

Leave of Absence

Friday, April 12, 1991

HOUSE OF REPRESENTATIVES

Friday, April 12, 1991

The House met at 1.30 p.m.

PRAYERS

[MR. SPEAKER *in the Chair*]

LEAVE OF ABSENCE

Mr. Speaker: The following Members have been excused from today's sitting: The Member for Chaguanas (Hon. Winston Dookeran), the Member for Arouca South (Mr. Rawle Raphael), and the Member for Tobago West (Hon. Pamela Nicholson).

PAPER LAID

Report to Parliament by the Integrity Commission on its activities for the year 1990. [*The Minister of Industry, Enterprise and Tourism (Dr. The Hon. Bhoendradatt Tewarie)*]

ORAL ANSWERS TO QUESTIONS

17. *The following question stood on the Order Paper in the name of Mr. Govindra Roopnarine (Siparia):*

**Estates
(Rehabilitation)**

- (a) Would the hon. Minister of Settlements and Public Utilities state how many estates were rehabilitated by his Ministry in 1990 and who are the owners of these estates?
- (b) Could the hon. Minister also say what benefits will accrue to the state from his Ministry's efforts in rehabilitating these estates?

Mr. Palackdharrysingh: Mr. Speaker, I ask that question No. 17 be deferred.

The Minister of Industry, Enterprise and Tourism (Dr. The Hon. Bhoendradatt Tewarie): Mr. Speaker, because the Minister of Settlements and Public Utilities has been excused from today's sitting I would be grateful if the answer to the question is deferred.

Question, by leave, deferred.

The following questions stood on the Order Paper in the name of Mr. Kenneth Valley (Diego Martin Central):

**T&TEC
(Maintenance)**

- 20.** (a) Would the hon. Minister of Settlements and Public Utilities kindly state whether she is aware of the fact that the Trinidad and Tobago Electricity Commission (T&TEC) is restrained from commencing, continuing and/or completing urgently required scheduled maintenance work because of the lack of funds?
- (b) Would the hon. Minister advise this House of the estimated cost of bringing all T&TEC plant and equipment to a state of repair acceptable to the Commission?

Mr. Speaker: The Minister of Settlements and Public Utilities is unavoidably absent today.

Football Massive

- 21.** (a) Would the hon. Minister of Youth, Sport, Culture and Creative Arts kindly state whether or not the Cabinet-appointed Committee which was entrusted with the responsibility for organizing the Football Massive exercise of November 19, 1989 collected all moneys due and owing to this project?
- (b) Could the hon. Minister kindly state the final status of all revenue and expenditure related to this exercise?

Mr. Valley: Mr. Speaker, Question No. 21 would be deferred by agreement with the Minister.

Questions, by leave, deferred.

The following questions stood on the Order Paper in the name of Mr. Raymond Palackdharrysingh (Naparima):

**Telephone Services
(Extension)**

- 22.** Would the hon. Minister of Settlements and Public Utilities state whether the extension of telephone services will be made available to the residents of the

villages of Borde Narve and St. Johns via Ciperro Road in the constituency of Naparima in 1991?

Water Supply

23. Would the hon. Minister of Settlements and Public Utilities state when the residents of the following areas would be provided with an adequate supply of pipe-borne water in 1991:

- i) Papourie Road from Lengua Presbyterian School to the Inverness Presbyterian School;
- ii) Realise Road to Cunjal Road;
- iii) Jaipaulsingh Road;
- iv) Inverness Road via Ciperro Road;
- v) Kanhai Road North;
- vi) Jones Village;
- vii) Friendship Village via Naparima/Mayaro Road?

Questions, by leave, deferred.

Maritime Delimitation Treaty

24. Mr. Patrick Manning (*San Fernando East*) asked the Minister of External Affairs and International Trade:

- (a) Would the hon. Minister kindly inform this honourable House of the present status of the recent Trinidad and Tobago/Venezuela Maritime Delimitation Treaty?
- (b) How does the Government now propose to proceed on this matter?

The Minister of External Affairs and International Trade (Dr. The Hon. Sahadeo Basdeo): Mr. Speaker, the Trinidad and Tobago/Venezuela Delimitation Treaty was signed in Caracas on April 18, 1990 by the heads of Government of the two countries. Some months after signature, the Venezuelan Congress approved the Treaty in accordance with constitutional requirements. The Government of the Republic of Trinidad and Tobago also approved the Treaty and subsequently laid it in the Parliament. The Treaty will come into force after an exchange of instruments of ratification by both Governments in accordance with Article 12 of the Treaty. Ratification has not yet taken place.

Oral Answers To Questions
[HON. S. BASDEO]

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I wish to point out here, Mr. Speaker, that the procedures followed for the ratification of international agreements and conventions by the present and previous Governments of Trinidad and Tobago are based on the well-established principle observed in Trinidad and Tobago that the Cabinet of Trinidad and Tobago is vested with the authority to enter into and to ratify international agreements.

The Government proposes to ratify the Treaty and to introduce into Parliament any legislation that may be required to implement the provisions of the Treaty in accordance with the laws of Trinidad and Tobago.

Mr. Manning: Mr. Speaker, does the Government of Trinidad and Tobago have the authority to cede Trinidad and Tobago territory to any other country?

Dr. Basdeo: Mr. Speaker, I just want to assure the hon. Member that we have not ceded any territory. May I state, Sir, that on the basis of advice received from Law of the Sea experts, the Government of the Republic of Trinidad and Tobago has not lost any sovereign territory on the basis of the Maritime Delimitation negotiation exercise with Venezuela; rather, it has gained net accretion of territory.

Mr. Manning: Mr. Speaker, when the hon. Minister talks about Trinidad and Tobago losing territory, does he include territory in the exclusive economic zone?

Dr. Basdeo: I would be very grateful if the hon. Member could repeat that question.

Mr. Manning: When reference is made to territory, does it include territory in the exclusive economic zone?

Dr. Basdeo: I am not fully understanding the question. If he means that we have ceded territory in the exclusive economic zone, I want to assure the hon. Member that is not so.

The following questions stood on the Order Paper:

**Land Tenants
(Regulations)**

25. Would the hon. Minister of Settlements and Public Utilities state why necessary regulations expedient for carrying out the purposes of "An Act relating to the Security of Tenure of Land Tenants" assented to in June 1981 were not

made and which has rendered the purposes of the Act incapable of being implemented? [Mr. R. Palackdharrysingh]

Salaries Review Commission

- 26.** Would the hon. Prime Minister and Minister of the Economy state:
- (a) What adjustments, if any, have been made within the last year to the terms and conditions of service of those persons falling under the purview of the Salaries Commission?
 - (b) What will be the cost on an annual basis of those adjustments? [Mr. P. Manning]

Ex-Senators (Appointments)

- 27.** Would the hon. Prime Minister and Minister of the Economy state:
- (a) What public sector appointments, if any, have recently been made involving former Senators Clive Pantin, Ganga Singh and Horace Wilson?
 - (b) What is the effective date of each appointment?
 - (c) What are the terms and conditions attached to each appointment? [Mr. P. Manning].

Mr. Speaker: The Prime Minister has asked that Questions Nos. 26 and 27 be deferred.

Questions, by leave, deferred.

FISCAL REVIEW

The Minister of Finance (Hon. Selby Wilson): Mr. Speaker, on December 7, 1990 when I presented the 1991 budget to this honourable House, I indicated, among other things, that in the calculation of revenue estimates I had assumed an average price of oil of US \$22 per barrel. At that time, the average price on the international market was approximately US \$29 per barrel. On the basis of projections by the international institutions and reputable analysts, the average price of US \$22 per barrel for the year was a reasonable expectation at the time.

At the end of the first quarter, the price of oil had fallen well below expectations and it is now estimated that the average price for the year will be around US \$19 per barrel. On the basis of this new oil price assumption, the loss of revenue from the oil sector would be approximately TT \$771 million.

Fiscal Review
[HON. S. WILSON]

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However, in the light of the fiscal performance during the first quarter, projections of non-oil revenue for the rest of the year have been revised upwards by \$164 million. In addition, Mr. Speaker, at the end of the first quarter there was an increase in oil revenues in the amount of \$291 million which relates to 1990 but was brought to account in January, 1991.

In light of these developments and in order to ensure that the basic objectives of the budget are realized, I propose to do the following:

- (1) Strengthen the fiscal monetary process in order to achieve savings on expenditure in the amount of \$229 million;
- (2) Raise an additional \$87 million, by domestic borrowings, to finance the anticipated higher fiscal deficit of \$634 million.

1.50 p.m.

In respect of the external sector, the original balance of payments estimates, using a price of oil of US \$22.00 per barrel, had projected an end of the year gross official international reserves figure of US \$501 million or 3.9 months of import coverage. With a revised price of US \$19 per barrel the end of the year gross official international reserves figure is estimated to be US \$304 million or 2.4 months of import coverage. The Government considers this to be a significant change in circumstances.

Mr. Speaker, hon. Members would recall that in the course of the 1991 budget presentation, I indicated, among other things, that Trinidad and Tobago was still entitled to make two more drawdowns having satisfied the performance criteria in respect of the third and fourth quarters of 1990 under the second stand-by arrangement with the International Monetary Fund. I informed Members then and I quote:

"However, having regard to our level of gross international reserves at the end of October, and the relatively high cost of borrowing from the IMF relative to short-term deposit rates prevailing in the United States, I do not propose at this time to exercise the option to make these drawdowns, unless there is a significant change in circumstances before March 31, 1991."

Mr. Speaker, I am satisfied that the revised international outlook on oil prices has changed the circumstances significantly to justify making these drawdowns to which we have already become entitled under the stand-by arrangements which came to an end on March 31, 1991. Accordingly, on March 29, I directed that

procedures be set in train for these drawdowns amounting to US \$48 million to be made. The option to make these drawdowns had to be exercised before March 31, 1991, after which it would not have been available. The decision to make the drawdown was taken to ensure that the country has an adequate level of foreign reserves to satisfy the country's need in view of the revised prospects for oil prices on the international market. I want to make it abundantly clear that the decision to make these drawings from the International Monetary Fund does not mean that the Government is entering into any new arrangements with the Fund, or that there are any additional conditionalities to be met.

The right to make these drawdowns existed because we have successfully met all the performance criteria under the second stand-by arrangement at end of March 31, 1991. The Government has not entered into any new stand-by arrangement with the International Monetary Fund.

Mr. Sudama: Mr. Speaker, could I, on a point of clarification, address a question to the Minister? He indicated to us that receipts from the non-oil sector are anticipated to be increased by about just over \$200 million and that higher oil receipts in respect of 1990—

Dr. Tewarie: On a point of order, is the Member allowed to raise matters under this particular—

Mr. Speaker: He is seeking clarification on something mentioned. Order please.

Mr. Sudama: Why do you not attend a seminar? He indicated that—I was not able to record the exact figures—from the non-oil sector the increase in anticipated Government revenues in 1991 would be of the order of over \$200 million and that higher receipts from the oil sector in respect of 1990 was to be to the tune of \$124 million. I roughly make that total say \$400 million.

He has also told us that there is an anticipated shortfall for 1991 revenues on the basis of the projected price of oil of \$770 million. Therefore, I would have assumed that the deficit for 1991 would have been projected to increase by anything like \$300 million on the basis of his own projections. Am I to understand, from the Minister's statement, that there are other areas of additional revenues which the Government anticipates and/or whether the Government intends to reduce expenditure, and if so, in what areas, in order to justify the statement that the higher fiscal deficit will increase by only \$87 million?

Mr. Wilson: A rather long clarification. I indicated in my statement that we have to take action to contain expenditure by an additional \$229 million.

Mr. Sudama: I am asking in what areas.

Mr. Wilson: I have not yet determined in what areas.

FINANCE BILL

Bill to provide for the imposition of variation of certain taxes and duties, for the incorporation of the amendments made by the Provisional Collection of Taxes Order, 1990, and for related and other matters [*The Minister of Finance*]; read the first time.

Motion made, That the next stage of the bill be taken on Wednesday, March 17, 1991. [*Hon. S. Wilson*]

Question put and agreed to.

ORDER OF BUSINESS

The Minister of Industry, Enterprise and Tourism (Dr. The Hon. Bhoendradatt Tewarie): Mr. Speaker, I seek leave of the House to proceed with item No. 2, a bill entitled an Act to provide for the establishment of the National Agricultural Marketing and Development Corporation and for matters incidental thereto.

Question put and agreed to.

NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION BILL

Order for second reading read.

The Minister of Decentralization and Food Production (Dr. The Hon. Brinsley Samaroo): Mr. Speaker, I have the honour to move the second reading of the bill entitled an Act to provide for the establishment of the National Agricultural Marketing and Development Corporation and for matters incidental thereto.

In introducing this bill before the House, I wish to give some indication of the authority for bringing such a bill before the Parliament. In that regard I wish to draw your attention to page 14 of the NAR manifesto where in two sections of that particular page we gave indication of matters that would be dealt with during the term of this Government. The first of those two matters is:

"Establish wholesale markets in strategic areas and improve the conditions at the Port-of-Spain wholesale market."

The second but even more important mandate that we derive from that particular manifesto in section 3 states:

"Review the operations of both the Food and Agricultural Corporation and the Central Marketing Agency with the aim of establishing a properly structured and managed Producers Marketing Board.

This board will comprise all interested parties—farmers, processors and Government.

It will have direct input in important policy and production control measures, and will guide Government-assisted agencies in undertaking research projects for specific products."

This is the mandate. In explaining this particular mandate, it would become clear to the Parliament the reasons why at that time we considered it necessary to review the operations of the Central Marketing Agency.

2.00 p.m.

We at that time, considered it necessary to review the operations of the Central Marketing Agency: what were some of the difficulties; what were some of the problems; what does one hope to put in place of the Central Marketing Agency. So having given you an idea of the mandate whereby we derived that authority, I would proceed to talk about this particular bill which provides for that promised marketing agency. We intend to call that marketing agency, the National Agricultural Marketing and Development Corporation or as a short title, NAMDEVCO.

Mr. Speaker, the major aim of this bill is to transform the Central Marketing Agency, generally called the CMA, from the cumbersome, omnibus, umbrella agency which it has been for many years, into a scaled-down, more clearly focused market-oriented institution. The bill seeks to set up a structure whereby the now present increased production of agricultural, marine and aquaculture commodities can now find outlets both locally and abroad and at most competitive prices. In the longer term if the bill succeeds in these purposes there will be a greater stimulus to production in agriculture and fishing. One hopes for greater inclination towards investment in the agro-industrial and fishing areas.

In order to place this debate in a proper context—that is, in order that this House will properly understand the need for such an institution as NAMDEVCO—this presentation will seek to do three things. First of all, to give an idea of the original bill which puts into effect central marketing agency, contained in the revised laws of Trinidad and Tobago, as Act 18 of 1966, Chap. 68:01. I would seek first of all to indicate what it is that the CMA was originally enjoined to do.

Secondly, to give an idea of the difficulties experienced by the CMA in carrying out this mandate, resulting in very considerable financial losses over very many years and a high degree of inefficiency in the operations of the CMA.

Thirdly, I shall try to indicate how this bill seeks to treat these shortcomings by setting up a more specific and less wide-ranging mandate for the new body, NAMDEVCO, which we are now seeking to bring into being.

Mr. Speaker, the question which the Government had to face squarely, at the beginning of our consideration of this matter, was whether we must continue to finance an agency which was yearly running very high operational deficits. Just to give you an idea, in 1984 for example, it ran a loss of \$27.3 million. These were the issues: Whether one wanted to continue subsidizing an organization which was running up these continuous deficits, or whether it was not time to prune that institution down to a more manageable, self-financing agency; how should we now manage this seriously debt-ridden organization, one of the many which this Government inherited from a previous administration. It is that enormity of inherited debt that now hobbles every effort of reconstruction in this country. Now we have to be very careful that we do not set up institutions which would enslave future generations with such debts as this Government had to take over.

The present Central Marketing Agency, was established as a semi-autonomous agency by Act of Parliament, as I have just indicated in 1966 and authorized as the principal agency responsible for agricultural marketing in Trinidad and Tobago. Under this particular Act to which I have referred, the agency was mandated to carry out a very wide and cumbersome range of functions:

- (a) to regulate the wholesale marketing throughout Trinidad and Tobago of agricultural produce and handicraft products.
- (b) to control and operate wholesale markets throughout Trinidad and Tobago and to regulate the flow and movement of agricultural produce and handicraft products in retail markets.

- (c) to develop and carry out a co-ordinated programme for the purchasing, selling, handling, storage, processing, distribution and transportation—the whole works—of agricultural produce and handicraft products and to operate and maintain services necessary or incidental thereto.

So that even this long list of activities for which the CMA was burdened is not enough. I am also told "to deal with matters incidental thereto".

One can summarize these functions by saying that the CMA was in 1966, mandated to develop and carry out a co-ordinated programme for the purchasing, selling, handling, storage, processing, distribution and transportation of agricultural produce and handicraft products and to operate and maintain services necessary or incidental thereto.

The operations of the CMA were financed mainly from funds released to it by the central government, through the then Ministry of Agriculture, Lands and Fisheries and to a lesser extent, from funds generated internally by the operations of the Agency. Funds released by the central government were used to finance the Agency's development programme, recurrent expenditure and trade deficits on guaranteed items. The heavy subsidization of foodstuffs in accordance with the then Government's pricing policies, led to a deficit on the profit and loss account of the Agency.

This deficit was made good by the central government in the form of continuous subventions. In a short while, I will give you an idea of the enormity of these subventions. The continuance of that subvention now has to be a major consideration by the people of Trinidad and Tobago in these certainly less affluent times.

2.10 p.m.

In some areas, the Agency was able to make a small profit on the sale of some items. These internally generated funds were netted out against its total operating expenses in an effort to reduce its requirements to central government's recurrent financing.

The Agency, since 1966 and even today, continues to be managed by a General Manager who reports to the Board of Directors appointed by the President. Policy guidelines, its operational budget, recruitment of personnel and conditions of work are determined and conditioned by the Ministry responsible for agriculture as well as by Civil Service Regulations. Senior staff is recruited by the Statutory Authorities Service Commission.

Mr. Speaker, I have argued and tried to indicate earlier on, that the CMA was mandated to do too much and therefore became over-stretched and inefficient. I would therefore wish, at this point, to indicate some of the major detailed activities of the Agency and I would go on later to indicate how difficult it was to perform all these functions mandated to it. For example:

(1) Produce Purchasing:

The CMA purchased large quantities of a wide range of fresh produce purchased directly from farmers on a current wholesale basis. Contracts were also given out to farmers at guaranteed prices starting, I believe, around 1972.

(2) Local Sales:

Principal outlets were institutional customers such as prisons, hospitals, residential educational institutions, the Defence Force and so on. Stocks were also sold at the Agency's retail outlets in Port-of-Spain, San Fernando and Scarborough.

(3) Export Trade:

From the early 1970s there was export of fruits and vegetables on a limited scale to North America, Europe and the Caribbean.

(4) Sale of Farm Supplies:

Through 10 rural outlets the CMA sold animal feedstuffs, fertilizers and farm chemicals, fruits and vegetables.

(5) Pig Marketing:

CMA, for many years, purchased all available pigs from state lands projects and from private farmers at guaranteed prices.

(6) Banana Operation:

This Agency, by the mid 1970s, had become the largest purchaser of bananas and equally, the largest seller of this fruit.

In fact, in the case of bananas and pigeon peas, particularly, farmers would sell to CMA at a high guaranteed price; go out at the other end and buy the same produce, then come and sell it at the front door again and I shall indicate in a short while, the disastrous financial consequence of such an operation.

(7) Import Purchases:

For many years, the CMA was a major importer of carrots, sweet potatoes, onions, pigeon peas and white potatoes.

(8) Purchasing Over-weight Broilers:

The Agency would buy, store and sell such birds, relieving the processors of these birds.

As if all these activities were not enough with which to burden this CMA, this agency was also charged with the responsibility of overseeing the operations of the poultry and pig industries. The agency also functioned as adviser to the agriculture and industry ministries on the question of the issuing of licences for the import of agricultural produce.

Mr. Speaker, we on this side would be the last to argue that the system set up by the CMA had no benefits. For one thing, it brought better returns for farmers. It stimulated production and consumption of local farm products. It reduced the dependence on food imports and increased the employment in the agricultural and agri-business sector. But from the very outset, the weaknesses of the system outweighed the benefits. For one thing, the CMA could not refuse to buy items on the guaranteed price list whether the market wanted these items or not. Therefore it bought, as examples, large quantities of pigs, poultry, bananas and pigeon peas at guaranteed prices but was forced to dump these products when the demand was low.

Secondly, in respect of farm supplies, the CMA outlets sold at higher prices than normal suppliers because of its middleman function and the large bureaucratic apparatus which it hired.

Thirdly, acting as it did, that is, as a middleman between institutions and the producer or wholesaler, the CMA prevented that essential contact between producer and consumer and therefore did not allow competition in trade or the operation of market forces to allow prices to find their own levels.

So, for most of these years, from 1966 right up to the present, prices remained artificial. In the long run, the institutions that bought the products had to pay higher prices than they would have got on the open market. But then, that did not worry the CMA because it was the government, with supposedly limitless funds in those days, that had to pay up the deficits. Such fixed contractual arrangements

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that the CMA were making, allowed all kinds of deals to be struck up among the various participants in the chain.

Under these arrangements, the CMA was run like the public service. It did not open on weekends, which is normally the time that most trading in agricultural commodities take place, nor did it operate outside the normal 8.00 a.m. to 4.00 p.m. schedule, quite contrary to usual marketing hours. But then such used to be normal practice in state-run institutions in those days, where profitability and self-financing were not major areas of concern. Such concerns became guiding principles of the government which succeeded the PNM in 1986.

As if these problems were not serious enough, there was, in addition, the almost total absence of marketing intelligence either for the local or the foreign market, hence producers had to operate mainly by guesswork and through experience. Not least of all, the export thrust, particularly during the years of the oil boom, was not accompanied by a policy geared towards producing for the export market. So, again, the exporters operated by a system of trial and error.

The results of these inadequacies of the CMA were that, first of all, the Government was forced to embark on a massive subsidy programme which is well reflected in the following figures:

Year	Subsidy
	\$M
1984	17.8
1985	20.6
1986	14.7
1987	10.8

I would like you to note, from these figures, the decreasing rate of subsidies once other people took control of the institution.

1988	8.5
1989	4.7
1990	4.5

I wish that, when my distinguished colleague from Diego Martin Central is speaking—*[Interruption]*. You see, if I do not understand, then my colleague must explain to me, why it was that in 1985, they subsidized the CMA to the tune

of \$20.6 million and how it is that in 1990 another Government was able to reduce the subsidy to \$4.5 million. I would like to have such explanation, Mr. Speaker, and I am quite sure that the learned economist from Diego Martin Central would be able to provide very useful explanations to these things that I do not understand.

2.20 p.m.

There are many people today who are clamouring for a return to the good old days of the CMA when there was this massive doling out of taxpayers' money. Such persons must bear in mind the damaging consequences of subsidies that are haphazardly shared out. A few benefit but the deficit of the country soars to the sky.

During the 1970s or 1980s, it was not that the Government was unaware of the deteriorating state of affairs *vis a vis* the Central Marketing Agency. There was a long list of reports which I hope Members on that side would read before they participate in this debate. I shall read from two of these reports.

One report in 1974 which was an internal report commissioned by the Board of Directors and carried out by the General Manager and officers of the CMA, spoke about the serious deterioration of the finances of the Central Marketing Agency. I wish to quote from that particular internal report (1974):

"An evaluation of the performance of the Agency against the benchmark of an efficient marketing system leads to the conclusion that, in spite of the fact that the organization has been over-extended in performing a number of important activities, the claim cannot be made that the marketing system for locally produced farm products has been significantly improved."

This is an internal report produced by the General Manager of the CMA. It goes on to state:

"The main task for the future, is therefore a careful and realistic planning and execution of a programme of operations that would lead to the achievement of the original objective of the Central Marketing Agency's Act."

In 1974 the CMA is telling itself that we must go back to fulfil the original mandate that was given to us in 1966.

Another key aspect of the recommended changes involved a strengthening of the CMA organization itself. The report recommends how this should be done:

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"In order to properly carry out a programme of market improvement and to improve performance of our current services, there was need for expansion and streamlining of the organizational structure of the Agency.

Operation of the earlier aspects of the proposal will require staff additions in the areas of market administration, market information, economic research, and technical services, *et cetera*. It will also be necessary to alter certain institutional aspects of our present situation in order to achieve greater autonomy in matters of staff recruitment and salary levels, expenditure, investment and in general, control of routine affairs.

The precedent had recently been created in the case of the Agricultural Development Bank, which enjoys a more suitable degree of autonomy in its normal activities. Similar provisions need to be made for the Central Marketing Agency."

It is therefore noteworthy that repeated analysis and diagnosis of the problems of the agency have taken place without the bold and decisive steps necessary to implement these changes ever taking place.

The point I am making is that the last Government was told quite clearly about the problems and how to solve them but did nothing. That is why, as I have indicated before, the deficits continued to rise, notwithstanding that 1974 internal report.

The Government commissioned a report in 1980 by Scicon Associates Limited, Thorne Stephenson and Kellog, Price Waterhouse and Company and this report is called *Report on Fact-Finding Exercises*. I would not read through the whole report because it is very long but I want to read some of the statements that are made.

Mr. Sudama: Would the Minister give way to a question? Was that a public report? Was that made publicly available?

Dr. Samaroo: I was not in the Parliament in 1980 and I cannot indicate whether or not the report was made a parliamentary document. I can indicate that it is very easily available in the library of the CMA and I would expect in the library of this Parliament. It is by no means a secret report and I would really wish that the hon. Member for Oropouche would read it so that he can acquaint himself with the enormity of the problem in 1980. Section 3 page 1:

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"The CMA has never been profitable. It has existed and exists on subventions of the government. Note exchequer and audit ordinance. CMA has no independence of operations."

That is the Scicon Report page 3:

"The major question therefore, can an organization structured and controlled as the CMA is, be effective in the marketing of agricultural produce?"

Similarly, the CMA supplies agricultural inputs to farmers but does not have information on what farmers are growing, where they are located, expected yields, *et cetera*. The relationship between the producers and CMA is therefore not balanced.

With respect to the market the following key points must be noted:

CMA does not buy to service the general market.

CMA cannot refuse to buy items on the guaranteed price list, whether the market wants the product or not.

CMA's centramarts do not carry a full range of products.

CMA's experience with pork indicates that the market responds quickly and positively to quality service.

CMA, especially centramart, does not open for business on the key retail shopping day for agricultural produce namely Saturdays.

Central Marketing Agency is not a market-oriented organization."

I give these indications to indicate the seriousness of the problem.

As I have indicated, things were deteriorating rapidly but nothing was being done to stop the haemorrhage. It required a bold and daring initiative to stem the tide. It is this initiative that has been in planning for the last two years, which will now be attempted as we seek to bring this bill into being. It is against that brief background of the non-operation of the Central Marketing Agency that I would wish to introduce this particular bill that is before us.

I will be dealing with two particular clauses of the bill which I think, get to the meat of the bill, and indicate in precise terms what it is that we are envisaging the CMA to do. The two clauses to which I will be drawing very specific are clauses 9 and 31.

2.30 p.m.

If you look at clause 9(1), Mr. Speaker, it spells out in clear terms what NAMDEVCO will not be seeking to do: That is, everything that the CMA was mandated to do. It would rather facilitate and promote the effective and efficient marketing of agricultural produce and food products. This means that NAMDEVCO, having a thorough understanding of the facilitating functions in the marketing process, such as standardization and market information, will seek firstly to implement a system of standards and grades which would allow for improved trading practices on the local market, as well as guide producers as to the stringent requirements of the export market.

I can report to this honourable House, Mr. Speaker, that this process is already in train at the University where there is a programme of short courses done at the University in collaboration with the Central Marketing Agency, the Sugar Cane Feed Centre, and other experts drawn from people of relevant experience in the wider open society. One of these courses was completed just two weeks ago, and the University is organizing a whole series of courses to be made available to members of the public interested particularly in the export trade.

Secondly, NAMDEVCO will provide an efficient and reliable marketing information service in which producers and the wider category of buyers and sellers can develop confidence. These actions are critical to the penetration of export markets. No organization at present could ignore actions that will link them into the wide possibilities that international markets offer.

Insofar as our export trade in fresh fruits and vegetables is concerned, I wish to indicate the very considerable increase in the value of such export trade between 1986 and 1990, which is all the more reason why it is very important that you set up an institution like NAMDEVCO to look, not only at facilitating the marketing process with reference to local produce, but also to the export market.

In 1986, we exported fresh fruits and vegetables to the value of TT \$1.4 million; in 1987, \$2.7 million; 1988, \$3.9 million; and by 1989, it had risen to \$5.2 million. So that there has been a considerable increase in the volume of exports in fresh fruits and vegetables. In terms of two areas to which we have exported—the United Kingdom: in 1986 we exported just over \$190,000 worth, and by 1989 it had risen to \$629,000. Canada: \$609,000 in 1986 and \$1.07 million in 1990.

The point I am trying to make is that the export trade, particularly with regard to fresh fruits and vegetables, has been slowly but surely increasing, and it is very important that we set up this marketing infrastructure to facilitate the further increase of such exports.

The local private sector has shown considerable entrepreneurship in attempting to respond to the demand existing in the United States and Canada, as I have indicated, the United Kingdom and the Netherlands. In this regard, approval has already been granted by the Central Tenders Board for the purchase of computer equipment by the CMA for linking into a wider regional information services. This system would be compatible with an institution that was formed only last year, the Caribbean Regional Trade Information Service, of which the Export Development Corporation in Port-of-Spain is the focal Caribbean centre. This compatibility will allow the CMA, and now NAMDEVCO and the EDC to access this information source from the Caribbean Agricultural Market Information Service, and both systems will become critical to the information needs of the Caribbean exporter.

It is important to note that in terms of the CMA/NAMDEVCO and relationship with the EDC, there is no duplication, but in fact what one might call cross-compatibility. In other words, I am trying to indicate that NAMDEVCO will be in continuous contact with the EDC in order to facilitate information regarding the Caribbean market, but also markets in the larger world, the world beyond the Caribbean.

Mr. Speaker, back to the bill itself. I wish to point your attention to clause 9(2)(c) where it says quite clearly:

"establish and administer wholesale markets for agricultural produce and food products;"

I have already elaborated on this concept a little earlier on, but it is important to note that in the future it may be quite conceivable that co-operatives and other types of businesses may wish to become more and more actively engaged in the operation of these wholesale markets as they become profitable investments. This type of self-sufficiency is to be encouraged, especially because of the employment generation possibilities of such activities.

I draw your attention to clause 9(2)(d), namely NAMDEVCO's role in advising on policy formulation in respect of retail marketing. That clause clearly outlines

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the role that NAMDEVO will play in providing an essential link between wholesalers on the one hand, and retailers on the other hand. The neglect of this area of closer institutional relationships between agencies responsible for wholesale and retail marketing has led to a disservice being rendered to consumers in the past.

In a small economy with numerous small-scale vendors and wholesalers, the two activities cannot be delinked. There can be no separation between the wholesalers and the retailers. The strategic placing of wholesale markets at points that will allow these markets to need the network of retail markets around them requires close collaboration between NAMDEVCO and the various local government bodies.

The pool of expertise available in agricultural marketing within the proposed NAMDEVCO will liaise on a continuing basis with those responsible at the local government level for retail market development, and a good deal of this information can also be obtained in this Government's proposals for local government reform, devolution and decentralization. This undoubtedly would result in more organized flows of agricultural produce through the marketing system with the attendant benefits of lower costs and increased availability to the consumer.

Mr. Speaker, I want to point your attention to clause 9(2)(e) where NAMDEVCO will facilitate the promotion of agro-industrial development by providing an advisory service. A functional part of the NAMDEVCO establishment will be the agro-industry project development unit. This unit will be staffed with capability in food technology and business analyses, and would be responsible for the conversion of the project ideas of entrepreneurs into proposals that could be entertained by lending agencies such as the Small Business Development Company, which was recently set up primarily to assist those who wish to go into small business; as well as the Agricultural Development Bank.

Here again, it is important to note that there is no duplication between what NAMDEVCO is going to do and the Agricultural Development Bank, since the bank avoids being in the position where it must develop a project, finance the same project and monitor the operations of that particular project.

At the present time, the Central Marketing Agency, indeed, is providing this critical service to the small business sector, and NAMDEVCO will continue to provide this kind of advisory service so that farmers will be able to have

NAMDEVCO assist them, for example, in drawing up feasibility studies, in doing marketing surveys, and thus be enabled to receive assistance thereafter from the Agricultural Development Bank.

As I indicated a while ago, the other important area to which I wish to draw your attention in talking about these essential functions of this new corporation that we are going to set up, begins at clause 31 where it is stated that the corporation will be setting up marketing arrangements for agricultural produce. Subclause (1)(c) states:

"establishing Central Wholesale Markets and prescribing the articles of agricultural produce to be sold therein;"

With respect to marketing arrangements, it is envisaged that in the thrust to increase food production, both for reasons of self-sufficiency as well as for exports, certain commodities will be identified for support by the Ministry of Food Production. All aspects for the production and marketing of these commodities can be developed as part of a marketing scheme and the Ministry may wish to initially subsidize these commodities, and NAMDEVCO would then be the agency responsible for the management of the subsidies and other support actions for the expanded production of these various commodities that are going to be included under the aegis of this new corporation that we are setting up.

These are some of the specific objectives of the Corporation as stated particularly in clauses 9 and 31. I will now go on to talk about some of the actual physical responsibilities that NAMDEVCO will have to handle.

The corporation will be responsible for the operation and maintenance of two major fish markets, namely, those in Port-of-Spain and Orange Valley. Over the last year in particular, the Ministry has expended a considerable sum in the repair and refurbishment of both of these facilities.

As will be pointed out presently these two fish markets provide a very wide range of services. In general terms, however, it would be the corporation's mandate to seek to generate a higher level of income to the fishermen through increased landings whereby their standard of living would be improved. It would be the mandate of the corporation to seek to enhance the development of these fishing centres so that employment opportunities would be increased whereby a greater number of individuals would be encouraged to participate in fishing activities. It would also be the mandate of the corporation to seek to reduce levels of import of fish and fish products as well as provide opportunities for export.

2.45 p.m.

Both Port-of-Spain and Orange Valley which will now come under the management of NAMDEVCO are vital links in our chain of fishing communities. Port-of-Spain markets around 1,000,000 kilograms of fish per year, and Orange Valley markets about 400,000 kilograms. Port-of-Spain is serviced by 40 pirogues and six trawlers, and Orange Valley is serviced by 30 pirogues and 12 trawlers. Port-of-Spain has a register of some 120 fishermen, and Orange Valley has 114. Both these markets provide a whole range of employment for vendors, wholesalers, fish cleaners, and barrowmen to name just a few of the occupations that are associated with the operation of these two fishing centres. But this Government does not consider that these activities are sufficient with respect to both these fishing centres.

Under its new mandate the corporation will be required to provide proper wholesale marketing facilities, both at Orange Valley and Port-of Spain to further facilitate the efficient marketing of fish. These centres' facilities are currently being upgraded to provide better ancillary facilities to fishermen such as boat, engine, net repair, cold storage and packaging facilities.

In the case of the dredging of the Orange Valley area where silting is causing a very serious problem, estimates have been drawn up and we have approached a foreign agency for funding towards the putting of a jetty out into the sea so that the fishermen will not be plagued as they are at the present time in having to bring in their catches of fish.

In the case of Port-of-Spain, the fish market area will serve additionally as a centre for community development, and in both areas there will be the training of fishermen. These two fishing centres, the corporation hopes, will become models of development to other centres under a system of co-operative management. This again, Mr. Speaker, is in keeping with the NAR manifesto where on page 12 we promised producers co-operatives, and I quote from that manifesto:

"As part of the programme to widen participation in industry these co-operatives will be encouraged to undertake primary processing of agricultural and fish products."

In addition to these two fish markets, the bill before us fulfils another long-term need in this country, that is the establishment of wholesale markets. As I indicated to you a short while ago, clause 31 gives a special mandate to the corporation to establish these wholesale markets. The pursuance of this particular

activity has in fact been started. The policy was enunciated in the manifesto, and in anticipation of the passage of this particular NAMDEVCO Bill, and in keeping with the stated policy of the Government, we proceeded to set up these wholesale markets. Two such markets are envisaged in the short term: one at Debe and the other at Orange Grove in the north. The southern wholesale market at Debe being built at a cost of some \$7.6 million is expected to be opened, at the latest, by August of this year. This market will, we hope, provide a model in market development and will provide wholesale marketing facilities and will facilitate the efficient marketing of agricultural produce.

At Debe, in addition, we shall be implementing a marketing information system where inefficiencies in the marketing system would be reduced by a system of information that will provide details to wholesalers as to the operating prices in any other part of the country and also in relation to prices on the international market. In addition to the marketing information system which will be established at Debe, there will be the normal wholesaling facilities and other facilities such as private banks, development financing, community services and recreational facilities as well as areas for the training of farmers.

Mr. Sudama: Would the Minister give way to a question? Since he is speaking about the provision of very necessary services, could he indicate to this House whether the provision of a post office is going to be part of the services available at the wholesale market in Debe?

Dr. Samaroo: Mr. Speaker, my response to that particular question is that if the Member for Oropouche or any other member of the Debe area can make a case for the establishment of a post office at the Debe market, this Government would have no difficulty in seeking to offer that facilitation.

Mr. Sudama: The case has already been made.

Dr. Samaroo: Once the Debe market is opened there will be considerable ease on the overcrowding situation that is now taking place in Penal, Siparia, San Fernando and Princes Town. So that these markets would now function as retail markets feeding from the wholesale base at Debe. In all of this I am trying to indicate to you, Mr. Speaker, that the careful planning by the Government has moved ahead of the legislation, so that as NAMDEVCO goes into stride, it will, we hope, have its first market to manage, as indeed the CMA is at the present time organizing for the preliminary works to start on the northern wholesale market.

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The final consideration which I wish to present to this House, Mr. Speaker, is to give notice of two amendments which I am hoping to introduce at a later stage of the debate, and in order to guide the debate on this particular matter I should like to indicate what these amendments are seeking to do.

The first amendment has to do with clause 4, which seeks to increase the maximum appointable members of the board from eight to nine, and secondly to point out in more precise terms than this bill does, the type of specific skills that we shall seek to accommodate on a board of this nature. So the larger board now being proposed includes a wider range of skills. For example, the amendment indicates that one person should be versed in information technology. So there is a wider range of specific skills that are outlined than in the original bill and in addition it specifies that there must be a representative on the board from the Ministry of Food Production as well as from the Tobago House of Assembly. This amendment also seeks to set a quorum of five, whereas none is mentioned in the original bill.

The second amendment seeks to make a very small change to clause 13. That is, it has as one of the additional persons who may be appointed "shall be a Deputy Chief Executive Officer". Such an Officer is not mentioned in the present clause 13 of the bill. The reason for this is to ensure a smooth assumption of responsibility by a deputy chief executive officer. In the event that for any reason the chief executive officer has to be absent from his function, the deputy chief executive officer will have become acquainted with the work.

2.55.p.m.

We have found some difficulty with the board of the Agricultural Development Bank, where there is not a deputy chairman, so that whenever a deputy chairman has to be appointed to the ADB it has to go to the Cabinet, in addition to which since there is no deputy chairman in the ADB, there is no one on the board who assumes that he is going to take over, in case of absences of the chairman. It is from that experience that we have sought to avoid a similar recurrence in relation to the corporation that we are now seeking to bring into being. Mr. Speaker, these would be the two major amendments which would be introduced later on.

Mr. Speaker, I sought to give, in a limited period of time, an idea of this new corporation that we are seeking to bring into being. As I mentioned earlier on, it has been long in planning. We have very carefully thought about the difficulties that the country has had with the overburdened CMA and we have decided that the

best step that we can now take is to establish a proper marketing system as we had promised in the manifesto. I will seek, later on, Mr. Speaker, when I am responding to Members, to elaborate on other areas of the bill that I might have omitted in this presentation.

I wish to indicate to Members on all sides of the House that it is a very important piece of legislation, it moves us one step forward in the development of the agricultural and fishing centre and I do hope that all Members would very strongly support this bill to provide for the establishment of this National Agricultural Marketing and Development Corporation.

Mr. Humphrey: Would the hon. Member give way to a question? Mr. Speaker, would the hon. Minister indicate what role the corporation will play in respect of Tobago's agriculture? I notice there was no mention of Tobago in his presentation, and I could see no representation of the Tobago House of Assembly.

Dr. Samaroo: Mr. Speaker, it is precisely that, the leaving out of Tobago, that we sought to correct in the amendment I am proposing. This is why I indicated that in the amendment which is to clause 4, we have sought to include a representative of the Tobago House of Assembly as a member of the board of the corporation; in addition to which I did not think it was necessary to specially mention things that we are doing for Tobago. As far as this Ministry is concerned, we deal with a common Trinidad and Tobago, therefore, in all that I have said, Tobago forms a very integral part.

Question proposed.

Mr. Trevor Sudama (Oropouche): Mr. Speaker, today, after a fairly long absence of the sitting of this Parliament, where I understand there were even certain physical risks involved, we have come to debate an area of significance in the economy, that is, the agricultural sector in the economy of Trinidad and Tobago which involves the basic functions of production, distribution and marketing. Although today we are speaking, mainly in terms of the marketing function, you, of course, will realize that all these functions are related.

I want to say, specifically, that when we consider, over the last two decades, that agriculture and agricultural production could only account for between three to four per cent of the gross domestic product of Trinidad and Tobago, that is in itself, given the significance to agricultural resources of this country, an indictment of the policies of 30 years of PNM rule and four and a half years of NAR rule; that in itself is a gross indictment of how this Government has sought to deal with our agricultural resources.

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When the new Government came into office, I understand that the new Minister of Agriculture and Food Production, the hon. Member for St. Ann's East, spent a considerable amount of time drawing up an agricultural development plan. They are all in the habit of drawing up plans and programmes and having many propaganda exercises which bear very little fruit for the benefit of the people of Trinidad and Tobago. I was however a bit taken back, when the Minister presented this bill, he almost quoted, word for word, from that *Agricultural Development Plan*. In his whole presentation of one hour he never had the courtesy to state to this House that those representations actually came from the *Agricultural Development Plan* which was produced by the Member for St. Ann's East, his former colleague, but then, of course, the Minister is that kind of person. He failed to give even that limited credit to his predecessor; and to state that much of what he was telling this House came from the *Agricultural Development Plan* produced by his predecessor. But we understand the—

Dr. Samaroo: Mr. Speaker, could I ask a question? Could I ask whether that person to whom is being ascribed the *Agricultural Development Plan* came from another party or another Government or whether one person wrote the report, as I indicated, from documents produced by this Government? I said decentralization and other reports.

Mr. Sudama: That other report happens to be the basic document called an *Agricultural Development Plan* which was produced under the aegis of the hon. Member for St. Ann's East. That is to show you the small-mindedness of the Member for Nariva.

Mr. Speaker, I want to start off by dealing with the primary functions of this new corporation which in fact, are outlined in clause 9(1) of the bill. It states very clearly, in the Explanatory Note:

"The functions of the Corporation are to create, facilitate and maintain an environment conducive to the efficient marketing of agricultural and food products. . . "

The only assumption which I could come to is that no such environment exists at the moment, because this bill is supposed to create such an environment. No such environment exists for facilitating and maintaining of an environment conducive to the efficient marketing of agricultural and food products.

3.05 p.m.

Again, after 30 years of PNM rule and four and a half years of NAR rule, we are told here, and the admission is, that no such environment operates in Trinidad and Tobago. That is another indication and illustration of what emphasis they

place on the agricultural sector of this country and where the fortunes of those people who are engaged in agriculture lie in the priorities of both the PNM and this NAR regime—a very clear indication. The bill states that they were going to create, facilitate and maintain this environment through the provision of marketing service.

In the Minister's presentation, he spent a lot of time talking about wholesale marketing services, but very little time on retail marketing services which in fact is the critical area of marketing—retail marketing services domestically and of course, the export sphere. The clause also states that the corporation is also geared—to the stimulation of business investment in the agro-industrial sector of Trinidad and Tobago.

Therefore, I am to assume—and it is a very candid admission—that prior to now and prior to the bringing of this bill to Parliament, nothing has been done to stimulate business investment in the agro-industrial sector. If anything had been done through the good offices of the present Government, I am sure the Minister in his lengthy presentation would have made reference to it. But nothing has been done with respect to agro-processing and with respect to the other services and production areas associated with the industrial aspect of agriculture.

When Caroni Limited presented a diversification plan which would have made a thrust into the area of agro-industrial production, it is his Government who frustrated the diversification plan from being implemented and, of course, frustrated the Chairman of Caroni Limited in his endeavours and he had to leave. So that it is now a bit late in the day—four and a half years into their reign, six months to go, or thereabout—and they are talking about stimulating business investment in the agro-industrial sector.

I want to come to the question of what constitutes efficient marketing. What is the Government's perspective with respect to marketing which has to do with pricing for agricultural products, which has to do basically with stimulating and giving incentive to agricultural production? From what I could have gleaned in the Minister's presentation, he is confused as to the distinction between efficiency and profitability. He does not understand the distinction between efficiency of operations and the profitability of operations. He is very confused, simply because they have this perspective that everything must look profitable in terms of dollars and cents. This accounting mentality, so ably represented by the Member for Point Fortin is a philosophy and ideology imposed from the IMF in

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Washington, that regardless of the consequences, you must be profitable. Profitability has to do with pricing and here you are dealing with basic commodities and necessities and if this thing is to be profitable, obviously the prices would have to go up. When the prices go up, what effect would that have on providing basic necessities to the small man in Trinidad and Tobago? The small man is never a part of their perspective. When basic commodities go out of his reach and he cannot purchase fish at \$10.00 per pound—and they are streamlining marketing facilities in fish. Yesterday you could not get fish for less than \$10.00 per pound.

When you look at the average wages of the man-in-the-street and when you look at the condition of unemployment in this country, you will understand why starvation is so rampant in Trinidad and Tobago; why they have to come up with these electoral schemes of ECHO to try to feed starving people selectively, of course, through NAR organizations. It is simply because their policy in agriculture and elsewhere have not been directed to the average man in this country—the small income man in Trinidad and Tobago.

We understand where this perspective and the ideology imposed came from. They are imposed by the International Monetary Fund, to whom the Government has to go and get concession facilities. They have decided that you have to pursue constrained market policies. Everything must pay its way, dollars and cents. Pricing policies might be put in place where you do not lose money, regardless of what happens to the citizens of the country: whether they starve, die, become vagrants, or eat out of dustbins in Trinidad and Tobago. This is not a concern of this Minister or his reactionary Government.

Mr. Speaker, I want to come back to the issue of the distinction between the subsidy, profitability and efficiency. Agriculture all over the world has elements of subsidy associated with it and that is a world-wide phenomenon, except, they want to be an exception to what is going on all over the world. The question for us to answer is: given the fact that agriculture provides the basic necessity in Trinidad and Tobago, to what extent would we subsidize that activity having determined the extent to which you would subsidize given the prices available in Trinidad and the general structure of prices in the economy? Then you decide that whatever you do, you will do it efficiently. Then you decide that from your marketing facility to your central marketing operations or NAMDEVCO—whatever it is called—ought to be done efficiently.

3.15 p.m.

The criterion for efficiency is not necessarily a monetary one, because if people are carrying on their mandate—which would be both—when you are dealing with the marketing functions, the implication has to be that the marketing functions would both facilitate production and would facilitate the consumer. Then when you have that perspective with respect to your marketing functions, you will try to devise your most efficient marketing function to serve and at the same time to keep prices at a reasonable level within the reach of the average consumer.

In his presentation, he has given no indication of what really is the objective of this new corporation he is seeking to introduce here this afternoon, in fact, which is related to the perspective of his Government on agriculture generally. He just came here to mouth things about doling out money. I am today not defending the previous regime, Mr. Speaker, I want to make that absolutely clear and later in my presentation, I am going to talk about the gross inefficiencies of the Central Marketing Agency which was tolerated by the previous regime.

For this Government in 1991 to come here to talk about doling out money, it is amazing, when it is doing that on a daily basis. Right now it is doling out money under the LID Programme which is an electoral programme—it is no longer a construction programme—to try to win an election—and through ECHO, YTEPP, YESS, or whatever they are called. When you look at these programmes really, and the manner in which they are being pursued by that Government it is really a question of doling out money for patronage purposes in order to get electoral advantage. The Minister came here today and talked about doling out money under the Central Marketing Agency. He is the last person to talk about doling out money.

The Minister talked also about artificial prices. Mr. Speaker, maybe his knowledge of economics is rather limited. There has never been, in the history of the world, and will never be, a situation of completely free markets. Therefore, the prices which you get out of what they call “free market forces” and so on, are prices which are in a way manipulated to varying degrees. In a sense, one can say today, that all prices have an element of artificiality. What he probably wants to say is that the prices which they want to introduce, as a result of the operation of this bill, will be more greatly influenced by market forces. But the whole idea about artificial prices—and prices which are within the reach of the average consumer—is that you can have what is called “effective demand”. An

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“effective demand” is a very relevant concept because people can demand things but if they do not have the money to purchase them, then there is no “effective demands”. Therefore prices must be related to that.

What constitutes effective demand and how does it relate to the prices prevailing at a particular point in time? He talked about artificial prices. Artificial to whom and for what purpose? I cannot, as I said, stand here to defend inefficiency. But the Central Marketing Agency was formed and created for a certain purpose. Was it serving its purpose but serving it inefficiently? That is the question he should address. There was a lot of corruption and wastage and so on, in which case what you should do, is try to stop the corruption, and wastage. Is it so? Or was it that the CMA was not at all serving the functions for which it was created? In which case he should tell us why. Was it a necessary function or not? If so, was it serving its function? We have no clear indication of that. All we are told is that we have to replace the Central Marketing Agency and bring in NAMDEVCO.

Now, he did indicate about the performance of the Central Marketing Agency and I understand that some of the functions of that Agency and the resources are to be taken over by the new corporation. But this new corporation has no legal entity at this point in time. It does not have a legal personality. Yet, without having a legal personality, I have been looking at some past reports in the press and it is as if NAMDEVCO is already functioning. A decision had been made by the Cabinet—when I looked at the *Trinidad Guardian* of July 18, 1988, I see here a big headline—

"207 TO GO IN BIG CMA SHAKE UP—Minister approves proposals for transformation."

And in the *Trinidad Guardian* of April 15, 1989—two years ago—we were told definitely, according to this report, that—

"148 workers... go as CMA gives way to NAMDEVCO..."

Once it was 207 now it is 148. A total of 148 workers go. Not in the future tense, in the present tense.

So, two years ago, this Government was behaving as if NAMDEVCO, the National Agricultural Marketing and Development Corporation, was already in existence and workers, who could not be absorbed in the new operations, were fired. One wonders whether that is not a usurpation of the function of this

House, which is the only authority of the whole country to pass legislation to give effect to a corporation which will have legal existence. Here you have, two years prior to this, the Government behaving in the same way. It behaved as if the Regularization of Tenure Act, 1986 had already been repealed and took alternative measures without coming to Parliament to repeal that Act. This government is doing the same thing. It is anticipating what this House will do and I think that is contempt of this House. But then nothing is beyond this Government.

3.25 p.m.

The Government has gone ahead as if NAMDEVCO is already in operation. NAMDEVCO is supposed to take over some of the functions of the Central Marketing Agency and the last audited account of this Agency which I have was for the period ending December 31, 1981. That is exactly 10 years ago. I do not know if any further accounts were available after that period but they were not available to me. They come and talk about accountability. If there was laxity under the regime of the previous Government, I wonder what they were doing during the last four and a half years to bring accountability as a reality in the finances of this country. It is just old talk. When I look at the 1981 accounts there are all sorts of observations by the Auditor General which I think any self-respecting Government would address and try to correct.

Let me point out certain things. This is a government-operated institution where there should be basic accounting practices and standards. We are told in the Auditor General's report that the deficit at the end of 1981 was \$6,515,389. You would never believe that for such a relatively small operation, sales and purchases figures were not verified as all relevant documents were not produced for audit. This report goes to the Government and from all accounts the Government does nothing about the situation where the Central Marketing Agency is not able to produce sales and purchases figures. All these avenues and opportunities for corruption are there.

Stock—\$2,256,005 and the Auditor General notes that certain weaknesses were observed in the purchase, sale and storage of stocks as well as in the stock-taking procedures. All relevant documents were not produced. As a result, the figure of \$2,256,005 was not verified. That would have been just \$256,000 in stock and not \$2,256,005.

A contingent liability of \$1,397,121 in respect of rental charges billed to the Central Marketing Agency by the Port Authority has not been disclosed in the

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financial statement, irregularities which presumably came to surface under the NAR Government. It is not good enough to come and talk about the inefficiency and laxity of the previous regime. As a Government supposedly committed to accountability and rooting out corruption in Trinidad and Tobago, what have you done about it? It is a reality that corruption has been condoned, as it has never been condoned before, under this NAR regime.

I want to come to another issue—I am quite willing to assist the Member for Diego Martin Central and his party in anything which will promote the interest of this country. I have that commitment to the people of this country. If there is any additional thing that I could do for him, I am quite willing to assist—I thought he might have made mention of a matter which came up under the regime of this Government, and this is a scandal which deals with the dumping of \$2.2 million of contaminated meat. The *Trinidad Guardian* dated October 24, 1987 headlined "CMA Dumps \$2.2 million Worth of Contaminated Meat". It is a lot of money, expenditure, resources related to the scale of operations of the Central Marketing Agency. Has he made an investigation as to why \$2.2 million worth of meat was contaminated? Who was responsible and if anyone was responsible what action was taken to bring a measure of efficiency in the operations of the Central Marketing Agency under your control?

There are all sorts of speculation. There was talk about one of the chilling facilities leaking and this went on for five weeks. When you look at the correspondence in letters to the newspapers, a leak which developed on September 19, 1987, was not observed until the middle of October 1987.

One person wrote to the newspapers and said he could not understand this; if the refrigeration was done through ammonia even if the leak could not have been seen, ammonia is one of the chemicals which has the most pungent smell in the whole world. I am wondering whether they were at this cold storage plant in Chaguaramas. What has this Minister or the previous Minister done about setting an investigation in train, because it is a management problem and efficiency has to do with management. Not only that, the whole issue of corruption involved in the operation of that plant.

I have a report from the *Express* dated November 16, 1987. I want to read a section of this report which relates to matters existing in 1982, obviously under the regime of my good friend the Member for Diego Martin Central.

"The *Express* understands that a Director of the Board of the Central Marketing Agency, who is also the Managing Director—owner of a company

listed under the Business Name Act at the Registrar General's Office, had bid for the contract while still on the CMA Board of Directors".

That is a contract for the repair of the cold storage utility.

Were you or were you not aware of this? Did you or did you not try to probe this? Or was it an NAR man who has switched his loyalties, so there is no need to probe as there is no need to probe a construction company from Avocat, one of whose members is a Minister of Government? That construction company has failed to hand over income tax and national insurance contributions to the Inland Revenue Department. Once you are a top NAR man you can flaunt the law with impunity. He is now campaigning heavily in Oropouche but the campaign really has not started as yet, but when it starts we will see.

3.35 p.m.

[MR. DEPUTY SPEAKER *in the Chair*]

I continue to quote here:

"The director who was later awarded a \$7.9 million contract resigned from the company on March 20, 1982. The contract was already dealt with, and then the contract was awarded to him on June 2, 1982".

True, the past regime was corrupt and tolerated and condoned corruption. I want to know what you have done about it.

Mr. Deputy Speaker, I would have thought that the Minister in his presentation would have told us something about the assets of the Central Marketing Agency transferred to a co-operative, currently in the hands of a co-operative. I believe that co-operative was formed under the regime of that Minister. We are not against workers getting together to form co-operatives in order to protect their jobs; in order to have wider ownership and wider participation in the productive process, the marketing process and the economic process in this country. Obviously, this is part and parcel of our own philosophy on this side.

On what terms and conditions was this co-operative formed? What were the terms and conditions under which these assets were transferred, and are those terms and conditions being currently satisfied? I understand they were transferred for little or nothing, whatever stuff there was, whatever equipment, *etc.*, and up to this point in time, that co-operative has made no payment to the

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Government under the terms of the agreement. It has not satisfied the terms of the agreement on which the transfer of resources were made.

Now, could the Minister tell us whether the resources which were assets and resources under the control of the CMA is a dead letter as far as those assets and resources are needed to be transferred to the NAMDEVCO, the new corporation? What is the status of this co-operative? Was it another act of political patronage—we have to know, we have to ask—where you are talking about doling out money? He came here to this House talking about doling out money—the previous government—but they are concerned with efficiency and profitability, and so on. Yet you cannot come here to this House to account as to what transpired with respect to this transaction between the CMA, his Ministry and the co-operative society formed to carry on whatever activities in the marketing sphere that is still available.

Mr. Deputy Speaker, I want to say something about the marketing of paddy, which I assume would be subsumed under the NAMDEVCO operations. I do not know whether that aspect of marketing will be so subsumed.

There is an organization called the Trinidad Islandwide Rice Growers Association whose president is one Chaitram Guyah. There is some dispute as to who really has the support of rice farmers in Trinidad and Tobago, but they chose to deal with this gentleman who lives in my constituency and who is their chief campaign manager in that area, a campaign manager for the NAR in the San Franciscan area, and to whom all sort of accreditation is given.

We have asked continuously that if that organization has to have credibility, then every rice farmer has to have an input in selecting their representatives on that organization, the executive officers of that organization. Obviously, they have limited support among rice farmers, but it is in this Government's interest not to insist on that simply because it is using this gentleman and a little clique in that area to push its own political fortunes, or misfortunes as the case may be.

Rice farmers get 89 cents a pound for the paddy which they produce, but that is now going to be revised under a grading system. I think the maximum they will get is 89 cents a pound, and depending on the moisture content, they might get an average of 60 cents a pound, but that 60 cents a pound has to cover the cost of production, the cost of transport to the National Flour Mills, to the rice mill at Carlsen Field, and they have an organization representing their interests. I believe that, coming nearer to the election, they may, in an attempt to fool rice farmers,

increase that subsidy price, ncrease the maximum, but not the average price because that is determined by the moisture content.

Is this Government serious about promoting the rice industry in Trinidad and Tobago? Farmers have complained that the cost of their transport is too heavy. After paying transport, and then going to the mill in Carlsen Field, there are days when they cannot sell their rice and they have to transport it back to their homes, go back again to the mill to see if their rice will be purchased. Yet the Government has this cordial relationship with the Trinidad Islandwide Rice Growers Association. What a relationship, as I said, which is only to secure electoral advantage and not for the purpose of looking after the benefits of rice farmers.

What have you done with respect to the drainage problems, the infrastructure, the problem of agricultural access roads, the problem of getting the right supply, the right kind of seed for the rice farmers, and then, of course, looking at the aspects of marketing and distribution? All that we hear is that the Minister goes down from time to time to these cronies in the Oropouche constituency to make a cook and to have a lime and to make a big release in the press as to what they are supposedly doing to enhance the benefits for rice farmers in Trinidad and Tobago. The rice farmers are treated with contempt by the National Flour Mills, and yet the Government says it has the interests of the rice farmers at heart.

I know what his response will be. His response will be that as a result of Government's policy, rice production has increased over the years in Trinidad and Tobago. I do not have the exact figures, but they claim that rice production has increased. I want to tell him why rice production has increased. It has nothing to do with Government's policy, absolutely nothing to do with Government's policy. Because of the heavy retrenchment which has taken place throughout Trinidad and Tobago, many people who were previously employed in paid employment have now got to seek employment in the subsistence agricultural sector in order to keep body and soul together, and many of them have gone into rice production. *[Interruption]* Retrenchment is as a result of Government's policy. That has been the basic reason why price production has increased, because those who have gone into it with the kind of work involved where you work, Mr. Deputy Speaker—I do not know if you are aware of this—where people in the rice fields work in knee deep mud 8—12 hours a day. They work with their children and their family.

Mr. Deputy Speaker: The speaking time of the hon. Member has expired.

Motion made, That the hon. Member's speaking time be extended by 30 minutes. [*Mr. R. Palackdharrysingh*]

Question put and agreed to.

Mr. Sudama: I was making the point about the superhuman efforts that have to be made by people engaged in rice production in order for them to keep body and soul together and where they have to employ their whole family; where they have to work in conditions under which no other group in Trinidad and Tobago will work in order to produce rice and in order to get this small price for their labours.

They are so concerned about rice farmers, so very concerned, and if you ask them what they have done to improve the lives of rice farmers in this country, they might point out to some release that Chaitram Guyah has given as to what has been realized for the benefit of rice farmers. It is this kind of deviousness, propagandism, propagandist approach to the problems of this country to which this country is now violently opposed, because they will know the results in due course of time.

I want to say a few words about the Debe wholesale market which has been located in my own constituency of Oropouche and where the decision to locate that was made as a result of representation made by me to the then Minister of Food Production. It was by chance I saw in the newspaper that the Ministry of Food Production would be engaged in the development of two major wholesale markets: one in the north and one in the south. Immediately I saw that in the newspaper, I wrote the then Minister of Food Production in January 1988, and I pointed out the reasons why a wholesale produce market should be located in an area such as Debe in the Oropouche Lagoon simply because that location will service very well, the outlying areas. I pointed out to him the communication advantages and all the other advantages which would accrue to farmers and the ease with which that location could be accessed. I did not get a reply to my letter, but then I do not expect a reply to communication by this Government.

Nevertheless, as a result of that representation, it was decided to locate this market in Debe to facilitate farmers who were producers. But there are a number of problems with the siting of that market. I say this today because when the campaign gets warmed up, their representatives down there, this Minister whose company cannot pay over income tax and national insurance savings, will go

around and claim that as a result of his representation, a wholesale market was constructed in Debe. We will get all these misrepresentations being made and that is why I am making that point here today and I will have to repeat it on the platform.

3.50 p.m.

I have already questioned in this House the siting of the market and I have adverted to the reasons why it was necessary to spend \$750,000, which is fully 10 per cent of the cost of the market, merely to fill up the land, when an alternative site a few hundred yards from that location would have been cheaper. But then maybe this regime has a certain thing going with Alemlia John, we do not know, who got the contract to do the filling and at least the decision to fill was taken when my good friend from St. Ann's East was the Minister of Food Production.

Mr. Myers: Mr. Deputy Speaker, just for clarification, largely as a result of the sequencing of the words that have been used by the Member for Oropouche, the fact is that the decision was taken during my tenure in that Ministry and the work had gone on, which I am quite proud about and I think we have taken a correct decision. However, I should like to emphatically point out that the contract was awarded by the Central Tenders Board and "Yours Truly" had nothing to do with that process. I am quite happy that the people of the Oropouche Lagoon are having their market, and all kinds of people will take credit for it but I just did the work which I had to do.

Mr. Sudama: We have heard these quarrels before, that the Central Tenders Board is an independent institution and, therefore, it is not influenced in any way by Government Ministers. We have been hearing this for 34-odd years and we have also been hearing about rampant corruption for 34-odd years. This cuts no ice with anybody. You can repeat that *ad nauseam* and nobody would think that you are in the least being credible.

What is happening, however, is that site, as a result of the filling, is creating flooding problems. I pointed this out to the Central Marketing Agency that action was needed to deal with flooding problems created as a result of the filling up of that piece of land which was a pond area. You may well end up with a wholesale market but to get to it you may have to go through three feet of water. This is the planning in which our goodly Minister from St. Ann's East has been involved. That is all they are capable of.

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Mr. Deputy Speaker, I want to now deal with another matter which has to do with the composition of the board of the new corporation which is being introduced in this bill. I am afraid I do not have a copy of that amendment because I did not receive any, but I heard of the amendment because he did mention it in his presentation. I want to make one point about the amendment, and that is, we are going to have an extended board, and I say, "fine, it will incorporate many more interests on that board."

I am amazed that you have a board and they are given criteria on the basis on which they will be appointed. For example, no fewer than six members are to be appointed by the President, each of whom shall respectively have special qualifications and experience in matters related to business management, finance or management accounting—it looks as if the Minister of Finance is only concerned about accounting—produce marketing and trade, not producers, mind you, who are involved in production, food technology or agro-industry, information technology and agricultural production.

I would have thought, first of all, that farmers' representatives would have been on this board. You can have people who are representatives of agricultural production but they could be large producers; or they could be specialized producers; or they could be producers who have a special relationship with the NAR Government. But *bona fide* farmers' representatives cannot find a place on this board which is to facilitate marketing and creating an environment in this county for the efficient marketing of agricultural produce and stimulation of business investment. They cannot find the will to put in *bona fide* farmers' representatives on this board according to the criteria that we have here.

But more significantly, Mr. Deputy Speaker, wholesale markets do not exist in a vacuum. The whole marketing chain is related—from produce, of course, to wholesale, to retail. You cannot look at wholesale marketing in isolation. But people who are representatives of retail marketing cannot find a place on this board. They do not count. The only time that people who are involved in retail marketing count is when this Government wants to demolish the vendors' shacks along the highways and elsewhere in a most oppressive fashion—damage and throw their produce away and prevent them from marketing and retailing at that level. That is the only time that retailers come into purview as far as this Government is concerned. A most autocratic, a most uncaring, a most vindictive Government when it comes to their relationship with the vendors, the retailers of

this country, the people who try to eke out a living simply because jobs are not available and simply because they have to go to areas where people pass.

They have now located the vendors along the highway at the market in Macoya. They have built some cubicles at Macoya and told them, "Do not vend on the highway, vend at Macoya." I do not know if the Minister has gone there to find out what is the sale like at Macoya. We have promised to build lay-bys in order to facilitate vending at strategic points because these are the areas where the traffic flows, and in order to deal with the traffic problem you build lay-bys. This Government which is spending millions and millions of dollars in schemes, trying to win the next election, cannot find a few hundred thousand dollars to build lay-bys to facilitate vendors along the highways, simply because there are other interests involved which they have to placate by removing the vendors and sending them to areas where they could hardly make a living.

There are numerous vendors' associations in Trinidad and Tobago and one would have thought that the perspective of the vendors would have been taken into account in representation on the board of the new National Agricultural Marketing and Development Corporation. But, for them, vendors do not count, and their views and wishes are of no concern to this heartless Government that we have in power today.

4.00 p.m.

Secondly, Mr. Deputy Speaker, retail marketing is under the jurisdiction of the local government authorities throughout Trinidad. So that the maintenance of retail markets and regulations for retail markets are under the control and responsibility of all these boroughs, county councils and city councils that we have. I would have thought that in order to have a co-ordinated perspective with respect to wholesaling and retailing and the people who are responsible for retail markets, they might have included, among the board of directors of this corporation, a representative of the local government bodies in Trinidad simply because they have responsibility for retail markets. But that could never be, because in his stint as Minister of Decentralization he and his successor are doing their utmost to destroy local government in this country, to deprive them of funding, to usurp their functions. All these programmes that they have, LIDP, YTEPP, ECHO and so on, should be local government programmes; community development. But even in their legally assigned responsibilities under the Act, they are depriving local government of funds.

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Up to now St. Patrick and Victoria County Councils have not received any money—three and a half months has gone in the year—no money for development expenditure by these local government authorities, simply because they are under the control of the UNC. But Caroni, which is under the control of a crony of theirs, has received development money. So you see the discrimination and selectivity under which they operate. They are no better, perhaps even worse, than the previous regime in this respect. If it is possible to be worse than the previous regime with their discriminatory practices, it is this regime; that Minister of Decentralization and his successor have given us some of the worst examples we have of these blatant attempts to suppress local government in Trinidad and Tobago and merely for political purposes, and to promote their own dubious political ends. I would have thought that they would have included a representative of the local government bodies on this, simply because they have to do with retail marketing of produce. But they do not do that. Instead, they have made it a point of duty to put a representative of the Tobago House of Assembly. A representative of the Tobago House of Assembly is catered for in this legislation, but they cannot find room for a representative of local government bodies in Trinidad and Tobago.

Mr. Deputy Speaker, he spoke about the increase in volume in the exports of fresh fruits and vegetables. Yes, people have been exporting; they have been looking at avenues in order to make a living. The export market is one of very great potential and they never cease to make the point that every time we go overseas to the United States, Canada or the United Kingdom, we are told by citizens of Trinidad and Tobago resident there, of the enormous potential of things being produced here which they would like to have there, and that the scope of demand is virtually unlimited.

So, when you talk about increase in the value of exports between 1986 and 1989 and you merely use global figures, you are not dealing with the problem of what is the potential demand, and what you are producing and exporting relates to that potential demand. To talk about \$5 million of exports in fruits and vegetables for a whole year for Trinidad and Tobago externally, is a joke, when the potential demand could be anything like maybe \$100 million. They have done precious little to try to meet that demand and at the same time deal with the unemployment problems, and so on, which we face here in Trinidad.

They talk about streamlining the procedures of marketing and so on but they have said not a word about agro-processing. How is agro-processing to be

encouraged? Will the Government itself get into that area of activity or will it, by virtue of incentives, get other people to venture into agro-processing? Because if you go into agro-processing, you will try to deal with the problem of glut in markets and scarcity, simply because when there is a period of glut the surplus could be processed and made available at other periods of time and, therefore, you would be able to, in a way, average out the prices of agricultural products. It could also serve as an incentive, simply because you will try to induce a larger volume of production by having agro-processing facilities in place and encouraging that. But I think that would be a little difficult for this Government to encompass.

Apart from going on television and announcing what they think they have done, not what they have actually done; what programmes and policies they think they are pursuing, not in reality what they are actually pursuing, they think that this is good enough. We hear about the fish markets at Port-of-Spain and Orange Field and how they are being improved and so on. They are being improved and streamlined and the price of fish is going up from day to day. What is the reason for this? Is it because you are not encouraging people to get more involved in fishing and, therefore, the amount of catch that is obtained is smaller than in previous years? Is that the fact? That could hardly be the case. You will think that when the price of fish is going up people would have an incentive to catch more fish in order to make money. Or is it the case that a lot of the fish which is being caught, is exported? I have no problem with fish being exported in increasing quantities. But while you are doing that, how do you maintain and balance what is a basic commodity, and what is available in Trinidad and Tobago for the benefit of local citizens? How do you maintain that balance? What sort of policies should you put in place to maintain that kind of balance?

4.10 p.m.

It seems to me, in the kind of monolithic quest to just get in foreign exchange earnings, that they are not concerned with the welfare of the citizens of Trinidad and Tobago. It is a certain mind set. So while you have teak forest resources, you do not try to add value to that in order to create employment and production here, you sell them wholesale lock, stock and barrel to India. You sell your raw teak to India instead of giving incentives to the saw milling industry and other areas.

Now I understand that they want to export the natural gas to Puerto Rico, so it is the same thinking. You become an exporter of raw materials and you do not ever try to add value to the indigenous resources we have here, in order to pursue

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the objectives of economic growth and dealing with the unemployment problems and whatever it is.

As I said before, this Government is one with a sellout mentality. Sell it out, whatever it is, for short-term gain, just to improve the balance of payments position in a certain quarter to make it look good. They sell out all our resources in the same way that they are facilitating the sale of large quantities of our fish. I understand that fish caught off our waters do not even reach the shores of Trinidad and Tobago; they do not know how much is caught and what is not caught but Venezuela and other countries have a field day out there. They talk about the patrimony of Trinidad and Tobago! Now we have been told that they are going to streamline the marketing facilities in fish. And they want to be credible in Trinidad and Tobago!

Mr. Deputy Speaker, their commitment to agriculture and agricultural production is very plain from the allocations in the budget which they have been making from time to time. Look at the percentage of development expenditure allocated to the infrastructure of agriculture as against what is allocated to other areas of the economy. When they do talk about it—and in this budget they were talking about agricultural production—what they are doing and in every area, if they are talking about agricultural access roads, they set up a committee to discuss the feasibility of creating agricultural access roads. After 30 years of the rule of one regime and four and a half years of the rule of this regime, we need a feasibility study for creating the infrastructure for irrigation and drainage. Feasibility study is needed for doing something about the Oropouche Lagoon; feasibility studies for maintaining and improving agricultural access roads. There is always the need in agriculture for feasibility studies. They will never stop studying agriculture and the reason for that is simple—those who may stand to benefit initially.

Now the whole country will benefit eventually from improved agricultural production, from generally lower prices, from the improved efficiency of farmers and so on. The whole country benefits by virtue of the range of agriculture produce available and the prices at which they are available. The shorter-term benefits, however, may come more directly to the people actually involved in the production and marketing of agricultural produce. That group of people has never found favour with the last regime, as they now are not finding favour with the present regime. So that is the basis of their agricultural policy, who is to benefit in the short term and if it is not people who find favour with them, then the

agricultural policy and programme will be of the type which they have put forward, of the jejune type, without any worth, without any substance and merely meant to camouflage and deceive the population.

This National Agricultural Marketing and Development Corporation Bill, I am afraid—given the experience we have had before and given the way in which this Government has operated for the last four and a half years—will not prove any more beneficial to agriculture and to marketing in this country than its predecessors have proved. Thank you.

Mr. Kenneth Valley (*Diego Martin Central*): Mr. Deputy Speaker, I stand to make a contribution on this bill simply to attempt once more to caution this Government against the wholesale movement to the market economy concept. Listening to the Minister, one saw quite clearly that this Government is intent on ensuring a profit maximization objective from its organization, NAMDEVCO. In his criticisms of the Central Marketing Agency, it was clear that the Minister did not appreciate the purpose or the objective of that agency.

We in Trinidad have long realized that what we want from our agricultural sector first and foremost, is food security; as much food security as we could get. Our objective must be to minimize our import bill for food and if that is the objective and if the Minister understands that objective, then I am sure he would have made a different contribution here today. Given that objective, one can see the developmental role for an organization such as the CMA or a developmental role for any new organization with which one would want to supplant CMA.

If we go back to the birth of the Central Marketing Agency, we would see that it grew out of a period when the Government was engaged in putting down the economic infrastructure in Trinidad and Tobago, as it were. It was in the late 1960s that we had the Development Loans Act, the Central Bank Act, the banking legislation, the Development Finance Corporation, CMA, all of these institutions which were important to a young nation that had just gained independence. Fundamental, simple to understand. We had moved into independence, we were putting down our infrastructure so that we could move on.

Rather than the Minister complimenting the foresight of the previous Government in organizing the CMA, here he was complaining. We must understand that he is not an agriculturist, he is a historian. I am not an agriculturist, but what I do know and because I come from that caring vein, I understand that in agriculture the risks are high. If one is interested in food

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security, then one would see the need for giving certain incentives to the agricultural sector. Of course, one would want to give certain price guarantees. We have that in other fields. When we are setting up an industrial project, the Minister of Finance could tell him, they would try to arrange take or pay agreements with customers. We would do that to reduce risks.

4.20 p.m.

Similarly, if a caring Government wants agriculture to flourish in the country, and we heard the previous Speaker, the Member for Oropouche complain that even after 30 years, the contribution to the GDP is still three per cent, you have to wonder what it would have been had it not been for the incentives given by the Government. Certain things are facts. So the fact that the Government had to provide guaranteed prices, the fact that the CMA had to take hogs or pigs even though there was a glut, is not unique to Trinidad and Tobago. The structure of agriculture in the developed countries is very similar. In the USA they do that all the time. They pay farmers to dump stuff because they understand the need or the importance of food security.

Then, of course the important distinction made by the Member for Oropouche, the concept that there is a distinction between efficiency and profit maximization; that it does not matter what organization we have, we would expect that organization to be efficient and we must have the measuring rods, as it were, to measure efficiency. In some cases it might be the bottom line, in others, it is not. When we are talking about a developmental institution such as the CMA, then the bottom line is not the appropriate measuring rod. So to say that the CMA made a loss of this and that, is to misunderstand the whole issue and really, to show one's unsuitability in the role of Minister of Agriculture and Food Production. That is what it shows. It demonstrates a lack of understanding of what is required. It is the same old argument with respect to BWIA. I have argued time and time again that when we look at BWIA, we want efficiency. I would be happy if BWIA can turn a profit but the objective must be efficiency because BWIA's bottom line could never tell the whole story about BWIA. BWIA is trade and commerce with the outside world. We have to understand these things, otherwise we would continue fudging numbers and saying we have growth when we have decline. We would continue to rely on public relations rather than deal with the economy.

We see the problem as an ideological one. We see that we have a government that really has picked up "Thatcherism/Reaganomics" market. In spite of the fact

that John Major is now saying, "Look, I am no Thatcher, I do not want any part of Thatcher." It is not working. They are doing that but they are not hearing. They are still following the market. Now let us face it, there are some things that are best left for the market to decide. In any economy, one must understand that there are winners and losers and there must be support systems for the losers. Especially in Third World economy, the Government must take a leadership role in some sectors of the economy. Agriculture must be one of them.

So I am asking this Government to understand clearly what it is doing and to understand the nature of the beast with which it is dealing because, in my view, this bill is merely make work. There is no useful purpose served by bringing this bill to Parliament. There is nothing the Minister has said that cannot be done under the existing legislation. There might be inefficiency. Let us face it, in any organization at any time, there will be fat that you can always go in and cut. You can always make an organization more efficient by changing the Board or retrenching employees. *[Interruption]*

Listen, I am a businessman. They are two different situations. Look, the CMA is an organization, if its current efficient staff level is 50 and you have 400, retrench and get down lean and mean. There is nothing wrong with that. At no time at all has the PNM advocated inefficiency in operations. The PNM says "care," do not be "carefree". There must be caring with care. That is all we are saying.

Mr. Deputy Speaker, I thought I would make this little interjection, if that is the correct word, simply to advise my Government—the Government of Trinidad and Tobago—to come off this market economy kick on everything. I have had cause to counsel them before and I am saying it again. Sometime ago—I think it was a month ago—in this House here, we got a copy of TELCO's 1989 Report and when I looked at that, honestly I felt like crying, when one considers that we have given away our telephone company because this Government would not listen. Other than depreciation in 1989, TELCO made a profit. In 1990, from what I understand, even with depreciation, the company would be making some \$85 million worth in profit. But they will say it is the new management.

The Minister should know that. He was there. Right after he did a number of things, they brought in a guy—this is what I do not understand with him. He knows what they did to him. Suddenly it was this magician who did all the magic. You see, because that is what they do. Here you have, the Government which spent \$1 billion in TELCO, they have it as accumulated loss. So the Government of Trinidad and Tobago has already lost a billion dollars there. Now they are

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taking that same \$1 billion and allowing the company to use it as a tax shield against future profits—two bites of the same cherry.

Mr. Wilson: Mr. Deputy Speaker, on a matter of information. He was one of the “they” that did it to me.

Mr. Valley: You know this NAR Government and their politicians would sink to any depth. They say “lie” is a bad word in Parliament, well let me say that the Minister is a stranger to the truth. He knows that very well. He sat quietly by and let them do it to him. The people who did it to him are his friends today. *[Crosstalk]*. You see he provokes me then tells me that I hit him below the belt and all sorts of things.

Mr. Deputy Speaker, let me continue because I want to make a point with respect to small business. *[Interruption]* I was the leader of the team when we organized some of TELCO's loan. He was on the team but I was the leader, of course.

When we look at the small business sector and see what has happened, you understand clearly the thinking of the Government. Here you have a situation where the previous Government had an arrangement where the small businessman could have approached a window, get loans at seven and a half per cent over an eight-year period. One knows how difficult it is for the small businessman to make it. So you try and help by allowing loans at sub-market rates. Not so with this Government. That is not good. So they now have a situation where they have a loan guarantee. The loan, first of all, the maturity is five years—so you are talking about a shorter period—and the loan is prime plus 14, 14 1/2 or 15 per cent and in addition, they have to pay a one per cent guarantee fee. So that the small businessman does not have a hope in hell to make it.

4.30 p.m.

They tell me that interest rate does not matter or that maturity structure does not matter. I suppose that everything I learnt in finance has gone up, because if your maturity structure is shorter and your interest rate is much more then your monthly commitment is much more and it is then hard to meet. So that whereas we were trying to give the small businessman a chance to survive and to make it, knowing full well that in any society it is the small businesses that really employ people, and not the few large businesses like Neal and Massy—do you know that they want to give Neal and Massy everything? Neal and Massy are the only

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people who can import tyres from Barbados. Before, you had the small people importing tyres and they were getting licences; now it is only Neal and Massy who can import tyres from Jamaica. What are they doing with our society? They want to know why they are unpopular?

Mr. Deputy Speaker, I merely counsel this Government once more. I thank you.

Motion made and question proposed, That the House do now adjourn to Wednesday, April 17, 1991 at 1.30 p.m. [Dr. B. Tewarie]

Question put and agreed to.

House adjourned accordingly.

Adjourned at 4.33 p.m.