

Leave of Absence

Tuesday, June 25, 1991

SENATE

Tuesday, June 25, 1991

The Senate met at 1.31 p.m.

PRAYERS

[MR. PRESIDENT *in the Chair*]

LEAVE OF ABSENCE

Mr. President: Hon. Senators, I have granted leave of absence to Sen. Salisha Baksh from today's sitting. Unfortunately, she was involved in a vehicular accident and, therefore, was unable to attend today's sitting. I have also granted leave of absence to Sen. C. Warner from today's sitting as he is out of the country; to Sen. Dr. Sahadeo Basdeo during the period June 25 to July 6, 1991 and to Sen. Dr. Ramesh Deosaran during the period June 24 to July 17, 1991.

SENATOR'S APPOINTMENT

Mr. President: Hon. Senators, I have been advised that his Excellency the President has appointed Dr. Kenneth Ramchand to be a temporary Senator during the absence from the Senate of Sen. Dr. Ramesh Deosaran with effect from June 24, 1991.

OATH OF ALLEGIANCE

Sen. Kenneth Ramchand took and subscribed the Oath of Allegiance as required by law.

PAPER LAID

Report of the Auditor General on the Accounts of Reinsurance Company of Trinidad and Tobago Limited for the year ended December 31, 1990. [*Sen. Alloy Lequay*]

SELECT COMMITTEE REPORTS

Presentation

Sen. Alloy Lequay: Mr. Speaker, I beg to present the following reports:

Lions Club of Chaguanas (Inc'n) Bill

1. Report of the Special Select Committee of the Senate appointed to consider and report on a private bill for the incorporation of the Lions Club of Chaguanas and for matters incidental thereto.

Televising and Broadcasting Proceedings

2. Report of the Joint Select Committee of Parliament appointed to consider and report on all aspects relating to the broadcasting and televising of the proceedings of Parliament.

Mount Zion Independent Spiritual Baptist Church (Inc'n) Bill

3. Report of the Special Select Committee of the Senate appointed to consider and report on a private bill for the incorporation of the Mount Zion Independent Spiritual Baptist Church.

ORAL ANSWERS TO QUESTIONS

Debt Service Payment

- 32. Sen. Wade Mark** asked the Minister of Finance:

Could the hon. Minister state the debt service payments on:

- (a) The existing total foreign debt as of March 1991;
- (b) What percentage of existing total foreign debt has been contracted at variable interest rates?

The Minister of Finance (Hon. Selby Wilson): Mr. President, the external debt at the end of 1986 had increased by US \$898 million or 77 per cent over the 1982 debt of US \$1.173 billion to US \$2.07 billion. In addition, in the period 1982—1986 the then Government utilized savings and borrowings from the Central Bank amounting to \$4.051 billion and net foreign reserves fell by US \$2.654 billion.

During the period 1987—1990, the external debt increased by US \$436 million or 21 per cent, less than half of that of the previous five-year period.

The debt service on the existing foreign debt as at March 31, 1991 is estimated at US \$457 million for the year. The amount of total public sector debt contracted at variable interest rates is 35.2 per cent as at December 31, 1990.

Sen. Mark: Could the Minister indicate whether the contingency debt forms part of this total debt at the end of March 1991?

Mr. Wilson: Mr. President, this is the total debt of the central government. It is not customary to include in the central government debt, the debt of the state enterprises, which debt might be guaranteed by the Government.

Sen. Mark: Mr. President, I do not know if the Minister is now going to proceed with (b): “What percentage of existing total foreign debt has been contracted at variable interest rates?”

I did not pick that up clearly from his presentation.

Mr. Wilson: I hope your mind was not in Fyzabad, but I did give the answer.

The amount of total public sector debt contracted at variable interest rates is 35.2 per cent as of December 31, 1990.

1.40 p.m.

Debt Service

33. Sen. Wade Mark asked the Minister of Finance:

Could the hon. Minister state what are the annual interest rates and exchange rates used in determining the country's debt service projections?

The Minister of Finance (Hon. Selby Wilson): Mr. President, the assumptions with respect to interest rates are as follows:

- (a) for bilateral creditors—8.25 per cent in 1991 and 6.75 per cent for the period 1992—1995;
- (b) for commercial banks—9.2 per cent in 1991 and 7.75 per cent for the period 1992—1995;
- (c) for the non-rescheduled debt—9.2 per cent in 1991 and 7.7 per cent for the period 1992—1995;
- (d) for the IMF debt 8.25 per cent for 1991 and 8.18 per cent for the period 1992—1995.

The exchange rate used in the entire projection for the period 1991—1995 is TT \$4.25 to US \$1.00.

Sen. Mark: Mr. President, given these rates, both in terms of interest and exchange rates, could the Minister indicate the extent to which the country would be able to service its foreign debt? I am raising this question against the background of the large of money we would have to service between 1992 and 1997.

Mr. Wilson: Mr. President, I thought that the question emanated from information provided before. The question is seeking to determine what were the assumptions used in determining the debt service capability of the Government and those are the assumptions used in determining the capability of the country to service its foreign debt. If I may read the question for the benefit of the House:

"Could the Honourable Minister of Finance state what are the annual interest rates and exchange rates used in determining the country's debt service projections?"

These projections were already given and I thought this question emanated from that information.

Sen. Furness-Smith: Mr. President, could I ask a supplementary question? On the assumption that these questions emanate from the natural concern of the Senator, that when he, as he expects, comes into power next year, he will not have an unfortunate financial position to cope with—

Mr. President: Could the Senator ask the question please and avoid making a statement.

Sen. Furness-Smith: Could the hon. Minister make any comparison between the position of any Government coming into power at the end of 1991 with the position that his Government found when it came into power in 1986?

Mr. Wilson: Mr. President, I will simply say that if that unfortunate event happens, they will, in fact, find the economy in much better shape than it was in 1986.

Caribbean ISPAT Limited (Foreign Exchange)

36. Sen. Wade Mark asked the Minister of Industry, Enterprise and Tourism:

Could the hon. Minister state the precise net foreign exchange contributions accruing to the Government of Trinidad and Tobago made by Caribbean ISPAT Limited of Trinidad and Tobago since its lease arrangements took effect in August 1989?

The Minister of Industry, Enterprise and Tourism (Sen. Dr. The Hon. Surujrattan Rambachan): Mr. President, the net foreign exchange contribution made by Caribbean ISPAT Limited from the commencement of the lease with effect

from May 1, 1989 to March 31, 1991 has amounted to US \$94,147,000 or TT \$390,227,000.

Sen. Mark: Mr. President, could the Minister indicate whether the Government of Trinidad and Tobago is satisfied with the present arrangement with ISPAT and to what extent the Government intends to actually sell ISCOFF to ISPAT fully?

Dr. Rambachan: Mr. President, apparently the hon. Member has forgotten the number of questions he has filed because in fact, there is a question that he has asked dealing with that particular issue.

Mr. President: Senator, you will be guilty of anticipation.

Sen. Mark: Mr. President, maybe I can just recast the question. Could the Minister say whether, for instance, the Government of Trinidad and Tobago is satisfied with the present lease arrangements that it entered into with ISPAT in 1989 and what intentions, if any, to alter?

Dr. Rambachan: Mr. President, this Government is a highly moral one that operates on the basis of integrity. If this Government signs an arrangement, in the same manner in which we hope that the other parties adhere faithfully to their arrangements, so too does this Government adhere faithfully to its arrangements.

Sen. Amar: Mr. President, just to get some clarification. I felt that the question that I think is confusing is, what was the anticipated income that was supposedly expected from ISPAT, and is it in similarity to its actual?

Dr. Rambachan: Mr. President, the question that was asked is very clear:

"Could the hon. Minister state the precise net foreign exchange contribution accruing to the Government..."

as a result of the lease arrangements. Nothing is asked about anticipated, expected or budgeted.

Sen. Mark: Mr. President, could the Minister indicate what is the annual sum of moneys that the Government of Trinidad and Tobago enjoys, as a result of the lease arrangement with ISPAT?

Dr. Rambachan: Mr. President, I do not have that information on the annual basis here, but I have answered the question in the context of what was asked; and it asked for a lumpsum for a period. If I may repeat, for the information of hon.

Oral Answers to Questions
[HON. S. RAMBACHAN]

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Senators, from May 1, 1989 to March 31, 1991 it amounted to TT \$390,227,000 or approximately US \$94,147,000.

Mr. President: Hon. Senator, you would have your replies when your further questions are placed on the Order Paper.

ORDER OF BUSINESS

Sen: Alloy Lequay: Mr. President, may I respectfully suggest that we take motions 8 and 10 on the Order Paper and the Supplemental Order Paper. I am not recognizing, for the time being, resolution 9 since I think we should wait on the resolution of the other place before we deal with that.

Leave granted.

LIONS CLUB OF CHAGUANAS (INC'N) BILL

Adoption

Sen. Leonard Bradshaw: Mr. President, I would like to report that your committee which was appointed to consider "An Act for the Incorporation of the Lions Club of Chaguanas" met with the petitioners and are satisfied with the petition presented and propose that the Senate adopt the report of the Special Select Committee appointed for that purpose.

Question put and agreed to.

Report adopted.

Question put and agreed to, That the bill be now read the third time.

Bill accordingly read the third time and passed.

1.50 p.m.

Sen. Dr. Prakash Persad: Mr. President, with due respect to you and the Minister, I rise on a point of order. Standing Order 20 (4) states clearly:

- (4) "Private Senators' business shall be set down on the Order Paper for a particular day in the order in which it was entered in the Order Book for that day, and business so entered shall take precedence over any business postponed from a previous day."

If I read the Order Paper correctly, Private Business Motion 1, the debate was adjourned from Tuesday, May 21.

Mr. President: Senator, I do not think we have reached that stage. The Leader of Government Business has asked that we proceed with Private Bills and resolutions to adopt reports of committees and the Senate has given leave. After we have finished these two resolutions then we will come to that.

Dr. Persad: My apologies.

MOUNT ZION INDEPENDENT SPIRITUAL BAPTIST CHURCH (INC'N) BILL

Adoption

Sen. Felix Rampersad: Mr. President, your Committee was appointed on Tuesday, December 18, 1990. Your Committee held one meeting on Tuesday, February 26, 1991 and the bill was passed with one amendment. I therefore wish to consider the bill passed.

Question proposed.

Question put and agreed to.

Report adopted.

Question put and agreed to, That the bill be now read the third time.

Bill accordingly read the third time and passed.

BUSINESS OF THE SENATE

Sen. Alloy Lequay: Mr. President, at this stage I beg to move that in accordance with Standing Order 20, the Senate agree for us to postpone Private Members' Business to give precedence to Government Business.

Mr. President: Hon. Senators the motion moved by the Leader of Government Business in the Senate is that Private Members' Business should be deferred for today to give way to the Government Business on the Order Paper.

Dr. Persad: Mr. President, I rise on a point of order. Standing Order 20 (4) states:

"Private Senators' business shall be set down on the Order Paper for a particular day in the order in which it was entered in the Order Book for that day, and business so entered shall take precedence over any business postponed from a previous day."

On the Order Paper the motion is No. 1.

Sen. Lequay: Perhaps the Member does not recognize that the particular Standing Order was amended. I am sure that the amended Standing Order had

been distributed at the start of this particular session. He is reading from a Standing Order that is no longer relevant.

Dr. Persad: I look at the amendment and in the spirit of the amendment one would assume that the Leader of Government Business and the Senate must agree that it is urgent Government Business. It is the norm that we have Private Members' Day every fourth Tuesday. We still agree.

I think in the spirit of democracy, in the spirit of this amendment and in the spirit of co-operation that we in the Opposition have demonstrated so far, Private Members' Day should be continued today. The Leader of Government Business has given no indication as to the urgency that this legislation be debated today.

Mr. President: It is not a debate. It is a simple motion. I think the Leader of the Opposition more or less spoke on behalf of the Opposition.

Sen. Mark: I believe that the Leader of Government Business should at least recognize that we on this side have been co-operating throughout our entry as it relates to Private Members' Day.

We think it is an abuse of the Standing Orders of this House for the Leader of Government Business to just rise and indicate to this House that he is moving that Private Members' Day be postponed in favour of Government Business. I think that you need to give some guidance on this matter.

Mr. President: Sen. Mark, I am afraid that the Senate has the right to regulate its business. The Leader of Government Business, in accordance with the amended Standing Orders, has moved a motion asking that the Senate agree to defer Private Members' Business to allow Government Business on the Order Paper to proceed today. It is up to the Senate to decide. I cannot decide for the Members.

Sen. Lequay: If you will just allow me, Mr. President, since Sen. Mark has suggested that it is an abuse of the privileges of the Standing Orders, I merely want to indicate that at tea-time last week, I spoke to the Leader of the Opposition and I indicated to him that Minister Samaroo was here to start the second reading of the NAMDEVCO Bill, but since it was obvious that we were not going to complete the bill that was before us, if he could agree with me that Minister Samaroo could leave and we would start the debate on that bill today. If the Leader of the Opposition did not recognize particularly what I was saying to him, I want to apologize, but I did make that statement to him, and he did agree. To say now that it is an abuse of the Standing Order, I find it difficult to accept that.

2.00 p.m.

Dr. Persad: Mr. President, on a point of clarification. The Leader of Government Business did mention that to me. However, when I received the Order Paper, Mr. President, it stated in order of priority that the Private Members' Day was going to take precedence and, therefore, I assumed that this was the official document, and I would have thought that if he was serious about it, he would have done so officially. Therefore, I am still not wrong, and it still is an abuse, Mr. President.

Mr. President: I understand your confusion, but one will appreciate that when the Clerk of the Senate is preparing his Order Paper for the day, he has to act in accordance with the provisions of the Standing Orders, and the fourth Tuesday is normally Private Members' Business and is normally given precedence. He probably was not aware of the fact that the Leader of Government Business had indicated to some Independent Senators and Members of the Opposition that he was going to move at today's sitting that this will take place. I think that it has happened before—I speak subject to correction—that the business has been set out on a fourth Tuesday with Private Members' Business first, but Members came here knowing that it is the intention of Government to move that Private Members' Business give way to Government Business.

I am glad to hear that you had some indication. All I am going to do now is to put the motion to the Senate for its vote. Do you want to say something, Sen. Spence?

Sen. Spence: Mr. President, I do not want to argue against the motion, but I must make a comment because I do not want silence to be interpreted that I agree that the bill before us is urgent Government business, because the Standing Order under which the motion is being proposed suggests that it is urgent. I will argue in my contribution that it is not urgent. In fact, it is unnecessary. Thank you.

Question put.

The Senate divided: Ayes 16, Noes 5

AYES

Lequay, A.

Atwell, Hon. H.

Rambachan, Hon. S.

Weekes, Hon. G.

Bradshaw, L.

Hosein, F.

Charles, Mrs. U.

Bhagan, N.

Rampersad, F.

Sampath, Dr. M.

Horne Miss L.

Bahadoorsingh, Dr. K.

Furness-Smith, G.

Joseph, Fr. W.

Mansoor, M.

Khan, K.

NOES

Persad, P.

Mark, W.

Amar, R.

Khan, H.

Moonan, M.

Sen. A. Alexander, Prof. J. Spence and Sen. Prof. Ramchand abstained.

Mr. President: The motion is carried. We will proceed with Government Business on the Order Paper.

**NATIONAL AGRICULTURAL MARKETING AND
DEVELOPMENT CORPORATION BILL**

Order for second reading read.

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

Mr. President, let me first of all thank hon. Senators for having agreed to allow this bill to proceed today. I was trying to catch your eye to indicate that it is, indeed, urgent for the reason that the life of the Central Marketing Agency (CMA) comes to an end at the end of this month, and it has been quite some time that I have been pressing Sen. Lequay to have it on the agenda. Unfortunately, we could not start it last week Tuesday when I was here. So I am very grateful to hon. Senators for having agreed to allow the debate to start today.

I wish to state also, Mr. President, that I am very pleased to be here in the Senate once again where I spent some very peaceful years, unlike the years that I am now spending in another place. I give you the assurance that all rumours that you have heard that it is my intention to replace you, are absolutely without any foundation.

Mr. President, this bill before us seeks to transform what is now called the Central Marketing Agency from the umbrella agency that it has been for many years, trying to do all sorts of things which in our view it was not able to achieve, into a more clearly focused market-oriented institution. The bill seeks to set up a structure whereby the now increased production of agricultural, marine, and aquaculture commodities can now find outlets, both here and abroad, and at competitive prices. The major intention of the bill is to transform the CMA into a market-facilitating agency, rather than a buying and selling agency, which it has been for so many years, with the hope that in the longer term, if the bill succeeds in these purposes, there will be a greater stimulus to production in agriculture and in fishing, and the Government hopes there will be greater inclination towards investment in the agro-industrial and in the fishing area.

In order to place this bill into its proper context, in order to fit it into a framework whereby the clauses in the bill will be better understood, I will seek to do three things: first of all, to give a brief account of the operation of the CMA since its inception in 1966; thereupon, I shall follow with a description of the difficulties experienced by the Central Marketing Agency in carrying out that very enormous mandate that it had been given, which difficulties resulted in enormous financial losses and a high degree of inefficiency in the operations of the Central Marketing Agency; and thirdly, I would then come to the bill itself and try to demonstrate how this bill seeks to deal with those various shortcomings by setting up a more specific and less wide-ranging mandate for the new body which we are now seeking to bring into being.

Mr. President, the question that this Government had to face very squarely at the beginning of its administration was whether we must continue to finance an agency that was yearly running very high operational losses—in 1984, for example, it ran a loss of \$27.3 million—or whether it was not time to prune that institution down into a manageable, self-financing agency. So we had to face very squarely the question of how should we now manage this seriously debt-ridden organization, one of the very many such organizations that this Government inherited from a previous administration. It is the enormity of that debt, Mr. President, that now hobbles so many efforts at reconstruction in this country, and we now have to be very careful that we do not set up other institutions that will enslave future generations with such enormous debts as this Government had to take over.

The present Central Marketing Agency was established as a semi-autonomous agency by an Act of Parliament in 1966, and it was authorized as the principal agency responsible for agricultural marketing in Trinidad and Tobago. Under the Act, the agency was mandated to carry out the following:

First of all, to regulate the wholesale marketing system throughout Trinidad and Tobago in agricultural produce and in handicraft products;

Secondly, in its mandate was included the job of controlling and operating wholesale markets throughout the country, and to regulate the flow and movement of agricultural produce and handicraft products in those retail markets.

The third major function of the CMA, as it was instituted in 1966, was to develop and carry out a co-ordinated programme for the purchasing, selling, handling, storage, processing, distribution and transportation of agricultural produce and handicraft products and to operate and maintain services necessary or incidental thereto. So that the functions were very varied, very widespread, and ultimately the CMA found itself incapable of carrying out all these wide-ranging functions that it was given.

One can summarize the functions of the CMA by saying that in 1966, it was mandated to develop and carry out a co-ordinated programme for the purchasing, selling, handling, storage, processing, distribution and transportation of agricultural produce and handicraft products. As if this was not enough, it was also mandated to operate and maintain services necessary or incidental thereto. I am mentioning this because I wish to indicate that it went outside of the mandate given to it, strictly legally given to it, by the Act of 1966.

The operations of the CMA were financed mainly through funds released to it by the central government through the then Ministry of Agriculture and to a lesser extent from funds generated internally by the operations of the agency. Funds released by the central government were used to finance the agency's developmental programme, recurrent expenditure and trade deficits on guaranteed items. The heavy subsidization of foodstuff in accordance with the then Government's pricing policies, led to a deficit on the profit and loss account of the agency. This deficit was made good by central government in the form of continuous subventions, year after year, which subventions I shall give you an idea of in a little while. We have to consider very seriously whether it is prudent to continue that kind of subvention now in these less affluent times. I think that is an important consideration that this Government has had to constantly bear in mind, not only in relation to the Central Marketing Agency, but indeed in the whole area of offering subsidies in agricultural or other commodities.

2.15 p.m.

In some areas the agency was able to make a small profit on the sale of some items. These internally generated funds were then netted out against its total operating expenses in an effort to reduce its requirement for central government recurrent financing. The agency, at the present time, continues to be managed by a General Manager who reports to a board of directors appointed by the President. Policy guidelines, its operational budget, recruitment of personnel and conditions of work are determined, on condition, by the Ministry responsible for agriculture and also by Civil Service Regulations. I will be talking about these Civil Service Regulations when I seek to move some amendments to clause 14.

Mr. President, I had argued earlier on that the Central Marketing Agency sought to do too much and, therefore, became over-stretched and inefficient. I, therefore, wish now to indicate some of the major activities of that agency; to repeat something that I said earlier but now in some more detail, of the enormity of the range of functions that the CMA had to perform.

First of all, produce purchasing. The CMA purchased large quantities of a wide range of fresh produce directly from farmers on a current wholesale price basis. Contracts were also given out to farmers at guaranteed prices, starting in the year 1972. Secondly, it had to deal with local sales to principal outlets for institutional customers, such as, prisons, hospitals, residential educational institutions, the Defence Force, and so on. Stocks were also sold at the agency's retail outlets in

Port of Spain, San Fernando and Scarborough. Thirdly, the CMA was also involved in the export trade. From the early 1970s there was export, mainly of agricultural products, on a limited scale to North America, Europe and the Caribbean.

The CMA was charged with the sale of farm supplies. Through 10 rural outlets, the CMA sold animal feed-stuff, fertilizers and farm chemicals, fruits and vegetables. There was the whole question of pig marketing. The CMA for many years purchased all available pigs from state-lands projects and from private farmers, at guaranteed prices. All of us are quite familiar with the stories of thousands of pounds of pigs, particularly in sheds C40 and 42 at Chaguaramas, going into spoilage.

There was the question of the banana operation. The agency by the mid-1970s had become the largest purchaser of banana, and equally the largest seller of these fruits. There was the additional function of import purchases. For many years, the CMA was a major importer of carrots, sweet potatoes, onions, pigeon peas and white potatoes. Then there is the famous duty it had to perform for a number of years, that is purchasing overweight broilers. The agency would buy, store and sell such birds relieving processors of such birds.

As if all these activities were not enough with which to burden the Central Marketing Agency, this agency was also charged with the responsibility of overseeing the operations of the pig and poultry industries. The agency also functioned as advisor to the Ministries of Agriculture and Industry, Enterprise and Tourism on the question of the issuing of licences for the import of agricultural produce.

This Government will be the last to argue that the Central Marketing Agency, as it was then constituted and as it functioned after 1966, had no benefits. For one thing, it brought better returns to farmers; it stimulated production and consumption of local farm products; it reduced the dependence on food imports. To a certain degree it increased employment in the agricultural and agro-business sectors. From the very outset the weakness of this system outweighed its benefits.

I wish to quote from a report done by Scicon Associates commissioned by the Government. This is dated November 18, 1980, from Scicon Associates, Thorne Stevenson and Kellogg, Price Waterhouse and Company to FAC Steering Committee. Three accounting firms were commissioned to look at the operations of the Central Marketing Agency. I would like to quote from section 4 of the said report.

"For one thing, the CMA could not refuse to buy items on the guaranteed price list whether the market wanted these items or not."

Sen. Spence: Mr. President, I am sorry to interrupt so early in the Minister's contribution. I wonder if he could point to the Act and demonstrate to us where the Act substantiates what the Scicon Report is saying, because I believe the report is in error.

Dr. Samaroo: Mr. President, I should have said earlier on that I do not mind being disturbed at all, so if Prof. Spence or anyone else wishes to ask questions, I am quite delighted. I am very pleased that he raised this question. What I would indicate, without going to the Act, because I am familiar with the Act of 1966, is that nowhere in the Act states that the Central Marketing Agency is constrained to purchase these agricultural products. So, Prof. Spence is quite correct in asking me to show him where. I cannot, because it is not there.

However, the political directorate—that is the point I wish to make—through directive to the CMA, instructed them to purchase. That is what is reflected in this Scicon Report, "that the CMA cannot refuse to buy items on the guaranteed prices whether or not the market wants the product or not." That is the point which I am trying to make. Without any regard for the provisions of the legislation of 1966, the CMA was directed. I have spoken to a number of persons who worked in the CMA at that time, in the preparation of my own debate and they indicated that such were their instructions. Therefore, it bought as examples, large quantities of pigs, poultry and bananas at guaranteed prices but was then forced to dump these once the demand went low.

Secondly, with respect to farm supplies, the CMA outlet sold at higher prices than normal prices because of its middle-man function. Because of its entrepreneurial activity, and because of the large bureaucratic apparatus which it hired and which it added on as the years went by—which is one of the very serious problems which we now have—the reconstituted CMA, NAMDEVCO, does not need that enormous workforce that was added on for all kinds of reasons to the Central Marketing Agency.

Thirdly, acting as it did, that is, as the middle-man between institutions and the producer or wholesaler, the CMA prevented contact between producer and consumer and, therefore, did not allow competition in trade or the operation of market forces to allow prices to find their own levels, so that the prices remained,

mainly artificial, for many years. In the long run, the institutions that bought the products had to pay higher prices than they would have been able to receive on the open market. That did not worry the CMA because it was the Government, with supposedly limitless funds in those days, that had to pay up the deficits.

2.25 p.m.

Such fixed contractual arrangements that the CMA were making, allowed all kinds of deals to be struck up among the various participants, along various sections of the various chains that were interlinked in these omnibus and manifold functions that the Central Marketing Agency had to perform. Under these arrangements, the Central Marketing Agency was run like a public service. It did not open on weekends, which is normally the time when most trading in agricultural commodities takes place, nor did it operate outside the normal 8:00 a.m to 4:00 p.m. schedule, contrary to the usual marketing hours. But then, such used to be very normal practice in state-run institutions where profitability and self-financing were certainly not the major areas of concern. Such conditions and constraints were those that were inherited by another government which succeeded the PNM in 1986.

As if these problems were not serious enough, there was, in addition, the almost total absence of marketing intelligence either for the local or foreign market, hence producers had to operate mainly by guesswork and experience. What I wish to indicate in this presentation is that the major function of this restructured CMA—which we hope to call NAMDEVCO, the major function or thrust—one can say, of this particular piece of legislation, is to provide that marketing information. I shall describe in a very short while how the bill seeks to fulfill that function of saving our farmers, producers and exporters from working by guesswork and experience.

Not least of all, the export thrust, particularly during the years of the oil boom, was not accompanied by any policy geared towards producing for the export market. So again, exporters operated by trial and error, guessing information, trying to make personal contacts abroad which resulted in the absence of any system that could provide such information.

The result of these inadequacies of the CMA was that the Government was forced to embark on a massive subsidy programme which I shall seek to indicate by giving you a sample of the kinds of subsidies that were given to the CMA

between 1984 and 1990. I would like you, Mr. President, to look at the difference between the subsidization from 1987—1990.

Years	\$M.
1984	17.8
1985	20.6
1986	14.7

Then a new administration takes over in late 1986, and we begin to notice an immediate diminution of Government subsidy as follows:

Years	\$M.
1987	10.8
1988	08.5
1989	04.7
1990	04.5

So that we, in our own time, have reduced that subsidization from as high at \$20.6 million in 1985 to \$4.5 million in 1990.

Mr. President, there are people today who are clamouring for a return of the good old days of the CMA when there was this massive doling out of taxpayers' money. Such persons must bear in mind the damaging consequences of subsidies that are haphazardly shared out. A few will certainly benefit. One has no doubt about that. But the vast majority to whom these subsidies are directed, do not benefit and overall expenses soar to the sky.

It was not that the Government during the 1970s and 1980s was not aware of the deteriorating state of affairs in the CMA. There were many reports on the non-viability of that operation. I quoted a little while ago and I shall quote again from the 1980 report.

In 1974, six years before, there was an internal commission made up mainly of officers who worked within the CMA, to do an evaluation of the state of affairs of the CMA and to give a report. I just wish to quote one or two paragraphs of that particular 1974 internally-generated CMA report:

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

That is in the kind of left-handed way that public officers write, understating, in fact, the intensity of the problem.

The report goes on:

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

Another key aspect of the recommended changes involved a strengthening of the CMA organization itself. The report states, and I quote:

"that in order to properly carry out a programme of market improvement and to improve performance of our current services, there was need for expansion and streamlining of the organizational structure of the Agency. Operation of the earlier aspects of the proposal will require staff additions in the areas of market administration, market information and economic research, technical services and so on."

As I indicated, that report was done in 1974.

Sen. Prof. Spence: Mr. President, again I apologize, but the Minister has indicated that we can interrupt periodically. I would like him to develop the point about subsidies because, as I understand it, some of the subsidies were not genuine subsidies but really were being sold out because of inefficiency. But there must have been an element of actual subsidy to farmers in the total amount. If that is so, if it was not all just being paid because of inefficiency, if there was some subsidy to farmers—and I think there must have been—could the hon. Minister indicate how NAMDEVCO will replace that subsidy to farmers, or how the Government intends to give these same farmers who would have been supplying to the CMA, a subsidy. Or is it the intention to remove the subsidy from those farmers?

Dr. Samaroo: I thank Prof. Spence for that particular comment. I wish to indicate that in 1990 the Government gave out to the farming community, the sum of \$33 million. We gave subsidy to the rice farmers, cocoa and coffee farmers,

coconut farmers—I am sure Prof. Spence will have much to say about that, but we could talk about that later on—people who produce vegetables that could be used in agro-industry, such as sorrel producers.

This Government also instituted a system of rebate on taxes before VAT came in. Now that VAT has come in, rebate on VAT was given with respect to the fishing industry, those who purchase fuel, for example, with respect to those who purchase rod, reel, line, fishing tackle, to those who purchase agricultural machinery, tractors, sprayers and other kinds of machinery that the Ministry considers to be useful in developing the whole agricultural sector. We also gave a considerable subsidy in the milk industry. I believe it is now something like 89 cents per gallon. The farmers, of course, want more and we are looking at it.

The point I am trying to make is, that rather than allow these subsidies to go into one agency like the Central Marketing Agency, and then let the CMA just dole out the subsidy, to our mind, indiscriminately, is something that we wish to avoid. So what we have instituted in its place, is a whole system of agricultural subsidization, but a very carefully, monitored system of agricultural subsidization, which is handled, not by one agency or ministry, but by particular agencies that look after those particular areas. For example, in the subsidies we offer the cocoa and coffee industry, the Ministry normally gives subsidies each year in the amounts recommended by the Cocoa and Coffee Industry Board. When it comes to the question of subsidy for the coconut industry, that is not a subsidy that the Ministry of Food Production gives; it is a subsidy that the Ministry of Industry, Enterprise and Tourism gives, but in continuous collaboration and with the advice of the officers in the Ministry of Food Production.

2.35 p.m.

So what we have done is to disperse the various agencies that make recommendations in relation to subsidies. For example, fishermen and farmers who purchase either fishing equipment or agricultural goods when they apply for a rebate our Ministry makes a recommendation to the VAT office and the VAT is then refunded. What I think we now have is a more efficient method of administering the subsidy and ensuring that the subsidy goes to those farmers and fishermen who are directly deserving rather than putting it, as was done before, in the hands of one large agency that distributes it, in our view, without taking the necessary care. I suppose if Prof. Spence wants me to elaborate on that later on, he

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could ask questions during my presentation or raise them in his contribution and I will respond at the end.

There was this analysis from which I just quoted in 1974. There was this additional analysis in 1980 done by Scicon, Thorne Stephenson and Price Waterhouse. This 1980 report is very instructive. I would not quote from it at length but I would just wish to mention some of the points that it makes:

"Only the Purchasing and Distribution Department of the Central Marketing Agency had any direct relationship with institutions and wholesalers and other persons on the supply side. The other departments of the CMA had very little positive relationships with purchasers of agricultural produce when one considers the wider environment."

I think I should quote one or two additional sentences:

"The CMA supplies agricultural inputs to farmers but does not have information of what the farmers are growing; where located, expected yields and so on.

CMA's centra-marts do not carry a full range of products.

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

CMA, especially centra-marts, do not open for business on the key retail shopping days for agricultural produce namely Sundays."

Then in big bold letters:

"CMA is not a market-oriented organization. There are no existing clearly defined goals of the CMA."

It gives all kinds of criticism of the Central Marketing Agency and, therefore, we looked at all these various problems, these multitude of problems that bedevil the operation of the CMA. It is against that background this bill has been created.

I wish to go to clause 9 of the bill which, to my mind, is the major section of the bill and seek to explain to hon. Members, precisely what it is we are seeking to do.

Clause 9(1) spells out the functions of what NAMDEVCO will be doing and one can summarize this by saying it will facilitate and promote effective and efficient marketing of agricultural produce and food products. This means we hope that NAMDEVCO, having a thorough understanding of the facilitating functions in the marketing process, such as standardization and market information, will then seek to implement a system of standards and grades that we consider to be very important which will allow for improved trading practices on the local market, as well as guide producers as to the stringent requirements of the export market.

This process is already in train at the university where there is a programme of short courses done by the university in collaborating with the CMA, with the Sugarcane Feed Centre and other experts drawn from people with relevant experience in these areas. On Friday of this week, in fact, one such course will be putting out its graduating class.

We hope that under this particular rubric, NAMDEVCO will provide an efficient and reliable marketing information service in which producers, wholesalers and the wider category of buyers and sellers can develop confidence. These actions, we feel, are crucial to the penetration of export markets in particular.

We hope that this new NAMDEVCO will link our own agricultural producers and exporters of agricultural produce into the very extensive possibilities that the international markets offer. These markets in the area of agricultural commodities have expanded from an export figure of TT \$1.4 million in 1986 to TT \$5.2 million in 1989. That is only what is reported by people who report to the CMA or to the EDC. As you know, Mr. President, there are a large number of exporters who do not bother to fulfill this particular obligation. So that the export figure will be certainly higher than what the official figure gives.

In fact, it is our view that the local private sector has shown considerable entrepreneurship, considerable imagination, in attempting to respond to the existing demand in the United States, in Canada, the United Kingdom and in the Netherlands. In this regard, approval has already been granted by the Central Tenders Board for the purchase of computer equipment by the CMA for linking it into a wider regional information service.

I wish to indicate that what we are now doing with NAMDEVCO is developing the Trinidad end of a Pan Caribbean Information system called the Caribbean Market Information System, to which Ministers of Agriculture agreed more than

two years ago, and which we are now seeking to put on stream for the whole of the Caribbean. Therefore, what is necessary is that in each one of these Caricom states we set up a marketing information service that feeds into this Caribbean Market Information System and you will hear it being referred to as CAMIS, which is designed to allow for the implementation of a single integrated information system permitting access to agricultural trade information throughout all parts of the Caricom region.

CAMIS is in its own right related to other trade services, such as the Caribbean Trade Information Service which is called CARTIS. But to go back to the larger integrated Caribbean Agricultural Information Service, it is being strongly supported by all the governments in the Caribbean, since all the governments understand the need for the provision of timely and accurate agricultural information. Therefore, our own NAMDEVCO will be hooked on to this larger institution called CAMIS and receive information which it will then make available to the agriculturalists and other exporters in Trinidad and Tobago.

I wish to state also that we have looked very carefully at the information-gathering and providing that has been done by the Export Development Corporation (EDC) and what we have decided is that NAMDEVCO will be in constant communication with the information services of the EDC so that there will be no duplication of information, but in fact, there would be complementarity; that NAMDEVCO will be feeling constantly into the EDC and *vice versa*, each providing their own clientele with the essential marketing information which we feel necessary to assist us in providing better marketing facilities, better marketing opportunities, both on the local as well as for the international market.

2.45 p.m.

Mr. President, I want you to look with me at clause 9(2)(c) which seeks to set up, and to establish and administer wholesale markets. This concept has already been elaborated upon but I think it is important that I should point out that in the future, it may be quite conceivable that co-operatives, and other types of businesses, may wish to become more and more actively engaged in the operations of these wholesale markets as they become profitable investments.

This type of self-sufficiency is to be encouraged, especially because of the employment-generating possibilities. So we have included a particular section in clause 9 to facilitate the establishment of wholesale markets, not necessarily or

only by the Government. The intention is quite clearly to encourage private investors to also set up wholesale markets. As you know, the Government has decided to set up two large wholesale markets: one in Debe, which we hope to have commissioned in the month of September, and we are now in the final planning stages with respect to the northern wholesale market which will be situated at Trincity.

This particular clause of the bill facilitates the establishment and operation of such markets but it is quite clearly the Government's intention of not limiting the establishment of such markets to Government institutions, but to allow all other kinds of private agencies to set up wholesale markets for agricultural food products, as well as commodities relating to the fishing industry.

I would like to draw your attention to clause 9(2)(d) which relates to NAMDEVCO's role in advising on policy formulation in respect of retail marketing. That clause clearly indicates the role that NAMDEVCO will play in providing an essential link between wholesalers and retailers. One of the problems we found was that there was neglect of that area of closer institutional relationships between agencies responsible for wholesale and retail marketing. This we felt has led to a disservice being rendered to the users in the past. In a small economy with numerous small-scale vendors and wholesalers, the two activities cannot be delinked. The strategic placing of wholesale markets at points that would allow these markets to feed the network of retail markets around them requires close collaboration between NAMDEVCO and the local government bodies.

We hope that through this particular clause, that particularly the local government bodies would become involved in the whole area of seeking to provide market facilities for the local areas which they serve. The pool of expertise available in agricultural marketing within the proposed NAMDEVCO will liaise on a continuing basis with those responsible for local government, retail facilities and the development of markets in local areas. We feel that this would undoubtedly result in more organized flows of organized agricultural produce through the marketing system with the attendant benefits of lower costs and, we hope, increased availability of products to the average consumer.

Clause 9(2)(e) deals with the question of facilitating the promotion of agro-industrial development by providing an advisory service. A functional part of the NAMDEVCO establishment will be the agro-industry development project unit. This unit will be staffed with capability in food technology and business analysis and

would be responsible for the conversion of project ideas, of entrepreneurs into proposals that could be entertained by lending agencies, such as the Small Business Development Company as well as by the Agricultural Development Bank.

Quite often, one finds a small investor who wishes to go into some kind of small agro-industry or who wishes to go into some downstream industry related to the fishing industry such as the making of salted fish or smoked herrings and you find that such a person whilst he may have the idea does not have the capability or indeed the finance to work out a proposal for the bringing into being of that particular idea. We feel that it is very important that this new agency, NAMDEVCO, deals particularly with those small investors who have an idea but not the wherewithal to proceed with that idea.

Sen. Furness-Smith: This last proposal sounds to me very much like what the IDC has been trying to do for many years, particularly the emphasis on small business. When it comes to agro-industry it clearly falls under the scope of the IDC. Would there not be an overlapping?

An earlier point made under 9(2)(b), I was comparing the language of that with the language in the previous Act. The previous Act says—

"...to control and operate wholesale and to regulate the flow and movement of agricultural produce..."

The Minister's bill states at 9(2)(c):

"...establish and administer wholesale markets.."

I see no real difference and it leads me to the other question to which I would be grateful if the honourable Minister could address before he closes. Although I for one fully understand his policy explanation and what he is trying to achieve, what is worrying me is, why is it necessary to create a new body with very similar functions? Could not the old Act have been amended and its functions streamlined by directives of the Minister?

Dr. Samaroo: I thank Sen. Furness-Smith for these observations. First of all, on the question of the IDC, offering such advisory services, it has been our own observation that an agency like the Industrial Development Corporation has not been catering to the smaller person in the society, the small fisherman, the small agro-industrialist. It has been our experience that it is mainly the educated and

those with considerable amounts of finance who are able to go and access IDC funding or advice.

What we are hoping, by NAMDEVCO, is to establish an institution that you might say parallels the Small Business Development Company (SBDC). One could have said that if a small businessman wanted to borrow, why does he not go to the banks since they are set up for that? But then there are particular problems with those institutions and small people. So similar to the perceived role of the SBDC, we are trying to set up NAMDEVCO as an agency that would specifically relate, not so much to the larger business-person, but mainly to the thousands of small people who operate in the society.

Secondly, the question of “establish and administer wholesale markets”, this is drawn almost entirely from the old legislation. That brings us to the other point that Sen. Furness-Smith made: why could we not simply amend the Central Marketing Agency Act in order to perform these additional functions? I think there is an important reason for that difference. The reason for that is that we wished to change the whole emphasis of this new institution that we are hoping to set up, from marketing and purchasing functions and doing the many things that they set out to do and transform that agency into almost specific market-facilitating and information-providing functions.

2.55 p.m.

I think Sen. Spence does not agree with that new focus we are seeking to bring about in this particular piece of legislation. The reason I say that is because he has moved certain amendments. What I have tried to do in these amendments which I am proposing, is as far as possible to incorporate Sen. Spence's amendments—unwillingly, I must say—for the reason that the focus of this particular legislation is specifically geared, narrowed down and honed into the question of providing marketing information and one can say providing advice to those who wish to go into the development of agro-industry and in similar functions in relation to the fishing industry.

What we find with 68:01, which is the original piece of legislation, it is extremely broad. It seeks to do too many things as I have indicated. We have in the meantime set up other institutions and agencies to handle those functions. If you set up wholesale markets, for example, the purpose of those wholesale markets and the other markets that we are trying to encourage is to involve themselves in that purchasing. We also feel that the Government should not

dominate the whole area of buying and selling agricultural produce and exporting, which is what the CMA was doing.

What then is the role of the private investor—I have to ask that of Sen. Robert Amar, whom we are trying to encourage—if all their functions you now take and put in a government agency which does not have the kind of interest, because they do not make profit for themselves; they are public officers? Therefore, we are saying that we are removing those functions from this omnibus agency, letting it be in the hands of private investors seeking to encourage separate markets all over the country and honing in, specifying the functions of NAMDEVCO, in providing information, advice for would-be investors, into encouraging people to get into the marketing system, but not necessarily getting into the marketing system themselves.

Notwithstanding that, because of the high regard which this Government has for Prof. Spence, I have sought to include his amendment as far as possible in these amendments which I have suggested. I suppose we could talk more about that when we come to the committee stage.

The other important area which I would like to draw to the attention of the Senate is clause 31(1) where we see “General and Regulations”, that is Part VI of the particular bill, where if you look at 31(1)(a), I would have thought that would have answered Prof. Spence's amendment, about establishing marketing schemes for agricultural produce and food products. Apparently, that does not please Prof. Spence sufficiently so we have acceded to his request and sought to elaborate on that particular point in some of the amendments which I have put. I hope that pleases Prof. Spence and he would not be too fierce with me when he responds.

With respect to marketing arrangements, it is envisaged that in the thrust to increase food production, both for reasons of self-sufficiency as well as for exports, certain commodities will be identified for support by the Ministry of Food Production. One was hoping that under 31(1)(a) once you have identified certain particular commodities which it is the view of the Ministry ought to be included in a buying and selling programme of NAMDEVCO, if you will, I am saying that ought not to be the major thrust of NAMDEVCO. If you find that there is a particular commodity and there is a very good market for it abroad and we feel that through NAMDEVCO the export of that commodity would be facilitated, that can come under the rubric of 31(1)(a) where indeed the purchasing function can be taken up

by NAMDEVCO. The point I want to emphasize very strongly is that purchasing—that buying and selling function for this new institution—is something which we would prefer to avoid.

Sen. Spence: I thank the hon. Minister. I think this is a very important point. I appreciate the thrust of his argument that the purchasing is not to be a major activity. My thrust was that it should be allowed, not necessarily as a major activity. I cannot see how 31(1)(a) gives the corporation that authority. Perhaps some of the legal people would address that. I cannot see how the clause 31 (1) (a) gives the authority to NAMDEVCO to purchase.

Dr. Samaroo: I will still take Prof. Spence's point by pointing to the amendments which I have proposed where I have sought to accommodate him. If you look at the amendment on page 2, to clause 9(2)(b), that goes into the earlier part of the bill in which we have tried to facilitate Prof. Spence by saying delete paragraph (a) and substitute as follows:

- “(a) facilitate and promote the effective and efficient marketing of agricultural produce and food products and advise on the importation of and the mechanisms available to enlarge the local and international market for such produce and products;”
- (c) advise on price support measures and implement such price measures as the Minister may approve.”

In any case, as I said, we are still open to debate if Prof. Spence is still not satisfied with the very serious effort which I have made to accommodate his particular concern.

In winding up, I wish to indicate that there are a few other amendments which I wish to make and it has to deal with clause 14 and those amendments in—

Prof. Ramchand: Just for clarification before you wind up, clause 9(2)(b) states: “develop and provide information in respect of domestic and export markets in order to assist in the efficient organization of production, storage and distribution of agricultural produce and food products in a manner that promotes entrepreneurial development;”

I do not understand the phrase “in a manner that promotes entrepreneurial development...” Is there another way of assisting in the efficient organization of production storage and distribution, *et cetera*? What is the intention? What discrimination is it attempting to make when it says “in a manner that promotes...”?

In the Minister's commentary, he suggested that the Government would allow private enterprise to establish and operate such markets, but 9(2)(c) states, "establish and administer wholesale markets." The implication there is that the Government would do that. Is there a sense in which the Government would administer the wholesale markets that private enterprise would be allowed to establish?

3.05 p.m.

Dr. Samaroo: Yes, that is the intention, to assist in the administration of private markets that may be set up. For example, if someone wishes to establish a private market, he might want to know about location; he might want to know about the health facilities; the nearness to roads, and so on. It is the intention of NAMDEVCO to assist in giving such advice, and also to offer help in administering such wholesale markets so that the private investor does not bear the full cost of such an enterprise.

The other one on (b), "...produce and food products in a manner that promotes entrepreneurial development", I just want to express the intention of that particular clause. Members might suggest a way of putting it more properly in correct legal language. The intention of developing and providing information, and so on, is to assist the would-be investor, to push the small investor, in a mode that he becomes an established business person. The intention, really, is to give whatever assistance that might be needed in the production, storage and distribution of agricultural produce and food products, whatever such information that might be needed so that the small investor is enabled to move into business and soon become an independent businessman.

Mr. President, I could have gone on much, much longer but then this is not the other place where one has unlimited time and, therefore, I wish to end on this particular point, hoping that all Senators will support the bill. I would hope to make some further elaborations and explanations in my final winding-up remarks. Thank you very much.

Mr. President: I was about to tell the Minister that I realize that in the other place he is allowed more time in presenting a bill. Here we are bound by our new Standing Orders, and I would have asked leave of the Senate if he so wanted, but since he has completed, I will now propose the question for debate.

Question proposed.

Sen. Wade Mark: Mr. President, let me take this opportunity to welcome the hon. Minister of Food Production and Marine Exploitation, Dr. Brinsley Samaroo, to this Senate. From the reports that we have been receiving, I do not know if he is seeking to get permanent status at this level, but we have been reading all sorts of reports about his intentions and possible movements in the coming months. Suffice it to say that we welcome him here. I know that the hon. Minister is attempting really to do his best, I would say, within very powerful constraints, but this National Agricultural Marketing and Development Corporation Bill that we have before us, I think, tells us much. Whilst it focuses only on marketing, it tells us much about agriculture and Government's agricultural policy as a whole. I want to say from the outset that I see marketing as forming an element in the whole matrix of agricultural policy in our country.

Mr. President, although the explanatory note to the bill is intended only to indicate the general purport of the bill, it is clear that, except for a few new but very important provisions, the bill would re-enact, in relation to the proposed National Agricultural Marketing and Development Corporation, most of the provisions of the Central Marketing Agency Act, Chap. 68:01. According to the explanatory note, and I quote:

"The primary functions of the proposed Corporation would be to create, facilitate and maintain an environment conducive to the efficient marketing of agricultural and food products through the provision of marketing services and the stimulation of business investment in the agro/industrial sector of Trinidad and Tobago."

It would appear that in the present opinion of the Government, the existing Central Marketing Agency Act, Chap. 68:01 is incapable of creating, facilitating and maintaining such an environment. But what was the Central Marketing Agency Act intended to accomplish, Mr. President? In Chap. 14, dealing with agriculture, forests, and fisheries of the National Planning Commission's 1963 Draft Second Five-Year Plan, that is 1964—1968, it is explained on page 183, and I quote:

"As a means of streamlining the marketing system for domestic agriculture the Government proposes to establish a Central Marketing Agency. This Agency will replace the existing Marketing Board and will handle a wider range of crops and discharge a wider range of functions.

The functions of the proposed Central Marketing Agency will include that of setting minimum wholesale prices for commodities which it will be obligated to purchase at this minimum price; trading and dealing in feed-stuff for

livestock, seeds, fertilizer, insecticides and other agricultural supplies; collecting and distributing information on commodity prices; and encouraging research into and disseminating information on the optimum use of local foods."

Now, Mr. President, this is what the *Draft Second Five-year Plan of 1964—1968* was seeking to accomplish, whereas this proposed bill that we have before us, apparently is only seeking to accomplish one aspect of what was attempted in 1964—1968—and I know the hon. Minister is an historian.

Now, what is quite interesting, Mr. President, is that in 1963, the membership of this National Planning Commission comprised of the following persons: the Hon. Dr. Eric Williams, Chairman; the Hon. Arthur Napoleon Raymond Robinson, Deputy Chairman; the Hon. John O'Halloran; the Hon. Robert Wallace, also Lionel Robinson; Mr. Louis Alan Reeve, Jack Harewood, Mrs. Patricia Robinson and Mr. William Demas. He was the Secretary.

Now, Mr. President, according to page 184 of the Draft Second Five-Year plan, 1964—1968:

"The provision of market intelligence to farmers will be central to the operations of the new agency; for one of the principal difficulties faced by farmers at the present time in marketing their produce is their lack of knowledge of prices ruling for the same commodity in different parts of the country."

So, since 1964, between that 1964 and 1968 period and even before, you had this problem of market intelligence and farmers being unable to have the knowledge; they lacked the knowledge.

It further commented, Mr. President, that:

"This situation provides opportunities for middlemen to take advantage of the farmer's ignorance and thus reduce the net return per unit received by the farmer.

The Central Marketing Agency will have an important role to play in forging a link between agriculture and industry. To this end, where an expansion of food processing is contemplated and it is desirable to stimulate the production of a surplus, the agency may decide to guarantee the purchase of a commodity at a fixed price for subsequent resale to the processing plant, as has indeed been the case with the recent pigeon pea crop. In this particular case, as in all other cases, the Agency will not commit itself to a blanket policy

of guaranteed prices, but will consider this type of action in the light of its desirability and practicability at the time in question. Thus, the Agency will maintain the guaranteed price for a commodity until it is satisfied that the volume of production has reached a sufficiently high level. It could then, if it is necessary and practicable, decide to guarantee the price of some other commodity whose production it desires to stimulate."

Mr. President, it would be interesting and useful to discover what has been the experience of this agency in the area of guaranteed prices, because that is being abolished, according to what we have here before us.

Earlier in the chapter of the draft plan, it was observed on page 183:

"Experience in a wide range of countries has demonstrated that there is no greater incentive to increased agricultural production than a guaranteed market providing a known price. What matters in this context is the guarantee of a market at a known price rather than the payment of high prices which involve a substantial element of subsidy. The guaranteed minimum, to the extent that it is successful, merely affords a cover under which the grower sells as much as possible at high prices and then off-loads the remainder. It is important that growers be educated to realize that their income rests upon high yield, reduced costs, and a satisfactory *average price* and NOT upon the maintenance of high prices for small outputs. To the extent that a guarantee price system seeks simply to pay prices substantially in excess of ruling market prices, such a system becomes equivalent to a deficiency payment or a price support type of subsidy scheme and as such contains budgetary implications, the extent of which may not always be apparent when the scheme is first initiated."

3.20 p.m.

Mr. President, how far, and to what extent, has this suggested process of farmers' education been undertaken by the Central Marketing Agency or any other agency in our country? The 1963 National Planning Commission might later on have found endorsement for its warning of the need for greater farm productivity in a passage in the 1966 study of the late Professor W. Arthur Lewis. In *Development Planning, The Essentials of Economic Policy*, Sir Arthur Lewis, on page 46 of his text, states:

"Paying more to farmers is a good strategy if it will increase their productivity and especially if a small price increase brings a large increase in

output. But if a large increase in prices brings only a small increase in output, the result may be to slow down the overall rate of economic growth. Even in this state, however, the conclusion is not that it is wrong to raise farm prices but only that it is wrong to rely exclusively on this weapon instead of using other means of raising productivity.

While it is true that an increase in farm prices by itself will not necessarily raise farm productivity significantly, it is equally true that keeping farm prices low can be disastrous."

What has been our experience in this particular area? What do our farmers have to say about the question of productivity? Will the proposed National Agricultural Marketing and Development Corporation achieve more than the Central Marketing Agency has apparently been able to accomplish? To quote Sir Arthur Lewis again:

"That it is difficult to raise the productivity of small farmers is often said, but the truth is rather that the appropriate effort has seldom been made. Few underdeveloped countries have come near to setting the scene as it needs to be set. Particularly notable is the failure in regard to farmers' education. It is taken for granted that industrial workers need training and much money is spent on building trade schools and organizing industrial apprenticeship. But it is assumed that anybody can farm without prior institutional training, subject only to an occasional visit from an extension officer. The modern trend towards farm institutes, where leading villagers spend months receiving practical training is showing good results. The productivity of small farmers can be increased sharply if men and money are allocated to the task of adequate proportions."

You see, our scholarships and our thinkers, like the late great Sir Arthur Lewis—he was able to analyze this issue very clearly; and that was since in the late 1950s. Much has taken place in many countries since the late Sir Arthur Lewis made these observations in his 1966 book on development planning. Indeed, many of the comments have long ceased to be applicable to Trinidad and Tobago, but much still remains to be done.

On page 39 of his 1991 Budget Speech, the hon. Minister of Finance gave this assurance:

"In the agricultural sector we will concentrate on the provision of infrastructure in order to continue enhancing the environment in which farmers are encouraged to produce."

He went on to list, among the main areas of focus, the following: the establishment of the proposed National Agricultural Marketing and Development Corporation together with a trade facilitation service through which all information will be available on the current and projected supplies and prices of domestic fresh produce. Also, the completion, during 1991, of the first farmers' wholesale market at Debe, which will be managed by NAMDEVCO. I quote:

"Consultancy works for the design of the north market at Orange Grove will be undertaken in 1991."

He went on to indicate—and this was ludicrous—that a feasibility study for the development of a national agricultural access roads programme will be undertaken in 1991. I do not understand why we have to undertake a feasibility study after all these years, and all these reports. I am certain that there are sufficient feasibility studies on the question of access roads. Also, another feasibility study—jobs for the boys—I do not know from where the consultants are coming, but you have feasibility studies aimed at improving irrigation and drainage infrastructure in the Plum Mitan and Oropouche areas. These things will also be completed in 1991.

He also mentioned that pre-investment studies will be undertaken in 1991 for investment projects in the agricultural sector, focusing on product diversification and incentive policy, research and technology transfer schemes, institutional streamlining and budget management, and land use rationalization.

We do not know what these studies will cost the taxpayers, or who are the agents or agencies involved. While these activities may appear to be steps in the right direction, I hope that the proposed activities of the National Agricultural Marketing and Development Corporation will be fully incorporated into, and be fully consistent with, other agricultural measures which the Government has indicated it will undertake. There is the inescapable conclusion that what the Government is attempting to do is reduce its role in direct marketing activities. It is consistent with the market magic paradigm with its vulgar and disintegrating winner takes all markets criteria.

The inspiration for NAMDEVCO is located in the Government's *Draft Agricultural Plan 1988—1992*. For the records, I just want to quote page 75 of the Plan which says:

"At present, production is geared only to the internal market which is poorly organized inasmuch as grading is non-existent. Packaging and handling are poor thereby causing inordinate post-harvest losses..."

They are telling you what is wrong. I continue:

"transport costs are high because markets are far from the producing areas; and storage is limited and inadequate as well as poorly located since most warehouse space is concentrated at the ports of entry."

It went on:

"The responsibility of the Government in this sector should centre around the physical restructuring and the administrative re-organization of the market system. The Government should be a facilitator in the system, and minimize its involvement in direct marketing activities which are best carried out by private enterprise."

I am saying that the basis for this particular piece of legislation which we have before us derived its inspiration from the whole magic market paradigm which we seem to be intoxicated with, not only here in Trinidad and Tobago, but in many Third World countries, and we are going to pay a heavy price for that.

Mr. President, remember the tireless mother philosophy? This is also reflected in the Plan, when the Prime Minister—when he was the Minister of Finance—said the state is a tireless mother. It cannot carry the children any longer, so allow them to become vagrants; allow people to be retrenched.

Hon. Senator: Allow union leaders to drive Mercedes Benz.

Sen. Mark: Prices are let loose in the country. Allow VAT to be 15 per cent, it does not matter if people can pay it. You are unemployed you pay VAT; you are working for \$1 million per year you pay VAT; you are working for \$500 you pay VAT. That is insensitivity.

The emphasis in the bill, however, appears to be on agricultural production and marketing for domestic consumption. This is understandable in a country which imports approximately \$8 million per year. This Government is no different from the last one, that is why we say it is an exchange that we experience—PNM 'A', and now we have PNM 'B'. Look what has happened. They attacked the PNM Government for its agricultural policy and one would have expected that something would have been done about agriculture.

3.30 p.m.

Mr. President, in 1987, \$835.5 million was spent on imported food and live animals. This is according to the Central Bank 1990 Annual Report. In 1988, \$720.2 million; in 1989, \$856.6 million; in 1990, \$859.9 million. No difference; business as usual. The powerful food lobby in this country still has the Government under control. We have two governments in this country—a visible one and an invisible one. Mr. President, what of the efforts to expand our exports to other traditional markets in Europe and the United States? In this period of emerging mega-trading blocs, what about the new growth poles in the Far East? What about penetrating the Eastern European borders?

In his 1991 budget presentation, the hon. Minister of Finance noted with evident satisfaction that in real terms, the contribution of the agricultural sector to the gross domestic product increased from 2.5 per cent in 1986 to 3.6 per cent in 1990. Is that enough? We have never moved beyond three, four and five per cent, and he is in glee. Is the Government really serious about increasing production and marketing of food for domestic and external consumption? They say that the contribution of food production increased—agricultural sector to the GDP. How much of that increase—3.6 in 1990—was contributed by the export agricultural sector? Clearly, much less than one per cent. We must endeavour to increase that contribution but not at the expense of our domestic requirements.

In the United States of America there is an Act called the Omnibus Trade and Competitiveness Act of 1988. The United States Congress was alarmed by a 36 per cent decline in that country's agricultural export when it dropped from US \$43.8 billion in 1981 to US \$27.9 billion in 1987. It declared the following policy, and that is, "to provide through all possible means, agricultural commodities and products for export at competitive prices, with full assurance of quality and reliability of supply."

So the big United States of America who is seeking, through its international agencies like the IMF and World Bank, to force developing countries to open its borders, liberalize trade, agriculture included, is very concerned about falls in agricultural production and has taken steps to ensure that production reaches a certain level that is acceptable to them. It is a policy which we, too, in this country can do well to emulate to the best of our farming ability. But in this regard, the proposed Agricultural Marketing and Development Corporation hopefully, with

full support of the farming community, can be one of the principal instruments to giving effect to that policy.

While the full support of the farming community is vitally important to the success of this thrust, the truth is that the many major farmers' organizations and federations were not even properly consulted on the provisions of the new bill. Indeed, there are no specific provisions in the bill to have farmers represented on the corporation's board. Where are the farmers' representatives? The Minister will probably have to advise us. Some of the farmers' organizations are clearly not happy with the bill. Indeed, these farmers claim that many of the traditional responsibilities of the CMA would now be eradicated. For example, under the CMA Act, Chap. 68:01 farmers were guaranteed both a market and a price for their produce. This new bill that we have before us will eliminate both.

The CMA provided cold storage facilities to farmers. That, too, is going to go. The CMA used to retail certain agricultural inputs vital to farmers, such as small machinery, fertilizers and seeds. With the introduction of NAMDEVCO, these responsibilities are to be abolished. The main function of NAMDEVCO, as is stated, is to create, facilitate and maintain an environment conducive to the efficient marketing of agricultural and food products through the provision of marketing services and the stimulation of business investment in the agro-industrial sector of Trinidad and Tobago.

Why is the Government seeking to reduce or scale down its involvement in the direct marketing activities? Does the Government not still have a major and direct role to play in the agricultural and agro-industrial sectors of our country? Why is the Government seeking to relieve itself of this responsibility, and in the process, confine its role merely to regulation, support and the provision of incentives? In this proposed Act, the Government would become a mere facilitator.

I recall when we were talking about the National Carnival Commission, the Government argued that it did not want to dominate; it wants to facilitate. Even our good friend Sen. Broomes was loud on that particular point. Facilitation instead of domination.

In the recent past, the society has witnessed the closure of a number of state enterprises directly involved in agricultural development, marketing and production. The society has witnessed the closure of Meat Processors Limited, the Food and Agricultural Corporation, National Fisheries and now the CMA. It

appears that the whole thrust of the Government is to privatize the entire agricultural sector and place it in the hands of foreign and local private big business. Indeed, the Government's intention, given the policies and conditionalities of the international financial lending agencies, the IMF, World Bank and, recently, the Inter-American Development Bank (IADB), is to privatize the entire national economy of Trinidad and Tobago, and not merely the agricultural sector. The agricultural sector is an element in their whole scheme of things to privatize the national economy of Trinidad and Tobago. That is going to meet with total resistance. How else can one explain the Government's plans and intentions to rationalize and privatize the energy and oil sector—that is the heart-beat of our economy—to a small private sector clique, and we know them. We know who these people are and we know their links and contacts. The Government wants to privatize BWIA as well. It wants to sell out profitable state enterprises on the pretext of honouring the huge debt to the public sector employees and Caroni workers. Mr. President, it wants to privatize TELCO—it has partially done that through Cable and Wireless (TSTT). The British are back. Our former colonial masters are back.

3.40 p.m.

They have destroyed the PTSC. The PTSC had 446 buses, today it has less than 100. In many rural areas children cannot afford to go to school because their parents have been retrenched. Because of the vicious policies and misguided economic policies of this Government, children are denied access to education because PTSC has stopped running on those routes.

At a recent dialogue held at the OWTU, Mr. Davidson Budhoo, economist and former IMF officer, warned the people of this country that Trinidad and Tobago is being forced to privatize. I quote from the *Trinidad Guardian* of Monday, June 10, 1991, which was headlined:

"Budhoo: TT being forced to privatise Trinidad and Tobago is under international receivership, Davidson Budhoo, former IMF officer, told the national dialogue organised by the Oilfields Workers Trade Union on Saturday. He said that the IMF and the World Bank are the agencies directing the country's economy and allocating its resources for the repayment of debt.

Budhoo painted a gloomy picture of the future of Trinidad and Tobago and aligned the country with that of Guyana and Jamaica along the IMF road.

He warned that irrespective of what was best for the country, the oil sector was going to be privatised."

That is why the Government has not up to this time, produced a document. It has not come to the country with a white paper on the whole issue of the rationalization of the energy and oil sectors. But we understand they are rushing with their private sector clique and gangs to take control of the oil industry in our country. But that will be resisted.

He went on to indicate that:

"The country's oil industry had become subject to a worldwide ideology and an international system, he said. This was translated in the imperatives and the programmes of the IMF.

Budhoo said TT was particularly important in this respect. The country's oil industry was a very strategic industry for the major shareholders of the IMF who were following a directive to privatise this sector.

He referred to this directive 'to go out and privatise Third World countries' which, he said, was given by the former US President Ronald Reagan at the IMF and World Bank Annual meeting in 1984."

What I am saying is that we are dealing with a very serious matter here. It is the very future of our country which is at stake here and the Government of Trinidad and Tobago led by the NAR, apparently some of its leading figures are unconscious of the criminal plots that are being hatched in high places to privatize this country and to take over the commanding heights of this economy. If I had time I will tell you exactly what is taking place and who are the elements involved.

With the removal of some of the most critical functions of the CMA, under the new legislation small farmers can expect to experience more serious problems, among them being the removal of both guarantee markets and prices which will adversely affect the small farmers in particular. This is bound to lead to increased risks and uncertainties and threaten the already precarious livelihood of the majority of farmers as their very existence becomes more unstable and uncertain.

This development, when viewed against the background of the trade liberalization programme imposed by the World Bank for US \$40 million—half of that money we pay to public servants on a monthly basis. We borrowed US \$40 million from the World Bank and they are coming here to tell us how we must run

our country. This liberalization programme imposed by the World Bank on this nation which, if not resisted, could lead to an erosion of the country's capacity to increase its domestic production of food and pressures to accept the imports of food products from the rich and powerful industrialized countries through the abolition of the negative list.

Mr. President, Prof. Kari Levitt, in a lecture delivered at the Eric Williams Memorial sponsored by the Central Bank two years ago, stated:

"The demands for liberalization of the regime of trade and finance should be resisted. Most particularly, the erosion of capacity of countries to increase domestic production of food, and pressures to accept the import of (highly subsidized) food products from industrialized countries must be resisted."

This article is taken from *Caribbean Affairs Volume No. 3*, page 34. They want us to open our markets, bury our farmers and import cheap food so that American farmers could have work and our farmers and food security cannot be guaranteed in our own homeland.

Historically, there has been a very powerful and selfish food lobby in our country, whose resistance to increase domestic production now finds refuge in the backward policies of the World Bank, the Inter-American Development Bank and the International Monetary Fund. It is clear that this influential and powerful lobby is at work once more. In fact, this lobby may be totally happy with NAMDEVCO being formed. One man McEneaney Alstons, one company, a conglomerate, is allowed the right to import all our pharmaceuticals in Trinidad and Tobago. That is why people are "ketching their royal aunts and nennen" in this country. There is no competition. Carib take over Stag—monopolization of the economy. This is what this NAR Government has brought this country to. I am sorry the Minister of Finance is not here.

Dr. Sampath: Mr. President, may I make a very small correction to the statement just made? It is not true at all that one company has a monopoly of importing pharmaceuticals. I know of at least 20 independent companies that import pharmaceuticals in a wide ranging number of places—United States, Canada, Britain, India.

Sen. Mark: Mr. President, he is certainly not *au courant* with the realities of our country. Eighty-five per cent of the pharmaceuticals is imported by one company. So even if you have 20 more companies importing, it does not make a difference. I am dealing with monopolies in the country. That is what I am addressing. Do you wish to raise another point?

Dr. Sampath: That is a misrepresentation of myself. I am in constant touch with the realities of this country, every day of my life. I am in constant touch with the realities of pharmaceuticals, disease, patients and drug agents. He is completely wrong and he must not misrepresent me.

Sen. Mark: Mr. President, I would not focus too much on my good colleague here because I know sometimes he goes through bouts of flights. I do not know if it is permanent or temporary, but sometimes he visits elsewhere.

Mr. President, the small farmers who constitute the backbone of our domestic agricultural sector are highly disadvantaged by the adverse conditions and policies of this Government. When these very farmers and vendors, whose interests this bill seeks to promote, attempt to market their goods on the highways, their stalls are cold-bloodedly destroyed by this heartless and reactionary Government.

In its manifesto, lay-byes were promised as were so many other things. Lay-byes are still to be established. Instead, the regime has provided an off-highway market to vendors; sales have fallen significantly and the vendors are grumbling and complaining.

Sen. Rampersad: Could the Senator tell this honourable Senate what became of the farm that his union ran at Las Lomas?

Sen. Mark: I am not aware of any farm that my union ran at Las Lomas.

May I continue? The truth is that marketing—and when I refer to marketing, it is grading, packaging, handling, storage—constitutes one weapon in the armoury of any agricultural policy. There is physical infrastructure, access roads, irrigation and drainage, provision of proper extension services as well as the issue of land-tenure arrangements on private holdings and the rationalization of the distribution of agricultural state lands.

The distribution of land in our country is very skewed. Less than 0.5 per cent of the number of farms control more than one-third of the land in the country.

There are five farms which have a combined total of 28,722 hectares. That is, the average size is more than 5,700 hectares.

The 1982 agricultural census shows that 12,276 farmers—40 per cent—derive less than 25 per cent of their incomes from farming.

3.50 p.m.

Mr. President: I want to remind Senators of the rules of debate. One Senator speaks at a time. We allow a certain number of interjections but I have had a complaint by one Senator today, specifically against another Senator during this particular contribution. I appeal to Senators to listen in silence and allow others who are interested in what the Senator is saying, to listen.

Again I remind you, if you disagree with anything that the Member says, you are entitled, as everybody else, to join the debate and make your contribution.

Sen. Mark: Mr. President, agriculture is not lucrative or productive for the majority of farmers in our country. In many instances it constitutes a monstrous exercise. Further, data on land show that a fairly significant proportion of the arable land has been abandoned. Data for 1982 show that a total of 12,500 hectares of crop lands were not in use. The *Government's Medium Term Plan 1989—1995* points out that the abandoned lands are mostly on the large farms. It also indicates that quite a few of them are state-owned.

Data on land tenure in the domestic agricultural sector show that of the smallest farms—only approximately one-third of the land is owned by persons cultivating the land—44 per cent is leased while approximately 14 per cent of the land is occupied illegally. The fact is that many small-scale farmers do not own the lands they cultivate. This reality helps explain the difficulties encountered in receiving agricultural credits, apart from the rank discrimination of the financial sectors against the agricultural sector.

The evidence is abundant. I quote from the *Medium Term Plan, Restructuring for Economic Independence*, on page 47. Look at the distribution of bank lending in this country between 1982 and 1989.

"Agriculture

1982

1.5 ."

as against "Distribution Trade", 10.9

"1984	1.4
1986	1.1
1987	1.1
1988	1.2
1989	1.2"

The profile of the financial sector militates against, what I call, the "constructive habits of our population". If we are serious about development, then the financial institutions have to reorient their whole thrust. Right now it is only consumer financing. The advertising right now is if you want to go to America, go to Republic Bank and get a loan. We are underdeveloped here; over 100,000 people are unemployed and they have excess liquidity in the system and yet still you advertise for loans to go to America, Britain and France.

Since agricultural credit plays an important role in the development of agricultural production, small-scale as well as large-scale, there is need to urgently re-examine the existing practices of collateral requirements.

Mr. President: Your speaking time has expired.

Motion made, that the hon. Senator's speaking time be extended by 15 minutes. [*Sen. A. Lequay*]

Question put and agreed to.

Sen. Mark: Mr. President, the commercial banks have done little or nothing to promote agricultural production in Trinidad and Tobago. They too are locked into the powerful food lobby in Trinidad and Tobago and as such, pay limited attention to agricultural development. Their lending distribution portfolio, as I indicated over the years, graphically testifies to this tendency.

Whilst the majority of our small farmers are squatting and are invariably insecure, foreigners can now come and purchase lands under the revised Aliens (Landholding) Act. It would be interesting to hear from the relevant Minister what new investment outside the traditional energy and oil sectors has been attracted to this country over the last four and a half years. The main architect and agitator of the new Act—that is the former US Ambassador—recently claimed that the new

Act is still not enough to attract new investors. He warns that more needs to be done. What is to be done, I do not know. Maybe he wants Trinidad and Tobago to be on CNN with a big sign: "Trinidad and Tobago For Sale." Maybe that is what he wants.

There is need for the establishment of a Central Land Commission to replace the current confusion which prevails. Land must be properly zoned. Farmers' tenancy must be regularized. Land capability studies have already been done. I understand that a comprehensive study was executed by Dr. Ridgewan Ali in the late 1960s for land capability studies.

The Agricultural Development Bank has discovered, to its own chagrin, that its short-term credit policy has been hijacked and completely revised by the recent loan of US \$27 million obtained from the Inter-American Development Bank. The Agricultural Development Bank has been forced to increase its rate of interest to farmers from six and a half per cent to 12 per cent. So if you are a farmer you can go to the commercial bank and get it at the same rate and they have a special bank called the Agricultural Development Bank offering it at the same rate. What is the incentive for agriculture in this country?

This is in virtual line with the commercial banks' rates. Indeed, the ADB is now operating like a full-fledged commercial bank. A recovery unit has been established and farmers' properties are advertised and auctioned daily in the newspapers. Just on Sunday, there were many farmers' properties, advertised for sale. It seems that farmers in Trinidad and Tobago are being punished to produce. Whatever limited assistance is offered by the Government is being gradually whittled away. There appears to be a bias towards big farmers as opposed to small farmers. Subsidies are being removed or drastically reduced. Guaranteed prices on markets are being eliminated and abolished.

The major challenge confronting the Government in its social policy in the 1990s is the reduction of unemployment through the creation of new productive opportunities. Unemployment is running at over 20 per cent whilst 19.9 per cent employed are visibly under-employed. A proper agricultural policy aimed at reducing import dependence by increasing agricultural production to drastically reduce the food import bill and establish the vital linkages, both forward and backward, could play a significant role in the process of economic growth and development.

Such a policy can play a direct role in employment-creation and income-generation, both as an earner and a saver of foreign exchange, as well as in import substitution in food and raw materials; not to mention food security and a high nutritional standard for the people.

In a paper entitled *Prospects for Employment Creation* read at the Fifth Annual Conference on the Trinidad and Tobago Economy, organized by the Trinidad and Tobago Economics Association in November of 1987, Mr. Albert Vincent, who is the General Manager of the Agricultural Development Bank stated that some 15,000 jobs could be generated by agriculture over the next four years, and, particularly, in the area of agri-business. At that time, Mr. Vincent did not even take account of the prospects of employment-generation in the capital goods sector and in the sawmilling and woodworking industries.

4.00 p.m.

Whilst marketing constitutes a vital link in the agricultural chain, it is critical that the Government and the country view this matter holistically. It is not enough merely to market. This is absolutely essential, but emphasis must also be placed on the means to take the farmers' produce to those same markets; lack of transport; market outlets; lack of suitable access roads; irrigation; agricultural credit; land reform, particularly given our skewed distribution of land; education; training; proper extension services and, most importantly, Trinidad and Tobago still does not have agricultural insurance for farmers who might be victims of hurricanes, storms and floods. We are in 1991.

The critical issue is whether the Government really had to replace the Central Marketing Agency with NAMDEVCO? Why not critically analyze its failings and build on the rich experience of the past? This new broom theory that has haunted this administration and the last one is very dangerous. When the PNM came into power in 1956 it swept aside a number of committed and dedicated civil servants. The NAR Government has done almost the same thing. We have witnessed the removal of entire state boards, the employment of scores of different foreign consultants to advise the Government at the expense of local talent and now we have the replacement of an existing agency by another. This mind-set leads to an over-simplification of problems.

One of the effects of Government's amateur and puerile decision is the decertification of two sitting trade unions. I do not know if the hon.

Minister took that into account. By simply creating a new marketing agency and replacing CMA with NAMDEVCO what they have done is to decertify the National Union of Government and Federated Workers and the Public Services Association which represent weekly and monthly paid people respectively. I do not know if the Minister in winding up or in committee stage would want to move an amendment to ensure those unions maintain their recognition or perhaps the Minister would tell Parliament whether this is true or false and whether he will be making provision in the new bill to have the unions retain their certificates of recognition.

The new bill will lead to overlapping of responsibility. NAMDEVCO will perform some of the functions of Industrial Development Corporation, Central Marketing Agency, the Food and Agricultural Organization; Agricultural Development Bank, as well as National Fisheries. Market intelligence is now carried out by the Export Development Corporation; the Agricultural Development Bank and now by NAMDEVCO. Why this confusion? It has to do with the culture of planning in our country. For example, whilst the Export Development Corporation is competent and organized to carry out the marketing responsibilities of NAMDEVCO, it is more concerned with manufacturing and cannot be trusted to carry out the responsibility of marketing in respect of agricultural produce.

The only persons who will be happy with the closure of the CMA and its replacement of NAMDEVCO would be the powerful import food lobby. It is this lobby which has literally strangled the agricultural sector over the last 34 years. They are Nestlé; McEneaney Alstons, Grell, Neal and Massy, Geddes Grant, among others, who control the food import sector in our country. It would appear that there is a conscious policy to destroy the agricultural sector in this country. Not only are small farmers being destroyed but the middle and large farmers as well. Success in agriculture is an exception rather than the rule.

Agricultural development in Trinidad and Tobago has been the subject of politics both from a class perspective and a racial perspective. The import merchants do not want to lose their lucrative markets whilst the Governments both past and present, are not interested in promoting the interests of those who grow food in the country. The PNM as the physicians provided the wrong medicine to the patients and almost killed the agricultural sector. The present NAR has assumed the

role of morticians. They have assumed the role of morticians of the agricultural sector and have systematically buried it.

Let us take a page from the books of the former colonial masters. Europeans are serious about their survival; they are serious about feeding themselves. The Uruguay Round of the General Agreement on Tariff and Trade collapsed over the issue of agricultural subsidies. The battle was between the USA and the European Economic Community over agricultural subsidies. America told the EEC "open up your market" and France said "no, we have to protect our farmers". This Government is opening up its market to the USA to kill our farmers. Whilst these Europeans are protecting their farmers, we appear to be dismantling protection through the removal of subsidies and the imposition of a third liberalization policy in respect of the dismantling of the negative list that would eventually lead to further dependence on food import.

Let us hope that the present legislation would be viewed as an important step in the journey to agricultural self-sufficiency wherever practicable and possible, and not merely as an instrument to facilitate the further privatization and ultimate collapse of the agricultural sector. It is doubtful whether this regime would be able to surpass the seven per cent growth rate of agriculture in our country's gross domestic product which was realized in the 1960s. The future of agriculture under the present regime is grim, given its existing policies.

In closing, I suggest that if we are serious about agriculture and marketing we have to deal with the fundamental issues that confront the people who are involved in agriculture and give them the incentive; give them the subsidies wherever necessary; give them the facilities so that they can produce and be able to satisfy our food requirements. Wherever practicable and possible we can indeed be self-sufficient, let us be. Thank you very much.

Sen. Prof. John Spence: Mr. President, just before starting my presentation may I draw to the attention of Sen. Rampersad that it is Sen. Weekes' trade union that has a farm at Las Lomas. I think the Senator might be able to help him with the question he asked earlier on.

In considering this bill, I think it is important to put it in the wider context of Government's policy for agriculture and more importantly to look at what steps may have been taken to implement that policy. It is useful for us to look at some of the alternatives to that policy which might have been put forward.

4.10 p.m.

Let me state, however, at the beginning that while during the course of this presentation, I may at times be critical of Government's policy, my criticism is not directed at the present Minister of Food Production and Marine Exploitation. My dealings with Minister Dr. Samaroo, both as a former university colleague and in his present portfolio as Minister, have convinced me that he is sincere in his determined efforts to advance agriculture in the country. Unfortunately, I am not so convinced on the attitudes of the Government as a whole, and therefore, I hope that anything that I have to say will assist the Minister in the battle in which he no doubt does on behalf of agriculture within the Cabinet.

Mr. President, there are three sources relative to this bill that one might consult to determine some aspects of Government's policy. Firstly, there is the manifesto, secondly the *Agricultural Development Plan*, and thirdly the *Macro-Economic Plan*. I decided on this occasion to look at the manifesto, since one does not hear very much about the *Agricultural Plan* these days and, of course, the *Macro-Economic Plan* would not be detailed in the individual sectors, so one might not be gaining too much on that score, in addition to which, the manifesto is now official Government policy.

By way of alternative policies, I re-read the five budget presentations that I had made to this Parliament and I was able to discern some 20 proposals that I had made with respect to agriculture, none of which, I regret to say, has been taken much notice of by this Government. Mr. President, one extremely interesting point struck me on re-reading these documents, and that is, that there is a great deal of similarity between one of my major thrusts with respect to a strategy for agricultural development—and that is using Caroni (1975) Limited as the pivot—and certain policy statements in the NAR manifesto.

In order to substantiate this point, I shall read from certain parts of the manifesto where it deals with agriculture because I think that they are illuminating. The first sets out some objectives for the NAR policy, and these are general but I think perhaps it is useful to look at them.

The first is:

“Self-sufficiency and food security for the nation within five years.”

Now, Mr. President, it is clear that the person who wrote that did not have much insight into how agriculture could develop. The only way, it seems to me,

that we could have made a substantial impact on food security within five years—and we have only six months to go before the end of the five-year period—would have been if we had adopted a proposal that I had made sometime ago in 1988 on a "Grow more food" campaign. I think then we could have made a substantial dent. I will come back to this point again in addressing the issue of how the Marketing Board, which predates the Central Marketing Agency, came into being in the first place.

The second policy statement or objective is:

- “(b) Higher incomes and a higher standard of living.
- (c) Increased employment opportunities.
- (d) Increased foreign exchange earnings and savings of Foreign exchange.
- (e) Greater utilization of local foods.
- (f) Development of wildlife farming.

If we look at the picture today I do not think that many of those objectives have really been achieved to any marked degree. I think the next section that I shall read is particularly important because it refers to the Central Marketing Agency and what the NAR intended to do in that regard.

It says at page 14:

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

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

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

The Producers Marketing Board will amalgamate responsibilities under existing Boards and will cater for rice, sugar, coconuts, coffee, cocoa, citrus and selected vegetables and poultry, dairy and meat production."

Now, Mr. President, I think we will recall that the hon. Minister in presenting this bill, made the point that what they were not doing was centralizing all the various activities. Indeed, he suggested that the Government had created separate entities for the different commodities. Of course, these entities were not, in fact, created by the present Government; they very much pre-dated the coming into existence of this Government. So that the entities for cocoa, the Cocoa/Coffee Industry Board, the arrangements for coconuts, and so on, were all established before 1986. But it does indicate that the present thrust to create NAMDEVCO is certainly not in line with the philosophy or the policy as set out in the manifesto or Government's official policy.

I should make the point that I have consulted with a number of persons with respect to what is meant by "Producers Marketing Board", and the response has been uniform in that such entities always purchase agricultural produce. They are not, on the whole, facilitators, as indeed the Cocoa/Coffee Industry Board illustrates.

The other part of the manifesto which I think it is important to call attention to refers to Caroni Limited, and my thesis has always been that this holds the key to our agricultural development—still on page 14. It gives some introduction and then says:

"More specifically, the NAR will:

- (1) Confine Caroni Limited to the production of sugar at a level of operation that can sustain the present and projected local consumer and industrial demand for sugar."

That is extremely important and we will come back to it later on. So what they are saying here is that we must only produce enough sugar for our local consumption. Then it says:

- "(2) Actively pursue tri-sector arrangements between the State, private capital and workers to develop production possibilities in areas identified in the Spence Committee Report."

Perhaps this is why I am so attached to the document, Mr. President: the only surname mentioned in the whole document is that of "Spence". It goes on to say:

- "(3) Establish a demonstration satellite farm to accelerate land use change and to induce food related diversification activities in the Central

Economy. The demonstration satellite farm concept envisages a Government role in technology and resource use, a private capital role in the provision of capital and a farmers' and workers' role in production and management.

- (4) Divest lands to workers for the development of well planned land settlement schemes for the production of selected agricultural products, including livestock for final consumption and for processing."

Mr. President, when I looked through the five budget presentations, I found that one could discern some 20 specific proposals that I had made in the Senate. I am going to refer to only four of these now. I had, in fact, listed them all, but I think it would be too long to go through the list and Members of the Senate have heard this repeatedly from me before. I would, in fact, submit a list to the hon. Minister for his perusal.

The first point which I have already made is the role of Caroni (1975) Limited. Mr. President, I have discerned that the only real and substantial progress that we have made with respect to production, recently, has been in rice, and that thrust arose out of the development of Caroni (1975) Limited of a large production scheme for rice, and then other farmers had followed. Not that there were not rice farmers before, but on the whole, they were small farmers and the potential for rapid expansion of these small farmers was just not there.

Now, what I have suggested all along, is not that Caroni (1975) Limited should be run as a state farm, which is what is happening now, and it is interesting that the hon. Minister is suggesting with respect to marketing that it is inappropriate for the state to be involved. Yet, the Government is maintaining and expanding, through the LIDP programme, this concept of the state being involved in production. Now, to my mind, it may be more important for the state to have some involvement in certain aspects of marketing, which may be critical, especially for small farmers. But on the other hand, with respect to production, what we need to do is to develop a farming community.

What we should do with Caroni (1975) Limited is those developments that have taken place and others which may take place in the future, we should now do what was set out in the rationalization study in 1978 and what was adopted in the NAR manifesto, and that is, to cut up the land into suitable commercial units and

lease them to private farmers. That lease should not be by any means a handout or a giveaway. In fact, farmers should purchase the option to lease at a commercial price. Caroni (1975) Limited should then use the capital so acquired to go into other ventures so that they would not have to depend upon the state for new investment in additional developments which it would then hand over to the private sector.

So if it takes four years to develop a citrus orchard and the cost over that period is \$5,000 an acre, then the farmer should pay that per acre, but the funds should be made available to them through the Agricultural Development Bank which would then hold a lien on the lease. If they do not farm properly, either the bank or Caroni would negate the lease.

The second point which I think needs calling attention to—because it involves marketing—is relating our self-sufficiency in food concept to Caricom trade. Now, what we are not doing is coming to terms with this problem of the fact that the countries around us are also producing, and we have expressed our intention to have integration in that trade. So we have now run into the problem with the marketing of edible oils where St. Lucia and the other islands are complaining that Trinidad will not buy. Of course, we had the peculiar circumstance of a state enterprise setting up a soybean purchasing plant which competes directly with the producers of coconut oil in this country. While that plant may have been purchased or conceived by the previous administration, let us not forget that it was this administration in 1987 that actually set it into operation. Now we heard recently on the television, the General Manager or Chairman of that company stating that they will now go into production of margarine, which seems to me, again, to be competing with other local entities by the state, competing with other entities that are producing that product from coconut oil.

So I believe, first of all, there needs to be a rationalization of the edible oils industry between the other islands and ourselves. Lever Brothers has got to buy its fair share so that there will not be the pile-up that we have seen in Cedros recently, and I think we have to close the soybean plant. You only put down a plant of that sort if it is your intention subsequently to produce soybeans locally. If that is so, you must go into that activity. We have found in 1978 that it was not a viable activity for us to develop the soybean production system here. But at least that would have some logic. At the moment, it bears no real logic.

Dr. Rambachan: Mr. President, I find the last comment very interesting. Could the Senator elaborate for my own knowledge, why in 1978 was it found that soybeans could not be produced commercially here? Does that same position hold today in 1991, in his opinion?

Sen. Spence: I think it probably does, Mr. President. The fact is that soybean is really not adapted to the sort of climates we have. The soils in Trinidad and Tobago are heavy clay soils which again do not produce crops of that sort, readily. I have repeatedly made the point here. It is one of the points I had in my 20 proposals but I decided to leave it out because we have not too much time this afternoon. One of the first things you have to do in Trinidad and Tobago if you are converting from production of sugar cane—I have said it repeatedly—is to have research and development on your management of your clay soils, drainage and irrigation. If you do not do that, you cannot produce annual crops like corn and soybean. So that has to be a pre-requisite to what you might have to do in that regard.

I have said with regard to the ADB study that has now taken place in Trinidad, the number of things that are listed to be done by that study, many of them are repetitive of things that are in the Agricultural Development Plan. All that was needed—and I also said it in this House before—is a study on drainage and irrigation. I would like to say that the hon. Minister of Planning and Mobilization is thoroughly convinced that we should have this development, but I do not know how much support he gets from the Minister of Finance.

The third point that I want to make, Mr. President, is with respect to district extension officers. Now, this is extremely relevant to the bill that we are discussing today because the hon. Minister has indicated that what this agency would do, in part, is to assist farmers and small businessmen who want to go into agro-processing, with project preparation. Now, I have repeatedly said that the error that we make is to expect a district extension officer to be able to advise on every technology possible in crops and in livestock and, also to advise the farmer on his business operations. This clearly is not possible.

What we need to do is to have our district extension officers being farm management specialists. Now, these would be the people who are in day-to-day touch with the farmers, who could advise them on the preparation of such projects for funding by the ADB or by the commercial banks. If you do not do this, then what you are setting up indeed is a parallel system. You will have in the

Government service, the extension officers in touch with the farmers. Then if you really want this agency, NAMDEVCO, to reach out there to all the small farmers, you have to set up a parallel agency. You have to have the people out there, because the farmers are not going to come into your office in Port of Spain in order to get help with their projects or price. So it seems to me that you run the risk of setting up a parallel system when you have the infrastructure there, if you would only take the decision to train your extension officers in farm management and not expect them to transfer technology.

What you would then do is to put the technologist, the subject matter specialist, into a central entity which should be an autonomous research and development institution. The research activity should come out of the bureaucracy into a separate entity. Otherwise, we will continue to waste the \$40 million a year that we put into it.

The fourth point I keep making is that macro-economic policy decisions, such as exchange rates, tariffs and other devices for protection, must take into account the interests of farmers. How often do you think the Minister of Finance decides when he is going to devalue or not, how this will affect the export of farmers' produce or, indeed, the cost of the inputs, and so on, that they might have to buy?

4.25 p.m.

I want to quote here from Mr. William Demas' article in, *Caribbean Affairs, Volume 1 No. 2*, April—June 1988 page 172. He makes some important points about macro-economic policies with respect to agriculture. I quote:

"It is thus not possible to conceive of a dynamic, diversified agricultural sector unless the macro-economic policy environment is conducive to such development.

Many macro-economic variables—exchange rates, interest rates, wage and salary rates—are prices and themselves affect other prices. The role of prices is central in determining the direction and rate of agricultural development—although governmental non-price intervention and institutional changes are also of great importance."

He goes on:

"If we are serious about achieving higher levels of local and regional food production, we must accept that in some cases food prices may have to rise..."

That is something which we are always seemingly afraid of—

“...and that protection is necessary against highly subsidised food exports from the developed countries.”

Twice, I have had cause to complain of the fact that the United States has given us credit for the importation of food. I continue:

"If we are not prepared to accept this..."

that is, that there may need to be protection—

"we might as well abandon attempts at greater self-sufficiency in food. The cost of living will in all probability be somewhat higher than it would be without protection. On the other hand, there will be the benefits of an improvement in the balance of payments, a stronger and more diversified economy and higher levels of productive employment."

Mr. President, I think it is interesting now to try and discern some of Government's action with respect to agriculture and the success of these actions that we may have had. It is on that basis that we must judge whether the present efforts are in accordance with those actions and whether they are likely to succeed. To do this, I would refer to apparent gains. I find myself in some difficulty here because I am not trying just to be critical, but I think what is happening with respect to agriculture is that we are engaged in self-illusion. We are really persuading ourselves that we are making progress in agriculture, but we are not. It is on that basis I think we ought to face reality, and not on the basis that one is trying to criticize the Government.

Sen. Mark has referred to the contribution of agriculture to GDP and the increase which the hon. Minister of Finance referred to in his budget. In fact, the GDP has fluctuated over the last few years between 2.5 and 2.9 per cent. Any increase which has incurred recently up to 3.6 per cent would have come from three main sources: vegetables, which is a very small component of the whole system; sugar-cane, which is now increased to about 110,000—120,000 tonnes, but the Government's stated intention is to bring it down to 70,000 tonnes because that is our local consumption. If that is a substantial part of the increase in GDP, and it is removed, what will happen is that not only would we just revert to 2.5 per cent but we would go lower, unless, of course, we substitute it with other agricultural development; and it is those I think we need to address if we are going to progress.

With respect to rice, I have already referred to the fact that our main thrust has been Caroni (1975) Limited. In fact, I think it is suggested that about 40 per cent of the increase comes from Caroni. Interestingly enough, much of the other 60 per cent comes from large-scale squatters. These persons utilize hundreds of acres of Government's land rent free, then they get a subsidy for the rice which they produce. They may possibly be having adverse environmental effects, which we do not know about, through the use of swamp lands.

I think it is interesting, since we are locking ourselves into the World Bank, as Sen. Mark has pointed out, to quote what the World Bank has to say about these developments in the World Bank Report. I quote:

"The Government has been contemplating major import substitution investment in rice and livestock production, which past experiences and preliminary analysis suggest to be economically unviable.

The proposed policy, moreover, of utilizing the demonstrable inefficient producer, Caroni, as a vehicle for Government's agricultural diversification strategy, including the proposed rice and livestock project, is inappropriate."

Mr. President, I think we begin to see some of the Government's dilemma. Clearly, the Government originally had started with the concept that Caroni would be an important vehicle. Certainly, I do not agree with the World Bank, I think it should be. Of course, they are now being advised differently. What I think we need to get clearly from the Government is, "No, we are not taking that advice, we do not agree but we are proceeding with our original plans."

Mr. President: I think we would take a break at this stage. The sitting is suspended, and we will resume at 5.00 p.m.

4.33 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

Sen. Prof Spence: Mr. President, I was indicating some aspects of Government action with respect to agriculture, and expressing my own reservations as to the result. I think Sen. Wade Mark has referred to the food import bill, so I do not want to go into that. I think the statistics show that there is no substantial reduction. Subsidies are still being provided and there is protection by way of negative listing still. The subsidies are in cocoa, coffee, milk, copra and sugar cane. These are not new and clearly they have been reduced because money

has been in short supply. So it is less of the same rather than something new. I do not think we can be too critical of the fact that they have had to be reduced, but we should note that they are still being maintained.

Again, we have the problem of the World Bank. Listen to the World Bank document on subsidies in Trinidad and Tobago:

"Full dismantling of the price control and subsidy system and shifting away from quantitative restrictions towards tariff protection, would permit the development of a more efficient and competitive agriculture. These improved policies are being promoted under the medium-term adjustment programme."

When they say, "are being promoted", I assume they mean, are being promoted by the Government rather than, are being promoted by the World Bank. If their assessment is correct, what it means is that the subsidies are to be dismantled, and the quantitative restrictions are to be removed. I think it is interesting to note that there is a tendency to refer to negative listing for agricultural produce—I think the Minister of Finance has done this—as far as 1991. It is not quite clear what happens after that.

I believe that the World Bank document suggests that there will then be a study, not to decide whether to dismantle them or not, but to decide how they should be phased out, that is, the protection, the negative listing. It is with that in view that one is concerned when the bill before us seems to be reducing some subsidies which were formerly given to small farmers. Because while subsidy was given through the Cocoa and Coffee Industry Board and the copra subsidy was given in a certain way and so on, the Food Crop Farmers and vegetable farmers were the ones who tended to sell to the Central Marketing Agency. This is why I interjected earlier on to ask the Minister if he could indicate how those subsidies would be replaced. In fact, his reply to me was to refer to the other subsidies. The point I was making is that these farmers are somewhat different and one needs to address that issue. It may be that vegetable farming has become so profitable in the last few years that the subsidy is unnecessary. Part of our problem, however, is that we confuse vegetable farming with food-crop farming, that is producing basic food items.

One of the points I keep making continuously is that small farmers should be producing high priced crops which vegetables are. If they are producing basic foods: starches, vegetable protein and animal protein, then the prices have either

got to be very high or else they would not make a decent living. So that those produce have to be produced on larger farms.

This also dictates the sort of research that we must do. Some years ago, we had an effort to grow soya beans. The hon. Minister, Surujrattan Rambachan, asked the question about soya beans previously. We had a peculiar situation. The Chaguaramas Development Project was researching how to grow in large-scale mechanized production systems of soya beans. They were doing it relatively successfully because the Tucker Valley soil is free-draining; it is deep and it is class "A" soil as are all the northern range valleys. But the extension officers in those days—before this Government—were going around the countryside trying to persuade small farmers to grow soya beans with a completely different system. The small farmer on a few acres of land was not going to use a combined harvester, which is what they were using down there in Chaguaramas. So the research you do, has to be related to the farming system that you intend to develop, or the type of farmer that you intend to persuade to take up the crop that you are persuading him to grow.

At this point, I want to quote again from William Demas, from a different article he has written. It is a recent publication entitled: "Towards West Indian Survival." He makes some comments on agriculture:

"In spite of the teachings of the orthodox economics, particularly the law of comparative advantage, nearly all the countries in the world, both developed and developing, today protect and/or subsidize their agriculture. Even a country as magnificently successful as Singapore, in the export of manufactured goods and services, is talking about doing more to promote its national food security."

So, again we have this situation. Recently I was asked to meet with a World Bank technician about a certain aspect—I do not want to go into details—of development here. The first question he asked about agriculture was: "Why are you trying to grow your own food? Why do you not grow the crops for which you have a comparative advantage and import cheap food?" Because that is his ideology. The fact is, Trinidad and Tobago has no comparative advantage to grow any crop. Our soils are not better. In fact, they are much more difficult than many of the islands in the Caribbean. Our climate may be tropical, but we have a marked dry season which means that we have to irrigate. We have a very severe wet season which means we have to introduce drainage. So that we do not, in fact,

have a comparative advantage, certainly not over our neighbours. In fact, we are worse off and, therefore, we have to look at our agriculture differently. We have to look upon it as to its importance in the national economy: export earnings, foreign exchange savings and so on.

Another question I would like to ask is with respect to anti-dumping legislation. This is something I called attention to in the press some years ago, after the talk came up of removing the negative list. Immediately, there was a response that it would be brought to Parliament. Apparently, there is some legislation, but it was to be amended. It has not yet appeared. I am quite prepared to forego Private Members' Day, if you would have anti-dumping legislation, even at the cost of not discussing Caroni (1975) Limited. I am afraid I am not so keen to forego that discussion for some of the other bits of legislation.

The Government also promotes training as a central part of its activities. Yes, certainly, the Farmers' Training Centre has done very good work. I have absolutely no doubt about that. But what about the Eastern Caribbean Institute of Agriculture and Forestry (ECIAF)? The number of people coming through ECIAF has fallen considerably. Of course, ECIAF was always used in the wrong way. It was used to service the Ministry; it was not used to produce farmers, and this is what we should now be trying to achieve, in the same way that I repeatedly suggested that university graduates should be going into farming. Because it does not happen as part of our culture naturally, as it does in some other countries; you have to structure it deliberately.

This is why during the budget I suggested that we should have 10 scholarships for , and 10 scholarships for the University of the West Indies this year instead of, I think, seven scholarships that were being given in medicine. We do not need more doctors, but we do need some farmers trained at that level. Those persons should be required to sign before they go into that course of study, that they will subsequently become farmers in a structured programme that will be developed, for example, like Caroni (1975) Limited.

One other point that I must get in here on behalf of the university is on all this talk about training. The university has not been able to get its field station out of the Government in replacement for the one that was taken over at the Mt. Hope Medical Sciences Complex. There are some 200 acres of land allocated at Orange Grove but cannot be handed over because the Ministry of Works, Infrastructure and Decentralization will not allow, what is a very reasonable access at the Trinity

point, to that area. But yet the university is constantly criticized for not being able to train its students in a practical way. We do not have the facilities and at the moment, that is being held up by the Government.

5.10 p.m.

Fishing is something that we have heard quite a lot about. I do not pretend to be an expert in this field and I would certainly like to see what is happening with National Fisheries—I think that there are new arrangements for that firm—before drawing any firm conclusions. There are a couple of things to which I will draw attention, because they have appeared recently in the press and at a conference I attended and because I notice that aquaculture is one of the things that was being promoted as a successful activity of the last few years. I am quoting from a letter in the *Trinidad Guardian* of Sunday, June 23, 1991 which discusses aquaculture in some detail. It is just the end of the letter:

"After 40 years of aquaculture research and development, I am certain that there is as yet no commercially successful project, nor do I think that BGFF, SFC or IMA can identify such a project.

All that we have are reports of 1,028 registered fish farmers, occupying 71.6 hectares of land, or an average of 0.07 hectares per farmer, and no indication of actual production. This all costs the taxpayer about TT \$1,000,000 per year to maintain researchers in three separate institutions...."

Again the problem of duplication:

"....projecting subsistence and giving a direct subsidy of \$1,000 to each registered fish farmer. There are of course some modest prospects for the development of commercial aquaculture but these are not likely to materialise in the absence of new policy directives in the public sector. To interested farmers, I advise extreme caution."

In fact, I think by error the newspapers did not mention the author but I can assure you that I deduced who the person was and spoke to him. He is quite knowledgeable in this field.

Also, I attended a consultation on the environment on Saturday, June 15, and a representative of the Game Fishing Association drew attention to our fishing in the Gulf, which they claim is leading to depletion of the stock. Perhaps we should look at that if we are to have fishing in the future. Another point that was made at that

meeting was reference to a recent alleged siting of a large-scale pelagic drift-net boat at National Fisheries complex on June 2, 1991. You know, this is something that we have stated we no longer allow facilities to. I do not know if this is correct but I think it is something that should be looked at. Also, the presenter at the conference said that a promised monitoring committee to look at this problem had not yet been set up and one wonders, why not.

With respect to the Agricultural Development Bank, I think that they are in fact doing a good job. I myself in the last budget debate presented a proposal that the ADB should have a much more central role to play. Because what I deduced is that we now have five entities making an input into agriculture and I felt that they must somehow be rationalized. The entities are the Ministry of Food Production, the Ministry of Planning and Mobilization which has Caroni (1975) Limited, the Tobago House of Assembly, the Ministry of the Environment and National Service, which has Forestry, which is closely related to agriculture but also has ornamentals which are a part of agriculture, and of course now LIDP—the latest actor on the stage—which is looking to develop various estates.

We have a very interesting glossy magazine from LIDP and they list some of the farmers that they are helping in this way. What they are doing is developing the land and after a period of some years, hand it back to the farmers and they list the names of the various farmers. The problem really is, should there be a free hand-out of a developed estate to a farmer even after so many years? Are we rewarding some persons who have allowed their land to be abandoned by taking it from them for a while, it is true, but then giving them back developed estates? Who are rewarded? For example, Seereeram Brothers Limited? Are they unable to find the capital to develop their own land?

Sen. Hosein: Mr. President, on a point of information. I think Prof. Spence—and I say so with the greatest respect to the hon. Senator—should be very careful in terms of the allegations—I am not saying he is making any allegations—that will be made in respect of those persons whose names are mentioned there.

Sen. Spence: I reject strongly the implications that you have made.

Sen. Hosein: I did not say so. The names mentioned therein have different types of leases. Some of them for two years and some for 20 years. I know for a fact that with respect to the Seereeram estate the lease is in respect of 20 years. So one must be very careful to impute that, look here, you are going to put an estate

from a state of disrepair to a state of repair and hand it over to the farmers. I urge the hon. Senator—I know he has been very careful in the past and I have no doubt that he is going to be careful now—to tread very carefully because of the fact that there are very delicate lease arrangements that are structured and organized in respect of all of these estates. It is not merely a matter of refurbishing an estate and handing it over to the person who owned it before. I think we have to be fair to the people as well.

Sen. Spence: Mr. President, I have carefully assessed the arrangements in the LIDP project. I have never been in support of the concept. I think the concept is quite out of order. The point I was trying to make and why I deliberately selected an estate owner who could clearly have access to capital, it may be suggested that some of the smaller people would not have access to capital and that may be a problem. I never suggested any other thing but that. That is why I selected a large estate, because that farmer can have access to capital, therefore, he can develop his own estate. Even if he rents it for 20 years—and perhaps the hon. Senator does not know; the reason that some estates are leased for a longer time than others, is the fact that they are not going to develop all of the 150 acres in one year. So it takes a certain period of time to develop the whole of that area. That is why it is leased for 20 years. The five acres is leased for five years because in five years you can plant citrus or cocoa, and so on. The larger acres are leased for a larger time because they take longer to develop. Am I incorrect? Is he going to tell me—

Sen. Hosein: Mr. President, I would like if Sen. Spence—and I say so with the greatest amount of respect; particularly Sen. Spence, because this matter is a political football in the country. One person has said that the NAR is leasing estates to French Creoles; another one has said to their friends, and that kind of thing, and one must be careful. If names are going to be mentioned at all, I respectfully ask that the hon. Senator go down the list and look at the amount of state lands involved; the amount of lands of voluntary and charitable organizations; the amount of lands belonging to churches; to small estate owners; the nature of the leases, so as to get a true and accurate picture of the position. Because this is an extremely delicate matter and one cannot single out Seereeram Brothers or the Seventh Day Adventist Church in Santa Cruz as the case may be. One cannot. It is wrong and I say so with the greatest respect.

Sen. Spence: Mr. President, I am not prepared to give way any longer.

The point I was making is, if we want to develop agriculture in this country, then we have to go about it in a logical way. I think that this is a misconception. I have said so from the beginning. I have no control over other people who may want to make it a political football. Clearly Caroni (1975) Limited is a political issue. Am I not to talk about its potential in agricultural development in this country because it is a political issue. Certainly, I have absolutely no intention of being shut up on that sort of basis. It is extremely important that we address the issues to do with agricultural development in this country. If we do not diversify our economy—and agriculture, forestry and fisheries are the basis from my point of view, of diversification for our children and our children's children, because the natural gas may be here for some time, the oil is going to run out soon and we have to look for renewable resources.

So quite frankly, I have no political footballs to kick, but, when I see something with which I disagree with respect to agricultural development, I intend to say so. The point I was making and I would make it again, is that the estate that I deliberately chose was one of a company that clearly has access to capital. Nothing more, nothing less.

5.20 p.m.

Sen. Furness-Smith: I do not know if Sen. Spence can help me. If this company has got capital, does he know whether there is any profitable way of investing the capital in 100 or 150 acres of land in Trinidad at the moment? Would he take his million dollars—if he has it—and use it in that way?

Sen. Spence: Well, I certainly think so otherwise I would not be talking about agricultural development. I have repeatedly said that those persons who have large acreages of land which they are not using could at least turn them into forestry. This is what they should be doing. If they do not want to utilize the land in a short space of time, then turn it into forestry. We have a tropical forestry action plan team visiting the country at the moment, promoting projects of this sort; we have the example of Dr. Richardson in Toco who has developed 700 acres of mahogany; absolutely valuable development for this country for the future.

I had it down and crossed it out because of time, but since we are on that subject, what about the fact that we are still exporting teak logs from this country? Why are we exporting teak logs? Perhaps that is a political football,

Mr. President. We are exporting teak logs when we could be processing them at least into planks. Why are we not doing it?

Further, we talk about agro-industries. Why are we not processing them into furniture? Why are we not making veneers? That is where the profit is. Why do we not deal with Tanteak since we are privatizing? We have a report from the Frank Rampersad Committee about Tanteak. I had mentioned it year before last in the budget debate. Why have we not dealt with Tanteak? I suggest you ask for the report from the Frank Rampersad Committee on state enterprises and read about Tanteak. But still we allow that inefficient company to continue. Why? I do not know. Perhaps it is a political issue.

The next point that I want to come on to is something in which I think the Government can claim success and that is the wholesale markets. Clearly, the hon. Minister has indicated that NAMDEVCO would, in fact, look after these markets and I think that we must give credit that these markets have indeed been constructed. However, I think we ought to understand that the construction of wholesale markets will not in themselves increase production. What they will do—and I think that is to be welcomed—would be to make it more convenient for the farmers, as the Minister has pointed out. They do not have to travel long distances to get to their marketing sites and I think that is extremely important.

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

Motion made, That the hon. Senator's speaking time be extended by 15 minutes [*Sen. A. Lequay*]

Question put and agreed to.

Sen. Spence: My conclusions, therefore, on all of this as that, it seems to me that the Government is not adhering, in some important respects, to stated manifesto policies, policies to which I agree. In spite of statements to the contrary, close examination of these statements and other available evidence such as certain provisions of this bill—this is why I have addressed them in amendments—raise the suspicion that protection for agriculture is on the way out.

Thirdly, I do not think that anything is going to be done about Caroni (1975) Limited, which I think holds the key. So I must be depressed about the possibilities for agricultural development in this—

Sen. Hosein: Mr. President, the question I would like to ask Sen. Spence is: To what extent has the injunction filed by the All Trinidad Sugar Estates and Factories Workers' Trade Union been responsible, firstly, for the lack of diversification of Caroni (1975) Limited as an economic entity; and secondly, for preventing Caroni Diversified Products Limited from getting off the ground as a proper viable economic entity?

Sen. Spence: Well, I am not a lawyer but I think I can answer that. The suggestion that I have made does not alienate any of the land and that is precisely what the injunction was about. It was about the alienation of assets. Therefore, they were saying if you owe workers, you cannot alienate assets. What I was suggesting was leasing the land on a commercial basis for a capital payment. That does not alienate assets. So, perhaps the Senator might cogitate on that.
[Interruption]

Mr. President, I am interpreting what the injunction was about. It was about the alienation of assets and I am saying what the answer to it could have been if the Government had used a little savvy. *[Interruption]* I have to finish my presentation. I must finish otherwise I would not have done my duty.

Mr. President, Sen. Hosein can make a contribution and demonstrate where I am wrong. He is a lawyer, he can do it. Now, to give a balanced view, I intended to give the picture against this bill. I have said I believe it to be unnecessary since I believe that the things that this bill is intended to accomplish could have been accomplished with the Central Marketing Agency.

I agree that there were glaring inefficiencies which have to be addressed. There is absolutely no doubt about that and there were some purchasing of produce that had to be stopped. Now I do not think that this legislation of the CMA mandates purchase. What it does is to allow purchase. I think that an examination of the legislation would indicate that. No doubt the staff had to be reduced. The other night on the television a trade union leader said it had already been reduced. I do not know if it has but certainly I think it would have to be if you are changing the thrust of the institution.

I am a little bit worried about the information services. The hon. Minister said that it would not overlap with the Export Development Corporation (EDC). I took the trouble of consulting with the EDC to find out how this is working. At the moment the EDC is supplying the CMA with the information that they need.

Now I am not certain that it is necessary to set up a whole new information system to do something that the EDC is already doing. Does it mean that the NAMDEVCO will now access the international data bases, and how are they going to know when they are accessing information that the EDC is not also accessing the same information? I personally feel that they can come to some arrangement with the EDC as they have now whereby they get the information rather than set up their own system.

I have referred to the assistance to farmers; I think that could be done by the Extension Division of the Ministry. I also believe that the Agricultural Development Bank should do this. I myself have had the experience in negotiating with the Agricultural Development Bank and I found them very helpful in assisting with project preparation. So I have no doubt that they could be doing that job. But, as I have said, in order to provide a balanced argument, I am going to quote from William Demas because he also addressed the question of the Marketing Board in his article in *Caribbean Affairs* of June, 1988. He said at page 182:

"The poor performance notwithstanding, Marketing Boards have a vital role to play in the diversification effort if their activities are properly organised and oriented and they abandon their major function of purchasing farmers' output for sale on the local market..."

So in that sense, Demas is agreeing with the Minister's thrust, mainly that they should not be purchasing for sale on the local market.

However, he outlined five activities in which they should be involved, three of these at least are in coincidence with the present thrust; market intelligence, quality control—but he also adds price stabilization and extra-regional marketing. The hon. Minister has been kind enough to accept the suggestion on the question of price stabilization.

Demas suggests that they should be sole importer and distributor for certain staples to generate income. Because he said, they have had to be subsidized, so give them the opportunity to earn some of the income that they now receive as subsidies. He also suggests, surprisingly, that supermarket type operations should be allowed to these marketing boards, again, to generate income.

So he concludes:

"There is a case for Marketing Boards buying local produce at guaranteed prices from the farmers only in respect of crops identified for exports to extra-

regional markets and for which the Marketing Board has negotiated prices and quantities. In such circumstances it is necessary that the Board sign contracts with individual farmers, who will have to meet market requirements in terms or price, quality, quantity, packaging and delivery times."

So Demas does support marketing boards but quite correctly, he says, get rid of their inefficiencies.

5.30 p.m.

Very quickly, I would like to recall the history of the development of the Marketing Board in Trinidad and Tobago. To do this I will read from a paper presented by Ms. Rita Pemberton at the 22nd Conference of Caribbean Historians which took place in Trinidad in April 1990. I think the hon. Minister as a historian would be interested in this. The paper talks about the "Grow More Food Campaign in the Second World War" to which I have already referred:

"To cope with the increased food supply the marketing strategy was handled by a Marketing Board under the Comptroller of Marketing, Mr. A. E. Trotman. This body was responsible for the distribution and handling of locally grown foods. In May 1942 Government guaranteed food crop prices and established 40 buying points at railway stations and coastal steamer ports throughout the country. At the eight most important depots, resident managers were stationed. There were depots at Port of Spain, San Fernando, Rio Claro, Sangre Grande, Toco, Arima, Tunapuna and Scarborough."

These depots bought produce daily and they were responsible for adequate arrangements for the storage of surplus food.

"Problems in the storage of food led to increased experimentation in drying ground provisions, especially sweet potatoes, cassava and breadfruit, for making flour that could then be combined with wheat flour for making bread."

I have said repeatedly: why do we not put 10 per cent of our local flour for making bread?

"Not only was the department of agriculture engaged in directing and supervising the new thrust, but on the recommendation of the Trinidad and Tobago Agricultural Society it is involved in demonstrating the most efficient methods of crop husbandry. Demonstration gardens were laid throughout the country and training was also taken to the schools.

As a result of the 'Grow More Food Campaign' the acreage of land under food production in 1944 was two and a half times the pre-war average. The success of the venture was evident in the number of food gardens visible in households, formerly abandoned estates, recreational areas, government lands, around the savannah and in front of public buildings.

It was not surprising that the quantum of locally produced food items increased dramatically. While this increase provided a situation of surplus in Tobago it was still not able to satisfy the demands in Trinidad. Therefore, even during the crisis period, Trinidad remained dependent on food imports. However, at this time the supplier moved from the external metropolitan sources to the peasant producers of Tobago. Exports from Tobago to Trinidad rose dramatically. This is an excellent demonstration of the potential of the non-plantation sector which contributed positively to the colony's agriculture."

You will recall—I referred to it earlier—my efforts to get Government to undertake a "Grow More Food Campaign". My interpretation is that in spite of all our talk about independence and not having a dependency syndrome, on this occasion, we preferred dependency on World Bank strategies rather than self-help. Whereas we promote self-help for individuals in the nation, when it comes to self-help for the nation as a whole, if we were having such a "Grow More Food Campaign" you must have a marketing agency that could purchase produce. NAMDEVCO, as I understand it, even with the change, might not be able to do this. I would like to see that change in such a way that there is no doubt.

If you refer to the manifesto policy statement that the producers' marketing board will amalgamate responsibilities under existing boards and will cater for rice, sugar, coconut, coffee, cocoa, citrus and others, then clearly the NAMDEVCO proposal is not going in that direction at all. Of course, one certainly could not agree with the concept of a single marketing board to cover all those commodities. I think that the manifesto is in error in that regard, but certainly in the concept of having marketing boards which purchase, I think they were certainly on target there.

The final point in respect of Government's activities is that there have been efforts to increase the local production of some input supplies so that CARIRI, the Ministry and the Commonwealth Fund for Technical Co-operation have been working on small machines which farmers might use and this has, in fact, been taken up by some private entrepreneurs. I think that is a good development in that

direction because we think a lot about agro-processing, but we do not think of the other side, the inputs which can supply employment.

I hope that in his winding up the hon. Minister would be able to address some of the issues which I have raised. I have now become quite accustomed to the fact that the hon. Minister of Finance does not address any of the issues I raise during budget debates; he just ignores them. The only time I managed to get a response was on the 10 per cent cut and that of course, was as my honourable friend would say, a highly political issue. Perhaps I should raise some more of these highly political issues and then I will get some notice taken of my proposals.

I realize that some of the issues which I have raised do not fall within the portfolio of the hon. Minister so it may be difficult for him to respond to some of them, but then it is not my fault that the Government has split up its agriculture into all these different sectors. I think that is something which he will have to grapple with, rather than I.

To conclude, I would not vote for the bill in its present form. I cannot honestly see the necessity for change. I noticed, for example, Central Marketing Agency is advertising for a business assistant officer, immediately required, so it is clear that they are able now, unless they are breaking some law, to do the things that they would like to do under NAMDEVCO. I noticed the hon. Minister has suggested that it should come to an end in June. I do not know why, because there is nothing in the Act that I can discern which says that it must end at the end of June. I am a little curious about this advertisement because it says that the officer they want to appoint would do research. In the Ministry of Food Production there is a Research Division which spends an estimated \$40 million per annum. In addition, there is a Planning Unit with agricultural economists—I think there are 20. The Agricultural Development Bank also has a Research Division. I do not know what this new entity would do.

There is some necessity for caution that we are not in fact building a new structure, as I have said earlier, which may parallel EDC, ADB, the Ministry and even as has been suggested the Industrial Development Corporation, unless of course—and perhaps this is a political statement—the Government has adopted a philosophy of “money is no problem”. Indeed, if the hon. Minister were bringing a bill into this House to set up an autonomous agricultural research institute, I would support him wholeheartedly and I would think that it is time well-spent. If he were saying he is going to put the research services in this country

on a sound footing by doing what so many people have said for such a long time, that is, take them out of the bureaucracy and set them up in an autonomous institute, then, he would have my wholehearted support and I would rejoice that at last we have made some progress.

I will conclude with a couple of general comments to this effect. I think what has happened in many Caribbean countries, and Trinidad and Tobago is no exception, when we threw out the plantation system we also threw out the influence of farmers. At pre-Independence time, if you think of what used to happen perhaps in this very Chamber or across the building, the planters sat and decided what was good for the colony because it was they who had the important voice in the Legislative Council. Of course, perhaps, quite correctly, we decided that we would abandon the plantation system. I have no dispute with that, but we replaced those planters with many very urban-oriented gentlemen who really are not interested in farming.

We do not have any farmers in either of our two Houses. That must tell us something. Every country in the world which has been successful has had a strong agricultural system and, just as important, in order to maintain it, a strong agricultural lobby in Parliament, or in Government, or whatever the system it is that they have. Even in the United States where the number of farmers is reduced to three per cent of the population, they have a strong lobby. I think that Trinidad and Tobago would be successful only when we can have an equally strong agricultural lobby and I hope we so do. Thank you.

5.40 p.m.

Sen. Dr. Martin Sampath: Mr. President, I think we have all listened with a great deal of interest to the contribution of Professor Spence. He is a gentleman for whom we all have the very highest regard, and the NAR, in forming the meat of its manifesto, paid a great deal of attention to what Professor Spence had to say and what he and his committee wrote concerning Caroni (1975) Limited. I am very pleased that he was able to read those sections of the manifesto in some detail because it shows the good intentions of this Government even before it came into power. The fact that we have not been able to fulfil our own wishes and those of the community and, in fact, those of Professor Spence is certainly, as you will understand, not due to any fault or any change in direction of the policy of the Government.

There have been so many factors involved: factors of finance, the fact that we had to go to the IMF in order to save this country from starvation. So that we were actually facing a very, very grave dilemma when we had to make decisions regarding the production of food in this country and the question of the importation of food from the metropolitan countries. This is a subject, Mr. President, which gives a great deal of sorrow to some of us patriots in this country, but sometimes, even like the biblical person who sold his birthright for a mess of pottage, we in this country are faced with the very same dilemma. Sometimes to save our lives we have to do certain things and sell some of our assets, which we would not normally have done. So I would like Professor Spence to keep his ideals, they are very good ideals, but he must understand that sometimes we cannot approach those ideals because of the circumstances in which we have been left by our predecessors in this Senate.

I am sorry in a way that Professor Spence dealt at such great length with all the agricultural questions that arise in this country because, you see, it only left him about 15 minutes to deal with the bill that is before us. Nevertheless, I must state for myself, and I am sure for all the Senators on this side, especially Sen. Fyard Hosein, that we enjoyed his contribution very much indeed and it will be very, very valuable in future considerations.

I want to deal with just a few points that arose by way of explanation before I get into the meat of the bill. I propose to spend most of the time I have at my disposal in dealing with the bill itself. He spoke about the difficulty that we are facing now, the crisis in coconut oil. I think that most people will agree that coconut oil should not be used only as a food. It can go into soap manufacture and, in fact, Professor Spence will know that we import a great deal of tallow from abroad to put into our soap in this country. There will be some difficulty, of course, because of the saturated and unsaturated components of the two, but I am sure a way can be found in which we can relieve the people of Cedros—and I am glad that Sen. Ken Ramchand is here as he is from that area—whereby coconut oil could be used for other purposes besides food.

Now, the question of Caroni (1975) Limited is a very, very sore point, and my colleague, Sen. Hosein, tried to point out that one of the difficulties in diversifying the activities of Caroni Limited lay with the stumbling block that was put in our way by those on the Opposition Benches. So you see, the politics of this situation in large measure has prevented diversification.

Now, I myself am not a lawyer. If Professor Spence will permit me, I will probably answer the question which is in his mind. He spoke about leasing of land not being alienation of the land. I have been informed that the payment of a capital sum and a long lease is legally tantamount to alienation in the sense that it removes the control and disposal of those parcels of land. I am not a lawyer, but that is what I have been told by some of my legal friends. If I am wrong, of course, that will come out later. I want a good answer to Professor Spence's unspoken question.

However, on the question of soya bean, a long time ago I did in fact write something about soya bean at the time when Orange Grove Estate was acquired by the Government—Professor Spence may remember that particular article—and I pointed out that the soil there was a sandy loam on which soya bean could be grown commercially and mechanically to great advantage. So that I do not think Professor Spence is quite right in making a general statement—I know it was not intended—that our lands here are heavy clays. Of course, we do have heavy clays but we have large areas of sandy loam in the valleys and in Orange Grove Estate. But there is a large amount of sandy loam on which soya bean could be grown successfully, especially if you get some of the new varieties which are not photo-periodic with irrigation, certainly, as we are doing now with the prawn project where we have water from wells and we have suctioned water for the prawn project. I just thought I would mention that by way of clarification.

On the question of LIDP, Professor Spence made an extremely important point when he spoke about the need for educating our young people in agriculture, and the need for finding an outlet for our agricultural graduates on the land. I myself, when I applied for a studentship, as it was called, in 1936 to the Imperial College of Tropical Agriculture, was asked very pointedly by the Director of Agriculture and the Director of Education who sat in on the panel selecting candidates, what I was going to do when I got my diploma. I had been coached by my father how to answer that question before and, in fact, we did have a few acres of land. I said, "Well, I will use that to develop our land. We have about 48 acres of land, and I intend to cultivate it." I was given a studentship. So you see, Professor Spence is perfectly right. Land and loams should be available for graduates.

Now, how is this tied up with the LID Programme? There are thousands of young people who have no training whatsoever in agriculture who are now given the opportunity to develop these lands which have been provided by some of these

estates. Again, I am told that the landowner mentioned here is giving his land free of charge or in lieu of rent, so he is doing a service to the community. These young people are being trained in agriculture so that at some future date they will be able to be small agriculturalists and feed themselves and their families and help the agricultural production of the country. So I think that is the great benefit of the LID Programme: employment for these young people and training in agriculture, which is what Professor Spence will want. I know he will want this. Yes, employment for these young people.

Now, on the question of forestry, again a very, very important thing. When the Rampersad Committee investigated Tanteak, I had the honour of being on that committee for two years, and we found a tremendous number of irregularities in Tanteak, and again, we on the committee were faced with a tremendous dilemma: what should we do with Tanteak? One of the investigations revealed—and I would like Professor Spence to know this—that they are actually going into the making of veneering with some of the mature teak, and that is a step in the right direction. So I do not think all is lost with Tanteak. Probably at some future date, Professor Spence will get some more information about Tanteak, and so shall I, which will show that we are really on the right track as far as Tanteak is concerned.

I do not want to come back to Caroni (1975) Limited, but the position with Caroni is that we have plans.

Sen. Spence: I just want to understand if the hon. Senator was referring to the teak logs that might be used for the veneer and which are now being exported?

Dr. Sampath: Sorry. What was the name of that species? Oh, the export of teak logs.

Sen. Spence: Not thin ends, but logs.

Dr. Sampath: I have to get some more information on that, Mr. President. What I was told is that the exported logs were those that were not suitable for furniture. Now, that is what I have been told. It is something I think we all have to verify. It was not used for furniture, and they were in the nature of the sort of teak posts that are used for fencing, but it is something that has to be verified.

I think that any government at all would be stupid to export high class furniture stuff to any country at all. I do not think that our Government will condone that sort of thing.

On the question of Caroni (1975) Limited, there are plans for the diversification and the utilization that we had in our manifesto. But again, you see this lawsuit that we have to face is keeping us back. And I trust that the Senators sitting—I see only two Senators on the Opposition Benches—will take this back to their principals wherever they are, in whatever place they may be, the fact that the whole development of this country which hinges on the 79,000 acres controlled by Caroni (1975) Limited is now blocked by the lawsuit that they have brought.

Now, I turn to Sen. Mark. I do not know whether I should apologise for interrupting him, Mr. President, at the time he was making his mis-statements, but when people say things which are not entirely correct, when one waits until after the presentation, that bacteria has gained a foothold in the very gullible medium—I am not talking about the press now—the cultural medium, and if it is not nipped in the bud, when the time comes it has already grown and taken root. So if I do apologize for interrupting, it is on that basis, Sir, that I thought it was necessary at that time to interrupt to nip this untruth in the bud.

Sen. Mark made some very far-reaching statements. I am sorry, Mr. President, I have to deal with so many irrelevancies, but it has to be done. The term was used "jobs for the boys". Very often, we hear about party hacks being given jobs, we heard about boards being dismissed. I think even this afternoon we heard about boards being dismissed. When I get into the meat of my presentation, Mr. President, I shall invite everyone present to put on their gloves and don their masks because the smell of this is such that you will need gloves and masks when you are doing anatomy of this particular board which we are attempting to replace. You will see why some boys have jobs and why some boys do not have jobs.

Sen. Mark referred to Meat Processors. Again, if Sen. Mark was here in my maiden presentation—or was it my second presentation, my very early presentation in this Senate—where I gave some details about the inequities of some of these state enterprises under the past regime, he would not have mentioned Meat Processors and National Fisheries at all. When I was chairman of the Agricultural Development Bank, I attempted to salvage Meat Processors and put it in the hands of the workers and farmers, because I felt that if workers and farmers owned the company, the basic producing end and the manufacturing end, getting together, it would be an example for the whole of the country. They would also organize the marketing, and so on. I do not have the figures here because I did not know that was going to come up. However, they were losing millions and

millions of dollars and they got subventions from the Government by the thousand and tens of thousands every year. When I made an effort to put it in their hands, their workers refused to put 75 per cent of what would have been their severance pay into the company as equity. I tried for three days to get them to agree to a 75 per cent insertion of equity, and they would not. They did not even want to put in 25 per cent. They wanted to spend the other 50 per cent otherwise.

A point I made before, Mr. President, that if workers want to succeed in this country, they must take the companies into their own hands and own them. The millions of dollars that trade unions have today must be put into these projects. Naturally, as a last resort, in deference to the workers, I recommended to Cabinet through the Minister that Government should put in, I think the figure was about five or ten million dollars at that time—I forget the exact figure—to make up the equity. Cabinet, naturally, turned it down because they said that one hand cannot clap. The workers must show some interest in what is being handed to them. They turned it down.

National Fisheries, that scandal? I have said here that the last Government by inefficiency of the board, you know, inefficiency and corruption are very, very close together. We talk about negligence and we talk about criminal negligence. They ran this company into the sea. So I would ask Sen. Mark to get some more information before he holds these organizations up as examples of what Government should hold on to.

5.55 p.m.

The Agricultural Development Bank, I think everyone, especially Sen. Spence, will be pleased to know that the policy at present—in fact, it is something which we have been discussing for several years—is to have a land bank, whereby all lands which become available to the ADB will be held, parcelled out, and given by way of lease to students in agriculture, and other people.

Much has been said about commercial banks and the ADB, and there is something I want to correct. That is, the rates of the ADB are at least two per cent lower than the rates of the commercial banks. The fact is, ADB has to borrow at about nine and a half per cent, so when they add their expenses they have to lend, at least, at 10 1/2 per cent average. What the ADB is doing, is giving loans at 12 per cent to regular people and at 10 per cent for agricultural loans, which is much lower than commercial banks. I hear that in commercial banks they go up to 15 per

cent for agricultural loans to young people and co-operatives. To my mind, the Agricultural Development Bank is in fact, doing an excellent job for agriculture in this country.

Sen. Mark quoted something from a paper by Alfred Vincent who was—

Sen. Mark: May I ask a question? Could you indicate to the Senate what were some of the factors that caused the ADB to change its rate of interest from six and a half and seven per cent to 12 per cent?

Dr. Sampath: Mr. President, I wish to thank the Senator for that question because it gives me an opportunity to say a little bit more about the ADB. It is possibly irrelevant to the bill but it is important and useful. In the old days when money was like water and subventions were being given to the ADB, interest free, by Government, the ADB was able to give loans at, not six per cent, but one per cent and two per cent to co-operatives. That was stopped because there was no more money to give. In order to lend we had to borrow. That is the reason. It is a simple reason which I think will appeal to all the accountants in the Senate. The ADB would just not be able to stand up, it would fail, if we did not lend at a rate higher than that at which we were borrowing because Government had no more money to give.

Another reason is that many farmers did not repay their loans. They had this sort of cultural ethic that anything from a Government institution was a subsidy or a gift. So that ADB was not able to recycle its funds and had to borrow and lend at a rate slightly higher than that at which it borrowed.

Going back to Mr. Alfred Vincent who was General Manager at the time when I was Chairman. He was also Chairman of the Central Marketing Agency. I saw the paper which he wrote—in fact, we consulted on that paper. It was an excellent paper. In a court of law, people are asked to tell the truth, the whole truth, nothing but the truth. If Sen. Mark is telling the truth, he should tell the whole truth. In this paper, Mr. Vincent wrote that agricultural efforts could produce so many thousands of jobs—the figure was 100,000; many, many jobs—but he went on to show in the same paper how the Agricultural Development Bank was proceeding to make those jobs available; to produce those jobs.

Sen. Mark: I did not say that. I have the paper here.

Dr. Sampath: There is not only such a thing as selective quotation, but also selective reading.

It is time to get into the meat of the bill. Why is the Central Marketing Agency Act being replaced by a new one? The main reason is that the Central Marketing Agency activity resulted in tremendous losses to Government and did not really do the work which it was intended to do. I shall not dwell on that. Our Minister has given an admirable description of all these things and I do not intend to go into those details. The major difference between the two—as the Minister stressed—is that the new agency will not directly buy and sell. What it will do, is facilitate the buying and selling. It will do it in many ways. One of these is the setting up of infrastructure, and twice a day I pass by one of those facilities, the Debe wholesale market, which is coming on very nicely indeed and I am informed that in contrast to what used to happen, this facility will be completed without any cost overruns whatsoever.

I have in my hand a copy of the Auditor General's Report of the Central Marketing Agency—"Audited Accounts of the CMA for the year ending December 31, 1984." This was produced in 1987, a time lapse of three years. It is typical of the activity of the CMA. Mr. President, with your permission, may I read some of this in detail. This is where you put on your gloves so you can push your finger in the wound; and you put on your mask, as well. On page 2, it states:

"Accelerating Annual Losses and Overall Operating Performance

The performance of the CMA continues to deteriorate from year to year with the annual losses getting progressively worse. The largest loss in the history of the Agency was recorded in this year, 1984, at \$27 million, which is an alarming \$9.1 million more than last year's loss of \$18.1 million. Although the purpose of the establishment of the Agency was not to make a profit, it certainly was not to incur massive annual losses in the magnitude of the above sums. One of the major causes for these losses is the purchase of pigs, which accounts for 70 per cent of all purchases and the sale of pork.

It should be noted that since the Government mandated the CMA to purchase the nation's pigs at heavily subsidized prices, the annual losses have increased at an accelerating rate, especially so after January 1, 1984 when another increase was enforced. The new prices rose from \$6.08 per kilo for live pigs, which is equivalent to \$9.40 per kilo for the pork from each pig.

Another area requiring urgent managerial attention is the continuing soaring increases in the overhead expenditure. These rose from \$14.5 million in 1983 to \$21 million in 1984, which represents a 50 per cent increase in a single year.

During this same year revenues of the Agency declined by 20 per cent. One example of this costly inefficiency was the dumping of \$3 million worth of pork which had become rancid because of improper refrigeration."

I shall get into the question of refrigeration a little later. I regret that we do not have the former Opposition Senators here today, to hear what I have to say. I continue:

"These massive overhead cost increases together with the spiralling operating losses meant that to sell \$19.7 million worth of goods in 1983, it took a total expenditure of \$37.9 million; while in the next year it took an even greater amount of \$43 million to sell \$62 million worth of goods."

Hon. Senator: Twice the amount.

6.05 p.m.

Sen. Sampath: I am really sorry that the Members of the PNM are not here to listen to this, but perhaps the message can be spread. I am told that the Minister used to write on a first-name basis—"Dear So and So, please give to so and so" a job. Those letters were found by members of our board who investigated the finances. The Chairman of the Finance Committee, Mr. Ramdath Balkissoon, is present in this Chamber today. He investigated some of these finances in detail and made recommendations. So when you talk about jobs for the boys and party hacks, would any of this had come out if we did not include our members on that board?

Mr. President, Mr. Ramdath Balkissoon, Chairman of the Finance Committee, investigated the contract personnel. The organization presently has 15 contracted personnel between the ages of 22—68 at a monthly cost of \$37,400, and the Appendix is given—details of the jobs that they did or what they were supposed to do. They recommended that eight of them could easily be retrenched without any loss of efficiency at all, and it is again in the balance sheet. The names are given and the cost of terminating their services is given here.

Mr. Balkissoon investigated the daily-paid employees and found a very, very similar state of affairs—229 persons doing, as he says, almost nothing at all. He

and his other board members paid a visit to where these people were supposed to be working and found them playing cards. He thought that they were customers. This is what the past regime had been doing. This is typical not only of this particular agency, but most of the state agencies which the Rampersad Committee investigated. The people of this country have to be commended for throwing out the past regime and putting in the NAR. That is why they wept when certain Members caused the split in the NAR. Let me get back to the bill.

The number of watchmen numbered 23. When they were observed, it was observed that half of them were watching the other half. Most of them employed by personal letters written by Ministers to the chairman. The Auditor General's Report about filing: "During our audit we requested documents which we required for the audit..." and so on, bank reconciliations, unrepresented cheques; there is a whole list of them given here, dates and everything. "It was also noted that a number of cheques were entered twice in error on the check register."

Creditors:

"Creditors' balances presented to us at the end totalled \$749,684. This disagreed with the creditors' balance in the general ledger which was \$619,948. We investigated the difference of \$129,736 and the relevant adjustments were made to agree with the general ledger."

One has to ask oneself whether it is inefficiency or anything worse than inefficiency.

Stocks Written Off:

"Substantial quantities of pork and pork parts, held in cold storage at plant C42—referred to by the Minister—\$552.029."

Electric Ice Company: \$1,000.000.

Trinidad Trading: \$174,000 worth of meat was dumped during the period of April to May. This meat which the agency had in stock as at December 31, 1984 was said to be of unsound quality subsequent to the year end and retroactive adjustment of \$2.1 million was made.

Dumper certificates were not prepared by the Food and Drug Division because none of the inspectors were present at actual dumping of this substantial amount of pork. This is not in the Auditor's Report. I have been told that given the journey from the CMA to the cold storage facilities, hundreds of pounds of pork and parts were missing.

Dumps at Trinidad and Tobago Meat Processors:

“Whenever pigs die at the Trinidad and Tobago Meat Processors compound they are supposed to be examined by the area veterinary public health officer, who issues a meat condemnation certificate. During 1984, the bodies of a large number of pigs at Trinidad and Tobago Meat Processors were dumped, however, certain files with the meat condemnation certificates from January to November could not be located.”

A list here is given for those that could not be located.

Physical verification of fixed assets:

“A physical inventory of fixed assets held by the agency was performed by the Agency's staff at December 31, 1984. It was noted that the quantities checked by the Agency's staff varied with the quantities shown in the Agency's books.”

Examples are given.

Then a physical verification of motor vehicles was conducted by Touche, Ross and Company and it was noted that a number of motor vehicles were derelict. These vehicles were shown as fixed assets at year-end, and they were insured in 1984 by the agency as sound vehicles.

Cash Sales:

“Cash sales for April, 1984 amounted to \$12,000 together with the cash float of \$1,000 was stolen from the four Centra Marts, Port-of-Spain. Although the cash was covered by insurance, the Agency did not forward a claim to its insurers. No explanation was given why the claim was not forwarded.”

Cash Register Tape Listing:

“In a number of instances the cash register tape listings could not be located, hence, we were unable to verify the cash sales.”

Then purchases of Rice Paddy; and so it goes on.

Mr. President, I do not want to bore everyone with everything. I think that is just quite enough. TD1 Forms could not be produced; conflict of duties. Then the contract to erect new pre-fabricated cold storage facilities at Chaguaramas—the scandal here is something which I think we ought to know about.

This contract was given to a company called G. C. Associates. It was not a limited liability company, but it is either a sole proprietorship or a partnership which is or was controlled and managed by a former director of the Central Marketing Agency. This person was a director up to August, 1981 when the old board was dissolved. The new board was re-constituted in early 1982. The first meeting was held in May, 1982. He was invited back but he declined.

This company was given the tender. There are many unusual things here. This is a document which I should like to leave afterwards; I do not want to quote it all.

In fact, I have a report here where the actual work was investigated at the cold storage facility. It was found to be deficient. There was a report about all these deficiencies in the chilling area, leaking roof in the office area, in the engine room, several water leaks in the roof and so on. The team which investigated this in 1985 recommended that this company should not be paid the balance that is supposed to be owed to them.

“Pump package and points are icing up and this is due to poor installation. As a result of the above discrepancies...”

There are dozens of discrepancies here—

“...I would strongly recommend that should there be any balance of payment due to the contractor, these sums should be withheld until the job is satisfactorily completed.”

This is what is responsible for the loss.

Credit was given to people free-sheet. Something has been mentioned very nicely by Sen. Mark, I am not sure, about Government agencies being supplied with foodstuff from this place. There are 89 Government agencies and other agencies here. Total balance is given. The balance at 1987 is given; millions of dollars, totalling over \$36,864, owed to the CMA which they never recovered.

6.15 p.m.

What arises from of all this is that when a government agency, especially because of the culture of this country—the ethic of many people in the country, which I hope is improving—people feel that when you have a government agency you can do what you like with it. You can take from it; you do not have to pay; people working there can steal; they do not have to keep accounts and so forth. So if a government agency engages in buying and selling, human nature in the country being what it is, you cannot do it. It is not a question of

privatization. Perhaps some of the psychologists present—I am sorry Sen. Deosaran is not here, he might have been able to throw some light on the psychology of what is going on. But people's loyalty appear to be to themselves, to their immediate families, perhaps to their clique and not to the country as a whole. They do not feel that if they steal from a government agency, they will be stealing from themselves or from their brother next door or from the rest of the country.

So it is not a question of privatization. There is something in the psychology. It is not only Trinidad and Tobago but it seems to be worse out here because of our historical precedence—things like people working here for somebody else and not owning their means of production from the start. It seems as if these things have come down from slavery and indentureship. That may have something to do with it. But you find it in most countries of the world. But if you are working for yourself, you would be more careful. This is not a question of privatization or giving out or selling our patrimony, as some people like to say very glibly; it is a question of letting people who will take care of the assets, take care of the assets. It is as simple as that.

So that the major thrust of this bill is to ensure that we will help those people who are producing; give them a place where they can bring their produce—as the one at Debe at present—and arrange for people who are buying to come to the same place and also arrange for information on both sides. The producers will know, well look here, in the dry season when all the lagoon lands are producing because the water table is falling and plants are going down to get their water before it dries up, you get all the tomatoes you want and there is a glut of tomatoes. Tell them, “well look here, at such and such a time of the year you are going to have a glut of tomatoes. But if you want to produce rainy season tomatoes, you must do it under cover and if you want to grow a special variety of tomatoes, grow them under cover and the ADB will give you a loan for building your shed.” This is what the NAMDEVCO is going to do. As a matter of fact, the party hacks and the boys we are putting at present are doing that already, anticipating the time when they will, in fact, make full use of everything.

This document is an extremely interesting one. It is the April document. I will give you a brief idea of what they have been doing and which they are continuing to do. The first article is on the “Single European Market and Banana Exports of Developing Countries”. Mr. President, is the word “stupid” an unparliamentary word? Well, without sufficient care, someone made a statement that we are not

paying attention to what is happening in the European market. Here it is, we are on the ball. We are already talking now about the export of bananas to the European market; then a course on food processing to be held in the Netherlands. There is information given about all that as well. The whole trade exhibition, cancelled—that information is given. Wholesale price movements for March for grains, pulses, root crops, vegetables, seasonings, fruits and so on, the actual information is given here in some detail. They talk about a bundle of chive, they tell you what the approximate weight is supposed to be and so on. There are tables here again—average wholesale prices in Trinidad and Tobago for the years, and so on. There is a whole list—bodi, corn, pigeon peas, soursop, watermelon; the whole works.

So a producer can see at a glance at what times of the year he will get the most for his crop and he will know what to grow, when to grow it and how to grow it. This is one of the functions of NAMDEVCO, not to buy and sell and chalk up fantastic losses; not to employ thousands—

Sen. Spence: Mr. President, I am wondering if the hon. Senator would put himself in the position of a small farmer. I feel I have some qualifications for speaking in this regard because I have some ornamentals which I shade with plantains. So I am starting to produce a few bunches of plantains. Now which is better for me as a small farmer to do: go to a central point to someone to whom I have contracted to sell my produce and he purchases them from me and then I go back to my farm? Or do I go and sit in a wholesale market waiting for someone to come and purchase my produce? You see, you have to look at it from the point of view of the small farmer as well. He has to transport his goods to this market. True, it is being put in a more convenient spot now. If he does not sell them, he transports them back or throws them away. Surely, an assured market and somebody who will purchase, and then who himself will sell it efficiently and market it for him, is better than the farmer having to be his own marketer. I can tell you from a practical point of view that it makes no point trying to go to the market to sell those bunches of plantains. My family eats them.

Dr. Sampath: I am very pleased for the invitation to put myself in place of a small farmer. I am a small farmer myself. As a matter of fact, I am growing more tomatoes than we can eat at home and I too am looking for a market. He is quite right about this question of finding a market. Marketing is the key to agriculture, no doubt about it. But of course, what NAMDEVCO is going to do, is not that. It

will already have lined up customers—big customers such as Matouks, for example, who want any amount of green mangoes, and so forth. This is one of the functions. It is has not started to operate as yet, but we are hoping that as soon as this is done, it can get going. I quite understand Sen. Spence's fears in this regard. I know they are very real fears. It is something which we have to lick and we have to lick it by lining up purchasers in advance, to know what the demands will be at certain times so the farmers can be told what to do. I must say that this is going to be a baby which will require a great deal of care. But fortunately, we have people like our worthy Minister. I do not want to praise him in front of his face.

Our Minister is not one of those office people. I have been hearing talk about there being no farmer in the Senate. That phrase has been used and that is not true. I am wondering if Sen. Spence said so. He was not thinking when he said so. I am a farmer. The Minister is a man who grew up on a farm. He has already put his knees in mud. So have I. I have danced cocoa with the best of people. I know the feel of cocoa beans under my feet.

I hope I have put some of his fears regarding marketing at rest. He has indicated he is not going to vote for this bill. I hope I may be able to change his mind because this is a bill that deserves the support of everybody in this Senate, because it is a good bill.

There are many more things to say but I have dug up enough dirt. It is not like us to dig up dirt but just to show the facts. The gentlemen can now take off their gloves. We have put our fingers in the wound. The time has come now to wash our hands, take off our masks and vote, everybody here, in favour of the bill. Thank you very much.

6.25 p.m.

ADJOURNMENT

Sen. Alloy Lequay: Mr. President, if you would permit me just to indicate before moving the adjournment, that it is our intention to attempt to complete this bill on the next sitting on July 2, 1991. Since there are no other Government bills on the Order Paper, if time permits on that day, we will proceed with Private Members' Business.

Adjournment
[SEN. LEQUAY]

Tuesday, June 25, 1991

The Telecommunications Bill has already been circulated and by July 9 it would have had its proper time-span under the Standing Orders. It is very likely that bill will take us two Tuesdays unless we decide that we will sit on consecutive days.

With those few comments, I beg to move that the Senate do now adjourn to Tuesday, July 2, 1991 at 1.30 p.m.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 6.32 p.m.