

*Senator's Appointment*

*Tuesday, March 24, 1992*

**SENATE**

*Tuesday, March 24, 1992*

The Senate met at 1.30 p.m.

**PRAYERS**

[MR. PRESIDENT *in the Chair*]

**VACANT SEAT**

**Mr. President:** Hon. Senators, I have been informed by letter dated March 23, 1992 that His Excellency the President, acting in accordance with the advice of the Leader of the Opposition, in exercise of the power vested in him by paragraph (e) of subsection (2) of section 43 of the Constitution of the Republic of Trinidad and Tobago, has declared the seat of Sen. Carol Merritt to be vacant with effect from March 23, 1992.

**SENATOR'S APPOINTMENT**

**Mr. President :** I have also been informed by letter dated March 23, 1992 that His Excellency the President, acting in accordance with the advice of the Leader of the Opposition, in exercise of the power vested in him by paragraph (b) of subsection (2) of section 40 of the Constitution of the Republic of Trinidad and Tobago, has appointed Mr. Sam Maharaj a Senator with effect from March 23, 1992.

**OATH OF ALLEGIANCE**

*Sen. Sam Maharaj took and subscribed the Oath of Allegiance as required by law.*

**SAKINA JUMAN (PENSION) BILL**

Bill to make provision for the grant of a pension and gratuity to Mrs. Sakina Juman; brought from the House of Representatives [*The Attorney General and Minister of Legal Affairs*]; read the first time.

**PAPERS LAID**

1. Report of the Auditor General on the accounts of Trinidad and Tobago Export Credit Insurance Company for the year ended December 31, 1990. [*The Minister of Planning and Development (Sen. Dr. The Hon. Lenny Saith)*]
2. Report of the Auditor General on the accounts of the Trinidad and Tobago Methanol Company Limited for the year ended December 31, 1990. [*Hon. L. Saith*]

3. Report of the Auditor General on the accounts of Fertilizers of Trinidad and Tobago Limited for the year ended December 31, 1990. [*Hon. L. Saith*]
4. Administration Reports for the National Lotteries Control Board for the years 1987 and 1988. [*Hon. L. Saith*]
5. Report of the Auditor General on the accounts of the National Lotteries Control Board for the year ended December 31, 1988. [*Hon. L. Saith*]
6. Report of the Auditor General on the accounts of the National Lotteries Control Board for the year ended December 31, 1989. [*Hon. L. Saith*]
7. Annual Report of the Eric Williams Medical Sciences Complex Authority for the periods October 1, 1989 to December 31, 1989 and January 1, 1990 to December 31, 1990, respectively. [*Hon. L. Saith*]
8. Annual Report of the National Insurance Board—July 1990 to June 1991. [*Hon. L. Saith*]
9. Trinidad and Tobago Electricity Commission—Annual Report 1986. [*Hon. L. Saith*]
10. Trinidad and Tobago Electricity Commission—Annual Report 1987. [*Hon. L. Saith*]
11. Report of the Auditor General on the accounts of the Point Fortin Corporation for the year ended December 31, 1985. [*Hon. L. Saith*]
12. Report of the Auditor General on the accounts of National Quarries Company Limited for the year ended July 31, 1983. [*Hon. L. Saith*]
13. Report of the Auditor General on the accounts of National Quarries Company Limited for the year ended July 31, 1984. [*Hon. L. Saith*]
14. Report of the Auditor General on the accounts of Trinidad and Tobago (BWIA International) Airways Corporation for the year ended December 31, 1988. [*Hon. L. Saith*]
15. Report of the Auditor General on the accounts of Trinidad and Tobago (BWIA International) Airways Corporation for the year ended December 31, 1989. [*Hon. L. Saith*]
16. Report of the Auditor General on the accounts of the Chaguaramas Development Authority for the year ended December 31, 1987. [*Hon. L. Saith*]

17. Report of the Auditor General on the accounts of the Trinidad and Tobago Tourist Board for the year ended December 31, 1982. [*Hon. L. Saith*]
18. Report of the Auditor General on the accounts of the Trinidad and Tobago Tourist Board for the year ended December 31, 1983. [*Hon. L. Saith*]
19. Report of the Auditor General on the accounts of the Trinidad and Tobago Tourist Board for the year ended December 31, 1984. [*Hon. L. Saith*]
20. Report of the Auditor General on the accounts of Trinidad and Tobago National Petroleum Marketing Company Limited for the period ended March 31, 1991. [*Hon. L. Saith*]
21. Loan Contract between the Republic of Trinidad and Tobago and the Inter-American Development Bank (Environmental Protection and Rehabilitation Programme)—October 30, 1991. [*Hon. L. Saith*]
22. Non-reimbursable Technical Co-operation Agreement between the Republic of Trinidad and Tobago and the Inter-American Development Bank (Programme of Studies on Mined Lands Reclamation, Forestry, Wetlands and Fisheries Ecology)—October 30, 1991. [*Hon. L. Saith*]
23. Public Sector Investment Programme 1992. [*Hon. L. Saith*]
24. Report of the Auditor General on the accounts of the Prize Court for the year ended 31st December, 1976. [*Hon. L. Saith*]
25. Report of the Auditor General on the accounts of the Prize Court for the years ended December 31, 1977; December 31, 1978; December 31, 1979; December 31, 1980; December 31, 1981; December 31, 1982; December 31, 1983; December 31, 1984; December 31, 1985; December 31, 1986; and December 31, 1987. [*Hon. L. Saith*]
26. The Land Tenants (Security of Tenure) (Rent Review) Regulations, 1992. [*Hon. L. Saith*]

**1.40 p.m.**

**CUSTOMS DUTY  
(EXEMPTION)**

**The Minister of Planning and Development (Sen. Dr. The Hon. Lenny Saith):** Mr. President, as Leader of Government Business, I seek leave to withdraw motion No. 2 on the Supplemental Order Paper standing in the name of the Minister of Finance. The matter which this motion seeks to address is already

*Customs Duty (Exemption)*  
[HON. L. SAITH]

*Tuesday, March 24, 1992*

in force and it is the intention of the Minister of Finance to incorporate the necessary amendments to the Customs Act to give effect to the removal of customs duty and the Finance Act, 1992 scheduled for introduction in Parliament in April of this year.

*Question put and agreed to.*

*Motion, by leave, withdrawn.*

**SUGAR INDUSTRY  
(RATIONALIZATION)**

**Sen. Prof. John Spence:** Mr. President I beg to move the following motion:

*Whereas* there has been wide agreement since 1978 on the need for rationalization of the sugar industry in the national interest;

*Be it resolved* that this House urge the Government of Trinidad and Tobago to proceed expeditiously with rationalization of the sugar industry, with appropriate safeguards for the welfare of all concerned, since such action is essential for the development of the agricultural sector, and therefore for economic development and for the future well-being of all the people of Trinidad and Tobago.

Mr. President, this motion has been on the Order Paper since the last Parliament and was renewed under my name in this Parliament. It was deliberately worded in particularly wide terms in order to allow discussion not just with Caroni (1975) Limited, in the narrow sense, or not just the rationalization of the sugar industry in the narrow sense, but also the place of that process in the agricultural sector and indeed the economy as a whole.

I was first involved in the rationalization of the sugar industry in 1978 when a group of us sat for a year, including the present hon. Leader of the Opposition, the Hon. Basdeo Panday, to discuss this topic. We produced a report which, I think, was accepted by both Houses of Parliament, and the Food and Agriculture Corporation at that time was given the duty to implement it.

Now I think that the move was a good one had the Food and Agriculture Corporation really worked. It never did, and it is now defunct. But the idea of treating Caroni (1975) Limited or rationalization of sugar in the context of agricultural development as a whole, which is what the FAC was supposed to deal with, I think, was the right way to approach it. The problem was that this did not

work. The company did not in fact implement the rationalization report in any major way. Over the years since then Caroni has, in fact, made various efforts at diversifying out of sugar and some of these will arise in the course of my presentation.

So I was very pleased, in the context of making sure that this is seen in a broader sphere, to hear the hon. Minister of Agriculture, Land and Marine Resources on the television last night stating just that—that he felt it was a national problem. I think one of the major difficulties that one has had to deal with is the fact that Caroni (1975) Limited, has tended to be looked at as a company and not in the context of the broader national picture.

First of all, I want to start at the end of the motion and just say a little about economic development in Trinidad and Tobago as it relates to the agricultural sector. I have become reluctantly convinced that the policy-makers of this country, of either government, and the policy-makers in the private sector are not really at heart convinced that agriculture is an important matter. They frequently say so. Everyone says, I think, that it is an important matter, that it is important to the economy. But one can point to a number of decisions that were taken which would seem to run counter to that position. So instead of a logical, sensible approach in integration of this sector with the rest of the economy, we tend to get a situation where matters arise in that sector which are dealt with on an *ad hoc* basis and on a crisis basis as one can see—and discuss a little later—with the present problems in the coconut industry.

I think the reason for this is clear. Oil is the most important contributor to our economy and so in a sense we could do without agriculture. There is no doubt that we shall survive, whereas other countries in the region would not survive without their agricultural sector. But I feel, that we are in a sort of position where, if we are getting \$100 worth of income from one sector, and it is possible to raise our income to \$125 by a bit of effort, why do we forgo that extra \$25? This is what I have never been able to understand; sure, energy is important. Sure, oil and natural gas are important. But quite apart from the effect on the economy of changes in oil prices which send us spinning, even were we to maintain a steady income from oil, why do we not get that extra income from another sector, especially in a situation where we have 20 per cent unemployment?

There is another aspect to this which was called attention to by one of our leading economists, Dennis Pantin, recently; and he made the point that the natural resource of oil and natural gas should not be for this generation only. Why

*Sugar Industry (Rationalization)*  
[SEN. SPENCE]

*Tuesday, March 24, 1992*

should we live well off this asset and use it all up and then leave no benefit from it for our children and grandchildren? A part of the income from oil should go to developing renewable resources, because in the final analysis it is the renewable resources that one must rely on when those that can be used up with time are finished.

So it means that in the long run our great grandchildren are going to have to be relying on agriculture, forestry, and fisheries in the main for their well-being. They may develop a manufacturing sector which may, in part, rely on imported raw material and therein will lie a problem. They may develop a tourism sector which will fluctuate with the swings and fortunes which that sector often has to contend with. So I am convinced that even if we can make out now, in the long run let us at least to some extent think of our great grandchildren.

Now, I am very pleased to see that the hon. Prime Minister has set up a committee to deal with the oil industry of which he is Chairman. That is very important and that has to be done, otherwise our present well-being will not be well looked after. But when I read in the newspapers that the hon. Prime Minister has set up a committee on the agricultural sector which he chairs himself and that he is consulting the Leader of the Opposition, not only on the energy sector but also on agriculture, then will I be convinced that we are, as a country, taking this matter seriously and really treating it in a manner that will integrate it with the rest of the economy. Now, that is not to say that individual Ministers of Agriculture are not wholly dedicated to this cause. I am sure the previous Minister was and I am sure this Minister is as well. So even though, currently, agriculture makes a very small contribution to GDP, we must see how we can alter that situation.

**1.50 p.m.**

I want to just use one or two examples to indicate how things that happen outside agriculture can affect what is going on in that sector; to make the point that our error has been always to treat it as an entity in itself and not to look at it in the wider context. We have referred to this before in the budget debate, and that is the question of the coconut industry.

I want to just view it from a farmer's point of view and I am going to read a letter which I have received from Mr. Bishop of Tobago. I read this particularly because of his introductory paragraph. He says:

*Sugar Industry (Rationalization)*

*Tuesday, March 24, 1992*

"Dear Dr. Spence,

I write to you on the following matter, the fate of the coconut/copra industry in Trinidad and Tobago, because I consider you to be the voice of agriculture in the Senate in Trinidad and Tobago."

Since he has given me that mantle, I feel I must draw his problems to attention. I am doing this to indicate that any activity that we take in the agricultural sector, be it rationalization of the sugar industry or not, must take account of issues outside that sector. So I am going to read this from a farmer's point of view:

"A tragedy is taking place right before our eyes in the agricultural world of Trinidad and Tobago and no one seems to really care."

I do not think he is right there, but that is his point of view.

"The coconut/copra industry is being drowned by a deluge of soya bean oil made from soya beans imported into Trinidad and Tobago from foreign farmers and paid for in hard currency. Those responsible for this situation feel justified to do what they are doing because a profit in the sale of soya oil is being made by the Government-owned flour mill.

Trinidad and Tobago Copra Producers depend on a small subsidy from Government in order to survive. That subsidy is now one year in arrears, because Government says it has no money in TT dollars to pay the subsidy to the local farmer, but yet Government can find hard currency in US dollars to pay the foreign farmer for his soya beans, for which the foreign farmer most likely also received a subsidy from his Government to encourage him to grow soya beans.

What is happening? Is the local farmer being sacrificed and wiped out to provide a living for the foreign farmer?

In addition, the local copra producer has not been able to sell his/her copra for many weeks because the Coconut Growers' Association is unable to purchase the copra. This situation causes serious financial problems to the coconut/copra farmer who is forced to lay off labour..."

He does not say this—which adds to the unemployment.

Now, there are two sides to every story and I am not suggesting that what is said in this letter is the only aspect of this problem that needs to be considered.

*Sugar Industry (Rationalization)*  
[SEN. SPENCE]

*Tuesday, March 24, 1992*

What I am saying is, this is what it looks like from a farmer's point of view. Nor do I feel that the problem lies entirely with National Flour Mills. I have had discussions which lead me to believe that National Flour Mills is an efficient company. For a state enterprise, I think it is one that can be held up as a very good example of what you can do with a state enterprise with respect to its business activities. So it is not just a question of National Flour Mills. The real issue is a macro-economic issue—that is, the relationship of the industrial sector, which is what the soya bean processing plant falls into, and the agricultural sector.

In some sense, this issue is also itself related to the rice industry, because National Flour Mills has another activity and that is the purchase and milling of rice. National Flour Mills has to buy rice paddy at 89 cents per pound, process it, mill it, and then sell it at 87 cents per pound, including purchasing from Caroni Limited. This is leading us now into the diversification activities of Caroni, because rice is one of their success stories when it comes to the diversification programme.

Now as a result of this process—

**Dr. Rowley:** I am sorry to interrupt the hon. Senator. I am having some difficulty following what he is saying and I do not want to miss a thing. Could he take that into account and speak a little bit more clearly?

**Sen. Prof. Spence:** Mr. President, National Flour Mills has to process the rice and last year, I understand that the processing of the rice and buying at a lower price than the selling price, resulted in a loss of some \$25 million. Now it means that the other activities of the flour mill have to make up for that loss, because overall the company does make a profit.

Now again, it seems to me that we really have a serious issue here and we need to treat with the agricultural sector in a different way. If we need to subsidize rice, then we must do it as a direct subsidy to rice so we know what we are doing, rather than to complicate it by making a state enterprise make a lower profit than it would otherwise do, by having the profits in some activities subsidize the processing of rice. I do not think that is the way to do it. Should it occur that the company no longer makes a profit in its other activities and starts making a loss, and suppose the Government decides that state enterprises should not make a loss, or suppose that is one of the companies that is divested—as I think is quite possibly being considered—and the new owners decide, why should we make a loss in this enterprise? We should shut it down, does the Government then provide



a subsidy for the processing of rice? Or does the rice industry get into crisis like the coconut industry? We must not complicate our accounting in this peculiar way of arranging our business which masks precisely what we are doing in the agricultural sector.

Now keeping with the coconut story a little bit longer, suppose the result of the present crisis is that a number of people come out of the growing of coconuts, and let us say that because of this the industry goes into decline—and indeed, many people have suggested, as I think has also been publicly suggested by the hon. Minister of Industry, that perhaps we should be getting out of coconuts—and they cut down these coconut trees and decide to plant something else. Let us also suppose that by the end of this year—and I am not suggesting for a minute that it is going to happen. I do not want to be misunderstood. I am just saying that rates of exchange change in countries, so it is conceivable that in five years' time or in six months' time, we may have a different rate of exchange. If you do the calculation at 1 in 7, instead of 1 in 4.25, then you find that the cost of coconut oil would be cheaper than the cost of the imported soya bean oil. However, we would have already cut down our coconut trees, and you know, we would never re-establish them, because in Trinidad and Tobago we have a problem with young coconut trees. Every time we try to re-establish the coconut industry, as after the hurricane in 1933, we run into that problem. The young trees are killed by red ring disease, so when you have a number of young trees all at the same age at the same time, you get a very high incidence of that disease.

So we might throw this industry out and find that we need it six months later because we have not looked at it from every aspect and just allowed the crisis to override us. Of course, the same thing applies even to sugar.

I should make the point, first of all, that if the coconut industry were to go into decline and we did not replace it with some other agricultural enterprise, it would mean that agriculture's small contribution to the GDP would be further reduced. The same could occur with the sugar industry if we were to take the decision as was mooted by the last government to reduce the total production to local consumption only. Now in the last government it always struck me that one had a contradiction in terms, in that one was saying that agricultural production was increasing, but at the same time one planned to reduce the largest contributor to that sector to GDP, namely the sugar industry, by about one-third. Therefore, the total contribution to GDP would reduce, unless of course, one were able to

introduce some other activity which would take the place of sugar. We will discuss some of the possible alternatives later on.

**2.00 p.m.**

But you know, another factor which could well affect the production of sugar and indeed, all other items or commodities, is the trade liberalization process. Recently when the Minister of Industry referred to trade liberalization he did not mention the agricultural sector and I thought that was a pity. I listened very carefully. Perhaps the point where he did mention trade liberalization of the agricultural sector was not reported on the television or in the other news media, but he said we were going to liberalize all other aspects of trade and gave a timetable, but did not refer to agriculture. Now, I must assume that the liberalization process will not apply to agricultural products and particularly not to sugar, because I believe that sugar was exempted in the structural adjustment loan arrangements with the World Bank. But suppose it did not, and we had to liberalize sugar, then clearly we could not compete. Even if we had anti-dumping legislation which kept out subsidized sugar from other countries, we would have had a problem of having to compete with sweeteners made from corn syrup and other sources, which would not allow us to compete, and so our industry would in fact disappear.

The point I am trying to make is that you cannot consider the diversification of Caroni (1975) Limited on its own, because any commodity that you decide Caroni (1975) Limited is going to diversify into, you would come up against the issue of what is the economic situation outside the agricultural sector which will impinge upon that particular commodity and therefore make it viable or not.

First of all, we will have to decide whether we want an agricultural industry at all, and if the answer to that is yes—and as I have said sometimes I doubt that as a nation we feel it should be yes—then we must decide what size of industry we want and what role it is to play in the general economy. Having decided that, we must then decide which particular commodity it is in our interest to support. There are certain criteria that I think we should use in that regard but we should not start at a technical level—I think that is what we tend to do. We tend to try to grow cassava, we tend to try to grow pigeon peas and then run into difficulties. We should start at the other end. We should say which of the commodities we would like to have in our general economy and then we should ask: Does this add

to the foreign exchange balance or, does it have a negative balance? Does it employ many people? Does it have an impact on the rate of exchange? Do we need to change the rate of exchange in order to protect the other agricultural industries? We never factor that when we are discussing the rate of exchange, but we should, if we are serious about that factor. So those other factors, in the macro-economic sense, we have to address before we address the agricultural industry.

Having decided what commodities we think in the long term we want to support—and that means we would really have to be committed to them on a it may mean that if the market forces alter the situation, we may have to subsidize. We may have to think of a foreign exchange balance; we have to think of possible subsidies, and we have to think, insofar as the World Bank will allow us to so do, about protection, that is, excluding importation of agricultural commodities.

There is not any country in the world that does not do this, even the United States, and one only has to think of the television scenes of President Bush in Australia to realize what the United States does with protecting its agricultural products, and yet the World Bank, which has a major influence from the United States, will want to force small countries to completely liberalize, including its agricultural products. It is still something that I believe we need to resist.

Let us just look at some of the alternatives for Caroni (1975) Limited and that, I think, will give us some idea as to the sort of measures and issues that we need to address outside the company in order to decide whether these different enterprises should be pursued or not, rather than let the company decide. Since the first rationalization report I have been involved in discussions with Caroni (1975) Limited. When the last government came into power, the then Minister of Planning set up a group which made some recommendations. I sat with that group but always we were looking at it from the point of view of Caroni (1975) Limited and reducing its loss. Well, in my opinion that is the error. We cannot do it from inside, we have to do it from outside.

Just to give a few examples of different agricultural commodities with which we might replace sugar in the rationalization programme. For example, citrus, and this is a good one to take because Caroni is already growing citrus. They have some 3,000 acres. If we take that acreage, the income from that can be about TT \$20 million. So let us take as a unit TT \$20 million and look at various

*Sugar Industry (Rationalization)*  
[SEN. SPENCE]

*Tuesday, March 24, 1992*

commodities that would get up to that value and look at the acreages and the manpower needed to make them viable. The investment for 3,000 acres of citrus is about \$15 million. Now it may be more in the case of Caroni Limited because perhaps their wage rate may be a bit higher—but that is what it should be. So \$15 million, 3,000 acres, and the number of persons that you should employ to make it viable is about 164.

Cocoa, a little bit less, \$12 million investment, 5,000 acres, 300 people employed—again to earn TT \$20 million. In the case of citrus, we would be saving importation, we would be saving TT \$20 million in foreign exchange and, in the case of cocoa, we would be earning \$20 million, and there is a market for the cocoa.

Rice—saving foreign exchange because we import it. Six thousand hectares, about \$45 million invested—\$15 million for the 2,000 acres that Caroni (1975) Limited now has. Now, if you take it up to 6,000 acres that is about \$45 million investment, employing about 100 people, with a viable industry which would probably produce rice at a much lower price than the 89 cents at which it is now bought. I think Caroni is in fact paying a little less.

A completely different commodity—ornamentals, anthuriums. To earn TT \$20 million, an investment of \$35 million, 70 acres, negligible land area employing about 300 people. Now, the sugar acreage, to earn a similar sum, \$20 million is 4,500 acres. Sugar is growing so that I do not have a figure for the capital investment in the case of sugar but I suppose one should take into account the machines that have to be bought to harvest the sugar-cane. But 4,500 acres—900 people employed.

One of the first issues that we must look at when we are diversifying out of sugar to make alternative viable industries is that the likelihood is that we are employing fewer persons. In fact, 600 in the case of the one that has most people employed namely, cocoa, to earn the same TT \$20 million or to save the same TT \$20 million in foreign exchange. Of course, we should not be just looking at \$20 million as I have been doing, but the net foreign exchange because some of these enterprises, in fact, may use up foreign exchange and in the case of citrus I would say the foreign exchange component is low, in the case of cocoa, lower. Rice is probably high because you have to import good combine harvestors. Anthuriums, low to moderate. Sugar, probably moderate. So you have to look at the balance.

We must also look at the environmental effects. That is another factor that we have to put into the equation. For example—this happens not to be in the Caroni area but something one should note anyway. In the case of rice, the production is dramatically increasing from about three million pounds a few years ago. I think this year it is estimated that the production may be about 45 million pounds. Much of that is coming from the swamps with very ecologically unsound cultivation methods, I am given to understand. As I said, I have not seen it myself but everyone that I have spoken to who has seen it has said that a serious problem is developing in the swamp because of this. These are squatters. Not squatters on a little half acre of land on the hillside trying to eke out a living, but people squatting on two thousand acres of Government land. I thought they were about 500 each, but I was told today that one person has 2,000 acres and others have about 500 each for which we get not one halfpenny in rent, but they get a subsidy because they get paid for the rice a little less than the selling price, so the milling part of the operation is all subsidy.

**2.10 p.m.**

I am not against the production of rice nor am I against the development of the swamp, but it should have occurred on a logical basis. What we should be doing is charging those people a rental so the infrastructure work which needs to be put in to make it ecologically sound could at least be put in place without any cost to the taxpayer.

I have given gross figures, so I do not want to be held to account if it turns out that it is 200 people instead of 164 for citrus, or it is \$30 million instead of \$25 million investment for one of the crops. I am giving a rather broad picture in order to try to focus on what one needs to do if one is talking about rationalization. And that is not what we are doing. What we are doing is saying to Caroni Limited, "Look, you people have got to sit down and make yourselves viable". So they will do it in a way which may not meet other requirements.

I want to make another point. I apologize especially to those Senators who have so attentively listened to what I have had to say because I have said it before. There is also a technical problem when it comes to diversification out of sugar into other industries. The technical problem has to do with the heavy acid clay soils which we have to deal with. I invite any Senator to come with me on a Saturday morning to a little five-acre farm which I have in the country to see what it is like to deal with clay soil. I would be very happy to welcome anyone on that exercise to see first hand what it means to deal with heavy, acid clay soil.

I want to read part of this rationalization report because it is now 14 years and we have done nothing to tackle this problem of the heavy, clay soil. This is the *Report of the Committee to Consider the Rationalization of the Sugar Industry*, Page 287, under the heading, Greater Land Utilization/ Alternate Land Use:

"The Committee wishes to stress that its views about possible alternative agricultural products have been constrained by the fact that the *major* portion of the soils now under cane are of the heavy clay type described in the Land Capability Studies as being with impeded drainage. The Committee understands that these lands may be successfully or economically used provided that they are drained and irrigated.

In the flat areas these soils are subject to flooding, particularly in the Caroni River Basin. Even where flood control may be achieved, and this will be costly, the problem of internal field drainage still remains."

Further, irrigation will be essential during the dry season, if these lands are to be used for annual crops such as corn or soya bean, which are often mooted as food crops to be used locally.

"The impeded drainage prohibits the use of cultivation or harvesting equipment during the rainy season. In the case of sugarcane, this season represents the main growing period and minimal cultivation is then necessary while harvesting takes place during the dry season. If short-term crops are being grown on these soils, the harvesting and cultivation operations would need to be carried out during the rainy season unless the land is to lie unused for a considerable period each year."

What the committee recommended in 1979 was that we should immediately set up a study of these soils. We suggested an agricultural research and development programme which includes the major components, soil and water management aimed particularly at developing new management systems of the clay soil for food crop production. Of course, this was not done.

A little story about one effort in this regard, I think is really, a very sad tale about us in Trinidad and Tobago. I am not pointing a finger at anybody; I am saying we in Trinidad and Tobago. The Canadians set up a project which is now attached to Caroni (1975) Limited at Longdenville, the Sugarcane Feed Centre, which I think some of us would have heard about. They were able to drain these heavy clay soils and produce very heavy tonnes of cane which was used to feed

the livestock, by putting in underground plastic pipes with a machine which was designed for laying these pipes. The machine cuts a furrow in the soil and then lays the pipes behind them, and that drainage system is still working after so many years.

That machine was given by the Canadian Government to Trinidad and Tobago. It was the only one of its kind in the country. To my knowledge, it was never used on even one occasion after it was used by the Canadians, in spite of the problems with clay soil. After many years of inquiries as to what happened to the machine, I was told that the machine had been sold for scrap and that the engine was in a boat.

I am not suggesting any form of corruption. I believe that everything would have been done properly in accordance with tenders procedure. What I am saying is that, we as a country are not really serious about what we are trying to do. I think that unless we get serious, we can decide, let us exist on the oil and do not bother about trying to do anything for agriculture.

From these foregoing comments, I want to draw conclusions which I think I have stated before, but I want to reiterate them at this stage. Policy decisions in regard to the role of agriculture must first be taken. Policy decisions in respect of the various articles and commodities must then be taken. Then we must address Caroni (1975) Limited. It is no use saying to Caroni, "Put your house in order, rationalize and diversify", unless these other things are done as well.

I want to emphasize again that these policy decisions must include what protection we intend to give to the agricultural industry for a long-term period. I have become depressed by the continual lack of advancement by the agricultural sector.

I have come to the conclusion that the one way forward is to now combine what we can do with Caroni (1975) Limited; having put that process into the context of what we have just been discussing and combine that with efforts of the Agricultural Development Bank. I think we need to have a development agency which would not be a separate entity, but really a combination of close policy decisions regarding the Agricultural Development Bank and Caroni (1975) Limited. I see this way forward if the Government is prepared to use Caroni (1975) Limited in the same way that it developed the Point Lisas area.

I do not believe that we would have had a heavy manufacturing sector in this country had not government taken the initiative. I have now become convinced that we shall not have a viable agricultural sector unless Government takes the

*Sugar Industry (Rationalization)*  
[SEN. SPENCE]

*Tuesday, March 24, 1992*

initiative through Caroni (1975) Limited. That is not to say that I believe in state farms and I will indicate as I have done before, how I believe we should proceed with Caroni (1975) Limited to develop it again and then hand it over to private farmers.

I believe that what we should do is to take the existing production areas which Caroni (1975) Limited has developed and then convert them to private farms in a way which I shall outline. I do apologize for repeating this a second time, but I think it is extremely important. Incidentally, this is in line with *The Rationalization of the Sugar Industry Report* of 1978—79. It was never suggested at that time that Caroni should remain as a state farm. Indeed, it was suggested that there should be private farms developed as satellite farms with the company retaining a small production in the different commodities, in order to be able to demonstrate how they might best be produced.

I honestly believe that we must make a concrete start with a commodity that we look at and see how we can manage it in the long term. I think citrus is a good candidate. Caroni (1975) Limited has planted 3,000 acres. I believe we import about \$16 million worth of citrus a year from plantations owned by citrus growers in Belize and other areas, I believe Brazil for Nestlé, so there is a market locally. I believe that we should take this 3,000 acres and divide it into 25 acre blocks; 25 is not sacrosanct, perhaps it should be 40. That is for the accountants and the economists to decide what would give a family a good living.

**2.20 p.m.**

I think we should then sell the option to lease, not give it away—it is not a handout, but loan the funds through the Agricultural Development Bank and, if we did this, Caroni could then get a capital sum of \$15 million from the 3,000 acres. Or, if it did not quite sell 3,000 acres, if it kept the base production, a little less than \$15 million so that it could then use that capital sum to develop further enterprises—further citrus if the market can stand it, the other commodities that we have looked at—if after the proper economic assessment in terms of the overall economic strategy, we have decided which of those should be developed, we can use a loan from one of the multinational agencies to the Agricultural Development Bank. We should do the same thing with rice. We should consider whether we want Caroni to be continuing to produce a large area of sugar, or whether a substantial part of it should also go to sugarcane farmers.



Now, I know that there are going to be difficulties. One of the first things that I was told by someone who is knowledgeable on the subject when I suggested this, was that the present Small Farmers' Act was such that once a farmer got onto the land, you could not get him off even if he did not cultivate the land properly. I believe that there should be two avenues for ensuring that the land is not wasted. One is the mortgage that he has with the Agricultural Development Bank and the other is the terms of the lease. If the present Land Act does not allow that, then we must look at it very closely and, if necessary, amend it, so that at least state lands are not subject to that provision which would cause us not to want to lease land, because it seems to me that it is important that we be able to do so. In addition, Caroni (1975) Limited would receive a rental based on the ability of 25 or 40 acres to service the loan and the rental and this would go to providing the services needed for the enterprise.

If we got started in this way we could then expand it into other commodities, and then expand it into other state farms, because the Government of Trinidad and Tobago owns the largest proportion of arable land. In addition to Caroni and Nonpareil estates in the north-east, there are estates in Tobago. Quite apart from the forest lands, there is a lot of land which originally started off as agricultural lands which are now held by the state and not utilized. I think this is the one error, unfortunately, with the LID Programme of rehabilitating the estates. It should not have been done on private farms but on state farms which would then have subsequently been leased to private farmers. I believe by this thrust, and viewing the Caroni sugar rationalization process in this way, we can, not only address the issues in Caroni (1975) Limited, but also address the wider problem of development of the agricultural sector.

I have not touched on the social implications of the changes that you might want to effect, nor have I touched on issues such as backpay because I feel that those should be delinked from a consideration of the agricultural development process, otherwise one will get into the way of the other. Now, clearly I am concerned—and indeed the wording of this motion says it explicitly—with the well-being of the persons that either farm and sell their cane to Caroni (1975) Limited, or are employed thereby. Therefore, whatever process we set up for rationalization and diversification must address those issues as well, but we should not cloud a discussion on the agricultural process with the issues to do with the welfare and well-being of the people directly involved in the industry because, let it be clear that while doing so, we are also interfering with the

*Sugar Industry (Rationalization)*  
[SEN. SPENCE]

*Tuesday, March 24, 1992*

well-being of the people in Trinidad and Tobago as a whole. So we may be allowing one set of people to hang on to their jobs without much disturbance but in the total picture we may be doing them and others a disservice.

Now, I believe that one of the other issues that you had suggested with respect to agricultural development is the level of education of the farmer. What we really need to do is to change the farmer in Trinidad and Tobago. We have a picture of agriculture which is so different from industry. I was amazed to hear that the National Flour Mills have 45 graduates working in that one factory. Now, in the agricultural sector, it is not the norm to have agricultural graduates in production and yet we wonder why it is inefficient.

I am not suggesting that small farmers cannot, in fact, farm well or produce well. They can. I think that the one error we continuously make is to assume that a small farmer can feed the nation. A small farmer cannot make a good living out of a low-priced commodity. He can make a good living on a small area of land provided the commodity is high-priced and this is why he can grow vegetables very efficiently and make a good living out of it. When he grows rice, it must be subsidized heavily or else he cannot make a living, and so rice farmers on small acreages will complain about the price, but the large producers like Caroni and people in the swamp quite frankly can probably produce the rice at 50 cents a pound instead of 89 cents and still make a profit. That is what we should be looking at.

So we have to decide which commodities are suitable for small-scale production and which are suitable for large-scale production and in the process of diversifying Caroni and providing leases to new farmers, I think we ought to include in that process ECIAF and agricultural graduates. I have said that before, and I repeat it that there is no reason why the Government, even at this stage, should not offer 20 scholarships—10 to ECIAF, 10 to UWI—and have the intention that when those people graduate in three years' time, they would come on to the next development phase of Caroni (1975) Limited, whether it be more citrus or cocoa. They must put into the contract of their scholarship that intention. Gradually then, I think we will change the level of education of our farming community as any country which has been successful in agriculture has done.

Unfortunately, when you raise this issue there is the feeling that you are downgrading the small farmer, or you are against the small farmer. What I say is, surely the small farmer would like to see his son going back to his farm with a

university degree. Of course, what he tells him now is, "For God's sake, if I can get the money, do not come back into agriculture". He makes him into a doctor or a lawyer or an engineer or some other professional. Whereas, I would hope that in the future, it would be attractive enough in the agricultural sector for him to go back and make a contribution there.

Mr. President, I should like, therefore, to conclude by suggesting that it is not enough to try to solve the diversification and rationalization of the Caroni problems within that company. We make this mistake with other state enterprises as well. We do not integrate them and relate them to the rest of our economy. It is the same thing that we are doing with the National Flour Mills. How can you judge the efficiency and profitability of an enterprise when you are forcing it to buy a commodity, process it and then sell it at a lower price? You may say also that you should not be giving it a monopoly to import flour from which it makes a profit, but it seems to me that we really are looking at things in a very difficult way if we want to be able to judge effectively and to monitor our progress in the various sectors.

I believe that we can move forward. I believe that we should use Caroni (1975) Limited and the rationalization of sugar as the way forward in the agricultural sector. I believe that we should raise the level of education of farmers. I believe that if we do all of this then we will have secured some future for our grandchildren and our great grandchildren and, in addition to that, hurrah! we will add it to our present GDP and, perhaps, take up a little bit of the unemployment. Please do not let us fool ourselves that the agricultural sector must be the residual employer of surplus labour. It cannot be viable if that is the approach, but, if it is contributing to GDP—to 10 per cent instead of 3 per cent—surely the economic activity so generated must have an effect of increasing employment throughout, and have an effect on the 20 per cent rate of unemployment.

Thank you, Mr. President.

*Seconded by Sen. M. Mansoor*

*Question proposed.*

**2.30 p.m.**

**Sen. Sam Maharaj:** Mr. President, I have a prepared contribution and I seek your permission to read it.

*Assent indicated.*

**Sen. Maharaj:** Thank you, Sir. Permit me, first of all, to state that I make my contribution here in this august Chamber today not as a representative of any particular political party or trade union, but as an individual who has been involved in the sugar industry for the last 40 years, beginning as a cane-cutter and currently serving as both a trade unionist and director of Caroni (1975) Limited.

My knowledge of the international sugar situation was gained through my involvement with the International Commission for Co-ordination of Solidarity among Sugar Workers, which I currently serve as executive director.

It is because of these involvements that the hon. Leader of the Opposition, Mr. Basdeo Panday, believes that I am qualified to make a contribution to this particular debate in this august Chamber and consequently recommended my appointment as a temporary Senator.

I believe that his efforts in this regard are highly commendable and should be emulated by other political parties for the benefit of the nation itself.

**Mr. President:** Yours is a permanent appointment.

**Sen. Maharaj:** I am sorry, Mr. President; perhaps I was wrongly informed.

I can well understand the frustration and genuine concern of Sen. Prof. Spence in bringing this motion before this Senate after having served on several committees on the future of the sugar industry with very little or none of the recommendations being implemented. I, too, have served on some of these committees and I understand the personal sacrifice that one has to make in giving such service.

In addressing this Upper House on the rationalization of the sugar industry and what should be its direction in the 1990s and beyond, I believe that emotions will be aroused and a certain amount of controversy created, as is always the case when the question of the sugar industry is being debated, and I suspect that today will be no exception. However, I must indicate that the time allotted to me is certainly not adequate to expand on the sugar industry, because of its size, nature, scope and numerous issues within the industry which are confronting the nation. This will not, however, deter me from making every effort to make a very effective, valid and relevant contribution to this debate.

The sugar industry was and remains an important part of the history, culture and economy of Trinidad and Tobago. It has been with us for centuries, having

been built on the basis of slavery and indentureship. For a large proportion of the population, life revolves around the growth of cane and the manufacture of sugar, molasses and rum. The discipline of beginning work before the sun rises and of labouring tirelessly under a task-work system which compels them to produce in order to earn, characterize the sugar workers. Frugality, simplicity and honesty are their other hallmarks. Where can you find a people more committed and disciplined; a people who are owed more than \$130 million in backpay, \$4.1 million in sick leave benefits and were denied some \$12 million in COLA payments, giving their labour *gratis* to the tune of over \$2 million?

Contrary to the statement made by the hon. Minister of Agriculture, Land and Marine Resources, there are workers in Caroni today who are still receiving wages below the amount awarded by the Industrial Court in 1985. Most of the COLA moneys that were denied the workers were used for funding certain diversification projects in Caroni (1975) Limited and therefore these workers have a moral right to claim ownership of these projects.

Indeed, the strategic importance of the sugar industry to the economy of Trinidad and Tobago is evident by the employment aspect of the industry, numbering approximately 10,000 employees with Caroni (1975) Limited being the principal employer. Secondly, the industry has always contributed handsomely to the gross national product of Trinidad and Tobago and is a major earner of foreign exchange. In fact, the industry realized approximately US \$34 million in 1991 in foreign exchange earnings alone.

Further, the sugar industry saved over \$100 million by way of local consumption. Thirdly, a host of farmers, food manufacturers, suppliers, contractors and small businessmen depend entirely on the sugar industry for their livelihood. Fourthly, there exists a private cane-farming sector. There are approximately 5,200 independent cane farmers who grow and supply canes to Caroni (1975) Limited. In 1991, these farmers produced 616,079 tonnes of cane.

The industry provided the total requirements for our guaranteed EEC and US markets and the major part of our local consumption. The industry contributes substantially to the national exchequer through PAYE, NIS and health surcharge, *et cetera*. Contributions to domestic liquidity: TT \$27 million in commercial bank interest was paid in one year. Caroni (1975) Limited also provides social services to its employees and the national community at its own cost, which really should

*Sugar Industry (Rationalization)*  
[SEN. MAHARAJ]

*Tuesday, March 24, 1992*

have been borne by the state. Therefore, it is quite clear that the future of this industry can never be decided in isolation.

With this in mind, I now turn my attention to the international sugar scene. To those detractors who would have us believe that sugar is a dying industry, I want them to know that sugar is being produced in about 100 countries worldwide, cane sugar in the tropical countries and beet sugar in colder countries, with Europe being the hub of the beet sugar industry.

In 1990/91 there was a record of 114 million tonnes of sugar produced worldwide; 65 per cent from cane and 35 per cent from beet. This has been achieved as a result of a steady increase in world sugar production from just 20 million tonnes at the end of World War II, which has progressed at a rate between one and two per cent per year. This trend is expected to continue throughout the 1990s. It is one of the few products which have maintained a steady increase in production rather than a fall.

However, the 1991/92 crop is expected to fall to 113 million tonnes due to lower yields in the former Soviet Union and Cuba. The developments in Eastern Europe and particularly the former USSR, now the Commonwealth of Independent States, have thrown a hammer and sickle into the recently more stable world sugar market. Some things are very obvious. The Soviet economy is close to collapse and the rouble is virtually worthless; Soviet petroleum production is falling; hard currency has many competing calls and the devolution of power to the republics has introduced further problems of distribution and payments between the republics. These developments will have a profound effect on the world sugar trade.

Clearly, Eastern Europe and the former USSR cannot be taken in isolation. There is also strong interaction with Cuba. The size and destination of Cuban sugar exports will play a key role in shaping the world sugar market in the 1990s and perhaps beyond. In addition, we know that there is now a world sweetener industry and no longer just a world sugar industry.

However, sugar still accounts for nearly 87 per cent of the world's sweetener consumption, with starch-based sweeteners which are high fructose, corn syrup *et cetera*, accounting for nine per cent, and low calorie sweeteners such as Aspartame and Nutrasweet, *et cetera*, accounting for the other four per cent. Despite all the efforts to develop alternative sweeteners, it seems unlikely that it will have a major impact on the sugar market for at least another decade.

There is also a clear distinction between the sugar industry and the sugar-cane industry. Just to give two examples: Brazil is the world's largest producer of sugar-cane, producing 250 million tonnes annually, with only 82 million tonnes being used for sugar production. The rest is used mainly for the production of alcohol. India is the next largest producer of sugar-cane, with a production capacity of 185 million tonnes, with less than half of this being used for the production of centrifugal sugar. Most of it is used for producing *gur* or *khandasari*.

There is a wide range of other products that can be made from sugar-cane and Third World countries in particular should therefore vigorously pursue research in and development of these products in order to remove their dependency on the export-oriented monocrop.

I now turn my attention to the sugar industry in Trinidad and Tobago. In 1968, the Government of Trinidad and Tobago acquired the sugar-producing interest of Trinidad Sugar Estates Limited at Orange Grove. This decision demonstrated that there was a commitment to make a decisive break from the past and that Trinidad and Tobago had come of age and had the capability of taking decisions in an industry which was not entirely export-oriented but interwoven in both international and internal politics.

In 1975, the Government acquired the entire shareholdings of Tate & Lyle and hence the emergence of Caroni (1975) Limited. Caroni (1975) Limited was incorporated on March 26, 1975, under the Companies Ordinance as a private limited liability company with the Government of Trinidad and Tobago as the sole shareholder. Therefore, I want to support the Minister of Agriculture, Land and Marine Resources in his repeated statements that the assets of Caroni (1975) Limited belong to all the citizens of Trinidad and Tobago, but I want to remind him also that so do the assets of Trintoc, Trintopec, BWIA, Trinmar, all other state enterprises and even this Red House, with or without the dragon.

Since the state acquired the total shareholdings of Caroni (1975) Limited, there appears to have been an orchestrated plot to downgrade the sugar industry by the ruling political parties, the PNM and the NAR, acting in collusion with what Mr. Panday will call the parasitic oligarchy. I will expand on this later on in my contribution. To prove this point, sugar production in this country declined from a peak production of 250,000 tonnes to under 65,000 tonnes in 1984, without any replacement activities being pursued during the corresponding period.

*Sugar Industry (Rationalization)*  
[SEN. MAHARAJ]

*Tuesday, March 24, 1992*

The record will indicate that Mr. Panday and the All Trinidad Union have always advocated change or rationalization of the sugar industry. Since the 1970s, we realized that because of the protectionist policies of the developed countries, the entry of high fructose, corn syrup and other artificial sweeteners on the international market, sugar as an export commodity was no longer a feasible proposition. We realized, therefore, that the industry had to change in order to survive in the long run. Change could be painful, and it is therefore necessary that the costs and burdens of change are equitably distributed. Once the change process is properly conceived, articulated and implemented, benefits to all the parties are bound to accrue. This approach is clearly the opposite to the one embarked upon by the former political regimes.

An industry that is hundreds of years old and one that has conditioned the lives of hundreds of thousands of people cannot be dismantled overnight without unleashing tremendous human suffering. I am committed to the view that the human factor is the most critical variable in any development process. After all, all economic development is for and about people. Change must serve the interests of people, rather than be for the sake of change itself, or for some inanimate objective such as finance.

It is for these reasons that we have been in the vanguard for change in the sugar industry. In fact, it was in 1978, as Sen. Prof. Spence rightly said, that Mr. Panday, as Leader of the Opposition and the President General of the All Trinidad Sugar and General Workers' Trade Union, moved a motion in Parliament calling on the then PNM Government to set up a committee to look into the re-organization and rationalization of the sugar industry. It is now history that the call resulted in the appointment of the Sugar Rationalization or Spence Committee, which submitted its report and which was accepted by both Houses of Parliament in 1979. Needless to say, little or nothing has been done about this report. Since then, there has been a proliferation of works under rationalization of the sugar industry, such as the Rampersad Plan, the St. Cyr Report, the Directional Plan, 1988 to 1992 for Caroni (1975) Limited and the Cabinet Plan of the NAR regime, together with the attempted creation of Caroni Diversified Products Limited.

There were also previously the Soulbury Commission, the Goldenbury Commission, the Jack Commission and the Honeyman Commission. I am of the firm view that if the 1978 Sugar Rationalization Report recommendations were implemented by the then PNM regime, the sugar industry would have been in a



viable and self-sustaining position today. But as we all know, the viability options were deliberately rejected by the Government. The Government of the day chose instead, to pursue a policy of discrimination against the sugar industry. I wait to see whether the PNM of today have changed their attitude, or will continue to treat the industry like a political football.

Therefore, without making any apologies it must be clearly understood that both the PNM and the NAR Governments must take the full blame for the present financial position of Caroni (1975) Limited and, by extension, the entire sugar industry, because they simply failed or refused to implement the recommendations of the Spence, or Sugar Rationalization Committee Report, and/or the company's Directional Plan.

The basic recommendations of the Spence or Sugar Rationalization Committee Report provided for viability of the industry and at the same time all the workers who would have been displaced in the reorganization process would have been assured of a livelihood in the future.

The Spence Report provided a detailed analysis of the movement of production, productivity and cost of Caroni (1975) Limited, analysed the operating costs in the firm, prepared a socio-economic profile of the people in the industry, enunciated a far-reaching programme of activities and changes to achieve economic viability. As I have stated previously, this report was rejected by the PNM Government of the day and instead a new plan was submitted to the board by its chairman, which will be referred to as the Rampersad Plan.

The basic proposals of this plan were to separate the growing and milling operations of the company and to retrench about 10,000 workers without any guarantee or assurance for the viability of the industry itself. The Rampersad Plan was a complete departure from the Spence or Rationalization of the Sugar Industry Report and was in keeping with the PNM's policy of high-handedness and discrimination with respect to the sugar industry and those who laboured in it.

Following the Rampersad Plan of 1980, was the report of the Professional Committee on a policy towards optimum utilization of resources allocated to the sugar industry, which became known as the St. Cyr Report of 1984. The essential features of the St. Cyr Report were as follows:

- (1) The industry should be streamlined to produce 100,000 tonnes of sugar per year, 60,000 tonnes for domestic production and the rest for export.
- (2) Acceleration of the diversification programme.

*Sugar Industry (Rationalization)*  
[SEN. MAHARAJ]

*Tuesday, March 24, 1992*

- (3) Retrenchment of 4,500 workers.
- (4) Increased use of mechanical operations.
- (5) The hope of generating savings to the order of some \$90 million to \$110 million per year at 1983 cost levels and produce sugar at about \$3,000 per tonne.
- (6) Full rationalization of resources in 20 to 25 years.

The plan of action advocated in the St. Cyr Report was approved by the Government in 1985 for its implementation. However, this was not to bear fruit, as the PNM Government was almost totally annihilated at the polls in 1986. At that time the then Minister of Planning and Reconstruction, under the NAR Government, gave the Government's commitment to maintaining the levels of employment, and actively opposing retrenchment in the sugar industry.

Under the very NAR Government there was the emergence of what is called the company's Directional Plan for the sugar industry. I am convinced that this piece of work which brought together some of the finest minds in agriculture and other sectors of the country, including Sen. Spence, was realistic, viable, humane and therefore worth giving support. In fact, all the stakeholders in the industry, including the All Trinidad Sugar and General Workers' Trade Union, supported the Directional Plan. The specific objectives of this plan were:

- (1) To reduce continuously and in the long run eliminate dependence on treasury funds to meet annual operating deficits.
- (2) To maintain and/or increase levels of employment in the industry through:
  - (a) rationalization of the sugar production function;
  - (b) acceleration and expansion of the diversification and agro-industrial efforts and the creation of new economic activities;
- (3) Optimality in resource utilization to maximize public welfare benefits.
- (4) To impact significantly upon domestic food production in critical staple commodity areas and to effect continuous reductions in the domestic food import bill.
- (5) To generate foreign exchange earnings to export-based agro-industrial activities.
- (6) To effect improvement in the country's food security status.

To realize the above, the following strategies were to be resorted to in the short term:

- (a) Revenue increasing.
- (b) Cost reducing.
- (c) Building a firm and solid foundation for diversification, transformation and growth.

In the medium term, the following were envisaged:

- (i) Complete dismantling of the colonial structure.
- (ii) Complete decentralization of Caroni (1975) Limited.
- (iii) Complete rationalization of current operating modes.
- (iv) Growth, transformation and diversification.

Increasing revenue was to be realized through increasing the price of sugar on the domestic market, implementing diversification projects for which feasibilities were completed and, in particular, implementing a land development programme. Cost-reducing measures such as the control of material costs, overtime costs and the cost of contract services were to be pursued in order to reduce indebtedness of Caroni (1975) Limited. In addition, appropriate measures had to be instituted to utilize human resources more effectively. Laying foundation for growth and development necessitates a major expansion of the company's research, development and demonstration capabilities and effective and continuous utilization of similar capabilities at both the regional and international levels.

In terms of the restructuring of Caroni (1975) Limited, the major goal was to be the creation of an organizational structure that reflects the long-term vision of the industry. Complete dismantling of the colonial structure of the industry was to be realized through institutional reform and a radical alteration of thought processes in the industry.

There was also the need for the creation of a new perspective for Caroni (1975) Limited through the diversification programme, which would have been the major growth centre of the company. Developments in the diversification programme would have dictated the nature and magnitude of transformation with respect to the sugar function in the company. The new programmes/projects called

*Sugar Industry (Rationalization)*  
[SEN. MAHARAJ]

*Tuesday, March 24, 1992*

for the commitment of resources over time. These resources would have been realized from appropriate physical and structural adjustments within the sugar function.

The above basically summarizes the Directional Plan which initially found the support of the then Minister of Planning and Reconstruction. However, the support was not to be long term, for in an amazing turn of events, the Minister suddenly came up with a destructive plan of his own, or his Government's, and this was reflected in the creation of Caroni Diversified Products Limited (CDPL), a subsidiary of Caroni (1975) Limited. The creation of CDPL was clouded with haste and secrecy and was a clear example of the orchestrated plot of the parasitic oligarchy and its agents in the NAR against the growth and development of Caroni (1975) Limited and, indeed, the sugar industry.

The sugar industry of Trinidad and Tobago, and more specifically Caroni (1975) Limited, has been operating under the perception that the company is operating at a loss and therefore is a heavy burden on the Treasury. If analyzed from an objection angle, it will be realized that this perception is false and inaccurate and is the propaganda of the parasitic oligarchy which seems bent on the destruction of Caroni (1975) Limited and those involved in the industry. The indebtedness of Caroni (1975) Limited will continue to be a burden on the state so long as the policy of political discrimination against the industry remains intact.

Has anyone asked the question why the debts owed by Trinidad Cement Limited to the Government have been forgiven and the company allowed to remove controls on the price of cement and increase it by approximately 50 per cent? The same can be done for Caroni (1975) Limited and the result will be that the company will no longer be burdened with an annual debt servicing cost of \$27 million. This, therefore, could be a start to free the company from the shackles of insolvency and it will be able to raise funds to finance its investment and expansion programmes.

In addition, the price of sugar on the domestic market continues to be determined by the Prices Commission. When the World Bank loaned Caroni \$12 million in 1973, one of the conditions on which the loan was granted was that the price of sugar would be set at a level that would permit the industry to earn a return of eight per cent on investment. This condition has never been met. Moreover, in the administration of price controls in Trinidad and Tobago, the formula that has been used is that prices are set at a level that permits the manufacturer to cover its cost and earn a reasonable return on his investment. In

the case of sugar, however, the price has always been arbitrarily set to deliberately cause the industry to lose money. Additionally, Caroni (1975) Limited spent millions of dollars in fulfilling its role in community-based projects such as the maintenance of schools, roads, cemeteries, production of medical services, among other things.

**3.00 p.m.**

Expenditure on these non-sugar producing activities is included in calculating the final cost of producing sugar. We say this is wrong, Mr. President. Government should seize the initiative and reimburse Caroni for the money spent on the provision of these social services which are really obligations of the state.

Previous governments have also pursued a policy of sabotaging the industry by refusing to implement viable rationalization proposals, such as the Spence Report, as I have said before, and the company's Directional Plan, either of which would have achieved viability and most, if not all, of the workers displaced in the re-organization process would have been assured of a proper livelihood in the future.

Within the last six years, the company has been unable to obtain from Government, funds for capital expenditure for an adequate replanting programme and replacement of equipment and machinery for its fields and factories. Coupled with this is the fact that little or no funds have been released for the company's diversification thrust which began in 1983. Yet, the company has been accused of failing to accelerate its diversification programme. These are the factors which are accountable for the depressed financial situation of Caroni (1975) Limited, and it must be realized that if these wrongs are corrected, Caroni will become financially viable and will not be dependent on the state for funds.

I am of the firm conviction that Caroni (1975) Limited can become an asset to the economy and people of Trinidad and Tobago, and it is therefore important that the following mechanisms should be put into place: firstly, economic theory indicates that market prices are a function of demand and supply, and, from a seller's viewpoint, selling prices are normally determined through a cost plus mechanism. In terms of Caroni (1975) Limited the price should be determined in relation to its direct production costs, part of its overhead costs and a producer's margin reflective of a rate of return. In the case of Caroni (1975) Limited, the

*Sugar Industry (Rationalization)*  
[SEN. MAHARAJ]

*Tuesday, March 24, 1992*

price of sugar is determined by the Prices Commission, as I have said before, to ensure low sugar prices to facilitate industrial manufacturers, who normally make a profit.

**Sen. Kuarsingh:** On a point of order, Mr. President. If this mechanism is followed, what would be the selling price of sugar to the general populace?

**Sen. Maharaj:** I am afraid, I did not get the question, Mr. President.

**Sen. Kuarsingh:** I am sorry to interrupt him in his maiden speech, but the matter is of great importance to all of us. If this mechanism that he subscribes to is followed, what would be the selling price of sugar to the populace?

**Sen. Maharaj:** I am afraid, I do not have the exact figures.

**Sen. Kuarsingh:** Oh! Well, next time come prepared.

**Sen. Maharaj:** The pricing policy with respect to sugar is totally opposite to the price setting mechanism of most, if not all, of the other state enterprises. Therefore, I should like to see Caroni determining the market price of sugar.

Secondly, the Government must release the debenture on the lands of Caroni Limited. It is beyond comprehension, that the World Bank loan of 1973 has been fully liquidated, yet the debenture on Caroni's lands remains intact.

Land is a prime collateral instrument in any banking transaction and failure to release the debenture ensures Caroni's failure to raise its own funding and consequently keeps it in a state of perpetual dependency. As a result of failing to release this debenture, it has become a hindrance to agricultural development in the country. A classical example of this is the application of the Langmore Health Foundation to establish a farm for under-privileged youths, which gained the approval of the board of Caroni (1975) Limited but has not borne fruit because of Government's delay in finalizing that transaction.

Thirdly, the Government should end the political discrimination against the sugar industry—write off the so-called debts of the company in the same way that the previous Government has done to Trinidad Cement Limited and, to a certain extent, BWIA. This would be a clear-cut indication that the shareholder is honestly committed to the establishment of a viable Caroni (1975) Limited. It therefore follows, logically, that an annual bank interest saving of \$27 million could fully liquidate the outstanding pay arrears to workers in five years.

The lack of Government's initiative and capital funding has led to breakdown of machinery and equipment, because no new equipment and machinery could be purchased since 1982. The entire inventory of tractors, cane harvesters, in-field trailers, cane haulage units, cranes and personal transport vehicles comprise very old units which have virtually outlived their useful life. Annual maintenance costs on these units are outrageously high, given the age of the units and the nature of the jobs which they have to perform. The existing rail transport network and locomotives are well over 40 years old and, as a result, there is a high frequency of mechanical breakdowns. The reliability of the system is also questionable; high annual maintenance costs of locos, rail carriage, rail tracks, and so forth, are incurred.

There are also numerous avenues in the sugar industry where belt-tightening must occur. Improvements in management and maintenance systems will lead to improvements in the operational systems of the industry. Savings in recurrent expenditure can be realized if there are reductions in waste and inefficiency, among others, which would all contribute to improving the financial health of Caroni (1975) Limited.

Caroni (1975) Limited has over 5,000 acres of marginal or uncultivable lands which could be commercially developed for housing and industry. A land development company should be established and this would become an immediate revenue earner for Caroni (1975) Limited. It could become one of the instruments for the removal of the industry's dependence on the Treasury. It could also serve to generate new capital for the company's diversification and rationalization thrust in the future.

Over the years, substantial portions of the company's lands have been utilized by the state, and even distributed to friends of the past regimes on terms that have further injured the company's financial health. Proper financial reimbursement for these lands will definitely contribute to a sounder financial footing for Caroni (1975) Limited. We may also discover that instead of Caroni being indebted to the Government, the situation is the other way around.

The essence of Caroni's diversification effort is to provide large-scale commercial production alternatives to sugar in the context of a present import bill of close to \$1 billion. The major purpose is on critical commodity areas in the food import bill, such as, rice, milk, beef, aquaculture, corn, soya bean, *etc.* In this respect, the optimal solution to the company's dilemma resides in a delicate balance between diversification activities and sugar activities.

*Sugar Industry (Rationalization)*  
[SEN. MAHARAJ]

*Tuesday, March 24, 1992*

**3.10 p.m.**

If we are serious about diversification, Government must be willing to spend proportional sums of money on planning and research. Agricultural diversification does not occur overnight and must be backed up by public funding. In 1986 the United States government spent almost US \$10 billion to subsidize corn and wheat exports alone for which it received only \$5.2 billion in return. Caroni's diversification programmes, in terms of results to date, have fallen short of expectations principally because of Government's insensitivity to the critical roles of research and development in areas which were basically new to Caroni Limited. It must be realized that research and development efforts in Trinidad and Tobago are piecemeal and *ad hoc* and have no national direction and purpose. What is needed is a centralized and co-ordinated approach in research and development with Caroni being the focus of attention in selected commodity areas.

Caroni also needs to find ways to make year-round use of its resources to make money. Transport and land preparation equipment must be fully utilized by doing work for outsiders. The transport and field engineering departments, public relations department, the distillery, the refinery and the rice project should all be decentralized and made into profit centres. For example, there is the sugar refinery at Usine Ste. Madeleine, the only one of its kind in the region, with a refining capacity of 60,000 tonnes of sugar annually.

In 1992 only 34,000 tonnes of sugar is being refined and Caroni must therefore explore, with Government's assistance, of course, the market potential for refined sugar in the region. Agro-industrial development in Caroni must take place. There is the need to encourage private sector capital into the industry and maximize the use of the land resources. No nation can boast of being self-sufficient in food but governmental policies can certainly reduce the dependence on foreign food imports. Only recently a member of the parasitic oligarchy, as Mr. Panday calls them, made a statement to the effect that Trinidad and Tobago should not grow its own but import all its food. This was one of the most unpatriotic and ridiculous statements an individual could ever make and was apparently made in keeping with the conditionalities of the international money lending agencies and, of course, in the interests of the ruling elite.

Government must be prepared to provide governmental guarantees for raising funds on the international market. I must state emphatically that I am not against Caroni Limited entering into joint venture arrangements with both local



and foreign investors for the development of the agro-industrial sector of the country. In addition, Government must be willing to create an environment that will ensure the success of the agricultural thrust not only in Caroni (1975) Limited but throughout the length and breadth of Trinidad and Tobago.

There is also the need for the Government to assist Caroni (1975) Limited in its marketing and promotional activities. This can be achieved through the promotion of the company's products abroad by the country's overseas missions. In the organizational restructuring of Caroni (1975) Limited, a policy should be pursued that will allow all the stakeholders to share in its ownership. Workers' participation in the restructuring of Caroni (1975) Limited is essential and it must be realized that the sharing of ownership will foster total commitment and loyalty. This, if realized, will definitely be a positive contribution to the process of nation-building.

There is the critical need for a policy decision from the Government to determine the size of the local sugar industry in the long run. This has to be done to pave the way for an integrated rationalization programme. Only when the future size of the sugar industry is indicated can one determine the acreage that will be freed for diversification and rationalization. The Government needs to face this question squarely. In the final analysis, I am of the firm conviction that if the above-mentioned recommendations are implemented, a viable sugar industry can be realized within this decade. However, the political and other forms of vicious discrimination handed out to the sugar industry in the past must cease.

Within Caroni (1975) Limited there are the human and physical resources to transform the industry. In fact, I am totally committed to the survival, growth and viability of the sugar industry. However, I must reiterate that change must be planned and have clear objectives. It must be humane, for the heart, soul and life of the country are its people. Change must serve the interests of people and the benefits and burdens of change, therefore, must be equitably shared.

I must conclude that I find favour with the implementation of the company's Directional Plan and believe that once this Government follows what it has outlined in its 1991 election manifesto, the financial viability of Caroni (1975) Limited will become a reality because it would be in keeping with the proposals that I have made today.

Statements by themselves cannot bring about desired changes, so long overdue in the life of the sugar industry and the nation. No change is possible without the

*Sugar Industry (Rationalization)*  
[SEN. MAHARAJ]

*Tuesday, March 24, 1992*

co-operation and support of all the stakeholders in the industry. Having realized all of this, to put it bluntly, now is the time for action and less talk, because we have been exposed to too many committees and super committees. The Government must take the bull by the horns and display the strong political will, commitment and guarantees that are needed to transform the fortunes of the sugar industry and those of Caroni (1975) Limited.

In my own view, there is no need for any further studies on the industry. Viable solutions are known with certainty and the ball is now in the Government's court. No nation can claim to be truly independent unless it can substantially feed itself and there can be no real progress in any society, unless the poor can be made productive. Food, as you know, is life itself.

In conclusion, I wish to reiterate that the All Trinidad Sugar and General Workers' Trade Union supports the diversification of the sugar industry. Our vision is for an industry that is viable and with a human resource that can enjoy a standard of living comparable to the rest of the society. This vision envisages industrial relations practices that are characterized by co-operation rather than conflict and where justice and fairplay are observed in spirit and in practice.

Thank you very much.

**Sen. Ashick Hassim:** Mr. President, the PNM Government in its wisdom appointed the committee to examine the rationalization of the sugar industry. This committee was non-partisan, non-political and comprised representatives of UWI, Caroni (1975) Limited, the trade unions and Government. Government at the time was concerned about—

- (1) Low productivity, that is, declining annual production;
- (2) Unstable external markets (reduction in quotas, and alternative sweeteners—corn, beet and artificial sweeteners);
- (3) Underutilization of equipment, land, and human resources;
- (4) Concentration on one major crop;
- (5) Vast potential of Caroni (1975) Limited to become the major agro-industrial complex; and
- (6) High state subsidy increasing yearly.

The report was unanimously accepted by both Houses of Parliament. It must be noted that the report was not a blueprint for action. Rather, it identified in a general way the situation existing at the time: some of the major constraints,

potential for diversification and rationalization of operations, research and development, downstream agro-industries, land use including sale and/or lease of residential land.

**3.20 p.m.**

Subsequently, successive boards have developed action plans to deal with the different aspects of rationalization and diversification. I wish to repeat that the report could not be implemented in the form it was presented. It required plans on specific subjects. Some areas of implementation done by Caroni Limited are:

Food crop farming

Cocoa and coffee

Expansion of dairy herd and beef herd and small ruminants

Rice production

Aquaculture

Shrimp farming

Squatter regularization

New studies and discussions on manufacture of particle boards using bagasse

Animal feed manufacture

Citrus cultivation

Rationalization of operations e.g. factories—centralizing grinding operations at Brechin Castle and Usine Ste. Madeleine.

To say that the PNM did nothing with respect to the report is demonstrating a lack of understanding of how pre-feasibility studies are handled. We took the advice given to us by the committee and proceeded in a systematic manner to look at different aspects of the recommendations. We could not have possibly looked at all of them for two main reasons: financial outlay and the absence of sound detailed studies on some of the proposals which were quite general in nature.

The PNM kept its promise and proceeded to achieve its objectives by focussing its activities in areas which have already borne fruit, and which will make a serious contribution to our food supply and security. We did so against a background of declining production of sugar and increasing costs of running the company. The company and the Government will continue to explore ways and means of realizing the vast potential of the industry. We shall do so in spite of the current financial difficulties facing the nation, because we have always placed a very high priority on food and agriculture.

*Sugar Industry (Rationalization)*  
[SEN. HASSIM]

*Tuesday, March 24, 1992*

I just want to make some remarks about the international sugar market. As you know, the international cane-sugar market has been characterized, during the past decade, by stagnated demand, surplus production, accumulating stocks and low prices. Contributing to the decline of the market has been the increased production of beet sugar in Europe, which has been mentioned, and technological developments giving rise to lower cost sweeteners such as high fructose corn syrup. This has led to protectionist policies in both the United States and Europe. Trinidad and Tobago facing this difficult situation, has had its problems further compounded by the increasing costs of production of its sugar.

The existing structure of Caroni (1975) Limited is one of high production costs with wages and salaries accounting for more than 50 per cent of operating costs. This is higher than any of the neighboring sugar producers and is a result of attempts in the late 1970s and early 1980s to keep salaries in the sector close to those which prevailed in the booming petroleum industry. This was supported by large infusions of cash by the state to support the industry. While recurrent expenditure continued to increase, the company was unable to make any improvement in productivity in respect of yield of cane per acre and sugar per tonne. The decline of the petroleum industry and consequential decrease in national revenue led the Government to significantly reduce its financial support to the sector.

Faced with internal problems, the company has had to simultaneously battle with several exogenous problems. Inflation, increasing input prices, low international commodity prices, development of alternative sweeteners, protectionist policies in major export markets, unplanned cane fires and erratic weather patterns, have all served to compound the internal problems.

At the same time, the company is reorganizing its sugar production in an effort to increase yields in sugar per tonne of cane. This, if achieved, will assist in reducing the cost of production of sugar by approximately 15 per cent to less than \$3,000 per tonne by 1992. With a target of 100,000 tonnes of sugar, the company will reduce its cane production to allow private farmers to produce 50 per cent of the cane requirement. This will allow the company to continue to meet its quotas on both the US and European markets.

While the proposed plans would invariably contribute to an improved financial position for the company, the major question which remains is, what will be the social impact? Improved yields and improved production point to a

reduction in the acreage under sugar. It is estimated that this reduction could be up to 4,000 hectares. Will this mean a reduction in employment?

Recommendations: Caroni's diversification programme will undoubtedly absorb some of the displaced labour. However, given that many of the persons employed in the industry are relatively old, and have spent a significant time in the sugar-cane sector, retraining of the labour will not be a viable option in many cases. The second option, therefore, will be to provide access to lands for displaced workers to allow them to continue planting cane. The displacement of workers will inevitably result in social problems. The extent to which these problems can be minimized will depend largely on the ability of the company and the various bargaining bodies to amicably reach a solution.

The international market for cane sugar clearly suggests that the country must closely examine the future of the industry in Trinidad and Tobago. The single European Act of 1992 will impinge on the industry and the resulting effect on quotas for sugar and its by-products will serve to guide the path of the industry. It is clear, however, that diversification is a must. Sugar production needs to be maintained at a level which will meet the quotas and supply local demand. The cost of production must, however, be reduced to an acceptable level. This can only be achieved through improved efficiency and productivity in the sector and both Caroni (1975) Limited and private cane farmers have an important role to play. While the cost of production may be higher than the existing revenue, the difference represents a social price being paid to provide employment and a premium for earning much needed foreign exchange.

While it may be too early to properly evaluate the success of the company's diversification plan, preliminary results in some areas suggest that the objectives will be achieved. Care must, however, be taken that while efforts are being made to improve the company's financial position, this is not done at the expense of the small farmer. This could result in other major social implications. Diversified production at Caroni (1975) Limited must be complementary to the efforts of the farmers and not be in direct competition. Thank you.

**3.30 p.m.**

**Sen. Rev. Daniel Teelucksingh:** Mr. President, the question pertaining to the rationalization of the sugar industry has been carefully and almost exhaustively considered for the past 14 years, and we are continuing this today. Successive

*Sugar Industry (Rationalization)*  
[SEN. TEELUCKSINGH]

*Tuesday, March 24, 1992*

governments and various interest groups have spent many years in research, consultation, and in investigation—much dialogue.

The saga goes back as early as 1975 with a committee referred to by Sen. Spence, comprising representatives of the then Ministry of Agriculture, Land and Food Production, Ministry of Finance, Caroni (1975) Limited and the trade unions involved in the sugar industry. The committee completed its work and the report was subsequently laid in Parliament, as we have heard today. Action that followed was glaringly nil. There was no decisive governmental response to implement recommendations. However, Caroni (1975) Limited and the sugar industry could not for long be ignored, it being the largest single state enterprise in Trinidad and Tobago employing about 10,000 persons and having contracts with about 5,200 cane farmers and about a 1,000 sub-contractors directly influencing the lives of thousands of the nation's citizens.

The sugar industry is just too important to be sidelined, so other studies on the industry followed. These were well enunciated by Sen. Maharaj. They suggested various models for the reorganization of the industry. Thus far, it remains an unsolved mystery, at least to me, as to why successive governments seem content to watch as various reports and plans filled yesterday's waste-paper baskets. I hope one day to discover the reasons for the apparent procrastination in the past and the inordinate delay in devising governmental policy for the nation's sugar industry. But on to a new day, Sir. I hope that day has started today. If the next step will be designated the "Rowley Plan", we hope that it will achieve its objectives and break the jinx that has befuddled and stymied previous studies and seemingly never ending consultations.

It is obvious that previous proposals belong to different political administrations without the necessary links to ensure appropriate continuity of thought and action. We are pleased that the hon. Minister of Agriculture, Land and Marine Affairs is aware of this deficiency and of his duty to Caroni (1975) Limited. On January 16, 1992, he said here that the Ministry of Agriculture has been instructed to come up with a strategic plan for Caroni (1975) Limited and to implement it in such a way that it will be meaningful and productive no matter if there is a change in government at any point in time. The hon. Minister of Agriculture has since confirmed that the tripartite committee comprising the state, the company and the unions will be set up to examine Caroni's future and to address outstanding issues.

Sen. Spence's motion urges the Government to proceed expeditiously with the rationalization of the sugar industry and I certainly identify with this appeal. A multi-disciplinary committee that did some studies on this industry observed:

"The combined effects of a number of phenomena demand an urgent alteration of the character of the sugar industry. There is a new national psyche that demands productive, efficient and effective state enterprises. In addition, the national economic climate demands that state enterprises must become self-reliant. Further, developments in the international world show no signs of promise or early recovery. To put it simply, the company crisis begs for a new direction."

How much longer, I ask again today, will Caroni (1975) Limited and the sugar industry beg for a new perspective?

Among the pertinent issues that lend support to Sen. Prof. Spence's motion is the fact that the current cost of producing our sugar is one and a half times higher than the preferential price offered in our best market namely, the European Economic Community. This means that it costs us \$3,975 to produce a tonne of sugar while the price offered by the EEC is only \$2,650.00 a tonne and the US price is even lower, that is, \$1,890.00 a tonne. Now look again at our competition on the world market. As I said, it costs us \$3,975 to produce a tonne of sugar, but on the world market sugar is sold at \$1,000 a tonne. The competitiveness is even intensified. Other Senators have made mention of the use of artificial sweeteners—honey and maple syrup for the health conscious and a rejuvenated beet sugar industry in the metropolitan countries. Furthermore, to be borne in mind at this time is the fact that the current arrangements for the purchase of sugar by the EEC under the LOMÉ Convention ends this year, December, 1992 and we have no price guarantees when Trinidad and Tobago renegotiates the terms of the current agreement, even with our best customer, the EEC.

I fully endorse this motion before this honourable Senate today. For notwithstanding the laudable initiatives and projections of our new Government, the motion will serve as a stimulus to ensure that our efforts will not be another embarrassing exercise in futility.

I compliment the hon. Minister, his Ministry and the new Government, and pledge our support for the new projections that they are enunciating. I wish them well and we all hope that the sugar industry will be an industry of which we will be proud. Thank you very much.

**3.40 p.m.**

**Sen. Muntaz Hosein:** Mr. President, the motion before the Senate seeks to urge the Government of Trinidad and Tobago to proceed expeditiously with the rationalization of the sugar industry. In light of the urgent need for change, reorganization is imperative if the industry is to survive in the long run and the agricultural sector overall is to assume a status of financial viability. It is only through this avenue that economic development will be fuelled and energized and the future well-being of our people enhanced and guaranteed.

From the outset, it is essential to recognize that the rationalization of the sugar industry is inextricably linked to the development and viability of agriculture in this country. Indeed, the economic, social and political evolution in our history has been intimately connected to and founded upon activities in agriculture, with the sugar industry constituting the foremost pillar. Throughout history it is the sugar industry which has been responsible for the emergence of an agricultural sector. Even today, sugar constitutes our major agricultural export. Therefore, it is very disturbing and distressing that agriculture therefore—and more so the sugar industry—has been allowed to deteriorate to such a state of decline and decay, notwithstanding the common view postulated by many experts.

I quote from *Agriculture and Development In Trinidad and Tobago 1962—1987*, by W. R. Rudder.

"Agriculture plays a fundamental role in the economic development of any country. It often initiates the growth process and is always crucial in sustaining the process once it has started."

Instead, both agriculture and sugar have been the recipients of a litany of false promises and much lip-service, a wicked practice which can be traced as far back as 1962, when the Government of the day in its 1962 budget speech said:

"The Government has already made its intentions clear. The area in which there will be greatest orientation of its efforts is agriculture."

In lieu of this, we are confronted with a situation which intimates to government's history of hypocrisy, according to W. R. Rudder, in his paper cited earlier.

Agriculture in Trinidad and Tobago had continued to exhibit the paradox of under-utilization of land resources in a situation of high unemployment and strong demand. During the period 1975—82, agriculture declined 18.3 per cent or approximately 2 per cent per year. Export agriculture and cane-farming fell by 49 per cent and 43 per cent respectively. Domestic agriculture was stagnated. The performance of specific commodities was as follows:



*Sugar Industry (Rationalization)*

*Tuesday, March 24, 1992*

sugar	52 per cent down
cocoa	67 per cent ”
coffee	65 per cent ”
copra	27 per cent ”
citrus	67 per cent ”

Over the period the food import bill escalated from \$284.9 million to \$928.8 million. In short, per capita outlay on food imports increased from \$218.5 to \$808.1 by 1982.

The absence of a clear-cut, well-defined, meaningful philosophy and policy direction on the agricultural sector and sugar industry—coupled with the inadequacy of infrastructural and professional managerial requirements—and the prevalence of corruption and inefficiency have conspired to generate the perception that the sugar industry is doomed to failure.

I suggest to you that the sugar and sugar-cane industry is far from being doomed to failure. I will show that it is the lack of political will and bad planning and management that have put the industry in the position it is today.

At a political campaign speech at Chaguanas in 1961, the late Dr. Eric Eustace Williams the then Prime Minister told a large crowd:

"If you do not vote PNM, crapaud smoke your pipe."

That is history. Ask the people of central Trinidad about that statement and they will tell you how they have suffered as a result. It is important to understand how since way back PNM Governments have been putting this country and, in particular, the people of central Trinidad in a monkey pants. The people of Trinidad and Tobago understood from 1961, the beginning of the politics of exclusion. It is important to understand that. From that date, the sugar workers and agriculture workers in our country became second class citizens. Make no mistake about it. They can make any number of excuses they wish, they will never be able to wash away what is in history.

Let us examine what this PNM Government is doing in 1992. To do that we must go to the budget speech, page 12, where the Minister of Finance says:

"We shall seek to achieve three broad objectives in the medium term. These are:

*Sugar Industry (Rationalization)*  
[SEN. HOSEIN]

*Tuesday, March 24, 1992*

- sustainable growth of the economy;
- a significant and durable reduction of unemployment; and
- restoration of an adequate level of foreign exchange reserves.

The strategy for achieving these objectives would principally entail a substantial increase in investment and in exports. While investment would be encouraged in a broad range of sectors—agriculture, oil and gas, tourism and other services, construction, manufacturing—we shall give special emphasis to those sectors which have the leverage to generate substantial foreign exchange (oil and gas) or a considerable number of new jobs (agriculture and food processing)."

This is what the Minister of Finance had to say about that.

Let us see how his words in that paragraph are treated in terms of the measures taken. Again, we must go back to the budget speech, page 32. We will see that there is only one reference in the entire budget speech of the Minister of Finance which has anything to do with sugar. It states:

"Sugar

The Minister of Industry, Trade and Tourism will issue an order to change the price of all grades of sugar by 15 per cent so as to make additional resources available to Caroni (1975) Limited."

We must go further to understand what measures our Minister of Finance had to take and we look at the *1992 Development Programme*. If you look at that you will see that the total development fund for 1992 is \$1.182 billion. Agriculture has pride of place—a princely sum of \$46,774,560.00 or the high figure of 3.95 per cent. On the one hand we are hearing that they are going to create new jobs and they will recognize the importance, but when the time comes for action they put 3.95 per cent of the development fund into agriculture.

**3.50 p.m.**

We know by experience, from previous governments and budget speeches that most of what is put in the development fund usually does not come to pass. This 3.95 per cent might turn out to be far less than what is stated here. This is perhaps what prompted the editor of the *Express* newspaper to make the following comment. I am quoting from page 8 of the *Express* dated January 21, 1992:

"Not for the first time agriculture has been given somewhat short shrift and it remains a source of mystery to us why successive administrations have been unable or unwilling to use the country's agricultural base to dynamise other sectors of the economy. But we may be getting ahead of Mr. Manning. Mr Mottley may have "read" the Budget but Mr. Manning must have had considerable input into its contents. It would be surprising if he were not aware of its deficiencies and we expect that by the end of his address, Mr. Manning will have sprung quite a few surprises in this Budget largely held to have contained few surprises."

It is history now that we did not get any surprises from the hon. Prime Minister.

The *Express* newspapers, which have been less than charitable to the cause of sugar workers, must have had some kind of change of heart here, to come to terms with themselves to make a statement like this. I have to check to see whether they have changed their editors. Do you think that the *Express* editor does not know the reason agriculture is treated this way? I think not. I think he knows. He knows very well, accordingly to popular belief, that it is linked to the fact that a particular race of people in Trinidad and Tobago are the farmers and agriculturists.

**Hon. Member:** Rubbish!

**Sen. Hosein:** I know you would say that. It is hard to take, but facts are facts.

It seems that I have thrown a little cat among the pigeons. You would like to believe that, I know. I know that you would like to think that you are the reformers of the party, and I hope you are, because only good could come from it if you reform. However, before you could reform, we may have to find a political penitentiary for you, and then we can reform you.

Let us see how fairly this Government treats the workers of Caroni Limited. With regard to their backpay, which is owing since 1983?—no mention in the budget. You can look as far and as wide as you want, you will have to print a new page to get a mention, because there is none. But the backpay for the public servants gets special treatment—a debt owing since 1987.

**Dr. Rowley:** Mr. President, the Member is misleading the Senate. The Minister of Finance addressed no matter relating to backpay for public servants. The Member is deliberately seeking to incite this country.

**Sen. Hosein:** Mr. President, I want to just—

**Dr. Rowley:** I ask that he withdraw the statement.

**Sen. Hosein:** Mr. President, the hon. Minister is jumping the gun.

**Mr. President:** The Minister said that you made a statement in which you indicated that backpay owed to public servants was being paid. If that is so, he is asking you to withdraw it.

**Sen. Hosein:** Mr. President, he was not listening. I never said that; I said that the public servants got special treatment—a debt owing since 1987. That is what I said.

**Mr. President:** Well, however you said it—[*Interruption*]

**Sen. Hosein:** I said special treatment was given in the budget and I am coming to that. You see, he jumped the gun. The cow itch passed by him too.

**Mr. President:** I will give you a chance to develop your point to substantiate what you are saying.

**Dr. Rowley:** Mr. President, with due respect, I have no hearing impediment. The Senator said that the Minister of Finance gave special attention to addressing public servants' backpay. I presume that is recorded in *Hansard*. I take offence at that because I know exactly what he is doing. I do not need him to develop any point. He is seeking to make the point that discrimination was practised where public servants got backpay and sugar workers did not get. I am saying that is misleading. It ought not to be allowed to remain in *Hansard*. I am asking that he withdraw it. He is seeking to incite racial tension in this country.

**Mr. President:** Senator, I do not think we should try to belabour this position. The Minister is claiming that you referred to the question of backpay to public servants being paid. If you said that—he claims that is what you said—he is quite rightly asking you to withdraw that statement. Or if you have doubts, you may say that you clearly did not say that.

**Sen. Hosein:** Mr. President, the issue before us here is the unfair treatment by the Government of Caroni workers as against their treatment of the public servants. We are all aware that the court tribunal made certain awards to the public servants and that was mentioned in the budget speech. Backpay is only one part of it, and I was coming to develop the point, but the Minister jumped the gun. I will quote the relevant passage in the budget speech and then the Minister will understand where I am coming from. Mr. President, I quote from the budget speech, pages 22 and 23 where the Minister of Finance said:

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

**4.00 p.m.**

Why did the Minister not talk about Caroni workers' backpay and the court award? Is it because another court awarded that? Why? He alluded to how long ago that is on the books, but that is only 1987. Well, what happened to 1983? That is longer. The amount is even smaller. But the hon. Minister gets hot and starts to talk about inciting racial tension. You see, any time anybody in this country stands up and calls a spade a spade, it is race. We must all be chicken and we must all gloss over the thing and say it is not that. It is like a fellow who was hit with faeces in his face, he wipes it and says, "Oh, it is butter." Well, we on this side of the Senate are not prepared to do that, Mr. President. We have to face it.

If you are pursuing a policy of political exclusion, you must face the facts and face the music; take your licks like a man.

**Dr. Rowley:** Mr. President, I am sorry to interrupt the Member, but I did not force the point a while ago, because I thought you gave him the opportunity to clarify what he was saying. The Member has developed the point and he has entrenched his position that the Minister of Finance dealt with public servants' backpay and did not deal with Caroni workers' backpay. I am saying for the record of this Parliament that it is an inaccurate representation; it is misleading and it is damaging. His motive is now very clear. I am asking, Mr. President, that he acknowledge what he said earlier on and withdraw that statement. He is misrepresenting for the record of the Parliament. I am asking for your ruling.

**Mr. President:** Hon. Minister, I have listened to your representation. I think everybody knows what the Minister of Finance said. You will have the opportunity in your reply to quote from what he has said and to quote from the Minister's budget speech and to put into the record what is correct.

*Sugar Industry (Rationalization)*  
[MR. PRESIDENT]

*Tuesday, March 24, 1992*

I have tried to get the Member to withdraw, if he said, in fact, the Government dealt with the issue of backpay to the public servants to the exclusion of backpay for Caroni workers. Such a statement would, of course, be incorrect, based on what has, in fact, happened. We all know that only the current payments are being made and not the arrears.

**Sen. Hosein:** You will recall, Mr. President, that in the case of the public servants, the Government agreed to pay. In the case of the sugar workers' backpay, that Government appealed the decision of the court. I want to point these things out, because they are relevant. We must not run behind the fact that when anybody hits you some licks, because of your own policies, you are bawling, "they want to incite race." You are not going to get away with that in this Senate.

Mr. President, by now you must be getting the picture; the picture of the politics of exclusion. Why can the Government not allow Caroni to sell off some of its land which is not suitable for agriculture and pay the backpay to the Caroni workers with the money received? The Minister of Agriculture—and I am glad he is here—is reported in today's *Express*, as follows:

"Success or failure of Caroni (1975) Limited will determine the success or failure of the agriculture sector in the country," Agriculture Minister Keith

He acknowledges it. He has acknowledged what all the experts have said. All his predecessors have said the same thing, but they do nothing. It is like you shoot them with a stun gun, they cannot move. He goes on in the same report, and I should like to quote him again, nice article, I like it:

"Rowley's message to those workers who may be planning to picket his home was: 'If you cannot impress me at the workplace, then you certainly

Well that is all you come here to do, rap. I think, Mr. President, we need people to rap. We already have a court jester and now we have a rapper. Just now you will have a group.

If the hon. Minister wishes to be impressed by the Caroni workers, let him not forget that in the annals of this country, the only workers who gave free labour to the country and to their company in any state enterprise were the Caroni workers. I hope the Minister has not forgotten that. So what more do you want them to do to impress you? You want blood? Free labour and you are not impressed. Do you know why? You do not wish to be impressed.

If it is that the Minister is still not convinced, I invite him to get up in the early morning and go out at five o'clock and he will see that the only workers in this country who are going out to work then are the old women, old men, young men and young women—going out into the cane fields to work very early in the morning. These are the kinds of people we are talking about—the hardest workers in this country. And you are not impressed. I do not know, perhaps the hon. Minister is living in Iceland. He now comes here on holiday. He does not know about that. But he must find out if he does not know.

You see, the present food import bill is in the area of over \$865 million. Look at where it has come from, look at where it is going. We have had so many committees that have sat. They sit and sit, they wear out the chair. They sit too much, too many committees. We could fill the whole of Parliament with these reports; no action. Whom are we supporting? We must ask this pertinent question: if our food import bill is still way up to \$865 million why are we supporting foreign farmers? That is the question. The importing community is a small clique in Trinidad and Tobago.

Only a few months ago the managing director of Lever Brothers, Mr. Gary Voss, made the interesting but lunatic remark that we in Trinidad and Tobago should not grow food. My colleague here alluded to that. But I am putting it in context so you understand why he is saying that we should not grow food. Because it is in his interest to see the import bill go higher, he and his clique, because they want us to buy all imported food. This Government, because of its inaction, is supporting that.

It is clear that the following are Caroni's major problems:

- (1) Lack of political will;
- (2) Finance;
- (3) Management expertise and experience;
- (4) International marketing expertise and experience.

In conclusion, may I say that the present Government Ministers are more accessible to the people. I congratulate all of them. I think it is fair to say that Minister Draper did a very good job. They are talking a language of unity and togetherness and all the nice things that you want to hear. I do not think that there has been another regime which has spoken such beautiful words as the present regime. I congratulate all of them. But only time will tell if this is only *mamaguy* or genuine concern backed up by action, unlike their predecessors.

*Sugar Industry (Rationalization)*  
[SEN. HOSEIN]

*Tuesday, March 24, 1992*

It has often been said, unfairly, that all we do is criticize. Well, that is part of what we do. But more importantly, we suggest solutions. Therefore, I wish to commend to the Government that it consider the following solutions:

- (1) Depoliticize Caroni;
- (2) Sell shares up to 49 per cent to a joint foreign partner and the workers of Caroni (1975) Limited. You get a foreign partner and the workers of Caroni (1975) Limited to take up 49 per cent of the shares, with the Government holding 51 per cent; and
- (3) Intensify the diversification process by investing in downstream industries of sugar and other crops.

You see, if we sell the shares, we can no more hear the arguments of the other side that they do not have the money, because then they will have foreign exchange; they will have the money to pursue the diversification process. When we sell the shares to a foreign company, we shall also have the international marketing expertise that we need to market the crops that we shall produce at Caroni (1975) Limited; not just sugar-cane, but also the by produce of sugar-cane, the cordials, the syrups, the chocolates.

I remember in 1956, the late Dr. Eric Williams talking about making chocolate here; that we produce the best cocoa and the best sugar and, therefore, the state has to get into that kind of activity. Thirty-five years has gone by, no action. But it is never too late. Downstream industries are where the money is and this is where we must go. But we need the expertise, we need the foreign partner, for two reasons, the foreign exchange and the international marketing.

To get into international markets is no easy task. It is a clique and they are locked together and you have to get in there with the right kind of connections. Now, we do not have it in this country. We need to get it and in order to get that, I am suggesting to the Government that they look at a foreign partner. I know that they are looking to divest and why not divest some interest in Caroni (1975) Limited so we could have the funds, we could have the managerial skills and expertise and experience and have the company owned by the state, the worker and a foreign partner? I think that would be the answer to our problem. That is my answer. I think that is the way I would go if I had to do this and I recommend that to the Government.

Mr. President, thank you very much. I appreciate the time given to me to speak on this very important topic.



**Sen. Surendranath Capildeo:** Mr. President, I would refer to my notes every now and then, with your leave.

Sir, there is a bitter taste in my mouth. I rise to speak on this motion to lift a burden which has been on the shoulders of my ancestors and me for 147 years now.

Our lives have been inextricably bound to sugar. In fact, one of the reasons I stand here in more ways than one is that of sugar. Were it not for sugar, Mr. President, I would not be here. I believe that I can still put my hand on my grandfathers passbook for Woodford Lodge Estate, where he toiled as a beast of burden for the princely sum of 24 cents in those days.

There is scant appreciation of the fact that at least 50 per cent of our population owe their presence in this land to sugar. At one time every single African and Indian in Trinidad could trace his roots directly to the sugar plantation. I say if the Northern Range is the head of Trinidad, Caroni is its heart. Sugar lies in and at the heart of Trinidad. Sugar is an explosive and emotive issue. It is not merely an agricultural crop—and here I beg to differ with all the experts—it is about people: men, women and children; just plain ordinary folks.

Sugar is also a culture; it is a way of life. Sugar has been indelibly etched into the landscape of Trinidad. It cannot be erased. It is now part of the very soul of this nation. As rice is to the Japanese, sugar is to the citizens of Trinidad and Tobago. Perhaps it would be wise to remind ourselves of the history of sugar, to understand how deep runs the attachment of the original indentured sugar worker and his later generations to sugar.

Records show, Sir, that as far back as 3,000 years before the birth of Christ, sugar making had already been developed in India. The old Hindi word for sugar was *gaura*, it came from *gur*, an ancient monarchy in Bengal. Even today, domestic consumption in India is called *gur*. In fact, in one of the sacred texts of the Hindus, written several hundreds of years before Christ, the *Atharvaveda*, there is the first recorded accurate description of sugar-cane woven into a crown. When Alexander the Great invaded India in the 4th century B.C., there was a general with him by the name of Nearchus who recorded coming across a strange reed in India which produced honey, he said, without the aid of bees. What that Greek general saw and tasted was sugar-cane.

*Sugar Industry (Rationalization)*  
[SEN. CAPILDEO]

*Tuesday, March 24, 1992*

In Sanskrit, the ancient language of India and the mother of all languages, the word for sugar is *sarkara*. It became *sukkar* in Arabic, and then it became *sucre* in French and then sugar in English. You see, Mr. President, how the changes in the words themselves suggest the root of the propagation of the art of sugar-cane culture.

So that when the indentured immigrant came, he came not merely to toil in the cane fields, but he brought with him in his genes thousands of years of sugar-cane cultivation. It was and it is part of his life. You cannot, therefore, treat lightly the question of sugar. It goes beyond an economic proposition. Sugar has become, in Trinidad, a human condition and it must be addressed as such with all the compassion, dignity and justice that the powers that be can muster. Any attempt to do less will end in certain disaster.

The industry has been analysed to the nth degree by inquiries, by committees, by commissions, by discussions over the years and by plans galore, and now we have this debate going on here. There is no need for me to add to the verbal overflow of detail; we have had our fill. What we need is the raw courage to be politically innovative, and I echo the words of my Friend: We need to depoliticize sugar. In so doing, maybe we should look at ourselves in the wider context of the world.

In spite of all the alarums, fears and recent prophecies of doom coming from abroad and even here now, we have demonstrated to a world torn by ethnic violence, the ability of all our races to live in relative peace and harmony with one another.

The recent civilized inauguration of our President of our beloved Republic, had the blessings of at least 10 different religious persuasions. I believe this is unique. Nowhere in the world will you witness such religious tolerance and harmony. The discipline and tolerance of the average citizen are now becoming legendary. You just look at the proud participation in our festival of Carnival and the recently concluded festival of Phagwa, and of course, who will forget the day at the National Stadium, November 19, when we painted the world red.

In our own small way, we are a welcome beacon in an otherwise dismal world. May I now suggest yet another way in which we may shine even more brightly. There has been talk in the international community of reparations for the cruel acts of slavery. Why not make a start here? Why not be the first country in the world to begin reparations to the grandchildren, and in some cases, to the children

of the slaves and the indentured immigrants? Why can we not be bold enough to begin the process of reparation by giving the lands to the people who want to work them? Before the usual cries of partnership rend the air, before the Government with its particular and peculiar ethnic base starts to quake and jump up and down, may I remind everybody—and I have confirmed with Sen. Sam Maharaj—that the labour force is not 99.9 per cent Indian; it reflects a 75/25 per cent of our population.

It is a simple proposition I have. In the words of the UNC manifesto, all I say is that there must be the political courage to allocate the lands to independent farmers and sugar workers. All I say is, give sugar back to the sugar workers and I assure you all will be sweet. Thank you, Mr. President.

**Mr. President:** Sen. Martin Daly would like to join the debate, but I think it would be more convenient to take the break at this stage. We will suspend the sitting for approximately half an hour and resume at 5.00 p.m., when Sen. Daly will take the floor.

**4.25 p.m.:** *Sitting suspended.*

**5.00 p.m.:** *Sitting resumed.*

**Sen. Martin Daly:** Mr. President, I should just like to join the debate, very briefly, not to attempt to speak directly either on sugar or agriculture, but really to offer a few words on implementation and, in passing, on the importance of the parliamentary institutions.

When I listened to the debate this afternoon, it brought back pleasant memories of the budget debate in which I sat here as a newcomer and learnt one or two valuable things from each speaker. It told me that I had been too placid and too docile about the fact that those who arrange parliamentary business have kept us out of the Senate since February 4. This debate has underlined the value of the parliamentary institution. It seems to be believed that we should come here if only there is legislation to be passed, and I think the debate on this motion has made it clear that there are other things which we can be usefully doing. If while the legislative flow is being prepared we can have debates like this, I believe the country will be a better place for it. I hope that those who have the disposition of how this Parliament sits, will listen carefully to what I am saying. If we have to have only Private Members' motions until such time as the legislation is ready, then let us occupy the Parliament with those Private Members' motions so that we can have this kind of exchange of information.

What has emerged in this debate, really, as I see it, is six things on which everyone agrees. In fact, it was not always clear whether Senators were speaking for or against the motion, but generally, it seems that everybody is in favour of Sen. Spence's motion. As I said, six things have emerged.

Firstly, sugar is being produced at a higher cost than it fetches on the international market. It seems that situation has obtained for quite some time and is likely to obtain in the future.

Secondly—and I dare say the hon. Minister of Agriculture will raise this—the country, and I emphasize "country", subsidizes Caroni each year to the tune of millions of dollars. In fact, so depressed had I become that we were not being given any work to do here, that I omitted to bring the up-to-date figures that I have available on the precise amount of those subsidies. But everyone knows they are in the millions of dollars.

Thirdly, everyone agrees that there is a need to diversify the agricultural products that we produce and there is a need to diversify out of sugar into other crops.

Fourthly—and this affects virtually everything in this country today—internationally, all the soft options that we used to enjoy as a small developing country are disappearing one by one. We are losing whatever preferential treatment we used to obtain based on historical relationships.

Fifthly, there are in existence two plans relating to future policy of Caroni, that is to say, the 1978 Plan and the Caroni Directional Plan which, at least, provisionally, and in a preliminary way, have broad-based acceptance.

Sixthly, it has also emerged that the whole agricultural policy of the country revolves around Caroni.

Against that background, it seems obvious to me that the next step is implementation. I rose to speak today only because, as I listened to many of those who preceded me, I saw old territories being staked out, and that disturbed me because time is not standing still. As life in the international arena gets harder we cannot keep marking out old territories; we have got to go forward. That is the little contribution that I want to make to this debate.

It seems to me that what has to happen is very simply this—and from the hon. Minister's public utterances, I say respectfully, he is on the right track—those two plans that have broad-based acceptance must be taken as the foundation stone and,

thereafter, the Government must create conditions where, on a tripartite or multi-party basis, an implementation plan can come forward; the Government should, with the technical expertise available to it, after studying those plans, produce a plan for implementation, as the Government's work. Then it must submit that plan to the necessary interest groups, communities, whatever you wish to call them, for those communities—with the Government in the chair, as the author of the implementation plan—to hammer out and bargain over what Sen. Spence's motion describes as “appropriate safeguards for the welfare of all concerned.”

I would respectfully support this motion. I would commend to Senators the sentiments of Sen. Teelucksingh, that this motion will act as a stimulus to the Government to get on with the business of implementation.

After all, we were able, by a unique consultative process many years ago, to hammer out a Constitution, at a time when people had marked out territory with the same decisiveness in which they mark out territory when this topic is being debated. What happened there, I am respectfully submitting, gives us an opportunity to look at what might happen in the future.

When the Government is ready with its implementation plan it can have a broad-based representative conference at which that implementation plan can be the subject of the closest scrutiny and the Government can come away informed with the views of all the relevant people, make such amendments to its plan, as may be necessary, and at the end of the day, having taken all those steps, act decisively to deal with the future of agriculture in this country.

I do not pretend to have any answers about sugar or agriculture. However, as I sit here on the Independent Benches and listen to the debate, I really would ask Senators to search their hearts and consciences, very deeply, and see if the six or seven propositions I have put forward do not, in fact, represent the state of debate about the future of Caroni (1975) Limited, and if they do not open the way for implementation of some kind of future agricultural policy.

I would ask those who are more directly concerned with this matter to let us look forward, let us think now of implementation, let us forget old quarrels, and let us go forward to solve this problem in which each and every taxpayer in this country has a direct interest.

Thank you, Mr. President.

**5.10 p.m.**

**Sen. Salisha Baksh:** Mr. President, I should like to inform Sen. Daly that everyone would like to forget old quarrels, but that is easier said than done. However, the Constitution of Trinidad and Tobago states that there should be adequate means of livelihood for all. Trinidad and Tobago is a nation that enjoys more than its fair share of resources; and there is no logical reason why poverty should exist. We have the domestic capacity to produce all that is required to meet the basics of food, clothing and shelter. This capacity is not being utilized, mainly because our lifestyle is not based on what we are capable of producing and we, in fact, rely on the output of other countries for which we need foreign exchange to import.

In the present economic circumstances, much emphasis is placed on the private sector to stimulate economic activity in this country so as to mobilize the nation's idle capacity. But if left to private initiative only, the unemployed would have little or no hope of ever getting jobs. Therefore, to kick-start the stalled economy the onus is on the state which is in a position to stimulate economic activity. A mobilization thrust in the direction of food self-sufficiency and adequate shelter is the only means of ensuring a constant improvement in the living conditions of the people of this country, particularly the poor and the dispossessed.

People's priorities are not fixed forever. They change over time as circumstances and aspirations change and they must all be taken together, with no single dimension pursued at the expense of any other. Many policy makers frequently concentrate on just one dimension—income. But this concentration is at best an over-simplification and at worst a gross distortion of reality. It is shortsighted to balance budgets by unbalancing the lives of people. Men, women and children must be the centre of attention, with development woven around people and not people around development. Moreover, development must be participatory, and for this people must have the opportunity to invest in the development of their capabilities, in their health, education and training. They must also have the opportunity to put their capabilities to use to be fully involved in all aspects of life, to express themselves freely and creatively. Thus construed, development will help enhance everyone's individual and social space with two caveats. One is that the essence of society is not unrestricted satisfaction of individual choices, but, the respect for everyone's potential, possibilities, needs and interests.

The second, is that options for the present generation should not be increased by compromising the options for future generations. In short, what I am saying is, development must be sustainable. Human development requires economic growth, for without it no sustained improvement in human well-being is possible. But while growth is necessary for human development, it is not enough. High growth rates, do not automatically translate into higher levels of human development, and firm policy action is required to forge a closer link between economic growth and human development. Just as economic growth is necessary for human development, human development is critical to economic growth. This two-way link must be at the heart of any enlightened policy action.

Mr. President, the motion before us today is an attempt by Prof. Spence—and I commend him for moving this motion—to get this Government to proceed expeditiously with the rationalization of the sugar industry. But to suggest that the rationalization of the sugar industry is merely diversification is erroneous; and this view constitutes a popular misconception current in our midst. Diversification or agricultural transformation must be recognized as one dimension of the rationalization process. As we all know, rationalization includes the re-organization, restructuring of the administration of the industry and the implementation of new and improved methods in the working of the industry.

It is essential to recognize from the outset, that the rationalization of the sugar industry is inextricably linked to the development and viability of agriculture in this country. As previously mentioned by my colleague, Sen. Hosein, throughout history it is, in fact, the sugar industry which has been responsible for the emergence of an agricultural sector. I fully agree with him when he says that it is very disturbing and distressing, that agriculture, and more so the sugar industry, has been allowed to deteriorate to such a state of decline and decay in this country. This country witnessed the decline of the once thriving cocoa, coffee and citrus industries. We are back to square one, facing the very same regime under which the sugar and agriculture sectors have been treated like outcasts.

We are saying that all this talk by those in power as to the important role agriculture can play must now go beyond being a mere statement of consensus and become a proposal for action. The main product of the sugar industry, sugar, is highly export-oriented. It constitutes one of the important earners of foreign exchange in the economy. According to the Spence Report:

"The view can be taken that the function of the agricultural sector is to feed the nation—a function discharged whether directly by growing more food

*Sugar Industry (Rationalization)*  
[SEN. BAKSH]

*Tuesday, March 24, 1992*

for domestic consumption, or by securing through exports, the foreign exchange necessary to purchase food imports. Since the sugar industry is the main foreign exchange earner in the agriculture sector, it therefore serves this purpose."

The sugar industry, experts have all agreed, cannot continue in its current form. Change is inevitable. But any plan to restructure an industry as complex as the sugar industry, requires that the architects of the plan must have an intimate knowledge of the technical issues affecting agriculture and the sugar industry and thus it was also agreed by the experts, the urgent need for the rationalization of the sugar industry in order to make it a viable enterprise which would have the effect of energizing and stimulating the agricultural sector of this country.

**5.20 p.m.**

Also, Mr. President, we see this as an ideal opportunity for using Caroni to enhance the nation's food production and food security. But it is frightening, it is sad; perhaps it is even an evil spell cast upon this nation. For we are here once again, in 1992, before the PNM Government, when way back in 1962 in its budget speech, the very same People's National Movement Government promised that the area in which there will be the greatest orientation of its effort, is agriculture. But again, I have to agree with my colleague, Sen. Hosein, that this lip-service and false promises go way back.

Agriculture in this country had continued to exhibit the paradox of under-utilization of land resources by the PNM, in a situation of high unemployment and strong demand. Agriculture in Trinidad and Tobago can be one of the more positive ways to solve the many economic problems which face our nation. To be able to produce sufficient food, or near to sufficient food to feed oneself, is the surest way a country and its leaders can hope to increase its wealth, satisfy its citizens and provide opportunities to those willing to work in other fields of endeavour to ensure a continued economic growth of the nation for generations to come.

This motion for the rationalization of the sugar industry is the switch which must be turned on in order to maximize the potential of the already existing diversification process. The rationalization of the sugar industry will be by no means an easy task, but you will be relieved to know that much of the groundwork in terms of reports, suggestions and investigations, has already been documented.



For too long the sugar-cane industry has been treated like an outcast. Despite repeated attempts to gain the favour of the powers that be, this industry has been left on the wayside to flourish on its own. This maltreatment breeds the suspicion that its neglect is due to discrimination of some sort, perhaps one based on the ethnicity and/or even the political affiliation of the majority of its workers.

But whatever the reason for the deliberate attempt to sabotage this viable industry, the fact remains that rationalization of the sugar industry has a key role to play in our economic growth, and I reiterate here that the potential role of agriculture is shaped by the following essential factors:

1. Agriculture shows a positive trade balance in most countries, thus any increase in agricultural production usually goes hand in hand with improvements in the external sector of the economy, because exports increase and because imports decline.
2. An increase in agricultural production of wage goods (corn, meat, *etc.*) is central to any price stabilization policy and the only lasting way to avoid price increase.
3. The reactivation of agricultural production has an important revitalizing effect on the economy as a whole, because of the linkages with the supply and processing industries and with the service sector. It also has a direct effect of major importance, because it provides a way to improve the lot of the large poverty stricken population groups that make a living from agriculture.

In summary, there are several reasons why a modern and interdependent "new agriculture" should play a leading role in the future economic growth of Trinidad and Tobago. And it would be a serious mistake, indeed, over the next few years, to design and implement economic policies and development models that did not take this fact into account.

There are those who have been guilty of undermining the importance of agriculture in economic development. But mention must be made of the cries of those in the wilderness who recognized that the oil boom days would not last forever. We must remember that the struggle for the rationalization of the sugar

*Sugar Industry (Rationalization)*  
[SEN. BAKSH]

*Tuesday, March 24, 1992*

industry actually began years before 1978, but it fell on deaf ears. Let us hope that the motion as proposed today does not suffer a similar fate. Thank you.

*Motion made and question proposed, That the Senate do now adjourn to Tuesday, March 31, 1992 at 1.30 p.m. [Hon. L. Saith]*

*Question put and agreed to.*

*Senate adjourned accordingly.*

*Adjourned at 5.27 p.m.*