

Leave of Absence

Friday, September 18, 1992

HOUSE OF REPRESENTATIVES

Friday, September 18, 1992

The House met at 1.40 p.m.

PRAYERS

[MADAM SPEAKER *in the Chair*]

LEAVE OF ABSENCE

Madam Speaker: Hon. Members, I have granted leave of absence to the Member for St. Ann's East (Mr. Wendell Mottley) from today's sitting of the House.

PETITIONS

Amarjyoth Sabha

Miss Hulsie Bhaggan (*Chaguanas*): Madam Speaker, I beg to present the petition on behalf of the members of the Amarjyoth Sabha, who are desirous of constituting the Sabha into a corporate body by private bill.

I now request that the Clerk be permitted to read the petition and that the promoters be allowed to proceed.

Petition read.

Question put and agreed to, That the promoters be allowed to proceed.

Faith International Baptist Convention

Mr. Hedwige Breaux (*La Brea*): Madam Speaker, I beg to present the petition on behalf of the members of the Faith International Baptist Convention who are desirous of constituting the Convention into a corporate body by private bill.

I now request that the Clerk be permitted to read the petition and that the promoters be allowed to proceed.

Petition read.

Question put and agreed to, That the promoters be allowed to proceed.

R. Ramnarine and M. Lalla

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Ramjit Ramnarine and Mahadeo Lalla

Mr. Basdeo Panday (*Couva North*): Madam Speaker, I beg to present the petition on behalf of Mr. Ramjit Ramnarine of Waterloo Road, Carapichaima and Mahadeo Lalla of Joyce Road, Chaguanas.

Petition read. [Mr. B. Panday]

Petition ordered to be laid on the Table.

1.50 p.m.

Shakeer Mohammed and Hoonraj Jugmohan

Mr. Basdeo Panday (*Couva North*): Madam Speaker, I have the honour to present another petition on behalf of Shakeer Mohammed of Southern Main Road and Hoonraj Jugmohan of Union Village, Couva

Petition read. [Mr. B. Panday]

Petition ordered to be now laid on the Table.

Mahindra Ramlogan and Ramchand Rajbal

Mr. Ramesh L. Maharaj (*Couva South*): Madam Speaker, I have the honour to present the petition on behalf of Mahindra Ramlogan of Southern Main Road, Couva and Ramchand Rajbal of Balmain, Couva.

Petition read. [Mr. R. L. Maharaj]

Petition ordered to be laid on the Table.

Sonnilal Samlal and Ken Ramnarine

Mr. Ramesh Maharaj (*Couva South*): Madam Speaker, I have the honour to present a petition on behalf of Sonnilal Samlal of Basta Hall, Couva and Ken Ramnarine of Rivulet Road, Indian Trail.

Petition read. [Mr. R. L. Maharaj]

Petition ordered to be laid on the Table.

Sheriff Ali, Joshi Jairam and Baldath Persad Boodoo

Mr. Ramesh L. Maharaj (*Couva South*): Madam Speaker, I have the honour to present the petition on behalf of Mr. Sheriff Ali of Dow Village in California,

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Joshi Jairam of Dow Village, California and Baldath Persad Boodoo of Warden Street, Dow Village, California.

Petition read. [Mr. R. L. Maharaj]

Petition ordered to be laid on the Table.

Raymond Lalsingh and Victor Luke

Mr. Ramesh L. Maharaj (*Couva South*): Madam Speaker, I have the honour to present the petition on behalf of Raymond Lalsingh, of 204 Dove Avenue, Couva and Victor Luke of Building 41, Gilda Street, Couva.

Petition read. [Mr. R. L. Maharaj]

Petition ordered to be laid on the Table.

ORAL ANSWERS TO QUESTIONS

**Mansoor Affair
(Official Statement)**

1. Mr. Ramesh Lawrence Maharaj (*Couva South*) asked the Minister of National Security:

Would the Minister state what steps, if any, he intends to take in respect of the statement made to this honourable House by the previous Minister of National Security to the effect that the local police tipped off the United States Drug Enforcement officials in the Mansoor matter having regard to the present Minister's recent statement in Parliament which statement differs from that of the previous Minister?

The Minister of National Security (Sen. The Hon. Russell Huggins): Madam Speaker, the Minister of National Security wishes to refer to his reply to House of Representatives' question, number 45 of the 1992 session of Parliament, in which he iterated the information given by the United States authorities, that Mansoor was not specifically being sought, but was stopped on what is known as, a cold hit. That is, the US Customs Officer in Miami became suspicious, conducted a search and found narcotics on him.

The Minister of National Security is of the view that no useful purpose would be served by pursuing this matter any further.

Unimplemented Legislation

2. *The following question stood on the Order Paper in the name of Mr. Ramesh L. Maharaj (Couva South).*

- (a) Would the Attorney General give a list of legislative measures (giving all necessary particulars) which have been passed by the Parliament of Trinidad and Tobago but have not yet become effective as law?
- (b) Would the Attorney General indicate to this honourable House whether the Government of Trinidad and Tobago intends to implement as law any or all of such legislative measures and, if so, give particulars of the measures it intends to implement and the proposed dates, if any, of such implementation?

The Attorney General and Minister of Legal Affairs (Hon. Keith Sobion): Madam Speaker, having regard to the breadth of information required by this question, I would need an extension of one week to provide an answer.

Question, by leave, deferred.

Motor Insurance Companies

3. **Mr. Ramesh Lawrence Maharaj** asked the Minister of Finance:

- (a) Would the Minister state whether the Government of Trinidad and Tobago is satisfied that motor insurance companies operating in Trinidad and Tobago have fulfilled the conditions imposed upon them by law to provide effective financial security to enable them to satisfy claims by third parties in respect of their liability in respect of claims by third parties, their estates and/or beneficiaries, which claims arose from motor vehicular accidents in which the assured of the insurance companies were involved?
- (b) If he is not so satisfied, would he indicate whether his Government intends to do anything to redress the situation, and if it does intend to do anything to so redress the situation, would he give particulars of the measures it intends to introduce?

The Minister of Local Government and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, on the basis of their audited financial statements, the Government is satisfied that motor insurance companies

operating in Trinidad and Tobago, in general, fulfil the conditions imposed on them by law to provide effective financial security to enable them to satisfy legitimate claims by third parties.

2.00 p.m.

The Government is aware, however, that some policyholders and other parties have difficulty in obtaining settlement of claims from a few companies. The Government is currently addressing the issue of the settlement of claims by the insurance companies. Proposals for improving the regulation of the insurance industry are being finalized and will be brought to this honourable House.

Mr. Sudama: Madam Speaker, before I ask question No. 12, I have a query to make with respect to questions in my name. I have a "Notice of Question" paper for the 1992—1993 session in which notice was given of three questions by me.

The order in which they were listed is—The first question:

Could the Prime Minister state whether the Government intends to purchase the Soutland Mall, Cross Crossing, San Fernando; and if so, for what purpose?

The second question:

Could the Minister of Works and Transport state whether the Government intends to repair the landslip in existence now for nine years, near the 10 1/4 mile mark on the busy San Fernando/Siparia/Erin Road at Syne Village, Siparia.

It is the third question to the hon. Minister of Works and Transport, which appears on the Order Paper; not the two other questions which appear on this notice of questions. Am I to understand that when the Member for Oropouche asks questions, they are arbitrarily omitted from the Order Paper?

Madam Speaker: If my memory serves me right, I think with respect to those questions the time had elapsed, and orders were given for written answers to be provided to the hon. Member. I recall the Minister of Planning and Development being here on that day.

Mr. Sudama: Madam Speaker, these questions were refiled and this is how they appeared in the "Notice of Questions" for the 1992/93 session, and they were

not answered. You will recall that on the last occasion when these questions did come up for answer, the House was told that question time had expired—the timing is very precise when the Member for Oropouche asks questions—so these questions could not have been answered.

With respect to the question in my name to the hon. Minister of Works and Transport, this question was also filed in the last session, and was outstanding. In the meantime, the Minister of Works and Transport has given all sorts of information to the media with respect to the response to this question. So what is the point in asking this question when he, in such blatant contempt of this Parliament, responds but to the media in respect of questions filed in this House? Therefore, I cannot vouch for the accuracy of the response to this question—

Madam Speaker: Hon. Member, we are really at the point of asking questions. If the Member has a grouse—

Mr. Sudama: Madam Speaker, in the light of what has transpired, with respect to this question, I wish to withdraw it. I cannot be assured of any accuracy on the part of that Minister of Works and Transport.

Mr. Manning: Madam Speaker, for the benefit of hon. Members, the Government never intended, nor does the Government now intend, to purchase the Southland Mall. We never intended to do it, and we do not intend now to do it; nor does the Government intend to rent it.

Madam Speaker: We are now at question No. 12 filed by the Member for Oropouche.

**Prime Minister's Residence
(Cost of Repairs)**

12. *The following question stood on the Order Paper in the name of Mr. Trevor Sudama (Oropouche):*

Could the Minister of Works and Transport state the total cost of work done on the Prime Minister's official residence in Port-of-Spain from January 1992 to date with respect to each of the following:

- (a) maintenance;
- (b) repairs;
- (c) renovations;
- (d) extensions?

Mr. Sudama: Madam Speaker, I withdraw question No. 12 in the light of what has transpired.

Question withdrawn.

**STATE ENTERPRISES
(AUDIT)**

The Minister of Local Government and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, I am authorized by the Cabinet to make the following statement:

At its regular weekly meeting held on September 10, 1992, the Cabinet agreed that effective immediately, a state enterprise may appoint any private firm of accountants as its auditors; and if the firm so chooses, it may appoint as its auditors, the Auditor General of Trinidad and Tobago.

Of course, where the Auditor General is required to audit the accounts of state enterprises, under the relevant statute of incorporation, that department would continue to perform such audits. Moreover, the Auditor General would be at liberty, as provided under the Constitution, to audit any state enterprise and to submit a report on that audit to Parliament.

As a consequence of this decision, Government has agreed to terminate the Memorandum of Understanding, dated November 24, 1976, between the Minister of Finance and the Auditor General which mandated the Auditor General to audit companies in which the Government had a substantial interest.

The new arrangements have been arrived at after discussions with the Auditor General, who appreciated the need for the change especially as it would assist greatly in relieving the backlog and current workload of the Auditor General's Department.

These decisions are in keeping with the Government's commitment, as articulated in our 1991 election manifesto at page 7, where we gave a commitment to greater accountability at all levels of our administration. This will include, as we put it on page 12, an orderly programme of divestment of government shareholdings in those state enterprises which do not meet the Government's criteria for retention. Hon. Members will recall that last Friday, I outlined these principles to Parliament in my statement on the divestment of Fertrin and the Urea Company.

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Hon. Members are well aware of the substantial benefits which will accrue to the national community from this programme of divestment. We believe, as we put it in our manifesto on page 12, that divestment through the mechanism of the stock exchange, will lead to higher levels of accountability as those enterprises will now be subject to the strict listing requirements and discipline of that institution. The improved efficiency, and participation by the widest cross-section of our community in the profits of these companies, would lead to a substantial redistribution of income in this country.

The establishment of employees stock-ownership plans, preferred allocations for the Trinidad and Tobago Unit Trust Corporation, Credit Unions, National Insurance Board and pension funds, will undoubtedly contribute to this process. Parallel to this process will be the revitalization of the domestic capital market, which will be important for funding public and private investments, which are critical to economic growth and development, and the reduction in the levels of unemployment.

In the case of those state enterprises which satisfy the criteria for retention, mechanisms are being put in place to ensure that their accountability is no less effective than in those that are being divested. In keeping with Government's investment policy to facilitate commercial activity while retaining interests in strategic companies, the Government proposes to establish appropriate mechanisms to conduct management/performance audits of those state enterprises which are to be retained and also to undertake, where necessary, technical audits and valuation of those companies which are being divested.

Government has also agreed that they be required by the Minister of Finance to publish the accounts of the first six months of their financial year within three months of the close of their financial year. The Minister of Finance will make arrangements for the laying in Parliament of the annual audited accounts of state enterprises, and also annual audited accounts of those companies in which the Minister of Finance—Corporation Sole—has a 25 per cent or more shareholding.

2.10 p.m.

This new initiative in public accountability will create the environment for state enterprises to improve their productivity, efficiency and the financing of their own investments. Additionally, the availability of these audited accounts will be extremely helpful and beneficial to the national community, including potential investors, both local and foreign.

Hon. Members are aware that another level of accountability is that provided by the Public Accounts (Enterprises) Committee which is chaired by a Senator appointed by the Leader of the Opposition and to which all annual reports of state companies are referred. Regrettably, this Committee met for the first time this year, only yesterday—September 17, 1992.

Hon. Members are also aware that the practice of appointing the Auditor General as the auditors of state enterprises was based on an interpretation of the constitutional provisions which empowered the Auditor General to carry out audits of the accounts, balance sheets and other financial statements of any enterprise that is owned or controlled by, or on behalf of the state.

This provision was taken to mean that all state enterprises had to be audited by the Auditor General. However, by Memorandum AG: 17/2/50 dated November 29, 1990, the Solicitor General advised that there is no automatic constitutional appointment of the Auditor General as auditor of state enterprises. Subsequently, the hon. Attorney General, in an opinion dated August 15, 1991, advised that the only situation where it is mandatory for the Auditor General to audit the accounts of state enterprises arises when the relevant statute of incorporation demands this. The Auditor General is however empowered by section 116(3) of the Constitution to audit such enterprises, if he so chooses. The constitutional provisions further require the Auditor General to submit his reports to the Speaker of the House of Representatives, the President of the Senate and the Minister of Finance.

Madam Speaker, regrettably, this process has not worked satisfactorily. Hon. Members are well aware of the heavy workload which has devolved upon the staff of the Auditor General's Department over the past decade. This has occurred at a time when the department itself could not attract and retain the professional staff required to fulfil its obligations. Accordingly, audited financial statements of state enterprises are laid in Parliament, with few exceptions, invariably late and, in many cases, several years after the close of the companies' financial years.

Madam Speaker, the Government's new policy initiative regarding the auditing and regular reporting of the state enterprises is consistent with the provisions of the Constitution of Trinidad and Tobago, and also with the Government's commitment to greater accountability at all levels of this administration.

Thank you, Madam Speaker.

CARONI (1975) LIMITED

The Minister of Agriculture, Land and Marine Resources (Dr. The Hon. Keith Rowley): Madam Speaker, I beg to move the motion standing in my name which reads as follows:

Be it Resolved:

That this House take note of the Report of the Cabinet appointed Tripartite Committee on Caroni (1975) Limited.

Madam Speaker, this motion is brought before this House for a variety of reasons, not the least of which is a request from the Member for Naparima, which was made here when I tabled, on July 24, the Tripartite Committee Report. On that day I was asked if the report would be debated in Parliament, and I promptly had no difficulty in agreeing to debating it in the very near future. Today, we are here to debate this motion

Trinidad and Tobago is a very small country and, in this country, we have by any yardstick a small amount of agricultural land. As a result of the evolution of systems in this country dating back to the inception of commercial agriculture, we have had agricultural lands organized in such a way that by the time we became independent, central Trinidad and portions of south Trinidad and extending as far north in some cases to the foothills of the Northern Range, where agricultural holdings which were quite substantial under private sector management and, by 1975, every single one of these operations was in financial difficulty .

I need not go into any detail at this stage as to what transpired in 1975. In short, as a result of the private sector failure to cope with the developments of commercializing land, through plantation to agriculture—of which Caroni is the classical example—as a result of an unwillingness to continue to do that and as a result of the threat of serious socio-economic dislocation which faced Trinidad and Tobago at that time, the Government of the day intervened and took ownership of these lands with a view to preserving what was worth preserving and, hopefully, excising what was obnoxious.

Caroni (1975) Limited was a state company as it were, and basically what happened is that ownership changed but practices worsened. No real restructuring was done in the company; no substantial adjustment of course was done, and the end result is that today we are faced with a “do or die” situation. Caroni (1975) Limited is a limited liability company which operates under the Companies

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Ordinance ostensibly but, in fact, through practice has been a ward of the Treasury.

When one examines the details, as I shall outline in a while, one cannot but come to the conclusion that as a country, we cannot have our major agricultural resource being operated in this manner where instead of contributing to the maximum, economic well-being of the country, it has become a matter of serious concern to the Minister of Finance; and, in fact, the whole system is virtually on the verge of collapse. The only reason Caroni has not collapsed is that it has been propped up, but in a way which is unsustainable—I think that is the most appropriate word.

2.20 p.m.

For the benefit of the House, I should like to indicate factually and financially, what I am talking about. I want to look back at the last 10-year period. In order to support the operation of the company—I want you to take note of the phrase “support the operation”; I am not talking about expansion or reorganization, but supporting the company as it existed then.

In 1983 direct subvention to Caroni Limited was of the order of \$359 million, which is cash transfer from the treasury to support the operation. In 1984 that figure was \$284 million; in 1985, \$197 million. At that time because of what was transpiring with respect to the overall economy, these transfers largely went unnoticed. However, by the time we reached 1990, the transfer was \$100 million and in 1992, it was \$90 million.

This in no way indicates a lessening in the demand for transfers. In fact, what it represents is an inability of the Treasury to support the company at the level which was required. For example, if one looks at the requests from the company to the Treasury for the last few years, one would see a great disparity between the requirements of the company and the ability of the Treasury to meet those requirements.

For example, in 1987 the assessment and request to the Minister of Finance was for \$217 million cash support; the Treasury was able to supply only \$105 million. In 1988 the company required \$229 million; the Treasury could supply only \$147 million. By 1992, the request to the Treasury was for \$212 million and the Treasury could supply only \$95 million. It leads us to ask what is happening in a situation like this, where the requirement is of such a nature, but the actual

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realization is as being expressed. Clearly, what is happening here is that the company is getting into greater and greater difficulty.

Why is Caroni Limited, commonly known as a state company? It is a company which employs close to 10,000 persons. In recent weeks the latest figure I have is about 9,670. This includes both temporary and permanent workers. It also buys cane from 5,000 cane farmers. It uses the services of many contractors and suppliers who generate millions of dollars in economic activity as a result of servicing the company. At the end of the crop, the company earns about TT \$140 million in sugar exports.

All that I have said here simply means that we have a behemoth of a company taking up a tremendous slack, with respect to employment of persons; contributing a major slice to economic activity. The naked truth is that Caroni (1975) Limited is technically insolvent. Loans amounting to \$2.1 billion are owed to the Government and cannot be repaid. Losses on the trading account are running at about \$130 million yearly before interest.

The question at Caroni (1975) Limited is whether or not it can be restructured so as to retain or enhance most of its positive aspects, while reducing or eliminating its escalating losses. Clearly, a policy of inaction would lead inevitably to total collapse. That is what we are facing at this point. If we take the position of business as usual—in fact we do not even have that option.

As I pointed out to you before, substantial sums, hundreds of millions were provided to the company, and that did not change the situation. With the best will in the world today, those levels of financial support are not available. Therefore, we have to look for other options to stave off the collapse of the company which would inevitably have dire consequences, not only for people who are directly involved, but also for the national economy as a whole.

Some of the problems existing within that system, where such kinds of expenditures and levels of employment obtain—immediately jumping out at you when you look at the company are low cane yields; low cane quality; poor factory performance; excessive manning levels and low productivity.

But that is not the whole story. Over and above that, the sum of \$1,690 million was provided by the Treasury to Caroni Limited in the last 10 years. An additional \$270 million was provided to cane farmers for support in their sector of the industry to assist them in producing cane. In order to encourage local

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manufacturers to use sugar and thereby ensure that Caroni has the local market for its product, the Treasury provided a cash rebate to industrial users of sugar to the tune of approximately \$20 million in the last eight years.

In addition to that, the Government had to guarantee substantial loans for the company. One such loan was US \$4.5 million from the CDB for the diversification programme. It guaranteed a floating rate debenture of \$100 million. It further guaranteed \$220 million with overdrafts of \$20 million for termination benefits in an attempt to regularize the workforce. There are also letters of credit in supporting the financial structure of the company. Basically that is the scenario.

But how do we shape up as a sugar producer as compared to others? Because we are not inventing the wheel; we are part of an economy that is ancient in its origin and current in its practice. We are cognizant of the importance of the company in the national economy, and we are committed to its future. We are frightened by the prospects of its collapse, we have to look at how we measure up against others who are involved in the same industry.

For the benefit of Members of the House I should like to draw attention to how we measure up, so that you could see where we stand on the scale of competition—because we are in competition on the international market for a significant portion of the products of Caroni Limited.

2.30 p.m.

Madam Speaker, Australia is one of the major producers of sugar which ends up on the world market. It is also a Commonwealth country, so its labour practices might be similar to ours in many ways. Australia is also a much larger country and has the benefit of extensive mechanization, so one must see this in that context. In Australia, the ratio of tons of sugar per employee in the industry ranges between 750 and 900.

South Africa, a strange example, competes on the world market too, so we have to be cognizant of our competitors, notwithstanding that they use labour of a despicable kind. *[Interruption]* Let me rephrase that. South African sugar which ends up on the world market comes from a system where the production rate is 800 to 1000 tons per employee. In the United States it is 700 to 800 tons per employee.

As you have observed, Madam Speaker, voices are saying that these are bad comparisons—South Africa, the United States, Australia. I raise them only in the context of our international competition.

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If we come within Caricom, I can quote from Barbados, an industry that collapsed a few months ago; an industry that was held up as an example of what we are supposed to be by many of the spokespersons within these walls today. You would have observed—as I am sure you follow the international press, especially the CANA news, that the Barbados sugar industry collapsed recently, purely on the basis of insolvency. The banks pulled their loans after a strike for a bonus in the middle of the crop; and the industry collapsed. The production in Barbados is 150 to 200 tons per employee. In Jamaica, another Caricom country, it is between 100 and 150 tons per employee. These are Caricom neighbours with the same sort of background that we have. In Trinidad and Tobago, our ratio is 75 tons per employee.

I cast aspersions on no one. I simply state these indisputable facts to bring home to all of us what we are dealing with and, clearly, we have to address this if we are to survive—and we want to survive.

Mr. Robinson: As a matter of interest, could the hon. Minister state the comparative figures for capital investment per employee?

Hon. K. Rowley: Madam Speaker, that is a very good question, but I am not in a position, at this point, to answer it. If one answers that question, in the context of the kinds of numbers, I can tell you, without fear of contradiction, that Trinidad and Tobago has provided significantly greater capital investment in sugar than our Caricom neighbours. I just quoted for you direct Treasury transfers. I am not talking about earnings from the company and all that; I am talking about additional support to the company—\$1.6 billion in 10 years. I am sure that in Barbados and Jamaica no such investment was made. I was giving those examples to show how we were measuring up when we compete on the outside.

When we were in Opposition—at that time we were a three-seat Opposition—we took the opportunity to examine the situation and we made a commitment then which appears on page 17 of our manifesto, and which was made public in November, 1991. It is headed "Role of the State", sub-head "Caroni Limited". I am drawing attention to the commitment which reads as follows:

"The PNM recognises the critical socio-economic importance of Caroni Limited and therefore is committed to preservation of the company and its growth and development as a fully diversified agro-processing company. The PNM believes that the future of Caroni Limited must be the subject of agreement between the Government and the relevant trade unions".

That was the original paragraph and it embodies our thinking and our commitment.

Madam Speaker, in keeping with that commitment, during the budget debate in January 1992, when I, as Minister responsible for Caroni made my presentation in support of the Budget, I indicated then that the Government intended to proceed expeditiously along the identical lines in the manifesto. I indicated that the Government intended to encourage, set up and nurture tripartite discussions, not with a view to preparing another report on Caroni, but with a view to preparing a plan which would guide the Government in its actions geared towards dealing with the critical problems I outlined earlier on with respect to the company which was on the brink of collapse.

As Minister, I met with the Board of Caroni Limited on Monday, January 6—a matter of days after I was given this portfolio—to indicate how serious we were taking this matter. In anticipation of the tremendous task ahead, we were particularly careful in organizing the Board of Caroni Limited to source the kinds of persons who could measure up to the task ahead. In consultation with our friends on the other side, we chose a chairman—a professional person—Dr. Kusha Harraksingh—who, incidentally served in the Parliament at one stage—and has a history of researching the Caroni situation.

We were fortunate at this time in the history of our country to have somebody like Dr. Haraksingh who was willing—because there has to be a willingness to serve—to take on the responsibility of heading that board.

2.40 p.m.

I want to pay public tribute to Dr. Haraksingh for his public-spiritedness in taking on the responsibility, the tremendous sacrifice he has made, the skill that he has used and the commitment he has demonstrated to hold the process together and to bring it to where we are today.

Dr. Haracksingh and his board were installed in mid-March of 1992, and we sought the involvement of what we call the main players in the matter: The Government of Trinidad and Tobago; the company, Caroni (1975) Limited, which legally is an entity unto itself, even though it is a company owned by the state; and the workers' representatives—I think there are five unions at Caroni (1975) Limited; the cane-farmers, who provided a significant portion of the cane grown.

We had a situation of Government and para-governmental agencies on one side, the workers' representatives making up another bloc and finally the cane

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farmers' interests; that is why we call it the tripartite approach. When we were inaugurating this arrangement there was scepticism in some quarters—not from the Government, because we were confident that good sense would prevail. There were those who felt that we were setting up another committee to make another report go on the shelf. To allay the fears of those cynics and to also ensure that we work within a time frame which will expedite the thing as quickly as possible because this is a matter of great urgency—I asked the committee to do its work and report within 12 weeks.

To their credit, Madam Speaker, this report, which represents a consensus of all parties involved, signed by all the parties, with no minority representation, was handed in on Sunday, July 19.

Mr. Palackdharrysingh: Did the Cabinet approve it?

Mr. Manning: Quiet, boy.

Mr. Palackdharrysingh: You come here with “mamaguy”.

Hon. K. Rowley: It was signed by every party. I have the pleasure to announce that it was signed by one of our colleagues in this House, the Member for Couva North, and I commend him for that. I commend him for allowing all other considerations to be subsumed and for rising to the occasion.

That report was received on Sunday, July 19. I took it to Cabinet on Thursday, July 23 and Cabinet deliberated on it. Government has given the commitment that once there was consensus arising from this tripartite arrangement on an action plan, it would treat with the consensus. It was not difficult for the Cabinet on Thursday, July 23, 1992 to accept the report.

In answer to my friend the Member for Caroni Central, the Cabinet accepted the consensus which was arrived at in the tripartite report.

Madam Speaker, the report was laid in this Parliament the day after it was approved by the Cabinet. As you will recall, it was laid here on Friday, July 24, 1992, and the work began.

This report is a document of things to be done. The main areas of action involve a number of agencies, especially the Ministry of Finance. Because, as you would have gathered, the crux of the whole matter lies in the financing of the arrangement or the rescuing of an intolerable financial situation. Some of the recommendations in here, and permit me, Madam Speaker, to touch on a few of

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the major recommendations with respect to financial restructuring; action to be taken by the Ministry of Finance: Conversion of the loan capital of \$2.138 billion to a subvention.

In other words, write off the loan, clean up the books; adjust the profit and loss situation of the company to reflect the accrued interest related to the loan capital. So we will write-off the capital, but we will allow the accrued interest to be reflected there. My colleague, the Member for Diego Martin Central can explain to the Member for Caroni Central. What this means is that this makes the company's balance sheet healthier because it creates that loss position against which future earnings can be offset and it makes the company more attractive. When I spoke here in January, I indicated that my intention was to create out of Caroni (1975) Limited a bankable entity. This action will seek to do that.

An additional assignment for the Ministry of Finance is that the Government will assume the responsibility for outstanding loans to FINCOR. Earlier on, I stated that the company had borrowed \$220 million which is due for repayment by the turn of the century but has to be serviced in the interim. Technically speaking, you can add that \$220 million to the \$1.61 billion I spoke about earlier on and you would see how the finances are developed there.

As part of the original support for the company, the Government in providing financial props had taken debentures over some of Caroni's assets. We agreed to release those debentures because the original amounts which were secured then were discharged and there was no real reason for the Minister of Finance to continue to hold a debenture over the company if the liabilities were discharged.

Mr. S. Panday: He continues to do it.

Hon. K. Rowley: Yes, I know he continues to do it, but we are going to change it now.

Despite all that cash support that is being provided; despite utilization of its cash which was generated from its trading, the company was in such an unhealthy financial position that even when it was acting as an agent for the state in collecting PAYE, VAT and NIS it was not in a position to pass those on as the law requires. As part of cleaning up the books and making the company viable and bankable, the Minister of Finance and the company will sit down in the very near future and agree to settle that account.

Madam Speaker, all of this can only make sense, not within the termite-ridden framework of the existing arrangement, but within the framework of a completely

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restructured Caroni (1975) Limited. Therefore, one of the major recommendations of the tripartite committee is to restructure the company. We will restructure it in such a way that discrete areas of activity which in themselves can be profit centres would be identified and operated as divisions. What I am saying here is that the terms are not cast in concrete; as we evolve into putting this plan in place the terms may vary. But just to tell you how we are thinking, the company is to be restructured into divisions:

- a cane cultivation division;
- an agricultural engineering services division;
- an agricultural diversification and industrial processing division which might simply be the distillery which can stand on its own;
- the sugar refinery, which can also be operated and managed on its own;
- administration and finance; and
- human resources.

These can be divisions of activity servicing the divisions that require these inputs. This will re-introduce the potential for entrepreneurial management styles and will foster a closer relationship between the management and the workforce. We want to bring the management closer to those who are managed, because one of the things that we are identifying now is that does not prevail at this time. The evolution of the company has been such that this critical ingredient in management is not there. We want to take that leap in management improvement by operating on that.

The divisions will be accounted for separately, they will run separate accounts, so we can see which is spending what and which is doing what, and determine how we can improve on the situation at that mezzo-management level. In the longer term, we envisage possibly a holiday company, managing profitable subsidiaries with each one making the best use of whatever resources are made available to it.

Madam Speaker, what about the sugar operations? I mentioned earlier that one of the obvious difficulties is the low cane yield. We have looked at that. One of the recommendations we have accepted is that the company and the cane farmers would take the necessary steps to change the variety of cane that is now being grown to one which is more recent and which produces a higher sucrose content.

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Madam Speaker, you will be surprised to know that in the face of all that I have said earlier with respect to cash support for the company, very little of that support went into systems such as changing from a 1944 cane variety to one of the late 1970s or early 1980s which would produce a higher sucrose content. The bulk of the area under cane at Caroni (1975) Limited is under varieties which are now regarded in the industry as obsolete.

Mr. S. Panday: Could the Minister kindly state what variety farmers should use?

Hon. K. Rowley: Madam Speaker, all I can say to the Member for Naparima is that I do not profess to be a cane agronomist.

Mr. B. Panday: You do not know cane from corn root.

Hon. K. Rowley: I will address you in a moment. What I do know is that there are varieties available which are substantially better, have higher yields and better agronomic properties than what is being grown now. While the Member is behaving like that, he also knows that and that is why he signed the report which says we will move from the existing varieties into varieties which are available to improve these things.

Just to put the mind of the Member for Couva North, at ease and before he walks away with misconceptions, Madam Speaker, I want to inform him that I am the only Member of the Parliament of Trinidad and Tobago who is a registered farmer. I am the only Member in this House who ever produced any cane sugar. I am probably the only Member of Parliament who comes from a family that owned a sugar mill. When they are speaking about sugar and sugar workers, I do not have to talk about it, I lived it. For his benefit, I am the son of a cane-cutter. My father was a cane cutter at Usine, Ste. Madeleine. So when he wants to make comments like that, I would ask him to keep that for his friends.

We were speaking about the agreements of the tripartite committee.

Mr. Haniff: Madam Speaker, I am a registered farmer.

Hon. K. Rowley: Follow in my footsteps, you will get far.

As part of the tripartite consultation, we examined the whole question of who should produce the cane. It was agreed that the existing cane farmer volume should be improved and the company produced cane should be reduced, we agreed on a ratio of 60/40, where cane farmers will move from the present 50 per cent to

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produce 60 per cent of the cane and company will reduce its production by an equivalent 10 per cent.

However, that was done in the context of agreeing, for the first time, on the size of the sugar industry of Trinidad and Tobago. We have now agreed, after examining all the facts inside and outside, examining our past and future, on the size of the sugar industry of Trinidad and Tobago. We have agreed via this arrangement that the size of the sugar industry of Trinidad and Tobago is to be 125,000 tonnes per annum. We produced 110,000 tonnes this year. You will understand that we intend to increase that by 15,000 tonnes and we are in a position to use some of that locally and to meet our external requirements. So we will continue to be a sugar exporter and also continue to supply our needs.

Madam Speaker, you will recall that in the recent past another approach was attempted in trying to deal with Caroni (1975) Limited. I think it was loosely called the "Dookeran Plan". It was a completely different approach from this matter. That approach required the shutting down of one of the plants and a reduction in the production so as to cater only for local needs. We are completely opposed to that and we commit ourselves to the maintenance of the Usine, Ste. Madeleine factory and the Brechin Castle factory and rather than a reduction of the production, an increase by 15,000 tonnes. We also intend to make available whatever land is required to bring the production up to that level. The assessment of the tripartite committee is that no significant increase in the acreage will be required because cane farmers have in their possession at this time, enough idle land and the company can improve its production to that 15,000 or its contribution towards it without farming additional acreage.

One of the issues we have settled on is that we basically have enough land under cane and, as we improve the varieties of cane and our farming methods, our yield would increase. Later on, I shall point out to you that with relatively small investment in the factory, we can increase the percentage of juice that is extracted from the cane and that would also increase the amount of sugar we produce.

We have now settled all these things. We now have a clear picture as to what the industry can produce and that is as a result of the approach we have taken. I should be very surprised if there is any informed or non-malicious voice in this country that can say that this direction is not the most reasonable option. It was not arrived at through emotion. It was not arrived at out of a consensus, a tripartite approach, where we all want to survive. We are committed to doing the best that we can to give the industry the best chance to survive.

We also recognize that there is need to bring down the cost of production. A moment ago we took a look at the international production ratios. Let us look at the cost of production in Trinidad and Tobago. If, as I have said, we have taken a decision to increase the amount of sugar we are going to produce and we are committing ourselves to exporting substantial portions of that, then we have to be cognizant of our production costs. Once we talk about exports—

Mr. Robinson: Madam Speaker, before the Minister goes to production costs, is he in a position to say what goal he is aiming at in terms of the output per worker, how many tonnes per worker?

Hon. K. Rowley: Madam Speaker, what I shall do is give the Member for Tobago East a small bit of arithmetic to work out. If he divides 125,000 tonnes by 10,000 workers, that will give him the answer.

Madam Speaker, I was saying that since we have committed ourselves as a country to a sugar industry of a size which involves a consideration for exports, we have to be cognizant more than ever of our production costs.

At this point let me give the figures for 1989. It was costing us—and these are Trinidad and Tobago dollars—\$3,693 to produce a tonne of sugar. The world market price for a tonne of sugar then was \$1,200. We do not aim to sell on the world market, but we will have to compete with world market sugar, and I will explain that in a moment. We are competing in the United States market where we have a small quota, and we are competing in the European market where we have our most lucrative quota.

It was costing us \$3,393 in 1989 to produce a tonne of sugar; the best price we were getting for sugar, and that is in the EEC market, was \$2,216 per tonne.

In 1990, the EEC price was improved to \$2,526 per tonne. Our production cost was still \$3,138 per tonne. However, it has fallen from \$3,693 to \$3,138. That was as a result of improved volumes of sugar produced.

However, by 1991 we were getting \$2,929 per tonne in the EEC; the best price to us for sugar. The world market price for sugar was \$847 per tonne, but our production costs had jumped to \$3,798 per tonne. So at the same time the world price was \$847 per tonne, our cost went up in 1991, to \$3,798 per tonne.

In 1992, it went up again, slightly, projected, \$3,863 per tonne. The trend is for our costs to go up, but what about the trends for prices? All indications are that whenever the GATT agreements have concluded, as a GATT country we are

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likely to retain the volume of sugar we are allowed to sell in a protected EEC market. That figure is the order of 45,000 of the 125,000 tonnes that we are going to produce.

However, even though we are expecting to retain that volume of sugar in the EEC market, ominously, all informed opinion at this stage is that the price per tonne is likely to be reduced. So we are going to be allowed to sell the same volume of sugar but at a lower price. Where does that leave us, with a production cost trend that is going from \$3,138, in 1990 to \$3,863 in 1992? These are things that we must ponder upon and these are things that must govern any decision taken with respect to the sugar industry of Trinidad and Tobago.

There is a point of view that there is no commitment. Those are easy terms to use, but when you have to finance those words—those who say things like that know that they are never going to have the responsibility to put up, but they will not shut up.

Another of the major points of agreement of the tripartite direction is that we will pay cane farmers. As I had pointed out earlier on, cane farmers will now be expected to produce 60 per cent of the cane that will be used in this 125,000 tonnes of sugar. But we have agreed that from here on, we will pay cane farmers for cane on the basis of quality of sugar, quality of cane and quality of sucrose content.

Mr. S. Panday: How do you know that?

Hon. K. Rowley: How do we know that? In fact, the company has already taken steps to procure the required equipment. It is standard practice in the industry to use a piece of equipment that can penetrate a pile of cane. It will extract juice from the pile of cane and using microcomputers to do a quick analysis to establish the sucrose content and then money is paid on the basis of sucrose content.

Steps are already being taken to put that system in place. No longer will we use the system of paying, basically by the volume, because the older, obsolete varieties of cane are big in volume but low on quality. So there is, possibly, a disincentive when paying by the tonne for farmers not to be interested to move from the high volume cane to the high quality cane.

3.10 p.m.

The Cane Farmers' Union has assured the tripartite committee that it would work with cane farmers to move from those older volume-centred varieties to

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quality-centred varieties. I must commend the cane farmers for seeing what we are trying to do and for agreeing to it. They understand that their future is inextricably bound with the survival of Caroni Limited.

Madam Speaker, we here in Trinidad and Tobago have the only refinery that makes refined sugar, and by that I mean the white, granulated sugar, the only facility in Caricom. However, that facility at the moment only caters for the needs of Trinidad and Tobago. We believe that if we do what is required at all the levels, we can take advantage of this asset—an existing sugar refinery.

To take those steps one of the things that we have done, very recently, is that we had the Chairman of Caroni Limited attend and participate in a meeting in Barbados, during the month of May, of the Caribbean Sugar Manufacturers Association. Our involvement in that meeting was to seek to get the support and agreement of our Caricom partners to obtain their supplies from within Caricom. It is very timely for us to do that because the Jamaican and Guyanese sugar industries are being restructured. Guyana is now producing surplus raw sugar. It is our view, here in Trinidad, that we can use our raw sugar, Guyana's raw sugar, refine it here in Trinidad and Tobago and sell the refined sugar to our Caricom partners. But then if we try to do that, we immediately come up against cheap, non-Caricom sugar, which is currently supplying Caricom markets—

Mr. S. Panday: Trade liberalization!

Hon. K. Rowley: So in order to put the Caroni refinery on a sound footing as a profit centre, at the Heads of Government meeting in July, we got the Heads of Government to agree that Caricom partners would source their sugar from within the region and would use, or should I say, implement the 45 per cent CET that was agreed upon for Caricom at this time, on external sugar. That agreement was concluded at the last Heads of Government meeting.

Madam Speaker, I am quite disappointed to report that even after we had that agreement at the Heads of Government meeting in July, which we carefully crafted and nurtured to secure an aspect of Caroni's future, we tried to sell refined sugar to a Caricom neighbour; we quoted a very attractive price. The Caricom neighbour did not implement the CET and bought its sugar at the world market price non-tariff, from a Central American country. So when we talk about Caribbean integration and the move to support one another, we must ponder on these things. I hope that this is an isolated development; I shall be talking to my Caricom colleague to ensure, as far as is possible, that this does not happen again. History

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has a way of repeating itself in the Caribbean, but we will keep trying, because we believe in Caribbean integration. One cannot be talking out of both sides of one's mouth at the same time.

Madam Speaker, another of the major agreements which we have had, recognizing that Caroni's problem is not a problem only for those who are directly involved in the industry, but a problem for the entire country, because as has been demonstrated, the support came from the resources of the entire country, we are anticipating that arising out of this agreement will come an adjustment in the price of sugar, so as to benefit the industry. The Government has also committed itself in the tripartite arrangement to providing, over the next five-year period (1993—1997) \$80 million of developmental capital. This is not capital to maintain the current operations, as we do now, the \$90 million per year; this is in addition—an additional \$15 million a year approximately, for capital development.

If you visit Caroni Limited it would be an education for you. You will see equipment that belongs in a museum. Caroni has some of the oldest working cranes in the sugar industry and it is a tribute to the workers at Caroni Limited that some of those cranes work at all. However, it is bad business. One end's up spending more on repairs than the price of a new piece. So at the same time one is working towards profitability, good money is being thrown after bad. But to break that cycle—the company is not in a position to buy a new crane. The company will have to get an injection of funds to buy new equipment and then use that new equipment to bring about efficiency. So the Government has committed itself to some capital injection.

We have committed ourselves to the diversification programme. But I want to put this in perspective. Caroni Limited is a billion dollar industry. There has been much talk over the years about diversification. In fact, at one stage there was a point of view that if Caroni grew anything other than cane, that was diversification. If one jumped into growing plantain, pumpkin, papaw, cocoa, whatever, that was diversification. Madam Speaker, that was a nervous reaction. We are committed to rigorously examining the other alternatives to sugar cane; and insofar as they can stand scrutiny, not only under the present circumstances, but also within the context of changing international trading circumstances. In fact, the tripartite committee have recognized that, because they have pointed out that diversification projects should only be embarked upon after rigorous scrutiny.

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Having done that, Madam Speaker, we will provide the kind of support to embark into certain areas of activity. Already, there are some prospects in rice, beef, sheep production, and aquaculture and we are already involved in citrus. We will rigorously examine the prospects for these things; and to the extent that they stand that scrutiny, expand upon them. Madam Speaker, all that I have said is not the whole story, because, you see, there are other supports in place that cost money.

We agreed to remove from Caroni Limited the responsibility of discharging local government functions. Caroni Limited has been discharging some functions which, quite properly, belong to the local government bodies of the areas in which those functions are discharged. When one listens to a variety of spokespersons, one gets the impression that this is a major constraint. It is not, it is worth \$2 million. But those who present it give the impression that it is a major thing.

However, to clean up the operation we do not believe that Caroni Limited should be discharging at its own cost, those functions of local government. So we will relieve the company of that responsibility and place it—\$2 million worth on recreation grounds, side roads, drains and things like that—where it quite properly belongs.

3.20 p.m.

The Minister of Finance will take steps to ensure that the resources which will be allocated to have those things done, will now be located in the Ministry of Local Government. To the extent that a local government body would want to use Caroni (1975) Limited's equipment to discharge these responsibilities, it must be an arm's length arrangement, where they will pay the company for the services—clean, business-like arrangement.

We recognize that all that I have said would come to nought if we do not address the critical question of management. Who is going to manage these resources? If we restructure the company and if we make additional capital available, clearly, what immediately comes out—and the tripartite committee recognized that—is that we do not have within the company at this time, the required range of skills and the pool and quality of management which would be required to make that effort a success. Therefore, we have committed ourselves to providing that company with whatever talent is required to give the best chance of success for our new direction.

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We will have to provide the company with improved management systems, sourced from within and outside of the company. There has to be a human resource development approach, succession planning approach and also, not of any less importance, the reintroduction of an apprenticeship scheme at Caroni (1975) Limited. That will be done in the context of a national apprenticeship programme which, very soon, you will hear more about. But as a major business organization in the country, especially one in the state sector, Caroni (1975) Limited, in conjunction with its Point Lisas partners, will be prime movers in the re-introduction of a national approach to apprenticeship in Trinidad and Tobago.

I alluded earlier on to the fact that we had approximately 10,000 workers producing a certain volume of sugar and the cost of production was way above what we sell at. Therefore, it necessarily falls to us to address that question of reducing the number of persons who are supported by the industry, directly on the payroll. That is a reality. If we do not do that, our approach would always be uneconomic.

However, this Government has a different approach to previous arrangements. You would have recalled a previous arrangement made public, and which caused a tremendous furore in the country, was the approach which recognized that, yes, there was a need to reduce the human resource manning levels. At the time there was talk about 7,000 workers being thrown out of the industry. We cannot take that approach, because the very *raison d'etre* of our approach is to seek to preserve as many jobs as possible and to preserve the socio-economic fabric which is supported by the industry.

Our approach is, yes, we recognize that the company is over-staffed. The next point is, we will have to take steps to reduce the number of persons involved directly in the industry. How do we do it? We are seeking agreement on an improved pension arrangement which should be an incentive to the large body of elderly workers at the company to get out of the industry. We plan these to put incentives in place which will encourage people to leave the industry without feeling as if they were hard done by.

We have in the report an arrangement to do that, and we are committed to working in good faith, and I hope in the same spirit of the tripartite discussions, to conclude discussions with respect to the workers' interest in a pension arrangement and to arrive at another consensus which would see workers leaving the industry with a decent pension. We are working on that and I hope that we would get the co-operation of all those involved.

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This brings me to the question of backpay. One of the issues agreed on was arrears owing to workers. We recognized that. As a result of a court decision made many governments ago, many Ministers of Agriculture ago, Caroni (1975) workers are owed substantial sums of money by their employer. But, of course, you would now have got a clear picture of the financial health of that employer. The fact that that backpay has not been paid since then, I do not attribute it to any malice on the part of anyone. I attribute it to the fact that the economic circumstances of the day made it extremely difficult to have it discharged. We recognize that. But we say, we have a responsibility.

The first agreement we have arising out of the tripartite discussions is an agreement that, yes, this back pay must be paid over a period. We are reasonable. We are all persons of reason. The tripartite agreement recognized our financial circumstances and the constraints of the Minister of Finance who is the shareholder and who will, undoubtedly, have to assist the company in discharging its legal responsibility.

We had an agreement, and it is written here in the document, signed by every member who took part in those negotiations, including my friend the Member for Couva North, that the company will pay \$30 million of the arrears before the next crop. I can inform this honourable House today that the next crop of Caroni (1975) Limited is scheduled to begin on January, 2, 1993. The Government has a commitment to pay the sugar workers \$30 million by the time that crop begins.

I give the assurance that this Government takes its commitment seriously. There are those who would have seen our commitment in the tripartite report, and might have been so elated about it that they would have gone to Johnny Walker or White Magic. Madam Speaker, I am not in that. I am on this green document. We are committed to discharging the responsibility that we have stated here in this Parliament.

I have been speaking about Caroni (1975) Limited for the last hour, or thereabouts, and you would have gathered, reasonable as you are, conscientious as you are, that the backpay issue is but one of a number of major issues at Caroni (1975) Limited. The other major issue, after all those I mentioned earlier on, is the issue of injection of capital into this company. Unless we have a significant injection of capital, with the changing economic environment, we may find ourselves running twice as fast and staying in the same place.

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As a result of that realization that the tripartite approach would have borne fruit—and which it has done—while the tripartite approach was being taken and they were working at arriving at this consensus, I, as Minister, was working on the other front—that of seeking to identify investment funds which would be required to give life to what we have agreed to in this report.

3.30 p.m.

As you know, especially here, in Trinidad and Tobago, it is extremely difficult to get our entrepreneurs to invest in agriculture. And they have very good reason. Agriculture is probably the most risky business they can get involved in; it is long term and the returns are usually low. Therefore, it is not the most attractive area of investment, and our banking community has not had a history of making substantial investments in agriculture.

The state, given its present financial situation, is not in a position to continue to provide \$100, \$200, or \$300 million, to Caroni Limited. Therefore, we have to look elsewhere, and the Tripartite Committee recognizes that. Another of the agreements in the air is that we will seek to encourage joint venture and divestment possibilities in the industry so as to attract into the industry the required capital, share the risk and, better still, give us markets for what we are producing, attract joint venture capital for our citrus industry at Caroni, our rice industry and our agriculture projects.

We are now testing, on a very large pilot project scale, the production of Malaysian prawns which, so far, has been quite successful and attractive; to the extent that we can attract partners with funds to inject into the industry, that would secure the future of Caroni Limited.

Madam Speaker: Would the hon. Minister wind up, please.

Hon. K. Rowley: In recognition of that fact, I have been in contact, since May, with the Commonwealth Development Corporation, which is an agency which has under its control substantial sums of British Government money earmarked for development through business, especially agriculture, in developing countries, has a toehold across the Caribbean and in many of our Commonwealth sister countries in Africa. We have put our situation to them. We have put our commitment to the sugar industry to them.

I was in London in the first week of May seeking to attract attention to Trinidad and Tobago, and clearing a path for Caroni Limited. As a result of that the regional officer was mandated to come here; he has since made two visits and

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we have been working along these lines. Our High Commissioner to London, Mr. Ulric Cross, Commissioner has been working overtime, in seeking to cement the interest of the CDC, in Trinidad and Tobago. Virtually every day we are on the phone, and we are working on it.

I am pleased to announce at this time that an identification mission headed by top-ranking officers of the Commonwealth Development Corporation will arrive in Trinidad and Tobago, in October. This is at the request of the Government of Trinidad and Tobago, following upon the report of the Tripartite Committee, which outlines a course for Caroni Limited, which clearly shows a commitment to viability in the sugar industry of Trinidad and Tobago, and a commitment to enter other areas of endeavour to see whether it is feasible to inject that scarce and hard-to-find capital in agriculture. We look forward with bated breath to their arrival and we are hoping that when they come, we can find it possible to agree on arrangements which would see substantial investments in Caroni Limited.

However, I want to make the point that foreign investors do not owe us anything, and the hardest possible thing today is to get an investor into your country; as a business man's hardest task is to get buyers into his store. We have to recognize that if we indicate to the international community that our sugar industry is a bone of national contention—something that divides us rather than unites us, that we are divided at purpose, rather than committed to a secure future, if we indicate that in any way and we cause those investors not to see Trinidad and Tobago to be as a place they want to invest in—especially in agriculture—we would be jeopardizing the last chance of Caroni Limited to survive as an entity as we know it today.

I appeal today to all workers at Caroni Limited to recognize where their future lies. Their future lies in the efficient execution of this plan which has in it a direction to take the company out of the quagmire that it is in; I appeal to them to do nothing to jeopardize additional investment in the sugar industry. And I appeal to my colleagues within these walls and outside, to recognize their responsibility in securing the future of Caroni (1975) Limited.

Thank you, Madam Speaker.

Question proposed.

Mr. Ramesh Maharaj (*Couva South*): Madam Speaker, it is shocking that the Government can demonstrate such deceit in trying to give the impression to the country, and to this Parliament that this agreement binds the Government of

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Trinidad and Tobago. It is also shocking for this Government to say, or give the impression—from the contribution made by the hon. Member for Diego Martin West, that there is anything which could demonstrate that the Government has committed itself to following anything in this plan. I want to demonstrate to this House that the Government is using this report—as the PNM governments over the years have used reports—to try to mislead the population, and if I may use the word used by one of my colleagues, it is an attempt to “hoodwink” the population.

One has to therefore look at the concept of a motion “to take note”. Why do we have motions “to take note”? What is the motion before the House? The motion before the House is:

"That this House take note of the Report of the Cabinet-appointed Tripartite Committee on Caroni (1975) Limited."

It is not a motion to approve the recommendations contained in the report, or to implement the recommendations contained in the report; it is a motion “to take note”.

Madam Speaker, when do you have a motion “to take note”? What is a motion “to take note”? What is the effect of a motion “to take note”? I have gone to the books. I have gone to *Parliament, Functions and Practice and Procedures*, by Griffith. What is a motion to take note? Not what the hon. Member for Diego Martin West would say. I quote from page 480 of that book:

"Debates also take place on a motion to take note, which is the appropriate procedure when the Government invites the House to debate a white or green paper, or for debates and select committee reports."

So one sees that a debate on a motion to take note is when the Government is not sure of its policy. The Government has not made a decision on its policy, and it is looking to get views in order to evolve a policy. I want to ask the Government today if it is saying that it feels that this report can be the salvation to the sugar—

Mr. Valley: Would the hon. Member inform us of the page he is quoting?

Mr. B. Panday: He said it already; you must pay attention.

Mr. Maharaj: Madam Speaker, if the Government had agreed on a policy
[*Interruption*] Madam Speaker, I gave the page already, but to save time, it is page 480.

If the Government had agreed on this report, it would have had a policy decision. It would have come to this Parliament and said, "Yes, we agree on it. It is a policy decision, and we are going to implement it".

3.40 p.m.

Madam Speaker, Government is aware—and I understand why the hon. Member for San Fernando East cannot stay in the Chamber; he knows it is the truth. He knows that Cabinet has not agreed and that Government does not intend to implement this report.

Dr. Rowley: Madam Speaker, on a point of order. The Member is misleading the House. I have said on numerous occasions that this report was taken to Cabinet on Thursday, July 23, and Cabinet agreed to accept the recommendations of the report. It is in the *Hansard* of this Parliament.

Mr. Maharaj: Madam Speaker, agreeing to accept the report is not an agreement to implement the report and the recommendations of the report. Assuming that they have done that, one does not come with a motion to take note. If it is that the Government agreed to implement the recommendations, then a court can order the enforcement, but if the Government merely accepts the report without agreeing to implement the recommendations, no court can enforce it and that is why the Government is using that approach deviously in order to fool the sugar workers of this country.

Mr. Breaux: On a point of order, Madam Speaker. I would just like to quote from page 476 of Erskine May's, *Parliamentary Practice*. It says:

"A motion to take note is also appropriate for use by a Minister when he wishes to put down a neutral motion".

A neutral motion is a motion that the whole House accepts.

Mr. Maharaj: I am at a loss to understand what relevance that has to what I am saying.

There was a report on the sugar industry some years ago, and the Government wanted to show that it wanted to implement some of the recommendations of that report, and if I may refer to *Hansard* of Friday, January 19, 1979, of the House of Representatives, when the Minister of Agriculture, Lands and Fisheries, the hon. George Chambers said:

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"Mr. Speaker, I beg to move that this House take note of the report of the committee on the rationalization of the sugar industry and approve in principle the recommendations contained therein."

If this Government was serious about wanting to demonstrate to the sugar workers and to the people of this country that it was serious about implementing this report, and that in effect, what it was doing was adopting the policy as contained in the report, the Government would have taken another road. They certainly could not come with a motion to take note. If I may read from Griffith—because one would see that in a motion to take note, what is important is not what the Government decides, because that has no effect. Any contribution which is made in a debate on a motion to take note has no legal effect to bind the Government.

I know the hon. Member for Diego Martin West is not playing lawyer and he is not doing what he is doing because he is playing the fool. He is not playing lawyer because he knows that if he comes with the right kind of motion and the Government does not pay by a certain date the sugar workers can go to the court and get a *mandamus* commanding him or the Minister of Finance to pay, but he wants to get away from that.

Let us see what is the effect of a motion to take note at page 480 of a book by J.A.G. Griffith:

"Unlike the practice in the House of Commons, the opinion of the House on the subject of a debate is usually expressed in the content of the speeches, rather than by a division."

So one sees that the content of speeches reflects the opinion of the House but it is no policy of the Government. The author goes further:

"However, if a Lord wishes to invite the House to take a substantive decision..."

because in a motion to take note, no substantive decision can be taken—

"he can put down his motion in the form of a resolution."

I have a draft and an amended resolution which I shall read just now and perhaps if this Government is committed, as it says it is, we shall see whether it will agree to that. *[Interruption]* I sat and listened attentively to the hon. Member for Diego Martin West, and I find it very shocking that he dealt with this issue of

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backpay which in effect reflects an order of the court, in such a flippant manner. I find it shocking. I would show how the Government dealt with an order of the court in the budget speech of 1992, when they said how important it is.
[Interruption]

Madam Speaker, if I may continue and not be interrupted unnecessarily. Griffith is considered to be one of the authorities in parliamentary proceedings. He states:

"This is also sometimes done by the Government in seeking approval for a policy".

So if the Government wants to seek approval of a policy, then the Government says what its policy is and a motion can be used with the proper wording in order to get that approval. But certainly not a motion to take note. It speaks for itself. Just take note. Take note of what?

"Examples of this in 1985—86 were a debate on a motion by the Leader of the House to approve the Anglo-Irish agreement, which lasted six and half hours..."

So this motion could have been properly drafted, if the Government had its commitment for us to approve the recommendations so that they form the basis of a policy for implementation. Certainly, if we are to be responsible we cannot sit here—

Dr. Rowley: If we had approached it that way to get agreement from you, what would you have wanted in return?

Mr. Maharaj: That question does not deserve an answer. If I knew the hon. Member was going to ask that question, I would not have given way. But, unfortunately, I do not have the power of foreseeing what he would do.

I find these things very interesting. I enjoy it. I continue with my quote:

"and one tabled by the Leader of the Opposition calling on the Government to withdraw and amend an affirmative instrument on citizenship rights for Hong Kong ethnic minorities."

The point I am making is that one sees what a motion to take note is, and how it can be used with proper amendments in order to achieve the object.

I should like the motion to be amended by adding the following, after the word "limited":

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"And be it further resolved, that this House approve the recommendations set out in the said Report, and that Government take immediate steps to implement the recommendations contained in paragraphs 4 and 5 of page 19 of the said Report by Government, making these payments and or, causing these payments to be made on or before December 20, 1992."

3.50 p.m.

I would expect that any government which puts forward a manifesto, not only for the general election but for the local elections promising responsible government—community partnership would want to say, “yes, we agree with this. I want to see whether the Government would say it could pay the money on January 2, 1993 when there would be no budget—there may not be any budget—but it cannot pay it on December 20, 1992.

One does not have to be an expert in parliamentary procedure or the Constitution to know that if a government wants to pay \$20 million, \$30 million or \$40 million, all it needs to do is pass a Supplementary Appropriation Bill. It is also well known that if Government wants a loan, just as we saw in the history of this Parliament when government wants to act, it has powers where it can go and access loans, and it can have short-term loans in order to pay moneys.

The whole matter comes down to a question of commitment, a question of there being a genuine desire to implement the recommendations of the committee. This debate has nothing to do with whether the father of the hon. Member for Diego Martin West was a cane farmer, or whether the Minister is a registered cane farmer. What this debate has to deal with is whether the Government is going to show by actions and deeds that it is committed to implementing this agreement. So far it has not shown the commitment. I hope that at the end of this debate, it does so.

It is very easy to set up a committee. When one looks at the terms and reference of this committee which is in Appendix I, one sees that the members of the Government's team had no authority to bind the Government with anything they agree with. The matters contained here are mere recommendations.

Mr. Manning: That is only Opposition.

Mr. Maharaj: The hon. Member for San Fernando East has forgotten that he was in Opposition. He has also forgotten that he is not the Prime Minister of Trinidad and Tobago. Yes, he is Prime Minister, in name, but in truth and in fact

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he is not the Prime Minister. The lawyers use an expression de jure and de facto; de jure but not de facto.

Mr. Manning: Ask Kelvin Ramnath.

Mr. Maharaj: If the hon. Member for San Fernando East has reached the stage where he has to communicate with Kelvin Ramnath who is a dead political force in the country, then it is not surprising where the PNM has reached.

Mr. B. Panday: Let them consult with the ghost.

Mr. Maharaj: The PNM seems to have the power to consult with the ghosts.

Mr. Manning: Be careful you do not end up as one.

Mr. Maharaj: I notice that the co-Prime Minister is not here today.

On page 19 of the report under the heading "Human Resources" it states:

"Full payment to employees who retired or to the estates of those who have died during the period 1983-1992. A total sum of approximately \$25 million will be required for both daily paid and staff amounting to some 2,447 persons falling into this category.

A partial payment to current employees at a level calculated to settle this issue fully before the 1995 crop. The first tranche of this payment will not be less than \$30 million and will be paid before the start of the 1993 crop."

If the Government does not like my date, December 20, and it feels very strongly about January 2, let it ask for my motion to be amended. Let us talk. Let us consult.

Government has forgotten that the moneys which have been spoken about in this report are moneys which are due to the daily, hourly and task-rated workers of Caroni Limited, which represent arrears in backpay, unused sick leave and other financial entitlements for the years 1983 to 1987. It has forgotten—and that is what the effect of these matters has sometimes—that there was a judgment of the Industrial Court on January 25, 1985.

It has also forgotten that on April 22, 1985, the PNM Government appealed that decision; it has forgotten, but I should like to put it on the record, that the PNM Government was represented at the hearing before the Industrial Court through the office of the Attorney General. The attitude the Government was taking was that the company should not pay because the Government was unable

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to pay. That seems to be the same defence now, even after all these years when so many cheques are being written for all kinds of things such as repairing a house and purchasing appliances.

I have a list of some of the appliances in this house which was repaired. I have a document from the Ministry of Works. I want to say that the Minister of Works did not give me this document. It is signed by an official of the Ministry of Works. All I can say is that there will be a lot of French fries, ice and space for meat in that house.

The judgment of the Industrial Court was reversed by the Court of Appeal on a technical point, but it is important to note that the Court of Appeal up to today has not given the sugar workers the reasons for the reversal of that appeal. I mention these facts to show the oppression and injustice which the Government knows the sugar workers have had to contend with over this period.

Therefore, we see a situation in which the moneys were as a result of litigation, but then in 1987 when the NAR Government was in power, whilst Mr. Panday was in the Government, the matter was referred to the Industrial Court. Luckily for the workers the PNM Government was not in power, otherwise the poor sugar workers would still be fighting this case in court. Due to Mr. Panday's presence in the NAR Government, the appeal was withdrawn from the Industrial Court. Then there was a Consent Order where the terms of the Industrial Court judgment would be, in effect, implemented.

As a result of all these agreements and the inability of Government to show its true commitment to paying sugar workers the sum of money of \$130 million out of the award to which these people were entitled, they received only \$10 million.

4.00 p.m.

A judgement takes effect from the date it is given and a person is entitled to statutory interest of six per cent on his judgement. If those moneys were paid, or if the sugar workers did not make the sacrifice in order to forgo that interest, they would have been entitled to an additional \$100 million. Every day that this money or part of it remains owing, the unpaid sugar worker is losing money.

We agreed with the Government when it paid public servants. I am happy that public servants got their money. Whether workers are public servants, sugar workers, bus workers, parliamentary workers or any kind of worker, I am aggrieved and feel very distressed when they are treated oppressively. I am sure

that my friends on the other side would not want to use a different yardstick—at least I would hope so—with respect to sugar workers. But it would appear, having regard to their actions, that they are using a different yardstick with respect to sugar workers.

It brings into focus the intention of the architects of the Constitution when they enshrined in it equality of treatment and that the resources of the country are to be distributed equitably and fairly. It brings into focus Government's action in discriminating against a section of the community. Whether as a lawyer or as a parliamentarian, when it comes to discrimination, whether it is on the ground of race or on economic factors, I have never been afraid to talk about it.

I want to read from page 14 of the 1992 Budget Speech, which was delivered by the hon. Minister of Finance:

"Madam Speaker, the political party now mandated by the population to manage the affairs of this country has always scrupulously observed the laws of the land in discharging its responsibilities. The entire national community has a vital stake in the rule of law. This is the tradition that informed the commitment in our Manifesto for the recent General Elections, to pay to public servants on a current basis the award granted by the Special Tribunal of the Industrial Court, a superior court of record. In view of the passage of time since the grant of the award, we believe that, despite its considerable cost, we must begin to honour it as soon as possible.

The award, which encompasses the consolidation of cost of living allowance (COLA) 2 per cent across-the-board increase...is estimated to cost \$495.9 million on an annual basis. This decision to pay this award was not easy, in view of its cost which is equivalent to more than two per cent of the GDP. Among other things, this means that we cannot raise our investment level in the short run, given the stringent financial limitations of the size of the budget. I propose to pay the settlement awarded by the Industrial Court with effect from March 1, 1992."

One sees that the Government, quite rightly, recognized that when there are orders of court, it undermines the rule of law, it promotes distrust in the legal system if awards are left hanging in the air. In effect, actions either directly or indirectly by the state, can amount to disrespecting or disregarding the order of the court. It brings into focus that when persons are given awards by court, it is the duty of Government to ensure that these awards are complied with.

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Very commendably, the Government with respect to the public servants not only weighed the matter, they realized that they could have done other things with the money, but they decided that the rule of law demanded, not only that the moneys be paid but also that a fixed date be stated when the moneys would be paid. So, we have precedent for this Government recognizing that the awards of courts are to be paid.

But somehow, when I listened to this debate, I tried to discover what were the words used by the Minister; what was the basis of this committee. When the matter was laid in Parliament, having regard to what the Minister said, is there anything that the Government has said that has shown that it really has this commitment to implement this report? I went back to the budget contribution, of the hon. Minister of Agriculture, the Member for Diego Martin West, and I saw that he dealt with Caroni Limited and did in effect indicate what he wanted to do. I am quoting this to show that there is nothing that the Government has said up to now, as far as I am concerned, that would give the persons affected by those awards, a promise to pay, so that the court could enforce that promise.

Quite recently in Barbados, the Cabinet made certain decisions and the whole question of what can be enforced by the courts has been gone into. There must be a decision which is enforceable. It would seem to me that if the Government is saying it agrees with this report, it would take nothing from it to get up and say: "We have taken a decision and we, in effect, take it as our policy and we are going to implement it, and the first basis of implementation is that we are going to pay this award by a fixed date". If it does not do that, it is conclusive evidence that it does not intend to honour this report, and that all it intends to do is to use it like all the other reports with respect to the sugar industry. When the Minister says that it is a plan of action, let us see what is the plan.

When the Minister made his contribution to the budget debate, he talked about Caroni Limited being a problem. He stated that it is not a problem for Caroni, it is a problem for the people of Trinidad and Tobago. Then he said that he would be delighted if he, as the Minister, not only solved the backdated problem, but also puts Caroni on the right track. Then the Minister announced that he was setting up this committee, and it is significant at Appendix I to see the status of this committee, its terms of reference and what were its powers. Suffice it to say that this committee and the Government's representative were merely to try to get a view so that the Government would consider it. In other words, there was no authority by the members of that committee to bind the Government.

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4.10 p.m.

When the hon. Minister laid the report in Parliament—and that is very significant—there was nothing in his speech which, in effect, said that the Government had agreed to implement the report and that it was to be its policy. If I may read from the hon. Minister's contribution, this is what he said:

"Complete agreement has been reached. The Government now takes the opportunity to lay the report before Parliament and to indicate that we intend to have it debated very shortly."

Are we debating it so that the Government would agree on it, Madam Speaker? He went on:

"The parliamentary records reflect our heartfelt thanks to those members of the tripartite committee."

He continued:

"The report is a model of consensus. It deals with the financial situation..."

Then he went on to the issues and he spoke about Caroni performing local government functions and then, with respect to the seemingly intractable back pay issue.

"Agreement has been reached to permit the company to discharge its obligations over time. Among the considerations is a package of measures which require inter alia that the company make a payment of \$30 million before the commencement of the next crop."

No statement that the Government has agreed to ensure that this money is paid.

Madam Speaker, what the Government wanted to do is to introduce the report and fool the population, to give the population the impression that the Government was going to pay sugar workers, to honour the recommendations in the agreement. The PNM wanted to use this report for political purposes. As a matter of fact, on this side of the House, we agree with this report.

Dr. Rowley: That is why you will vote against it.

Mr. Maharaj: The motion has nothing to do with voting against the report. If the hon. Member for Diego Martin West understood what I read, that a debate to take note, the effect of it—

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Madam Speaker, for completeness, this is a House that is concerned with law, making law, following the law, but whenever you quote law to them they seem to be totally annoyed. This is because they are not committed to upholding the law—lawless. Parliament is a law-making body. It is not a talking shop.

If I may read from *Constitutional and Administrative Law*, by D. Smith as to the effect of debates in Parliament and contributions made by Ministers on resolutions of the House, their legal effect is confined to matters arising within the House. That is to say, if a resolution is not appropriately drafted, the Government would not be bound. That is why there is a bill.

A bill is debated. It is passed by both Houses; it is primary legislation then you have subsidiary legislation. A resolution to take note has no effect. What the Minister wants us to do is to come here and old *blague*—if he wants to use that expression—take note that the committee agreed on that.

I should have thought that the Government would have come to say what it intends to do about this resolution. Then he speaks about "chirrip, chirrip", that he will pay this money "chirrip, chirrip"! They are "chirrup, chirrup" people, as far as you are concerned. That is the contempt with which this Government holds everything to do with law.

I should have thought that the Member for San Fernando East would have stopped the Member for Diego Martin West and he would have got up and said, "This is what I am going to do..."

Madam Speaker, he knows history and I want him to know that if Mahatma Gandhi did not march, the rights of Indians in India would not have been the same. If Nelson Mandela did not march in South Africa, when he considered it was necessary to do so, the rights of black people in South Africa would not have been the same. If Martin Luther King did not march when he considered it was necessary in America, the rights of black people would not have been the same as they are today. If Basdeo Panday does not march if he thinks it is necessary, the rights of sugar workers and people would not be the same.

Mr. Manning: Madam Speaker, I thank the hon. Member for Couva South for giving way. I want to suggest to the hon. Member for Couva North that he is being encouraged to march on Sunday by the Member for Couva South as a plan to achieve the leadership of the Opposition.

Mr. Maharaj: Madam Speaker, may I assure the Prime Minister, the hon. Member for San Fernando East, that there is no problem on this side of the House, and Mr. Basdeo Panday is our Political Leader and he will be the next Prime Minister of Trinidad and Tobago. We do not believe in de facto and de jure together; a Prime Minister is either a Prime Minister or he is not a Prime Minister.

Madam Speaker, I find that this debate really brings into question standards of conduct in public life. Therefore, I would expect that if there is a section of the community which is adversely affected by governmental inaction, the Prime Minister, as one who is supposed to show that he represents the embodiment of what is contained in the Constitution as far as equality is concerned—he is one of the persons who represent that embodiment—that he would ensure that our community remains intact by his evincing that he is committed to true equality.

Madam Speaker, history will judge us on the basis not only of what we said or recommended other people to do, but also on the basis of whether we were truly men of courage. Did he have the courage to stand up at a particular time in our career? And I refer this to the Prime Minister: in his career as Prime Minister, did he stand up and show that he had the courage to, in effect, demolish any perception of inequality, injustice or oppression against a particular section of the community?

When history judges the Prime Minister of this country, it will also use this as a yardstick: "Was he truly a man of judgment, with perceptive judgment of the future as well as of the past?". It will also have to ask the question: "Was he a man of integrity in the sense that his judgment and his decisions were based on honesty and integrity? Finally, was he a man of dedication?"

Madam Speaker, when a Government takes office, that Government, in effect, through the Constitution, enters into a contract, like a promissory note, with the people of the country, and that promissory note is, to ensure that it will deliver the goods to the people of the country.

In this case there is a fierce urgency of this matter of robbery with violence of the sugar workers. There is no other section of the community, either in this country or in any other part of the world, who have worked hard—people who have earned their moneys and are entitled to them and to whom the court has awarded those moneys—no other section of the community has been subjected to this humiliation and oppression.

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

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Motion made, that the speaking time of the hon. Member be extended by 30 minutes. [Mr. R. Palackdharrysingh]

Question put and agreed to.

Mr. Maharaj: Madam Speaker, it is no answer for the Government to say there are insufficient funds, an inability to pay. We are speaking in terms here of \$20 million, \$30 million, \$40 million. The question which arises from my proposed amendment, is that the Government ought not to use the excuse that it does not have any money to pay, because one would see that the Government has been spending money wildly on other projects.

Madam Speaker, I normally do not like to do this, but I think it is relevant. I want to read from a document which has to do with amenities at a house—

Madam Speaker: Before the hon. Member continues, it has been drawn to my attention that he did indicate that there was an amendment. Could the Member provide me with a copy so that I can propose it at the relevant time?

Mr. Maharaj: I have it somewhere here, it is mixed up with other papers.

Madam Speaker: The Member may continue. We have five more minutes before tea.

Mr. Maharaj: Madam Speaker, I have a document here which emanated from the Ministry of Works and it relates to the tender for supply, delivery and installation of kitchen equipment for the residence at La Fantasie Road, St. Ann's.

The relevance of this is that it is being said and portrayed that the Government, having regard to the present position, cannot afford to pay. I want to demonstrate that if the Government wants to utilize money—and we are speaking about money from the judgment of the court. If, for some reason, these sugar workers did not decide in the national interest to give Government the opportunity and time to pay, they could have registered that judgment in the Supreme Court and enforced it against Caroni. They could have seized things in Caroni. They could have, in effect, tried to enforce that judgment.

Dr. Rowley: To shut down the company.

Mr. Maharaj: Madam Speaker, one sees how responsible the sugar workers are, the union did not do that. As a matter of fact under the able leadership of the president of the union, in the interest of the country, the union decided not to do

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that. The union said: "Listen, we will give the taxpayer and the country about \$100 million."

The point I am making is that if sugar workers were prepared to make that sacrifice to benefit the country, is the Government not prepared to make some sacrifice to get these moneys to pay them if they say they do not have the money? The point I am making is they have the money: they can spend money.

I am looking at some of the items. One sees a three-door refrigerator, 72 cubic feet of refrigerator storage capacity. That is not all. There is another freezer, three doors, 72 cubic feet storage capacity; an ice-maker, 569 pounds of ice every 24 hours. A reach-in glass-door refrigerator, two doors, 45 cubic feet. I hope it is not preparing for the mortuary for the PNM. There are two sinks—I have no problem with that—but that is not all: a commercial gas range, six burners, double oven and grill—

Dr. Baboolal: What is wrong with that?

Mr. Maharaj: I wonder if the Member for Barataria/San Juan would have some patience; she is asking what is wrong with that.

Madam Speaker, a deep-fat fryer, 110 thousand BTU and it can cook 60 pounds of French fries per hour, frozen to be done. Why must the taxpayer of Trinidad and Tobago pay for equipment for a Prime Minister in the discharge of his duties as Prime Minister, for 60 pounds of French fries per hour? Is he contracting to Kentucky Fried Chicken?

This is some of the equipment which has been listed. The point I am making is that when one considers this and many other matters; for instance the Government spends money for legal fees in this country—we have had a record in this Parliament in respect of the kind of moneys that have been spent in the Justice Crane matter, almost \$2 million.

Dr. Rowley: By whom?

Mr. Maharaj: By the taxpayers of this country, spent by the Government. The money belongs to the taxpayers. The Government took a decision, and whichever Government took it, the present Government is continuing with that decision.

Madam Speaker, when we speak about not being able to pay, the country and the people who are affected can only have confidence that that means something if, by the actions of the Government, they are seeing that the Government is really not

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spending lavishly, wasting money. But where a Government is spending money—millions of dollars—here and there, how can you tell people who have a judgment of the court, "Listen, you must not give us a definite time, you must leave us in the balance—at the start of the crop, before crop?" The public servants got a definite time, why can sugar workers not be given a definite time? They must be treated "chirrip-chirrip".

Madam Speaker, as I was saying, the sugar workers are entitled to say: "Having regard to the conduct of the Government, I do not believe what they are saying." I would show certain matters where, they say one thing but do something else. So if they say one thing and I am not there with the legal machinery to back it up or enforce it, I am not prepared to accept what they say because they are people who will say anything, but do not do what they say. They promise everything, but they do not do what they say.

Madam Speaker, for example, we are speaking about moneys due to people in a judgment of the court and the Government is speaking about shining up a city. As we speak about shining up a city, I would have expected that the Prime Minister, the hon. Member for San Fernando East, would understand that one can have a shining city, but it is all that shines. What about the heart of the city? Is he aware of the other city? This is really a tale of two cities; is he aware of the other city?

Madam Speaker: We can get into the heart of the matter after tea.

4.31 p.m.: *Sitting suspended.*

5.05 p.m.: *Sitting resumed.*

Mr. Maharaj: Madam Speaker, one sees that in 1992, state owned companies took decisions for workers to get their backpay, and I refer to the *Express* of August 27, 1992:

"Thirty-five hundred employees of the Trinidad and Tobago Oil Company (Trintoc) are to receive \$4 million in backpay by the end of next month.

Trintoc said yesterday that the money had been 'squeezed' to pay because the company was experiencing a cash flow problem.

Agreement by the company to pay the retroactive money came after six rounds of intense negotiations between the union and the company...

Backpay statements of each worker are currently being prepared..."

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So, Madam Speaker, one sees the history, even up to August 1992, which is just a month ago that state owned companies were squeezing out money in order to pay backpay to workers. That is good, very good, because I think that any employer, whether it be a private employer or the state, must recognize that workers must be treated with human dignity in that their entitlements ought to be satisfied as quickly as possible.

The same expressions of despair, sympathy and dissatisfaction that one would express with respect to sugar workers, I suppose one would express about all workers who find themselves in similar positions in which they do not know where their entitlements are coming from. It seems to me that the Government should use the recommendations of this report to show that it has a real commitment to workers in the country. If I may refer to the *Express* of August 20, 1992—"WISCO closes its doors for the last time. When will we be paid?"—

"The West Indies Shipping Corporation yesterday shut its doors for the last time. But the company's 44 employees would like to know when Government plans to pay them their \$2 million in severance benefits.

The last official communication..."

The point I am making is that if a Government is saying that it cares and in its manifesto, gave a commitment to the promotion of human dignity, it has to understand that the entitlement money, of workers, especially where that has already accrued and has already been ordered to be paid, is property; and if property is withheld, in effect, what the Government is doing is denying the workers the use and entitlement of their property.

Madam Speaker, I know that in a debate like this, in response, the Government can use technicalities in order to try to overcome the points I have made. But I want to make it quite clear that the submissions I have made are on two bases. One, that, in effect, a motion to note cannot be used, and ought not to be used, if the Government intends to implement a plan. If the Government intends to implement a plan, it should say so, so that the persons affected would have the benefit of it. That is why I feel that the union is totally justified in saying, "Listen this agreement was signed; we accepted, and we believe that the Government and the parties were serious in trying to solve the problems of Caroni. But after this agreement was signed, the conduct of the Government in treating with this plan demonstrates that it is not serious—it wants to use this plan like other plans." The workers are justified in saying so having regard to what was said by the Member

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when the report was laid in Parliament; and having regard to the nature of the motion that is before the honourable House.

If I may merely illustrate what I am saying in reference to the motion of January 1979. One sees that that motion was not simply a motion to take note, but was one to approve, in principle, the recommendations contained therein. One sees that even a motion to take note and to approve, in principle, is not sufficient, because this Spence Report was approved in principle, but there was no obligation on the Government to implement it. So, one sees that the important thing in this debate is not whether people agreed to it, but whether the Government intends to implement it. Has the Government made a decision to implement the report? If so, it can show its bona fides by implementing the first part, which ought to be implemented.

Madam Speaker, I do not want to take much more time. I had intended to read from many clippings to show that the Government has not kept its promises, but I want to confine myself merely to the kernel of this matter. And the kernel is that the Government ought to decide now, if it has the interest of the sugar workers at heart, if it respects the rights of the workers, if it respects the rule of law, if it is concerned with the enjoyment of human and fundamental rights of the workers, if it is concerned with equality of treatment. If it is concerned with these things, then it must decide whether this amendment—and I will read it again:

"Be it further resolved that this House approve the recommendations set out in the said report and that Government take immediate steps to implement the recommendations contained in paragraphs 4 and 5 of page 19 of the said report by Government making these payments and/or causing these payments to be made on or before December 20, 1992."

And I want to say, again, Madam Speaker, that we on this side of the House are very reasonable and if the Government says, "yes, we are going to implement this report but we have a problem", even though we on this side do not accept that there will be a problem, "we want to give you as you said, the 2nd or 3rd January, 1993", we would consider whether we should accept that.

Thank you very much, Madam Speaker.

5.15 p.m.

Madam Speaker: Hon. Members, the Member for Couva South has proposed an amendment to the motion under consideration in the following terms:

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"*Be it further resolved* that this House approve the recommendations set out in the said report and that Government take immediate steps to implement the recommendations contained in paragraphs 4 and 5 of page 19 of the said report, by Government making these payments and/or causing these payments to be made on or before December 20, 1992."

Seconded by, Mr. R. Palackdharrysingh.

Madam Speaker: The debate will continue and the amendment is now before the House, hon. Members.

The Minister of Local Government and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, I can understand the reason for the hon. Member questioning the Government's *bone fides*, as it were, with respect to this matter. If one does not have a word, it is easy for one to expect other persons to say one thing and do something else the following day.

I want to let the Opposition know that only they can agree with something and disagree with it at the same time. The hon. Member started his contribution by quoting from Griffith. I asked him, at that time, to inform us of the page from which he was quoting. I did that for a specific reason. He was quoting, as he informed us, from page 480 of Griffith, which deals with the procedures in the House of Lords. More than that, the same paragraph from which he quoted, noted the distinction between the House of Lords and the House of Commons.

Madam Speaker, let me quote it for you. I am quoting page 480:

"Unlike the practice in the House of Commons, the opinion of the House on the subject of a debate is usually expressed in the content of the speeches, rather than by a division."

This is making the point that in the House of Commons, they vote, but in the House of Lords, it is expressed by content, and so on. So that when we come here with a motion to take note, for the Member to get up and say, "Well look, this is nothing", is merely trying to mislead the House; is to play smart with foolishness, according to someone else. That is what it is. It is the irresponsibility of the Opposition.

The hon. Member for Couva North, as I understand, was part of the committee which worked on that report. But then, about two or three weeks ago, he came to the Parliament and he was telling the Member for Diego Martin West, the hon. Minister of Agriculture, that he wanted to take back his signature. In the same

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way, they agreed that we should change the financial year, but they came to Parliament and they took back their agreement. So that they have no word. I think the old people call it, whistling and chewing gum at the same time. It is a concept in politics that they have, that anything goes. They would say anything and when you question them and say, "how could you do that?", they say, "It is politics; what are you digging?"

I am from Couva and one thing I know about people from Couva and that area is that they do not like dishonesty in any form. I know those people out there can see through them. With respect to this Government, we say we have nothing to hide. I am sure you would remember that early in the year there was a problem in Chaguanas, specifically with the market. Before I knew anything, there was a newspaper article saying that some people would march to Port-of-Spain if the Minister of Local Government would not deal with the market. Madam Speaker, humble Ken Valley went down to Chaguanas to try to understand the people's problem, in PNM's caring way. We invited the Member of Parliament for Chaguanas—and she was there that day; God bless her soul. We spoke about the problem and there and then we agreed on a committee to sit and look at that problem. On that day, I said, "Miss Bhaggan, I want you to chair this committee". Because, to me, it was quite clear that if a problem exists in Chaguanas, the people of Chaguanas must design the solution, and the person who ought to lead that team, as long as that person is willing, is the Member of Parliament for Chaguanas.

Before the committee reported, her Leader was saying all types of things. They said nothing would happen. I remember when I went down to Chaguanas to accept the report, the Member of Parliament was making the point that if nothing happens in two months, she would march to Port of Spain. More than two months later, she did not march, because we kept our word. We met and agreed on an implementation plan and work is still continuing on the Chaguanas market, simply because this is a responsible Government.

Miss Bhaggan: Will the Member give way, please? The report is being implemented but the same is not taking place with the Caroni report. It is being brought to the House for discussion and debate. The Chaguanas market report was not brought to the House. It took a Cabinet decision and you implemented the report.

Mr. Manning: Is the Member prepared, therefore, to accept a Cabinet decision in respect of Government's intentions?

Miss Bhaggan: It is two different things.

Hon. K. Valley: Madam Speaker, I am glad the Member admitted, at least, that the implementation of the Chaguanas market report is under way.

As I said, quite simply, to us, responsibility is just the flip side of our caring. That is what it is. This is a caring and responsible Government. *[Noise]*

Madam Speaker: Members in the gallery, you either be quiet or you will be asked to leave. All members of the public attending these sessions are to be silent during the contributions of Members. Please take note.

Hon. K. Valley: The Member went on and tried to take this debate down to an extremely low level.

5.25 p.m.

Madam Speaker, I have lived away for some time, and from time to time, I have had cause to make the point that whenever we are out of Trinidad and Tobago, all Trinidadians and Tobagonians can live as one; there are no sections of population. Whether it is England, the United States of America or Canada, we see that. I say very simply, if we can do it out there, we can very well do it here, as long as our leaders refrain from attempting to put the bogey.

Let us look at his case this evening. He is saying that we paid other sections of the population, but that we are discriminating against sugar workers, and he cited public servants. First of all, I was of the view that public servants came from the general population; that there was no section of the population that is the public service; that public servants are white, yellow, green, pink, etc.—*tout le monde*.

Let us go back to what we say is our bond with the people; our covenant with the people. Unlike other parties, we take our manifesto seriously. We will talk about UNC's manifesto some other time. On page 53 of the PNM's manifesto, we said quite clearly what we would do with respect to the public sector pay issue and what we would do with respect to Caroni Limited's back pay. It states:

"The PNM does not agree with the proposed solution advanced by the Government. We see no direct link between the Public Sector pay and the divestment of State Enterprises.

The PNM will settle this issue by:

paying public servants their correct salaries and thus stop the accumulation of arrears."

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That was the first point, and we implemented that.

Secondly, we said:

"entering into negotiations with the representative unions with a view to arriving at an amicable arrangement for the payment of the arrears, bearing in mind the general acceptance that the arrears cannot all be paid in cash at this time."

We are working with that commitment. We paid the public servants their correct salaries, the same way that we paid the Caroni workers, their correct salaries. They both are owed back pay. With respect to the Caroni workers we said:

"The PNM acknowledges Caroni Limited's liability to its workers and a PNM Government will negotiate with the relevant trade unions for an acceptable schedule for payment."

Meaning, that being a responsible party, knowing that we cannot pay all in cash at the time, we would sit with the representatives and work out a schedule of payment. That is exactly what we are doing.

Madam Speaker, we got into Government, and, in a responsible manner we set up a committee to look at the problem and to deal with the issues. The committee reported on July 19, and the Minister of Agriculture, Land and Marine Resources lost no time whatsoever. He took the report to Cabinet and, I am authorized by the Prime Minister, to read the Minutes of Cabinet of July 24, 1992, to this House:

"Report of the Cabinet-appointed Tripartite Committee on Caroni (1975) Limited—

(a) Accepted the report and recommendations of the Cabinet-appointed Tripartite Committee, on Caroni Limited.

A summary of the recommendations of the committee was set out on pages 24 to 28 of the report, under the section entitled "Conclusion".

"(b) Cabinet further agreed that the above mentioned report be laid before Parliament"

That was done.

"(c) Directed the Minister of Agriculture, Land and Marine Resources, to make an appropriate statement in Parliament on Friday, July 24, 1992.

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- (d) Agreed that the House of Representatives be asked, by resolution, to take note of the said report."

That was done. *[Interruption]* We are coming to implementation. Do not worry. It is here.

About three weeks ago the Minister of Agriculture, Land and Marine Resources came with another note, this time, showing the decisions of the report and the ministry which is charged with implementing each recommendation. Based on that, the Ministry of Finance went to Cabinet, only yesterday, September 17, 1992—not next week—*[Interruption]* March? It could be June, July, September, December, it is the same licks.

Yesterday Cabinet approved the manner in which recommendations having to do with finance are to be implemented. *[Interruption]* Yes, that is exactly what I am going to do. I came to speak about that.

Let me say, first of all, that the six recommendations with financial implications are firstly, that the Government of Trinidad and Tobago would convert the loans and advances amounting to some \$2.138 billion into a grant or subvention. That is the first decision that Government would implement.

Secondly, Government agreed further, that it would assume the loans of Caroni Limited which are outstanding to FINCOR. The first one is \$400 million that is due in 2001, and the other amounting to \$120 million; due in 2004.

These decisions were taken on July 24, 1992. It is the manner in which these decisions will be implemented that was agreed by Cabinet yesterday. I am going to talk about that in a while. I am merely putting on record the financial decisions which were taken.

5.35 p.m.

Thirdly, Cabinet agreed to release the assets of Caroni (1975) Limited which were pledged as security to Government in connection with a World Bank loan in the sum of US \$12 million, which was granted to Caroni (1975) Limited. The loan has been fully repaid.

Fourthly, Caroni (1975) Limited will be relieved of the estimated accrued liabilities in the sum of \$200.2 million owed by the company at the end of 1992, in

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respect of PAYE—people's third party moneys—value added tax, health surcharge, and lands and buildings taxes.

Fifthly, a capital investment of \$80 million will be provided to Caroni Limited over the period 1993 to 1997.

Sixthly, the arrears owing to workers, \$128.8 million less estimated receipts from the sale of land—an estimated amount of \$29.2 million—will be met and will be retired. For retired employees or those who have retired there is an amount of \$25 million. Then, there is a partial payment before the 1993 crop of \$30 million. That is the commitment and that remains the commitment.

The other decision is that the Government would take responsibility for services which are rightly those of local government, and that is at a cost of \$2 million. Cabinet took those financial decisions.

I want to talk now a bit on the implementation. Before I do that, let me provide a bit of background. The plant at Caroni was established in 1975. The decision then, was in keeping with the concept of the day, that one had to save jobs. The only time Caroni ever made a profit was in 1975, because of some temporary price increase. Over the last five years the losses of that company totalled \$1,557.7 million. The company accumulated losses amounting to \$3.5 billion as at the end of December 1991. The loans of \$2,130 million that the Government has outstanding at Caroni were used to fund those losses. In addition, those loans accrued interest of some \$908.6 million that has not been paid. In addition to that, Government has guaranteed \$240 million at FINCOR for Caroni. So that, we see a company that is really insolvent. Treasury funding to Caroni over the last five years totalled some \$591.8 million and that is up to the end of December 1991. In 1992, an additional amount of \$90 million was provided.

As my colleague said, the main problem is with the price. We are producing sugarcane at a cost of \$3,800, per tonne while we are getting a price of about \$2,900 per tonne. The company is technically insolvent and the auditors must depend on the assurances of the shareholder. Without that financial support the company must be wound up because, I am sure, the Members for Couva North and Couva South would tell us that it is illegal to operate an insolvent company. That is the background of Caroni (1975) Limited.

So that the Government, given that type of background, when it assumed office and in keeping with its manifesto—appointed the tripartite committee

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appointed to put Caroni on a viable footing over an agreed time frame. The time frame which the report speaks about is by 1997.

The emphasis was placed on the role of Caroni (1975) Limited as a significant sugar producer; on refinery operations, asset management and utilization, the management of human resources and the long-term survival of the company as a viable bankable operation.

The report of the committee was completed on July 14 and it was handed in on July, 19.

The committee formulated a five-year plan for the company within which it projected that Caroni (1975) Limited should achieve a net surplus of approximately \$13 million by 1996 and a net profit of approximately \$35 million by 1997. Of course, if that is realized, it would be the first time since 1975 that Caroni would be making a profit and I think, then, we would be on our way to the sustainable development of Caroni.

The Government has accepted all the recommendations of the committee, including the six which I read a while ago, which have direct financial implications for the shareholder. The first one: The Cabinet agreed that the loans and advances of the \$2.138 billion will be converted to grants and when we do this, this will then be recorded as revenue in the books of Caroni and would reduce the company's losses of the sum of \$3.5 billion as at December 31, 1991 through prior year adjustments.

What we would do is adjust the books of Caroni to consider those advances as grants rather than as loans. They would also take into consideration the accrued interest. In other words, no longer would the accrued interest apply. As a consequence, the amount of the accumulated losses on the books of Caroni would be reduced by the amount of the loan, \$2.138 billion, plus the amount of the interest which the company would have incurred in relation to the loan which, as I said before, is some \$980.6 million. Here we have a company which has an accumulated loss of \$3.500.3 million and because we are making this adjustment, restructuring, as it were, the loss that would now be on the books of the company would be a mere \$391.7 million. That is what is going to happen.

That is how we are going to implement the first recommendation.

5.45 p.m.

Mr. Manning: They are still not satisfied.

Hon. K. Valley: Secondly, the Government-guaranteed FINCOR loan of \$240 million to Caroni (1975) Limited will now be serviced by the Government. Let me say that the first loan which is due in 2001, the rate of interest is one per cent below prime, with a minimum interest of 11 per cent slightly higher than Government would borrow on its own.

The other loan of \$120 million which is due in 2004, the rate of interest is one per cent below prime. The annual interest is \$15.4 million. Government would now be servicing that indebtedness; no longer would Caroni be asked to service that. The Government plans to hold discussions with the bank with a view to lengthening the maturity structure of the loans and trying for an adjustment on the terms and conditions to bring it all in line with what Government can obtain. That is the second recommendation. We are servicing the loan of \$240 million in keeping with our commitment. This is the implementation of decisions which were taken in July.

Thirdly, with respect to the release of the assets of Caroni (1975) Limited which were pledged to the Government in connection with the IDB loan, we have agreed to release that, since, of course, the loan has been repaid. This was obviously an oversight.

Fourthly, as I said, Caroni (1975) Limited owes \$220.2 million in respect of PAYE; VAT; health surcharge and lands and buildings taxes. One has to bear in mind that PAYE is deducted from earnings. The agent's job is simply to pass it on to the Government. Similarly with VAT; one collects it and it is supposed to be passed on. Nevertheless, we have agreed that in order to settle these liabilities, Government would make funds amounting to \$220.2 million available to the company as full payment for the purchase of parcels of land now owned by the company. These lands would be identified by the company and the Minister of Agriculture, Land and Marine Resources. The company in turn will utilize these funds to meet its statutory obligations in the said sum of \$220.2 million. We are saying quite clearly that we are going to give the company the funds, but we are going to take the land. When it has those funds it would then meet its statutory obligations, as we cannot really allow persons to collect third party funds and fail to turn them over.

Fifthly, capital investment of \$80 million will be provided to Caroni over the five-year period, 1993—97. As the Minister said, he has already taken steps to identify an international institution to provide that funding. However, Caroni is

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under an obligation to arrange its plans and programmes in such a way, that it can qualify for that financing.

Government will ensure that the terms and conditions of the loan are streamlined in keeping with the projected ability of the company to repay both the principal and the accrued interest. In other words, we are putting the company on a commercial footing. We are looking for an international institution so that the maturity would be long, and hopefully one would get low interest.

Sixthly, the payment of arrears of salaries and wages is in the sum of \$128.8 million. As I said, this is expected to be reduced by about \$29.2 million if certain categories of tenants elect to accept the land which they occupy as part payment.

Government has agreed to pay the sum of \$30 million before the 1993 sugarcane crop. This is the amount identified by the tripartite committee. As we said in the manifesto, we want to agree on a schedule of payment and our commitment is to make that payment before the crop. We understand that the crop starts on January 2. We have up to December 31, given that January 1, is a holiday. I can assure Caroni employees that debt will be met and we will honour our commitment.

That is really a far cry from 1987. Whenever there are local government elections, we tend to hear about that Caroni debt. Do you remember just around 1987 local government elections that this was taken from the courts, that a settlement was supposed to be arranged, because certain persons were on the run? When we had them on the run, sent a message to them, they pulled this out of the hat.

Now that local government elections are near, my friend who is now versed in these ways, pulls it from the hat once more and says, "Caroni back pay! Caroni back pay!" He is trying to ride the backs of my neighbours and friends from Couva. This Government will honour its commitment.

The last decision is that the Ministry of Local Government will do their work. Quite simply, in our manifesto we said that we want to ask the business houses in the region to assist us in undertaking some initiatives. If Caroni is having problems and they cannot help us—they have been good corporate citizens so far, and have been taking care of some things for the local government body—then, so be it. We shall perhaps have to find some other business house to assist us in doing what we have to do.

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I should like to let the public know that we are entering a new era in local government. Over the next three years we expect to make magic in local government. We shall be working with the village and community councils to improve the whole system of local government and all those persons over on that side who acknowledge local government will be invited to participate.

What is the bottom line of the overall cost to Government of these financial decisions? To:

(a) convert loans to grant	\$2.1 billion
(b) assume responsibility for the loans	\$220 million
(c) settle liabilities—PAYE, et cetera	\$220.2 million
(d) provide the capital for investment	\$80 million
(e) payment of the arrears	\$86.7 million
(f) assume the responsibility carried out on behalf of Local Government	\$2 million
Total cost to Government	\$2,708.9 million

This is what it is going to cost this Government to implement this programme, but because we are looking for a lasting solution to this problem, we are prepared to do that. In terms of 1993, the cost to the Government will be \$57.7 million.

I want to close by saying that this Government will continue to be responsible. This Government has no friends or enemies. We treat everyone fairly and equally. With us, at all times, the simple question is: is it in the national interest? And every time, we want to go straight down the centre. I thank you.

Motion made, That the House do now adjourn to Friday, September 25, 1992 at 1.30 p.m. [Hon. K. Valley]

Question put and agreed to.

House adjourned accordingly.

Adjourned at 5.56 p.m.