled by private treaty, or it would have landed up in the courts.

I want to know whether the Minister has looked at clause 37 which speaks about the availability of surveyors. One of the sore points has always been that the state always runs short of surveyors; there are never enough surveyors in the department to carry out these surveys. I want to suggest to the Minister that for the practical application of this piece of legislation, which is necessary, these steps for the acquisition of land be outlined to the public in non legalese, in simple straightforward English that the average citizen can understand.

I do not know if the hon. Minister has any idea of the total amount of outstanding claims and the possible hundreds of millions of dollars that are still owed to people. I do not know if those figures have been arrived at. What is the position if that is correct? How are the new claims going to be processed? How are the people going to be compensated?

Mr. President, the meanderings of parliamentary minds never cease to amaze me. There was a select committee to look at this piece of legislation. The committee met on three occasions, had 30 pages fine print of enormous discussions and we ended with an amendment or two. So that the meanderings of the mind of the Parliament really never cease to amaze me. But in the meanderings of the mind I would like the Minister, for the sake of the citizens who have been aggrieved over the years—and I am talking about over the last 30 years; I have files in my office with compensation matters that are exceeding 20 years—that something be done to alleviate the suffering of these citizens of this country.

I thank you, Sir.

The Acting Prime Minister and Minister of Planning and Development (Sen. Dr. The Hon. Lenny Saith): Mr. President, let me start with the points raised by Sen. Capildeo. I want to assure him that the Government in its continuous effort to provide information to the population through its various programmes will also seek to make the information available. I think it is important that people understand the Bill because it does affect a large portion of our population.

With respect to his query about the shortage of land surveyors, this now falls under the Minister of Agriculture, Land and Marine Resources. I have been told that it is planned to also use private surveyors to speed up the process. As you know, the number of surveyors is increasing in the country because the university has a school for training surveyors.

We note on this side the comments made by Sen. Persad-Bissessar. I merely want to indicate to her that this Bill is the product of a long process: it was put out for public comment; public comment was received and studied; there was a debate in this honourable Senate and one in the other place. Many of the points raised by the Senator were in fact considered and discussed. The Bill before us is the product of all discussions. Some of the legal points which have been raised, perhaps when we go into committee we can look at them. I want to assure the Senate that the Bill before us is the product of a fairly wide set of consultations, and at all times we have sought to put the needs of those who are affected by it in proper perspective.

In the circumstances, I beg to move.

Question put and agreed to.

12.20 a.m.

Bill accordingly read a second time.

Bill committed to a committee of the whole Senate.

Senate in committee.

Clauses 1 to 41 ordered to stand part of the Bill.

First and Second Schedules ordered to stand part of the Bill.

Question put and agreed to, That the Bill be reported to the Senate.

Senate resumed.

Bill reported, without amendment; read the third time and passed.

Sen. Capildeo: Mr. President, I have a query. If we are at the position where we were just now, and I move a motion that all the clauses in the Bill stand part, would there be any objection to that?

Mr. President: The Standing Orders require that we go through the Bill clause by clause.

Sen. Capildeo: But if all the hon. Senators here agree that all the clauses stand part of the Bill?

Mr. President: Maybe, when we come to the Companies Bill which has 250 clauses.

Sen. Capildeo: We are supposed to be lawmakers, Sir. There is always room for improvisation. So, if I move a motion that all the clauses stand part?

Mr. President: I shall keep it in mind when that time comes.

12.15 p.m.: *Sitting suspended.*

1.30 p.m.: *Sitting resumed.*

RELATED BILLS

The Minister of Health (Hon. John Eckstein): Mr. President, in moving the second reading of a Bill to amend the Regional Health Authorities Act, 1994, I wish to seek leave of the Senate to refer at the same time to the general principles and merits of Bill No. 4 on the Order Paper, a Bill to amend the Constitution of the Republic of Trinidad and Tobago. These two Bills are interrelated and can readily be dealt with together.

Mr. President: The Minister of Health has requested that in the debate of the Bill to amend the Regional Health Authorities Act, 1994, references may also be made to the Constitution (Amdt.) Bill, 1994. It is customary procedure where two bills are interrelated that we allow one debate. The Minister and Members of the Senate can refer to both Bills in their contributions. Of course, after this Bill is finished, the other one will have to go through the other normal stages. Is it the wish of the Senate?

Assent indicated.

Mr. President: Proceed, Minister.

**REGIONAL HEALTH AUTHORITIES
(AMDT.) BILL**

Order for second reading read.

The Minister of Health (Hon. John Eckstein): Mr. President, I beg to move, That a Bill to amend the Regional Health Authorities Act, 1994, be now read a second time.

Mr. President, section 29(1) of the Regional Health Authorities Act reads as follows:

"An officer in the public service, who on the commencement of this Act is employed at a health care facility, may..."

do one of three things: he may transfer of his own volition to the RHA; he may consent to be seconded to the service of an Authority; or he may remain in the public service.

Section 29(4) (b), however, deals with a public servant who elects to remain in the public service at the end of a period of secondment. You see, after the period of initial secondment he can do the same things. He can transfer again, he can second, or can opt to remain in the public service. Section 29(4)(b) goes on to say that that public servant will:

"remain in the public service in such office as is commensurate with the office held by him in the public service prior to secondment to the Authority."

The amendment, which we are considering today, seeks to delete everything after the word "service" so that the legislation when amended, and that is if the Senate agrees, will now read:

" remain in the public service."

and not "in such office as is commensurate with the office held by him in the public service prior to secondment to the authority."

On consideration of this section, we were satisfied that there was an error in the drafting, and all we are seeking to do is correct this error. This RHA legislation cannot indicate to a public servant, who elects to go back into the public service, into which office he would go. That is the responsibility of the Service Commission, operating in accordance with its rules and regulations. So this legislation purports to do what it really cannot do.

So all that we are recommending here is that we strike off, after "remain in the public service" the words "in such office as is commensurate with the office held by him in the public service prior to secondment to the Authority." In my view, it is merely a drafting error, which is being corrected.

Mr. President, I seek your guidance—do I now ask for the second reading of the next Bill?

Mr. President: You are moving the second reading of the Regional Health Authorities (Amdt.) Bill, but you have permission to refer to both Bills in this debate.

Hon. J. Eckstein: Thank you, Mr. President. The second Bill proposes to amend section 127 of the Constitution, which empowers the Public Service Commission, if it so wishes, to delegate its powers to other agencies. Section 127 (1) says:

"A Service Commission may, with the approval of the Prime Minister and subject to such conditions as it may think fit, delegate any of its functions..."

and listed the Judicial and Legal Service Commission, a judge; and so forth—a number of offices and institutions to which the Commission, if it so wishes, and under such conditions as it may think fit, can delegate its powers. We are amending this section of the Constitution to add regional health authorities.

So that, if this amendment is accepted by the Senate, the Commission will now have the power, if it so wishes, and subject to such conditions as it may think fit, to delegate any of its functions to the regional health authorities. It does not take away the discretion of the Commission to delegate that power. It does not compel the Commission, which is entirely free, if it so desires, and under such conditions as it may think fit, to delegate its functions to the regional health authorities.

Why does the Government think this is necessary? When the RHA legislation is proclaimed, there will be people that the RHA employ, who will be under the direction and control of the regional health authorities. There are people who have been seconded, who will come under the direction and control of the regional health authorities. And there will be people who have transferred and they too, will be under the control of the board of the regional health authorities.

The person who elects to remain in the public service and operate in a regional health authority will however be subject to direction by the Public Service Commission, while he is functioning in an RHA and this will not make for good administration. There will be workers who are not subject to the control of the RHA and in the interest of good administration, we are empowering the commission, in this piece of legislation, to delegate its control over those workers.

One must remember, that in a hospital there might be an engineer, or a librarian, who has no interest in employment in an RHA as a long-term goal. There might be a personnel person who is not interested in pursuing a career in the hospital environment, but that person will be required to work within that environment, and we do not want to put any pressure on that person to second or transfer. That person must be allowed to remain in the public service if he wishes. But the power over that person must be exercised, as with everybody else, by the regional health authority. In discharging the delegated power the RHA must utilize the same regulations the commission operates.

1.40 p.m.

In other words, if an allegation of misconduct is made against a public officer, an investigating officer has to be appointed, a tribunal must be established—exactly what the commission will do in respect of that public officer must be done by the board of the regional health authority. It must follow the commission's regulations to the letter. Further, if that worker is not satisfied with the decisions of the RHA, that worker has the right of appeal to the commission. The commission only delegates. So, ultimately the control over the worker is exercised by the commission, but in the first instance, through a delegated power by the authority. The authority must appoint the investigating officer within the 21 days; it must set up a tribunal; it must do every single thing the commission does, in the same way the commission does it, and then if the worker is still aggrieved, he has the right of appeal to the commission. Those are the two amendments that are before the Senate today.

I just want to give Senators some indication of the individuals who have been appointed to one regional health authority, and the quality of people to whom the commission is being asked to delegate this authority.

I have already announced the board members of four regional health authorities; this is the fifth, which will operate in the East. The members are, Mena M. Dasent. She is an Educational Psychologist and she has the LCP qualifications. I do not know if that is still pursued in Trinidad, but that is the qualification that distinguished you as a teacher in days gone by. Beyond Teachers' Training College, you had the LCP, parts 1, 2 and 3. She is a highly qualified person in this area.

You have Edla Kelly Valentine, a nurse. She has a BSc in nursing education; an MSc in Education Guidance Counselling, an MSc in Community Health Administration, and a course in Gerontology. She is the registered nurse, on the

board of the regional health authority. I think that was an amendment moved in the Senate and accepted by the Government.

Clyde Rajack is a Medical Practitioner. He is serving on the following local boards: The Home for the Aged in Mayaro, the Civic Centre in Mayaro, District Scouting in Mayaro and he is President of the Lions Club in the Mayaro/Rio Claro district. He is a medical doctor in private practice in the area.

Steve Julien is a Public Relations Officer with Amoco, after having worked for 13 years as a Human Resources Officer in that company.

Joseph Zakour is a businessman in the Sangre Grande area. He is a member of Foundation for the Enhancement and Enrichment of Life (FEEL); the Chairman of the Sangre Grande Businessmen's Association; he is a former chairman of the Garment Division of the Trinidad and Tobago Manufacturers' Association.

Ronald L. Boynes is an attorney at law, who is supposed to guide the board in matters pertaining to law.

Keshwar Maharaj is a pharmacist who has been through the public service and is now the manager and proprietor of a business establishment called the Eastern Pharmacy. He is a manager at the Sangre Grande Hindu School.

Vernon Gilbert is the chairman of the board. Incidentally, Dr. Rajack is the vice-chairman of the board. Vernon Gilbert is a Production Operations Manager.

So this is the quality of persons who would be managing the health facilities in that region. We have a similar calibre of people in all the various regions. I feel confident, as I have said when I first piloted this original legislation, that this is the only way to ensuring that we improve the delivery of health care in Trinidad and Tobago.

I beg to move.

Question proposed.

Sen. Carol Merritt: Mr. President, before I go into the amendments, I would like to ask the Minister of Health what are the criteria used for choosing the people who sit on the various regional health authority boards; whether they had to apply or if there was a list of people with specific qualifications they were looking for. We need to have some more information.

Although the Regional Health Authorities Act, 1994 has yet to be proclaimed, it is already subject to amendment here today. It is a pity, because if the Minister

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or the Government had paid attention to the concerns raised during the debate on the Regional Health Authorities Bill, as regards clauses 26 to 30, they would not have had to come back here today to make those amendments. They could have been made in March, 1994.

I remember we raised the point where the Constitution would be interfered with. I am not speaking about a two-thirds majority vote; I am speaking about the staffing of all the hospitals and health centres being appointed by the Service Commission and therefore they were under the purview of the Public Service Commission.

In the original Bill where the regional health authority had the authority to appoint, discipline, set terms and conditions and salaries for the staff that they appoint, they would be interfering with the Constitution in a manner where the public service is concerned. We raised those points during the debate and it is a pity that they did not seek to address those concerns at that point in. As everything else, when the Opposition raises valid points on any Bill which is being debated, they fall on deaf ears or are just ignored by the Government; for whatever reasons.

1.50 p.m.

Sections 26 to 30 of the 1994 Act deal with the staffing of the new regional health authority by way of the transfer and secondment of staff from the national health service. These personnel are officers in the public service and, as such, are subject to the overall supervision of the Public Service Commission. Sections 26 to 30 empower the health authorities to recruit and fix terms and conditions of service, also, to accept employees on transfer from other areas of the public service, subject to the consent of the relevant service commission.

The stated purpose of the Regional Health Authority (Amdt.) Bill, 1994, is to amend the original Act so that section 29(4)(b) of that Act does not unintentionally restrict the powers of the Public Service Commission. As I said, we recognized the shortcomings in the original Bill.

The existing section 29(4)(b) is worded as follows:

"Subject to subsection (4) an officer shall immediately, at the end of the period of secondment, exercise one of the following options'

- (b) remain in the public service in such office as is commensurate with the office held by him in the public service prior to secondment to the Authority."

The amendment proposed is the deletion of subsection (b) and its replacement with:

"remain in the public service."

Presumably, it was felt that the original subsection (b) would fetter the Public Service Commission. As we had stated, in relocating the public servant, if the person had to be returned to a grade commensurate with the office held by him in the public service prior to secondment, the effect of this could be that someone who had been promoted within the regional health authority might have to be demoted to a commensurate grade on return to the public service. This is a point that the Minister would need to clear up for us today.

We had raised specific concerns in the debate on the original Bill with respect to staffing and related matters of the regional health authority. If I am permitted, I would rehash these concerns since these amendments do not state whether some of the main concerns which are affecting the health sector workers presently would be addressed. The amendments do not address the chronic problems which exist presently.

Mr. President: Senator, you would be dealing with the parent Act which is not the Bill before the Senate.

Sen. C. Merritt: Mr. President, but it impinges on the Bill, because the amendment to the Bill is dealing with the employees of the health sector. The point that I raised dealt with the employees. I just need to rehash them for the Minister to take note and address them.

Clauses 26 to 34 of the Bill deal exclusively with staff and related matters. However, the various clauses fail to stipulate the governing entity which will be charged with the responsibility for these matters. This was stated before and I will restate it, because there has not been any changes, with these amendments now before us, to address the concern.

Staff related matters such as performance appraisal, discipline, compensation and other human resource functions are not alluded to in the original Bill. Notwithstanding the fact that clause 13 deals with the establishment of committees to look into staff-related matters, the Bill does not create a designated body to deal exclusively with staff-related matters. This is one of the main concerns which could have long-term effects if they are not addressed by the Minister.

The Minister stated that there were two amendments and he asked that both be dealt with together, one of which is to amend section 127 of the Constitution which reads as follows:

- "(1) A Service Commission may, with the approval of the Prime Minister and subject to such conditions as it may think fit, delegate any of its functions under this Part other than any power conferred on the Commission by section 129, to any of its members or—
- (a) in the case of the Judicial and Legal Service Commission, to a Judge;
 - (b) in the case of the Public Service Commission or the Teaching Service Commission, to any public officer;"

The amendment is asking for the deletion of the last word in section (b) and the inclusion of a new subsection (d) after (c) which states that:

"in the case of the Regional Health Authority to the boards of the Regional Health Authorities."

The Bill amends the Constitution by adding a new paragraph (d), as I stated. The section allows the Service Commission, subject to the approval of the Prime Minister, and subject to any conditions it thinks fit, to delegate any of its functions, except for powers conferred by section 129, to any of its members or the specified body in subsection (a) and (c).

The new paragraph (d) empowers the Public Service Commission to delegate the above mentioned functions and powers to the boards of the regional health authorities. This seems to be a practical amendment aimed at decentralizing the personnel functions of the health service, and would be in keeping with the spirit of the Act. This is assuming, of course, that the boards would have relevant qualified personnel in their employ to carry out these functions.

The amendment to section 127 of the Constitution should have been done in the original Act. Again, we had raised our concerns about this during the debate and we had taken note of the need for an amendment to section 127 to enable the reform process to be effective, but as everything else, as I stated, the concerns of the Opposition are just ignored, are not considered worthy. The Government, in its haste to implement the instructions of the IMF missed this flaw. This is why the Minister is now trying to amend the Constitution to incorporate the regional health authority.

Queries were raised by other interest groups and individuals in the society with regard to this section of the Regional Health Authority Bill. I would just like to demonstrate the arrogance with which the Government treated the various concerns raised by individuals in the society, and the Opposition as well. I now

quote from an article by Douglas Mendes in the *Sunday Express* of February 13, 1994, in which he raised some concerns:

"The Bill itself leaves no doubt as to its primary intent:

The jurisdiction of the Public Service Commission in respect of the appointment, promotion, transfer and discipline of public servants in the health sector is to be abolished.

The employment relationship between health workers and the Government is to be brought to an end.

Health workers are thenceforth to be employed by statutory authorities which are given full authority over their hiring and firing.

In short, industrial relations in the health sector is to be privatised but with this interesting twist: the Government will nevertheless retain substantial control over what the health authorities may or may not do. Thus while the Government will not be directly involved in the employment contracts of health workers, it will nonetheless retain substantial influence. "

And he questions:

"Why this drastic change? What is it about the Public Service Commission that has recently raised the ire of so many Ministers of Government?"

2.00 p.m.

Mr. President, I, too, ask the question: Why this haste to reform the health sector without trying to tighten or eradicate the chronic problems that exist there? One cannot put up a new structure on a weak foundation. There would always be problems. I ask the Minister, what is the real motive behind this change, the reform? We say reform, yes, but it is how it is done.

If one would examine some of the problems that the United States has experienced since heading towards the reform process, where patients do not trust their doctors any more, the whole health service has become out of the reach of the indigents. This Bill has not been proclaimed or implemented fully, but we are already seeing chronic problems existing in the health sector.

I ask the Minister again, try to eradicate some of the chronic problems—and he knows the problems—because they are being publicized and aired on a regular basis. Get rid of those problems and then he could seek to build this new structure.

Thank you, Mr. President.

Sen. Hydar Ali: Mr. President, I have no problem with the first Bill, that is, the Regional Health Authorities (Amdt.) Bill 1994. I do have a query about this second Bill.

Perhaps I did not listen carefully, but I think the Minister did mention that if there were any problems relating to indiscipline, the regional health authorities will do everything that the Public Service Commission will do; in particular, he mentioned setting up tribunals and so forth. I wonder if that is not a waste of time. Why is it that aspect of the employment cannot be handled by the service commission? To me that is mere duplication. I do not know whether they have the expertise or will develop the expertise and whether that method of handling indiscipline would apply to the other workers who were transferred or seconded.

I noticed that the Minister took the opportunity to go outside the ambit of the two Bills and make some statements. I invite him to make two other statements. The first pertains to a comment I made in the budget debate with respect to the allocation of \$429,856,800 to the regional health authorities. The comment I am making now, and which I made then, is that this is a bulk allocation to the regional health authorities and there is no subdivision as to the various individual health authorities. Can we have some indication of how that money is going to be allocated?

The other point I would like the Minister to make a statement on is the problem at Couva, both in terms of the Accident and Emergency section of the hospital and the future of the hospital itself. I gathered from the news reports last night and even today that the Minister has made a statement. I was wondering if he could either repeat that statement or give some details about that statement relating to the extension of the hours of service at the Accident and Emergency Department at the Couva Hospital and, in fact, the very future of the Couva District Hospital on which so much money has been spent in terms of feasibility studies.

Thank you very much.

Sen. Junior Barrack: Mr. President, I just have a few points to raise. The hon. Minister spoke a while ago about the composition of the region five board of management.

I am very glad to know that the board will comprise mainly locals because, in recent times, we have been hearing talk about bringing in people with management expertise to handle our state enterprises and our authorities. I am very heartened to hear that this management board will consist mainly, if not entirely, of local skills.

I am very skeptical about the long-term objective because it appears as though the Government is very methodical in the way it goes about its programme of divestment. I am skeptical that the initial move away from direct ministerial control of the health services in Trinidad and Tobago is in order to allay fears by the public that the health services will, in fact, be privatized. It could be—and I am very suspicious—that after removing the administrative control and decentralizing the health services in this manner as proposed in the Regional Health Authorities (Amdt.) Bill, the Government will then come back to this Parliament at a later stage to effect a greater divestment or movement away from the funding of health care and the administration of health care.

I make this assertion because of what took place in the PTSC. Just before PTSC went through that massive down-sizing, the Government came to Parliament with a Bill to amend the Maxi-Taxi Act. One of the main objectives of that Bill was to remove the music from maxi-taxis, and when that was done people thought that they were just concerned about the general public. It turned out that it was a prelude to demolishing the PTSC by creating a service that could substitute in the short term, and the music and these areas had to be removed in order to facilitate that. As soon as that proved to be working well, PTSC suffered a massive down-sizing.

2.10 p.m.

This is the reason I am skeptical. I am of the opinion, that as soon as the regional health authorities are functioning, the Government would see it necessary to move that programme into another phase. It is its method and it has always been its method. I have always characterized that as a type of underhand operation and I am very much skeptical about that. If the Minister can assure me that my assumption has no part in the Government's plan, then I would be a little at ease.

Thank you.

Sen. Rev. Daniel Teelucksingh: Mr. President, I rise to support both Bills as piloted by the hon. Minister. In so doing I would like to raise one question to which Sen. Ali made reference. Since the implementation of the regional health authority is in its infancy, I wish to enquire of the hon. Minister concerning the future of former district health centres and district hospitals within the region.

I ask this cognizant of the recent responses and reactions in Couva to Government's proposed restructuring of the Couva District Hospital. Which ones would be phased out? Is Couva the only one? Which ones would be phased out among these several health centres and district hospitals? To what extent? I

realize that this is very important. We do not want what is happening in Couva to spill over in every authority or district in Trinidad.

I also enquire of the hon. Minister to what extent there would be dialogue and consultation with local authorities, maybe the regional health authorities and other interest groups within areas and sections in Trinidad? To what extent would there be dialogue and consultation with local authorities to avoid, first of all, possible neglect of certain areas, particularly rural communities and secondly, to avoid a spilling over of the kind of bitter reaction and condemnation of Government's plans as we have seen in Couva.

Thank you.

Sen. Muntaz Hosein: Mr. President, I did not intend to speak on this Bill today, but then I decided I would have to intervene and ask a few questions of the Minister.

A while ago the Minister listed the names of members of the Board of the Eastern Regional Health Authority. If I heard him correctly, he said that the chairman of the board is an engineer. I found that a bit strange that he would put an engineer as chairman of the board. I thought that perhaps he would have had a management consultant or somebody like that instead.

I wondered about the availability of qualified persons in hospital management in Trinidad and Tobago. I do not know too many. I have heard about one who is not employed with the Government at the moment. If that be the case, I wonder whether it would not be a good time for the Government to consider giving scholarships in that area. [*Interruption*] I see the Leader of Government Business is indicating to me that the Government is going to do that. I am happy to hear that. If the road we are taking is that we want to improve the health services, I think that is the way we have to start.

I also want to point out to the Minister—I am sure that he must know something about this—that there is some concern about the quality of personnel being appointed to these boards. I recall reading in the newspaper about some problem in San Fernando regarding one member of a board who seemed to be getting quite a lot of flack from doctors. If I read correctly, it seems that there is a high-handed attitude in dealing with personnel. I wondered whether the Minister would have addressed it and whether he would be looking at it when making appointments to other boards—that he is going to select people for these boards that would not give us that kind of image.

Getting proper personnel to be seconded to the regional health authorities boards is very important. I am glad this amendment has come because it allows personnel now employed with the Government to stay if they so wish. I think this is a good move, so that people would not be forced out, so to speak. At the same time I can see that we are likely to have an exodus of qualified people from our country. There is grave uncertainty and many grey areas in the regional health authority. I would imagine that when there is any new system coming into being, if it is not fully explained, and people do not understand exactly what is their role there would be much uncertainty.

I know that there is uncertainty among private medical practitioners as to what is their role and what would be their remuneration. Perhaps, the Minister needs to do a public relations exercise with these private medical practitioners, so that they would know what their position really is. The doctors who are now employed with the Government are very uneasy and they seem quite unhappy. I have been told that more than a few have already left, because they felt that this regional health authority is not going to be in their best interests and they have gone to greener pastures, hopefully.

There are also those in the Government service who are considering leaving the service as a result of the introduction of the regional health authorities. It may very well be that it is a lack of information, or perhaps the terms and conditions of their employment are not attractive enough to keep them. I do not know what the true picture is. Perhaps the Minister will want to have his people do a study, quickly, because if we lose our good doctors, I think that we would get the opposite of what we are trying to achieve; instead of having a better health service, we would have a worse one. These are the points that I really want to make regarding the staffing problems.

I ask the Minister, what role would the Eric Williams Medical Sciences Complex play in the whole scenario? There has been some debate about this. There is quite a lot of unhappiness as to how it fits into the scheme. Would it be available to all? Would all our citizens have access to Mount Hope? That is the premier health institution in Trinidad and Tobago. If it falls within one area and is not easily accessible to the other areas, we would find quite a lot of unhappiness. We cannot duplicate the services that are at Mount Hope.

If one looks at the importance of proper personnel which we were talking about and which the Minister indicated in his opening, one would see that only recently, at Mount Hope, a patient died while waiting for hours for service; while

the personnel at Mount Hope, Port of Spain and Scarborough were arguing as to who should pick up the tab and who is responsible for the patient. The patient remained sitting or lying there unable to access the service and as a result, died. I hope we shall not have a repeat of this. I know that in all new systems there will be teething problems, but we have to be very careful where it concerns the health of the nation. Teething problems of that magnitude—if that was a teething problem—will cost the lives of people.

2.20 p.m.

There was another incident which I remember, where, maybe a year ago, someone was kept waiting at the gate at Mount Hope. As a result, that patient died for lack of service. I am saying that this is related to lack of personnel and to systems. Even if we have the best system in the world and we do not have good people to put the system in place, it would foul up, and rather than get a better service, we will get a worse service. I should simply like the Minister to take note of these incidents and give us some assurance, in his winding-up, that these matters will be taken into consideration.

Thank you.

Sen. Martin Daly: Mr. President, I would like to support the Bills that are before us in relation to the regional health authority. They seek to address certain personnel matters and I think, having regard to the many complaints that have been made about the health services over the years, this represents a brave new experiment in the administration of public service personnel to which I am prepared to make a commitment by supporting these Bills.

The only reason I speak on these Bills at all is because—my colleagues know it, but I do not know whether the wider public understands—this Minister and his Ministry have taken the trouble, repeatedly, to give us information. Because I am on record as complaining very strongly about lack of information, I think it is important to make the contrast with the desert of certain ministries which ask us to support so-called enabling legislation, without information.

I come well disposed to supporting this Bill because we have a Minister who, not only organized a physical tour of Mount Hope for us, but he left us alone with the appropriate personnel who attempted a side show, and even compromised when they began it and it appeared that we had certain concerns. I think it is very important, for my part, to recognize that this is a Minister and a Ministry which took the trouble to pave the way for the enabling legislation which it brings to the Parliament.

I would regard it as very churlish, quite apart from the fact that this is the season of goodwill, not to acknowledge that my ease in supporting this Bill is as a result of the considerable preparation which this Minister has made before embarking on his various reforms. Indeed, he made those preparations before the passage of the parent Act. Since we have a Government which makes many praises of itself, and talks about its teamwork, perhaps it could speak with the Minister of Health about how to disseminate information in advance of enabling legislation.

The only reason I speak is because I would like to acknowledge that where one is properly prepared for enabling legislation, one would come to it with a certain point of view and better informed. I think it is very important to put that on record. It is not as though the Minister has attempted the exercise himself. He arranged the exercise and left it to us to interface with the professionals at Mount Hope. When one goes to an institution like Mount Hope and sees the brave new world that it represents, one feels better able to support an amendment, for example.

I understand that the Bill will have to be debated separately, but one feels better able to entrust these experiments to people whom one has seen and the institution one has visited, free from any kind of suggestion that one's enquiry as to what is going on, what is being done is somehow ill-motivated.

I think it is very important for me to put this on record in support of these Bills. I will be supporting both.

The Minister of Health (Hon. John Eckstein): Mr. President, I would like at the outset to apologize to Sen. Merritt if she gets the impression that this Government and this Minister is in any way insensitive to or not appreciative of the advice coming from Opposition Senators.

She has indicated to the Senate that these amendments had been suggested by the Opposition so, then I think that she should acknowledge that, perhaps the Government has acted late, but has accepted the advice.

Let me deal with some of the specific comments that she has made. May I advise her that the Bill does not deal with performance appraisal. She suggested some other matters in addition to performance appraisal, but if she reads the Airports Authority Act, the Water and Sewerage Authority Act or any other Act of Parliament, none deals with performance appraisal and matters of that type. These are matters for determination between the employer on the one hand and the employee, possibly represented by his union. Also, if one reads the article of

association of a company, one will not find matters of that kind. They cannot be dealt with because they are subject to change every time the management and the union negotiate. It is impossible to entrench that in legislation.

The criteria used in selecting the board members has been set out in section 2 of the Second Schedule to the RHA Act which says:

"Representing the public interest and welfare, persons nominated from the Local Government Corporations, a registered local practitioner ..."

If you ask me how the registered medical practitioner is selected, I am to advise that we would look through the region and select one that we feel would be in support of the position that the Government has and would seek to implement its policies. These board members are being asked to implement Government's policy in respect of health.

Sen. Merritt said that there are several problems in the existing health services, and I agree entirely with her. We have no quarrel on that. She said that we cannot set up a new structure on an old foundation. I agree entirely with her. therefore, we are changing that foundation. We are building a new foundation because that old foundation has not worked. It is that old foundation which is responsible for the problems enduring in the Ministry of Health, and we have to change that. What we want to set up is a decentralized ministry. The pillars of the new dispensation would be a decentralized ministry and patient focus because we have not had a patient focus in the Ministry of Health previously.

Today, for the first time in the Ministry of Health, we are holding a seminar on quality assurance to address the quality of health care. Why has it not been done for the last 50 or 70 years? Today the ministry is turning its attention to such matters. Two weeks ago, we held a seminar on medical ethics, the law and health care; the intention being to establish a charter of patients' rights.

No such focus existed in the Ministry of Health previously. It was not patient focused. The other pillar is, its local orientation, that is why in respect of the regional health authority, we have selected people from each of the five areas to manage the health services in their respective areas.

2.30 p.m.

Sen. Merritt: Mr. President, is the Minister aware of the report that was commissioned in 1957, called the *Julien Report*, when a study was done of the health system and specific recommendations were made for the reformation of the whole sector? I am asking this because the whole structure of the regional health

authorities is based on some of the recommendations from the *Julien Report*, except that the report asked for three regional authorities and the Government's proposal is five. I am saying that there were provisions before now to restructure the health services.

Hon. J. Eckstein: There have been recommendations. I have spoken at length on that. There have been at least six commissions of enquiry established to look into the Ministry of Health and although the recommendations all varied in some way, each one suggested that the Ministry of Health should be decentralized. I recall a debate in another place where one member said that the country should be divided into two regions. That, of course, was the position of some of the professionals in the ministry, and that position was supported by spokespersons on the other side.

More recently, when the Central Regional Health Authority Board members were named, I indicated that there are 31 health institutions in that region and to my great surprise one person said, "So my area would be lost in that massive area? I want a board for my own area; I do not want a board that would have to deal with 31 different institutions." That was the same person who had spoken at length, putting forward a position that was really the view of a special interest group, without understanding or appreciating what he was saying.

The *Julien Report* might have recommended three regional health authorities but my technical officers having looked at the situation have recommended five and I have accepted the recommendations of my technical officers who have looked at all the commissions of enquiry reports.

We have a decentralized ministry which is indigenous in terms of the management that it brings to bear and it is consumer or patient focused. As I said, all the activities to enable proclamation of the legislation are now taking place in the form of various ongoing seminars.

Sen. Hydar Ali spoke of a bulk allocation to regional health authorities. In future the ministry proposes to enter into a service contract with each region. I will give an example of what happens at present.

Port of Spain General Hospital say they have 100 doctors and pay each one \$10,000, They have 500 nurses, and pay each one so much. They have other ancillary staff. Last year they spent so much on drugs, they now want a five per cent increase for inflation, and all these items add up and to, say, \$120 million.

Ten million dollars is then allocated to Port of Spain every month. Nobody could say what happens in Port of Spain for that \$10 million. We do not know if

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an operation was done, we have no idea what has happened in Port of Spain. We have focused on inputs. We want to bring an end to that. The new Ministry of Health function would be to negotiate service contracts with the regional health authorities.

We are at present conducting a survey of this entire population to establish the health needs. Seven thousand people are being surveyed. The regions would have to tell us what services they propose to provide in the respective areas and the Government is going to pay for those services. We should have no direct interest in the number of doctors or nurses the authorities employ; that is their business. What we want from them is how many procedures in all the various categories that they are going to be doing and the respective prices. We would then transfer funds to the authorities in relation to what they propose to do, only we would have an idea of what services they are providing.

I gave an example in the other place recently. We bake bread in St. James for the St. James Infirmary and the Caura Hospital. I sent in a cost and budget accountant and he did a costing on that system. It is costing the Ministry \$8.23 to produce a sandwich loaf, and the Port of Spain General Hospital is buying an equivalent sandwich loaf, sliced, for \$2.00.

The bread baked in St. James has a shelf life of one day, that is because they really know little about baking bread. But a request might come from the hospital that they need two more bakers since nobody is relating costs to what is being produced. As I said before, if I had \$8.00 in my pocket and there were two places selling bread I would not take my money and buy a loaf of bread for \$8.23 when I could get an equally good loaf for \$2.00.

This is what the Government is doing, taking the people's money and buying bread at \$8.23 a loaf. Which Senator would do this with his own money? Until we begin to investigate every single aspect of our operations to know what each one is costing us, we are not going to be using the allocation given to the Ministry of Health in the Budget wisely. This is the direction in which we are moving; we want to stop looking at inputs and focus on outputs.

Sen. Hosein: Mr. President, could the Minister say who was responsible for setting up this bakery in St. James?

Sen. J. Eckstein: That bakery was set up some 50 years ago.

We are now going to be looking into every aspect of our operations to ensure that we get value for money. But again, the hospitals were never intended to be

managed from the hospitals, that is the problem that we have. The arrangement has been that if one required personnel services it would come from the Chief Personnel Officer. If one required to purchase something it would come through the Central Tenders Board.

The hospital has no management capability within the institution and one would not believe how running a modern hospital is a massive operation. I went to Mount Sinai Hospital and they had 34 MBA graduates managing the operations there and we have not had a single qualified person, until relatively recently in our hospitals.

We had purchasing officers handling budgets of \$15 million who could not write a memorandum properly. As I said the system never contemplated that the hospital would manage itself, but that has to come to an end. We have to have people trained in management information systems and in all the other areas of expertise.

At this stage we have a bulk allocation, but when the various regional health authorities come to us with their performance goals setting out exactly what they need, the Ministry will be scrutinizing and making allocations based on those. We would establish contracts, and at the end of the year we would be able to evaluate their performance against what they promised to do.

The Government has made no statement about the situation at Couva. What has happened at Couva is that there were three doctors working there providing a level of service. Two of the doctors resigned. We have tried to get two doctors but we have not been able to do so. The one doctor who is working there cannot provide the services that three doctors provided. Last week the Cabinet, through a recommendation I made, engaged the services of another doctor and we have extended the hours in Couva.

We are searching for a third doctor to restore the level of service, but a doctor is not a labourer, he is not an unskilled worker. That is the real problem that we have in respect of Couva. We just do not have the personnel. And I propose to you as I did to someone else, if you are aware of a doctor who is unemployed we are willing from tomorrow, providing he is registered with the Medical Council, to give him a job and bring the situation back to the original number of hours that they once enjoyed at the Couva Hospital.

2.40 p.m.

I really cannot comment on the speculation. I would just like to say that if one reads the legislation carefully there is no movement whatever from the ministerial

control of the health services. In fact, the Minister's position is strengthened under this legislation rather than weakened. Under the existing arrangements, for instance, the commission is under no obligation to tell me anything. If a matter goes to the commission I cannot speak to the commission and I do not know what the commission is doing. An RHA reports to me; takes directions from me; is subject to general and specific directions of the Minister.

The health services are now for the first time under the Minister's control. I remember Sen. Daly said that this new arrangement placing the Minister in control meant that I would have to resign if a very serious event takes place; and I accept that fully. If any serious event takes place I would feel entirely responsible once this system of administration is put in place, and one would not have any problem asking me to resign; I would go. *[Interruption]* The Senator, if he believes that this legislation weakens the position of the Minister should think again; in fact it strengthens the position of the Minister, the Cabinet and hon. Senators—because I have to report to the Parliament in terms of whatever I do.

Sen. Barrack: Mr. President, my speculation was based on whether or not the health services will end up in private hands eventually.

Hon. J. Eckstein: Mr. President, I am not practised in the art of divination. So I do not know what will happen in the future.

With respect to Sen. Rev. Teelucksingh's contribution, he urged dialogue and consultation and I endorse these words of advice. This is why we have put people from the local communities to manage the health services. One cannot have dialogue and consultation with the commission; that is impossible. Not because the commission does not care, I want to make that point. The fact of the matter is that the commission has responsibility for 21 ministries; where is it going to get the time to hold dialogue with people in Couva or anywhere else? It is just an impossible situation.

There is an authority that operates in the North Western region and it is obligated under this legislation to meet with the public once every year; to advise the public in terms of the accomplishments in the previous year and what they propose to do in the following year. One expects that the media will be invited and there will be a full and frank discussion of all the health matters that come up for attention. I agree entirely with the Senator, but this is the intention of the legislation to bring the administration closer to the people.

Sen. Hosein gave very good advice which I intend to take and which I appreciate very much. However, the fact that a man did engineering does not

mean that he cannot manage an institution—remember, he is not an executive chairman. I went through the list of people who constitute the board and there is every conceivable expertise required such as personnel management, a person trained in law, a medical doctor, a nurse, a pharmacist. He has been trained in engineering 20—30 years and has been managing the production department of a massive conglomerate for many, many years. I do not think one should sell him that short.

The availability of trained hospital managers and scholarships: At present in our system there are a number of people who are trained in hospital management. There are at least 12 persons with MBA degrees in hospital management but they are scattered throughout the system and the Government is offering further scholarships. In fact only recently—and I expected a note here from my Ministry—we offered scholarships in health planning and hospital administration. There were 32 applications. Notwithstanding the concerns being expressed, the health workers, doctors, nurses and other health officers are applying for the scholarships to fit the brave new world of health that is now coming into being. We are having tremendous assistance from the Pan American Health Organization which is assisting us in this area in terms of scholarships.

Sen. Hosein said something about a Member of a board at San Fernando. Well he is mistaken. The legislation has not been proclaimed, no board member is operating anywhere in the system. Until the President proclaims this legislation the board members are not functioning. The problem that he referred to relates to the administrator at the San Fernando General Hospital and I would suggest that he acquaint himself with both sides of the story before he comes to any conclusion in terms of who is arrogant or whatever.

Doctors leaving the service: In this system there are specialist medical officers, the highest category of trained persons. No specialist medical officer has left the service. Under the specialist medical officer category there are registrars, none has left the service. The third category consists of house officers, young doctors who wish to become registrars and eventually specialist medical officers. They are the ones who have been leaving the service. They leave the service to go to study and come back with a specialist qualification, to reach the top of their profession.

What has happened is that the Government gave scholarships in the past to these house officers and was able to regulate their departure. Government has stopped giving scholarships because there is no money. What the officers do is they work for five years and they accumulate vacation leave, and there is also

something called “special compensatory time”, the Government is obligated to them and this is a method of discharging the obligation—then when the doctor has, say one year’s paid vacation leave, he establishes a contact in England or somewhere and the next step is we get a letter from him and he is gone to pursue his studies.

2.50 p.m.

When the ministry gave the scholarships, the doctors waited for the scholarships so that the ministry was able to control their exodus, but often they come back after they have obtained their specialist qualification and work as registrars. As I said, the ministry has lost control in terms of when they leave. The special compensatory time arrangement has impacted very heavily on the ministry in terms of the house officer category. Some of them are Africans and they come here—this is really a stepping stone for them; they spend two or three years and get their vacation and special compensatory time and move on. Once they accumulate a year’s leave they go and qualify and come back to serve. There are however, interns who take the places of the house officers and the process goes on.

Sen. Hosein: Mr. President. The Minister mentioned that there was a shortage of doctors at Couva. Is it a normal shortage? Is it that there are not enough doctors in the system, or is it that the compensatory package is not attractive?

Hon. J. Eckstein: Mr. President, the problem is at the house officer category. We do not have enough doctors at the house officer level at present. As I said, the ministry has lost a number of them from all the institutions, including Couva. There are about 35 interns who, at the end of this month, will become house officers. They are in the programme in the various institutions—Port of Spain, San Fernando, Mount Hope Women’s Hospital and Caura.

At the end of this month, 32 or 33 house officers will fill some of the existing vacancies, but they cannot be appointed as house officers until the university says that they have been successful and the Medical Council registers them appropriately. The ministry is hoping to deal with that problem, but right now, there is a difficulty with house officers. The people we have lost at Couva are house officers and they have gone off to pursue their studies.

Mr. President, for obvious reasons, I accept with great hesitation the kind comments from Sen. Daly.

I believe that disposes of the concerns that have come from the other side. I thank hon. Senators for their kind comments.

Sen. Rev. Teelucksingh: Mr. President, before the Minister takes his seat, may I ask a question? I heard the hon. Minister made a comment about midway in his presentation that the board members of the regional health authorities will be committed to supporting Government's policy. I am very much concerned about that. How much freedom will they have? Suppose the hon. Minister should find maybe the chairman or members of these boards being delinquent and deviating from Government's policy, what would be the next step? To what extent will these appointments be considered political appointments in the light of that comment?

Hon. J. Eckstein: Mr. President: I cannot find the appropriate section now, but this legislation says that that is what these boards have been appointed to do. The Ministry of Health determines policy in health and the board implements the policy. Historically, the Ministry of Health was preoccupied with transfers. I go to my Principal Medical Officer's desk and it is high with files, and he is busy transferring doctors between institutions but he has not produced a health policy because he does not have the time to do it.

What the Ministry of Health would be doing in future is developing policy in relation to health. Suppose the ministry says that there must be vaccination of children under two years for some type of illness, the boards are then supposed to implement that policy. If a board says that it is not doing it, that board would be fired. In other words, the boards have an operational responsibility. The Ministry of Health determines policy, and there would be the requisite expertise at the ministry to facilitate the development of policy.

Hon. Senators may have seen a full-page ad seeking to get people in health planning, health administration and all those various areas required to fashion policy in health. The ministry is expecting the people out there to be operationally-oriented. If the ministry is seeking to get statistics across the board in terms of morbidity and mortality and it says that it wants it in a particular form, and a board says that it is not doing it, I would recommend to the Cabinet that the board be dismissed. The ministry cannot have one board sending in the statistics in one way and another board sending it in another way.

When I talk about policy, I am talking about health. The ministry's function is to establish and guide the boards in terms of its policies in relation to health. The boards' job is to get the resources and to implement the policies. There are two different functions.

Traditionally, the Ministry of Health has not been geared to doing that. The ministry has been merely receiving complaints from hospitals and sending them

Regional Health Authorities (Amdt.) Bill
[HON. J. ECKSTEIN]

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to the commission, really wasting time. I do not know if hon. Senators have seen the ad in the newspapers. Did any Senators see it at all? There was a full-page ad run over three days, indicating that the head office of the ministry was being changed completely, a new organizational chart with new positions: health planner, health administrator and that kind of personnel. Those persons will be looking at the whole country, formulating policies, bringing them to my attention and I would take them to the Cabinet for approval and then the board has to implement. If the boards say that they are not implementing, there would be chaos and confusion. It cannot be any other way!

I have named today the individuals comprising a particular board and I have named the other boards previously. Hon. Senators can look at the people. Political considerations play no part in the selection of people who constitute these boards—no part whatsoever! Hon. Senators cannot name one of these individuals and say that he or she is known to be PNM. I know one fellow who is known to be something else, but it makes no difference to me. The policies of the Government must be implemented. I am not talking about the political types of policies that the hon. Senator might be thinking about. I am talking about policies that have been carefully studied, articulated by the technical officers—who are competent to do so; they work in conjunction with PAHO and WHO. A board cannot tell the ministry that it is not implementing the policy. It would have to go.

Of course, the ministry's technical staff must liaise with the RHAs, and following consultation devise the policies. It will not be a dictatorial thing. It cannot be, after all the discussions, the board will say it is not carrying out the policy which the ministry recommends and the Cabinet accepts. Where would the country end up?

Sen. Mahadeo: Mr. President, picking up from the answer the Minister gave to Sen. Rev. Teelucksingh on the question of no political ties, happily the Minister did mention members of the Eastern Health authority Board. I come from the East. These people comprise the board of the Eastern Health Authority and, from my observation and knowledge, at least five of them have their political ties with a certain party. What I am hoping is that, as the Minister has said honestly and transparently so far, the moment he finds anything politically motivated in one way or another the whole board goes. I am happy to hear that.

3.00 p.m.

Sen. Hosein: Mr. President, I wonder if the Minister could say whether any enquiry was instituted into the \$12 million expired drugs fiasco and the Mount

Hope problem which I spoke to him about? Was anyone held responsible for those two incidents?

Mr. President: Senator, did you give notice of that question?

Hon. J. Eckstein: I will deal with it. What stage, exactly are we, in this? I thought I said “I beg to move” already, did I not?

Hon. Senator: Sit down.

Hon. J. Eckstein: Let me just deal with the drug problem, which I think needs to be resolved.

NIPDEC took over the Central Stores and, in fact, there have been drugs expiring year after year for the last 15 year. NIPDEC made a clean sweep and that was the value of the drugs, but some of them expired 15 years ago, so it was not that that \$12 or \$14 million worth of drugs expired in 1994. The Ministry of Health had not cleaned up the whole Central Stores area, but NIPDEC wanted to know precisely what they were taking over. They did a proper inventory and found some expired drugs. Given that the Ministry spends around \$60 million if one multiplies 15x\$60 million, which is \$900 million, then one has to put the \$14 million over the \$900 million to get a percentage, which is not bad. There will be drugs expiring—that cannot be avoided. The Ministry is taking steps to minimize that, but it cannot be avoided.

Sen. Hosein: What about the Mount Hope matter?

Hon. J. Eckstein: The matter is confused, so let us not get into that.

I beg to move.

Question put and agreed to.

Bill accordingly read a second time.

Bill committed to a committee of the whole Senate.

Senate in committee,

Clauses 1 to 3 ordered to stand part of the Bill.

Question put and agreed to, That the Bill be reported to the Senate.

Senate resumed.

Bill reported, without amendment; read the third time and passed.

CONSTITUTION (AMDT.) (NO. 2) BILL

Order for second reading read.

The Minister of Health (Hon. John Eckstein): Mr. President, I beg to move,
That a Bill to amend the Constitution of the Republic of Trinidad and
Tobago, be now read a second time.

Question proposed.

Question put and agreed to.

Bill accordingly read a second time.

Bill committed to a committee of the whole Senate.

Senate in committee.

Clauses 1 to 4 ordered to stand part of the Bill.

Question put and agreed to, That the Bill be reported to the Senate.

Senate resumed.

Bill reported, without amendment; read the third time and passed.

*Motion made, That the Senate do now adjourn to Tuesday, December 20,
1994 at 1.30 p.m. [Sen. Dr. The Hon. L. Saith]*

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 3.07 p.m.