

SENATE*Tuesday, October 20, 1992*

The Senate met at 1.30 p.m.

PRAYERS[MR. PRESIDENT *in the Chair*]**LEAVE OF ABSENCE**

Mr. President: Hon. Senators I have granted leave to Sen. John Rahael and Sen. Joan Yuille-Williams to be absent from today's sitting of the Senate.

SESSIONAL SELECT COMMITTEES

Mr. President: Hon. Senators, the following Sessional Committees have been appointed for the current session:

Committee of PrivilegesThe President (*Chairman*)

Sen. S. Callender

Sen. D. Ojah-Maharaj

Sen. S. Capildeo

Sen. Prof. J. Spence

Standing Orders CommitteeSen. J. Rahael (*Chairman*)

Sen. The Hon. C. Robinson-Regis

Sen. A. Hassin

Sen. W. Mark

Sen. M. Daly

House CommitteeSen. J. Elder (*Chairman*)

Sen. The Hon. B. Kuei Tung

Sen. Dr. H. Kuarsingh

Sen. S. Baksh

Sen. D. Mahabir-Wyatt

Statutory Instruments CommitteeSen. A. Mark (*Chairman*)

Sen. The Hon. Gordon Draper

Sen. Pundit R. Gosine

Sen. C. Merritt

Sen. J. Rooks

PAPERS LAID

1. Report of the Auditor General on the Accounts of Trinidad Mortgage Finance Company Limited for the year ended December 31, 1991. [*The Minister of Planning and Development (Sen. Dr. The Hon. L. Saith)*]
2. Report of the Auditor General on the Accounts of the Trinidad and Tobago Tourist Board for the year ended December 31, 1985. [*Hon. L. Saith*]
3. Report of the Auditor General on the Accounts of the Trinidad and Tobago Tourist Board for the year ended December 31, 1986. [*Hon. L. Saith*]
4. Report of the Auditor General on the Accounts of the Trinidad and Tobago Tourist Board for the year ended December 31, 1987. [*Hon. L. Saith*]
5. Report of the Auditor General on the Accounts of the Trinidad and Tobago Tourist Board for the year ended December 31, 1988. [*Hon. L. Saith*]
6. Report of the Auditor General on the Accounts of the Trinidad and Tobago Export Trading Company Limited for the period May 1, 1986 to December 31, 1987. [*Hon. L. Saith*]
7. Report of the Auditor General on the Accounts of the Trinidad and Tobago Electricity Commission for the year ended December 31, 1990. [*Hon. L. Saith*]
8. Report of the Auditor General on the Accounts of the Agricultural Development Bank of Trinidad and Tobago for the year ended December 31, 1991. [*Hon. L. Saith*]
9. Report of the Review Team appointed by Cabinet to advise on systems to reduce existing delays in the Administration of Justice. [*Hon. L. Saith*]
10. Twenty-fifth Report of the Salaries Review Commission—Review of Salaries and other Conditions of service of the holder of the Office of Special Adviser (Protective Services), Ministry of National Security. [*Hon. L. Saith*]

11. Report of the Committee appointed to make Recommendations for making School Books more affordable and available. [*Hon. L. Saith*]

ORAL ANSWERS TO QUESTIONS

Value Added Tax

7. **Sen. Wade Mark** asked the Minister of Finance:

Could the hon. Minister of Finance state the total amount of value added tax that the Government has been denied as a result of major loopholes in the system since its introduction?

The Minister of Finance (Hon. Wendell Mottley): Mr. President, since the introduction of VAT in January 1990, the Government has become aware of certain anomalies and deficiencies in the Act. However, as soon as these anomalies and deficiencies are identified, steps are taken immediately to make the relevant amendments to the Act. Since 1990 there have been several such amendments in the Finance Acts of 1990, 1991 and 1992. These amendments would improve compliance, close the loopholes identified and correct deficiencies in the law.

Although it is not possible to quantify the loss of revenue that may have resulted from any single loophole, before these amendments were made, Government in its *Medium Term Policy Framework (1993—1995)* soon to be laid in Parliament proposes certain measures which will improve the administration of VAT further and enhance the efforts of the Board of Inland Revenue in the collection of tax arrears. Additionally, there are proposals for more effective penalties for dealing with the non-payment of taxes. These measures will greatly minimize the incidence of tax evasion.

Sen. Wade Mark: Mr. President, could the hon. Minister indicate what sum the country lost as a result of these loopholes in the VAT system? Could he be specific, or is he saying that it is impossible at this time to quantify the amount of moneys the country has lost as a result of these loopholes?

Hon. W. Mottley: Yes, Mr. President, it is extremely difficult to quantify that loss. We are not in a position to do so, and I do not estimate that we shall be.

Sen. Wade Mark: Mr. President, could the hon. Minister say to what extent he can indicate to this House the impact of these losses on the Government's fiscal operations?

Hon. W. Mottley: Mr. President, I cannot exactly quantify the losses due to evasions, loopholes and so forth. But it is possible to make estimates based on sales and GDP and VAT of 15 per cent and so forth as to what that should be doing. I can indicate that our VAT take this year is down from what was estimated in the budget. I do not have the figures in front of me, but it is a sum in excess of \$100 million.

The following questions stood on the Order Paper in the name of Sen. Wade Mark:

**National Insurance Board
(Delinquent Employers)**

- 8.** Could the hon. Minister of Consumer Affairs and Social Services state:
- (a) The amount of contributions denied the National Insurance Board as a result of failures on the part of delinquent employers to submit their contributions to the National Insurance Board since its inception in 1972?
 - (b) The names of the delinquent employers and the respective sums of contributions owed to the National Insurance Board over the last five years?
 - (c) What measures are being adopted to address the delinquency problem at the National Insurance Board?

**National Insurance Board
(Actuarial Reviews)**

- 9.** Could the Minister of Consumer Affairs and Social Services make available to the Senate all the reports of the actuarial reviews done since the inception of the National Insurance Board in 1972?

The Minister of Planning and Development (Sen. Dr. The Hon. Lenny Saith): Mr. President, I am advised that the answers to questions 8 and 9 have not yet been completed, and I would seek the Senate's leave to have the answers deferred for two weeks.

Sen. Wade Mark: Why that length of time, Sir? Why not next week? Could the hon. Leader of the Opposition—Government—I am anticipating has return here. Could the Minister indicate to us why this length of time? This has been tabled for some time. Why not next week instead of next two weeks?

Sen. Dr. L. Saith: Mr. President, I have been advised by the Minister that they are still getting the information together and I am merely seeking to give enough time that we can get the information for the Senate Minority Leader.

Questions, by leave, deferred.

Cynthia Riley-Hayes

11. Sen. Diana Mahabir-Wyatt asked the hon. Prime Minister:

Would the hon. Prime Minister kindly indicate when steps will be taken to implement the recommendations of the Ombudsman in his Special Report No. 1 of 1992, laid in the Senate on March 31, 1992, in connection with the injustice suffered by Mrs. Cynthia Riley-Hayes?

The Minister of Community Development Culture and Women's Affairs (Sen. The Hon. Camille Robinson-Regis): Mr. President, the hon. Prime Minister proposes that the Attorney General meet with Mrs. Cynthia Riley-Hayes, the President of the Industrial Court and the Registrar of the Industrial Court with a view to regularizing the situation.

Sen. Mahabir-Wyatt: Can the hon. Minister inform us when this meeting is to take place because, as far as I understand up to today, nothing has happened in relation to this and no information has been given to the person involved.

Hon. C. Robinson-Regis: This meeting will take place shortly, Mr. President.

Sen. Mahabir-Wyatt: Could the hon. Minister be a little more specific as to what "shortly" means? This injustice has been outstanding for a number of years.

1.40 p.m.

Sen. Robinson-Regis: Mr. President, the Attorney General has been instructed to call the meeting and it will take place shortly.

I cannot be more specific than that.

Sangre Grande Magistrate's Court

12. The following question stood on the Order Paper in the name of Sen. Carol Mahadeo:

- (a) Is the hon. Attorney General aware of the present physical, dilapidated and inadequate condition of the Sangre Grande Magistrate's Court which was built over some fifty years ago?

- (b) Is the hon. Attorney General also aware that litigants and other citizens are forced to stand out in the open yard of the court house in inclement weather, because of lack of accommodation?
- (c) If the answer is in the affirmative, can the hon. Attorney General indicate what measures are contemplated to relieve the present health and fire hazard situation?

Mr. President: The Attorney General is not in the Chamber at the moment. While we seek him out, we go on to the next question.

Sangre Grande Police Station

13. Sen. Carol Mahadeo asked the Minister of National Security:

- (a) Is the hon. Minister of National Security aware of the appalling physical state of disrepair of the Sangre Grande Police Station which is Divisional Headquarters, Eastern Division controlling eight police stations and policing over 1/3 of the land mass of Trinidad?
- (b) If the hon. Minister is aware of the above, can he inform this House what corrective measures he intends to take and within what time span?

The Minister of National Security (Sen. The Hon. Russell Huggins): Mr. President, I am aware of the unsatisfactory physical state of disrepair of the Sangre Grande Police Station.

The Property Management Unit of the Prime Minister's Office is in the process of obtaining alternative accommodation, pending the construction of a new Police station in Sangre Grande.

Sen. Mahadeo: Perhaps the hon. Minister of National Security will be able to add more light as the background tell us that in the last regime—

Mr. President: Senator, may I remind you that this is question time. If you want additional information, put your request in the form of a question, please.

Sen. Mahadeo: Mr. President, I am just asking him to enlighten us as to whether he is aware that during the last regime at least two buildings were identified, one of which is actually under review, I think, by the present Minister of National Security. If he would just elucidate on that, and let us know within what time-frame we can expect to have that police station removed in order that the present old, dilapidated building may be attended to.

Hon. R. Huggins: Mr. President, I am aware of what happened during the reign of the last regime, but as I mentioned, the Property Management Unit is in the process of obtaining alternative accommodation, and as soon as that is done, I will advise the hon. Senator.

**Churchill-Roosevelt Highway
(Dualling of)**

14. Sen. Carol Mahadeo asked the Minister of Works and Transport:

- (a) Is the Minister of Works and Transport aware that in the manifesto of the Government, it has committed itself to, among other things, dualling of the Churchill-Roosevelt Highway to Wallerfield?
- (b) If the answer is in the affirmative, can the Minister inform this House around what time the present dualling up to O'Meara Road Junction is to be completed?
- (c) Within what time-frame could citizens of the Arima/Wallerfield area expect commencement or continuation of the dualling from O'Meara Road Junction to Wallerfield?

The Minister of Works and Transport (Hon. Colm Imbert): Mr. President, the Minister is aware of the manifesto commitment.

The present dualling of the Churchill-Roosevelt Highway to O'Meara Road is scheduled to be completed by January 31, 1993. The schedule for commencement of the dualling from O'Meara Road to Wallerfield is now under review by the Ministry of Works and Transport.

Sen. Mahadeo: Could the Minister be a little more specific? He states that it is under review by his ministry. Within what time-frame could it continue or commence, since material and machinery are around at this specific time?

Hon. C. Imbert: Mr. President, I am not in a position to give a specific answer to that question for the following reasons. The dualling of the highway up to O'Meara Road is part of the Inter-American Development Bank financed programme.

The stretch between O'Meara and Wallerfield is not at the present time in the IDB programme. We have to look at the various options for funding that section of the highway.

Credit Suisse First Boston

15. Sen. Martin Daly asked the Minister of Finance:

Could the hon. Minister of Finance state:

- (a) How was Credit Suisse First Boston selected to:
 - (i) undertake the placement of a Eurobond issue of US \$10 million?

- (ii) seek purchasers of Fertilizers of Trinidad and Tobago Limited and Trinidad and Tobago Urea Company Limited?
- (b) When will Credit Suisse carry out their obligation fully to underwrite the Eurobond issue referred to at (a)(i) above?
- (c) What fees (broken down between the respective services) are payable to Credit Suisse First Boston for their services at (a)(i) and (a)(ii) above?

The Minister of Finance (Hon. Wendell Mottley): Mr. President, Credit Suisse First Boston Limited was one of two highly reputable foreign financial institutions which submitted proposals to the Ministry of Finance on the sourcing of funds on the international market. An analysis of the two proposals showed that the offer from Credit Suisse First Boston Limited was more attractive than that of the other company for the following reasons:

- (i) The principal amount offered by the other company was US \$50 million. Credit Suisse First Boston's offer was US \$100 million which adequately met the external financing gap as estimated in the 1992 budget.
- (ii) The other financier proposed a final maturity of two years while Credit Suisse First Boston proposed a final maturity of five years which would fall due at a time when debt servicing would be less burdensome.
- (iii) The effective cost of borrowing from Credit Suisse First Boston was lower than that from the other company.
- (iv) Credit Suisse First Boston proposed to fully underwrite the issue.

Credit Suisse First Boston was not selected to seek purchasers of Fertilizers of Trinidad and Tobago Limited and Trinidad and Tobago Urea Company Limited. Government and its FERTRIN joint venture partner, AMOCO, shortlisted a number of investment banks to provide investment advisory services in the marketing and sale of FERTRIN and Trinidad and Tobago Urea Company. After careful consideration of all the available options the First Boston Corporation of the United States of America emerged as the investment bank that was acceptable to both shareholders.

The Eurobond issue has not yet been launched and will not be launched until Credit Suisse First Boston, the Central Bank and the Ministry of Finance are satisfied that market conditions are conducive to a successful placement of this issue.

The agreed fee structure for the undertaking of the placement of a Eurobond issue of US \$100 million by Credit Suisse First Boston is as follows:

- (1) Net commissions 1.5 per cent of the principal amount;
- (2) All documented out-of-pocket expenses incurred by Credit Suisse First Boston in arranging the issue—up to a maximum of US \$175,000—including Credit Suisse First Boston's legal expenses will be for the account of the issuer—Republic of Trinidad and Tobago—and
- (3) All direct expenses related to the issue incurred by either the issuer or Credit Suisse First Boston with the approval of the issuer such as listing expenses, printing costs, agency fees publicity expenses and expenses associated with the issuer's legal counsel will be for the account of the issuer.

First Boston Corporation of the United States and not Credit Suisse First Boston was selected to seek purchasers of Fertilizers of Trinidad and Tobago Limited and Trinidad and Tobago Urea Company Limited. The First Boston Corporation's letter of engagement provides for a fee structure as follows:

- (a) an advisory fee of US \$250,000 in the event that no bids are received and, therefore, no sale is consummated and the engagement of First Boston Corporation is terminated by the sellers;
- (b) an additional advisory fee of US \$250,000 if legitimate bids are received, the sellers refuse to accept the offers, no sale is consummated and the engagement of First Boston Corporation is terminated;
- (c) a transaction fee equivalent to 1.5 per cent of the aggregate consideration if a bid is accepted; and
- (d) reasonable out-of-pocket expenses to a maximum of US \$75,000 to be reimbursed to First Boston Corporation; reimbursements in excess of the maximum would not be unreasonably withheld by the shareholders.

1.50 p.m.

Sen. Daly: Mr. President, as the Minister indicated, the issue has not yet been launched. Is there any provision for First Boston to carry out their obligations fully to underwrite within a specific time, or can the launching be postponed indefinitely?

Hon. W. Mottley: No, Mr. President. The launching cannot be postponed indefinitely. We have the right to go to market. However, it is in both the national interest as of well, First Boston's to have the issue succeed; our national interest in that if the issue is successful, it augurs well for future placement in the market.

Sen. Daly: Mr. President, may I have the Minister's assurance that in the event the issue is unsuccessful to any extent, First Boston is obliged to underwrite the difference?

Hon. W. Mottley: Mr. President, there are in all of these matters which form the basis of contract, some conditions under which the full extent of underwriting may not be fully imposed. I do not have the detailed legal documents in front of me but I am advised that we are well protected. There are certain conditions, but these are not likely to be conditions that would prevent us from exercising our option to have the full underwritten value received.

Sen. W. Mark: Mr. President, could the hon. Minister of Finance indicate the name of the other company that made the bid to undertake the placement. Could he also indicate to us whether Credit Suisse First Boston has now become the Government's new financial consultants?

Hon. W. Mottley: I have no objection to naming the other company. It was Morgan—of New York. No, we have not yet entered into any arrangements with either First Boston or Credit Suisse Boston to be the country's financial advisers outside the specific charges they have that are separately outlined—the divestment of Fertrin, Urea and raising this particular bond issue. There is no general arrangement such as the Government previously had with another corporation.

Sen. Daly: Mr. President, is the Minister prepared to make available the documentation that contains the obligation of First Boston fully to underwrite so that we can satisfy ourselves that is the correct description of the obligation?

Hon. W. Mottley: Mr. President, I could not undertake to do that at this stage without further consultation.

**Caribbean Ispat Limited
(VAT Repayment)**

16. Sen. Martin Daly asked the Minister of Finance:

Could the hon. Minister of Finance state:

- (a) Whether there is any provision in the agreements between Caribbean Ispat Limited on the one hand and the Government of Trinidad and

Tobago and/or the Iron and Steel Company of Trinidad and Tobago Limited on the other that relieves Caribbean Ispat Limited of obligations to make VAT returns and/or to pay VAT?

- (b) If the answer to (a) is in the negative, has Caribbean Ispat Limited met its obligations to make VAT returns and/or to pay VAT?
- (c) If the answer to (b) is in the negative, what action is being taken against Caribbean Ispat Limited in order to secure performance of its obligations?

The Minister of Finance (Hon. Wendell Mottley): Mr. President, there are no provisions in the agreement between the Government of Trinidad and Tobago and both Iscott and Caribbean Ispat Limited which relieves those companies of their obligations to make VAT returns and/or to pay VAT.

The information requested in respect of Caribbean Ispat's obligations to make VAT returns and/or to pay VAT cannot be disclosed since the disclosure of such information is a violation of section 52(1) of the VAT Act which states that:

“A person who uses or discloses any information obtained under this Act other than for the purposes of this Act or the administration of any other tax administered by the Board commits an offence unless the use or disclosure is with the consent of the person from whom the information is obtained or is for the purpose of legal proceedings arising out of the administration of this Act or that other tax.”

Sen. W. Mark: Mr. President, could the hon. Minister of Finance indicate to us whether Ispat is meeting its obligations under the VAT laws of Trinidad and Tobago?

Hon. W. Mottley: Mr. President, I did not go on to recite the penalties.

Mr. President: We have completed the rest of the questions and the hon. Attorney General is here with us. Could we go back to question No.12.

Sangre Grande Magistrate's Court

12. Sen. Carol Mahadeo asked the Attorney General and Minister of Legal Affairs:

- (a) Is the Minister aware of the present physical, dilapidated and inadequate condition of the Sangre Grande Magistrate's Court which was built over some 50 years ago?

- (b) Is the Minister also aware that litigants and other citizens are forced to stand out in the open yard of the courthouse in inclement weather, because of lack of accommodation?
- (c) If the answer is in the affirmative, can the Minister indicate what measures are contemplated to relieve the present health and fire hazard situation?

The Attorney General and Minister of Legal Affairs (Hon. Keith Sobion): Mr. President, the Sangre Grande Magistrate's Court is not dilapidated. The court and its ancillary facilities were not designed to accommodate the large number of matters and persons that it is now required to handle. As a result of the situation described, all the persons required to attend court cannot be accommodated on every occasion.

At present four air-conditioning units are being installed in the general office. Additionally, the existing office space is to be expanded. Further remedial action is also being proposed.

Sen. Mahadeo: Mr. President, what I wanted to be enlightened about is the question of the accommodation, where the litigants in the courtroom could sit. The administrative staff is going to be sitting around doing their work. I am thinking in terms of where the public is to be housed, the litigants, the magistrate and the barristers or attorneys. Could he please tell us what is being done about expanding? I am very heartened to hear that he is aware of the very sad state of lack of accommodation. What I am asking for is clarification as to the location where the public, litigants are to be housed, not for office space.

Hon. K. Sobion: Mr. President, reviewing the conditions of the court cannot be done in isolation; one has to do a general review. What I have indicated is what is being done at the moment in respect of accommodation for the general administrative staff, etc. I indicated in the response that further remedial action will be undertaken and that will deal with the other aspect of it.

2.00 p.m.

SHREE BRAHMARISHI MISSION (INC'N) BILL

Question put and agreed to, That a bill to provide for the incorporation of the Shree Brahmarishi Mission of the West Indies and for matters incidental thereto, be now read the first time.

Bill accordingly read the first time.

SUPREME COURT OF JUDICATURE (AMDT.) BILL

Bill to amend the Supreme Court of Judicature Act, Chap. 4:01 [*The Attorney General and Minister of Legal Affairs*]; read the first time.

Motion made, That the next stage be taken at the next sitting of the Senate.
[*Hon. L. Saith*]

Question put and agreed to.

CARONI (1975) LIMITED

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

Be it resolved:

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

Sir, it seems as though it was only last week I was in this House to carry on business relating to matters concerning Caroni (1975) Limited. As you may recall, we did debate at some length, a motion on Caroni (1975) Limited. However, I did have the opportunity of moving this motion standing in my name in another place. I was told then, by others, that there was no value in a debate of this nature. Subsequent to that statement, the debate lasted three days. I hope that the same thing does not happen here, and that we can spend some time examining what I would call a national crisis against the background of the highest objectivity, so as to put ourselves in the best position to appreciate the difficulties which we are facing and take the remedial actions required.

We in Trinidad and Tobago talk a lot about agriculture. There is no phrase that is more synonymous with agriculture than Caroni (1975) Limited, which means that the company, in theory, is one conducting agricultural business, like other businesses, some in garments, airlines or whatever. In Caroni (1975) Limited what we ought to have is a company using agriculture as its business. Unfortunately, this has not been the case and this has caused some problems for us. If we do not address those problems now, there is the potential for even greater problems in the not too distant future.

As a nation we are blessed with a fair amount of arable lands relative to the size of the country. However, one of the characteristics of a large portion of that

Caroni (1975) Limited
[HON. K. ROWLEY]

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land, especially the area in which this company is located, central and south Trinidad in particular, is that the physical condition of the soil is such that it is not very attractive for growing several agricultural crops. It is attractive for growing sugar cane. What makes it unattractive for other crops, makes it suitable for sugar cane. If we did not grow sugar cane, we might have had difficulty in putting those lands into use for other crops. There is something to be said there for continuing the growth of sugar cane as a commercial crop.

We also have a tremendous history in producing the crop and we know something about producing sugar. One only has to tour the sugar factory or the fields and one would quickly come to the conclusion that we do know something about this industry. As a result of our connection with international associations and our colonial history, we do enjoy a market situation for a portion of the product which is a pretty enviable situation, even though we might want to say otherwise from time to time.

For a portion of the products produced at Caroni (1975) Limited we have preferential markets in EEC equivalent to about 49,000 tonnes annually, and in the US market an equivalent of just over 8,000 tonnes. It is a small figure but not to be scoffed at. They are guaranteed markets with guaranteed prices; few products can boast of that situation.

In this country we have a very young population. Many persons are coming on the job market daily, and the rate at which the economy can generate jobs lag very far behind the requirement of jobs. This means that in our system there is a built-in condition of unemployment which tends to plague the system, especially in a period where the outlook for the future is that we would need to create jobs far more quickly than we have been doing even in good times.

When one appreciates that scenario and puts all those things together, one would see that there is definitely a lot to be said for the encouragement and fostering of a sugar industry in Trinidad and Tobago. When I said that we had guaranteed markets in Europe and the United States, automatic with that is that those products sold there would be paid for in foreign currency, and here is the foreign exchange consideration.

There are many advantages in this situation. We do have a situation where Caroni (1975) Limited today employs about 10,000 persons. I think the last figure which came across my desk is 9,643 persons; most of them being permanent or regular employees, and an insignificant number being temporary employees.

Those figures are not to be scoffed at in any economy, least of all the economy of Trinidad and Tobago.

Caroni (1975) Limited is an amalgam of estates brought together under the state aegis. It was never really structured to perform as efficiently as it should. In fact, there was a certain amount of carrying on of the systems that caused the earlier owners to get into financial difficulty. I would hasten to add that there is a point of view that there was some ideological encouragement towards government owning the land resources, which are Caroni (1975) Limited today. The facts would not bear that out.

2.10 p.m.

What happened is that persons of the pre-1975 era privately owned sugar companies, in some cases internationally, and got into financial difficulty as a result of the changing international environment. In an attempt to protect the employee situation in the country—in short to protect employment levels—the Government of Trinidad and Tobago entered the scenario and bought out these resources, first and foremost, so as to save jobs, with the intention of proceeding to the next stage of ensuring that the company does not end up carrying the can which the earlier owner could not carry.

Unfortunately, as a country we did not distinguish ourselves with this objective. Basically what has happened is that administrations have come and gone and what we have done is to carry on a whole new operation at tremendous expense. At the end of the day when we look at the situation we see that we are far worse off today than we were at the time when the Government intervened in the industry.

I want to quote a few figures to illustrate the point of the Government's involvement in providing support for the industry and you will see the extent to which the national community has attempted to support it, and then we can ask a few questions. I would want to examine the last 10 years which would include the height of the boom period, to this year, which is a low point in the last decade. In 1983, in terms of direct cash support to the company—by this I mean when the company looked at its own revenue and expenses—there was a deficit made up by receipts from the Treasury. When I speak about cash support, I am taking about support for the annual deficit in the company's budget.

Caroni (1975) Limited
[HON. K. ROWLEY]

Tuesday, October 20, 1992

| Year | \$ Million |
|-------------|---------------------------------|
| 1983 | \$359.6 |
| 1984 | \$284 |
| 1985 | \$197 |
| 1986—1990 | \$100 (approximately, one year) |
| 1991 | \$100 |
| 1992 | \$90 |

a total in the last 10 years of \$1,619 million in direct cash support. This does not include, in that same period, in terms of price support to the cane farmers, a further \$270 million and, in terms of sugar rebate to the industrial sector—which uses sugar from Caroni as against imported sweeteners—to enable them to continue to use sugar from Caroni Limited, a further \$20 million in straight cash.

In terms of other support—Government guarantees for loans—we had situations in 1986 of loan support to the tune of US \$4.5 million for specific projects; guaranteed floating rate debentures of \$100 million; loan from Fincor of \$220 million, Letters of Comfort—a loss of over \$2 million here and \$3 million there. In short, when one talks about a limited liability company and one faces these, one immediately comes to the conclusion that this is not a limited liability company, this is a company where the shareholder has been putting in resources to support eroding equity. There are many pros and cons but I am not arguing that today.

When one looks at the figures quoted—I started by saying that in 1983, \$359 million and in 1992, \$90 million. The fact of the matter is that over the years the alarm bell has been ringing and it has been ringing more loudly recently as the Minister of Finance finds himself unable to provide the kind of cash support for Caroni Limited where in 1992 that cash support is only \$90 million and is likely to be of the same order, or even less, in the future. Immediately, one gets the impression that if we do not do something quickly, even though there is a strong case to be made for the support and continuation of the industry, the financial calamitous situation could see the thing imploding.

In short, I am telling this Senate that Caroni (1975) Limited is on the verge of collapse. It is already bankrupt, and the reason it did not collapse before is the nature of the props. These props are not now available. Time is not on our side.

We have to do something about Caroni (1975) Limited. What I am saying might not be news, but in the context of embarking upon doing something about it, I want this House to know what we are doing and against what background.

If we are to examine our own industry against other industries, we find that we can make certain judgments on ourselves. If we examine our production ratios—how we shape up against others in the industry and, incidentally, if we look at the Caribbean, we would see that we have sugar producing neighbours—Belize, Jamaica, Guyana, Barbados—and we may want to compare ourselves with them and others, since we are trading on the international market. We may also want to look at what others are doing in the industry, taking into account certain constraints that we have, as against advantages that they may have.

When one looks at production ratios of tonnes of sugar per employee—and I go to Australia where they are highly mechanized and highly capitalized, they get between 750 and 900 tonnes per employee, and the same applies to South Africa where there is even higher productivity. In the United States, production is 700—800 tonnes per employee. In fact, many West Indians work in the sugar industry. If we discount those examples and look at the Caricom situation, which is closer to ours, in Barbados, the ratio is 150—200 tonnes per employee; in Jamaica 100—150 tonnes per employee and in Trinidad and Tobago 75 tonnes per employee.

If we look at the ratio of hectares per employee, which is the number of acres each employee is farming, in the highly industrialized and mechanized industries, it ranges from 1,000 to 60,000 per employee; in Barbados, 6—8 hectares per employee; in Jamaica 3—4 hectares; in Trinidad and Tobago 1 1/2 hectares per employee.

Clearly, our situation is such that we have serious inefficiencies in our sugar industry and as much as we would recognize that we produce employment for 10,000 persons, if one looks at the linkages to the company—support services and other things—in terms of direct impact on the population, my estimate is that there are approximately 120,000 persons directly linked to the industry. If these are the efficiency levels of the industry, then every single one of those persons is at risk if the industry collapses. There is much to be said in making the industry efficient so that those who are involved in the industrial link to it can have a secure future.

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2.20 p.m.

When one looks at the cost, I need not detain you by talking about the whole history of the change in the environment over the years, but if we look at today's situation, only in the recent past, what is happening with respect to sugar prices? We are a major exporter of what is produced in the region—we export only approximately 50,000 tonnes. But the question, is what do we earn and how much does it cost us?

In 1989, it was costing us \$3,693 to produce one tonne of sugar. The best price we were getting for that sugar was an EEC price \$2,116; the world market price then was \$1,200. In 1990, the EEC price rose slightly to \$2,526 per tonne, the price for the 9,000 tonnes which was sold in the US was \$1,924 per tonne, the world market was \$1,176 per tonne. Our production cost had gone down a little bit, but was still at \$3,138 per tonne. In 1991, our EEC price was \$2,929 per tonne; the world market price had collapsed to \$847 per tonne; our production cost had jumped to \$3,798 per tonne. In 1992, our production cost is of the order of \$3,963 per tonne. So we are now facing a situation where we are having increased production costs, the world market price has collapsed and we are facing the imminent conclusion of the GATT arrangement which has all the implications for the sugar industry.

Our work over the last months has indicated that what is likely to happen with respect to sugar is that we might be able to hold on to the quantum of our quota in the EEC, but we anticipate a reduction in the value of that quota. In short, what we are facing in the not too distant future is a reduction of the fixed price we have with the EEC.

One will observe, having followed the news in recent months, that in the US quota that we enjoyed, as a result of developments taking place in North America, we have even suffered a loss, a reduction in our 9,000 odd tonnes in the US market by almost 1,000 tonnes. As Mexico moves closer to the US and Mexican sugar enjoys increased unimpeded access to the US market, that will have serious implications for people in the Caribbean. So the future does not look too good. That is why it is timely for us to do something.

We recognized the situation when we were in the Opposition and in preparing our manifesto we identified this as a problem. At the time we did not know that this report was commissioned, this report that I have in my hand, which one would not see any reference to—I think it is an oversight—those who would have

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received their Tripartite Report would see a listing of the reports that were contributed, but for some reason this report was left out. That is an unintended omission, I am sure.

This report was received by Caroni (1975) Limited in December last year; it was commissioned by the last board. It was done by Price Waterhouse using some expert attention and it is called a Diagnostic Review of Caroni (1975) Limited. As you can see, it is no mean volume of paper. I want to quote what is said in the report:

“The work we have carried out on these options provide useful information on the viability possibilities for Caroni and establishes a basis for further analysis, evaluation and consideration of sensitivities towards the goal of preparing a comprehensive plan for Caroni (1975) Limited. Such a focussed plan can then be used as a basis for agreement by the stakeholders of Caroni in its quest to become a viable agro-industrial enterprise.”

We did not know this report existed. But the work of this report says that there is a basis here on which one could proceed to find agreement. Fortunately, when we talk about the tripartite arrangement, it was in harmony with this arrangement. We use the same term, “stakeholders”, bring the Government into the company, bring the cane farmers, bring the union representing the workers to a table and put the facts squarely to them. Let them look at all the information we have available at the time, all reports of whatever era and let us decide, not on creating another report, but on creating a tripartite action plan as to what we are going to do about this impending calamity. That is what we have before us today. The position of the Tripartite Committee is representing all the interest groups around the sugar industry and the national interest. We are focussing on the national sugar industry of Trinidad and Tobago.

Those of you who followed the debate in another place would have heard heavy weather being made of something called a Booker/Tate Report and accusations of underhandedness and what have you. I can assure hon. Senators that there is absolutely no basis in that. We have dealt with a variety of reports. I have a few of them today. This is one of the more popularly known ones, the Spence Report of 1978; this one is the Price Waterhouse Report of December, 1991, this one is another report focussing on human resources which was delivered in February of 1992. This one is the Booker/Tate Report which was specifically commissioned for a particular purpose—to complement the work of

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the Tripartite Committee. In fact, if one looks at the Booker/Tate Report, one would see under the terms of reference, the objective clearly states:

“These improvements would ensure the continuation of a viable industry, secure the EEC and US quotas and contribute to the economic development of Trinidad. This objective will need to be achieved within the overall context of the Government’s economic policy.”

It is not a separate report for any particular reason. In fact, none of these reports—

Sen. W. Mark: Could the Minister indicate whether that report will be made available to the Senate?

Dr. Rowley: In what form?

Sen. W. Mark: The same way how we have had reports like this one we have before us, the Tripartite Report. We have that; it was tabled. I should like to find out from the hon. Minister whether the Booker/Tate Report will be made available to Senators.

Dr. Rowley: I can give consideration to that. However, the Tripartite Report is the report of Government policy, taking into account all the information that is available from whatever source and this is the policy that we are going to pursue.

Even before we had this in our hand, the Government gave the commitment that if we were able to bring the stakeholders together around a table—and we were able to do that—and if the stakeholders were able to come to a consensus in which the Government was a part, if we could get agreement—and even before agreement was had, the Government gave the assurance that we will adopt that agreement as the direction. That is why I do not see any particular sinister arrangement with respect to the Booker/Tate Report. This report was commissioned by the Government parallel with the Tripartite Report.

If one looks at the Tripartite Report, one will not see very many numbers in there; one will see broad policies. If the Government was going to bind itself to accepting the agreement of that report, the Government had to know what it was dealing with. The Booker/Tate Report is a report by sugar experts. Let me clarify something: In another place many statements were made about Booker/Tate being here. Booker/Tate is a consultant firm made up of people from Booker and Tate & Lyle—it is Booker and Tate, an international sugar expert firm. I make the point again: If one wants expert opinion, one goes to an expert.

One of the reasons we had to get an expert assessment of certain aspects of Caroni (1975) Limited is that we recognized that out of the tripartite arrangement would come serious considerations for funding. The Government of Trinidad and Tobago are not now in a position to fund even the building of schools. We are having to borrow money to build schools. We are having to borrow money to build roads and we are also going to have to get funding for agriculture.

Caroni is the centre of agriculture. To the extent that we are going to carry out the commitments that we have agreed to in the tripartite report, we will have to find funding outside our own Treasury. This Tripartite Report is not going to be what will impress financiers from outside our own borders; it is the report of independent expert who make assessments they can deal with.

You will see that the Government has accepted the Tripartite Report.

Sen. Prof. Spence: Mr. President, I think this is an extremely important point and I want to understand what the Minister is saying. Is he saying that in order for Trinidad and Tobago to develop its agricultural sector, and therefore, to get money into it, it has to have foreign experts coming here and telling us how to do that development? I want to be absolutely clear, is that what he meant?

Dr. Rowley: I am not saying that at all. I am being extremely specific. In fact, the kinds of information we were seeking—I have no problem with getting expertise. If one looks in the Tripartite Report I think one will see the report says that the company will have to source management and talent from both outside and inside, because it recognizes that it does not have all that is required.

The technical expertise that was required was to put numbers to mill extraction ratios, overall recovery percentages, operating costs, cane supply and actual hard numbers. In fact, we do have a situation where we have a number as to what we can invest in the factory to further improve the extraction percentage of juice from the cane, what it is going to cost and what the pay-back period will be. If we are going to invest \$20 million in further improving the mills, then we can expect to get an improvement of a certain percentage of juice extraction. So if we are not growing a single additional cane, we can do certain things to improve the efficiencies. That is the kind of information that we sought technical assistance on.

We also looked at this whole situation about the agronomy, some aspects of the agronomy with respect to what we can do. We do have certain information here with respect to some things, but particularly in the area of the engineering

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aspects of Caroni (1975) Limited, if we do have it here then certainly we have not been using it.

One of the problems with Caroni (1975) Limited, over and above all the numbers that I just quoted, is that the kinds of moneys that went into the company, were going largely to support the status quo. Very little of it went into improving the capital stock. So that, today, Caroni (1975) Limited, as far as sugar industries go, would probably have some of the most antiquated capital stock. Some of the cranes at Caroni (1975) Limited date back to the Second World War. You end up spending what little money there is to keep an old crane running than to finance a new one. But because of the lack of capital to make a significant change, one ends up pouring good money after bad.

So when I talk about financing, I have no apologies for saying that we ought to seek from elsewhere, investment in agriculture if we do not have the money available locally. In fact, our own ADB has had to look outside Trinidad and Tobago to source funds for lending to farmers—those funds have come from elsewhere. To the extent that we are going to have to invest money in Caroni, some of those investments will have to come from exterior sources. I do not see that there is a problem with that; it does not in any way mean to disparage our own resources.

Sen. Prof. Spence: Mr. President, I do not think I have been answered. What I was asking is, in order to source those funds, does it mean that we have to get foreign experts to come and tell us how to develop our agriculture? Because that was certainly my impression of what the Minister is saying.

Dr. Rowley: I am not saying that at all. It is not the first time that we have had to use foreign expertise in a variety of areas—agriculture or engineering—it depends on what the circumstances require. If we do have particular resources, we use them; if we do not, we go elsewhere. I do not have any hang-ups about that sort of thing. One hires the expertise required. We have gotten along that way and we do have the report before us.

Since the question of reports has been a problem for some people, I want to bring to the attention of the House what another of the reports contains. But before I do that, all of the reports over the years—and I have read most of these reports. Not since I did my Ph.D. have I had to read so many reports. One common thread that runs through these reports is the thread with respect to the human resource allocation and management of Caroni (1975) Limited. Every

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single report, large or small, cheap or expensive, local or foreign makes the point: efficiencies can only be achieved if one looks at human resource management. In fact, one particular report—and this one was commissioned from local sources—from the Institute of Management and Labour Relations—talked about human resources in Caroni (1975) Limited. They delivered this report in February, 1992.

I just want two extracts from that report. One says they interviewed people in the industry and they were driven to write this:

“It was felt by two of the trade unions interviewed that there is a definite racial discrimination against Caroni in that Government does not want people of East Indian descent to own lands at Caroni.”

And I say that when that could find its way into a professional report, then clearly we have lost our direction with respect to this company.

Having said that, there is one other area where the report makes some comments specific to selection and recruitment at the company. Listen to what this report has to say:

“Although there is a company manual setting out the policies in most of the areas mentioned above, nevertheless the practice at Caroni Limited seems to be more in its breach than in its adherence. There were several complaints by the human resource department that selection and recruitment is undermined by the board of directors, executive management and by the union’s collective agreement for daily-paid workers. It should be noted that there is a closed-shop practice with the All Trinidad Sugar and General Workers’ Trade Union, which is contrary to the Industrial Relations Act (1972) as amended.”

So at the same time we have to focus on the problem of excessive labour in the company—

Sen. Mahabir-Wyatt: Would the hon. Minister make copies of that report available to the Senate, the last one that was referred to?

Dr. Rowley: Consideration will be given. These are not secret reports, these are working documents, so we can consider that, of course.

Sen. W. Mark: What are you keeping secret?

Dr. Rowley: There is no secret. These are Caroni library documents. If there is a request, we will consider the request. I want to make it abundantly clear: There is no secret about any of this approach. In fact, there have been too many

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secrets in the last how many years, which is why we are where we are today. *[Interruption]* You see, I am not going to be drawn into that, because at the end of the day all that happens is that we get side-tracked from the particular problem on which to focus and another day passes and nothing is done. As we do that, the situation gets worse and worse.

Sen. Mahabir-Wyatt: Since these reports are not secret in any way and it would put Senators to a considerable inconvenience to have to trot down to Caroni just to look at them, perhaps the hon. Minister would allow them to be put in the Parliament Library.

Sen. W. Mark: Including the Booker/Tate one.

Dr. Rowley: Let me go on *Hansard* as saying that I will make a copy of the Booker/Tate Report available to Sen. Wade Mark in person. I will go further to say that I will entertain no discussion on the Booker/Tate Report after I give him the copy because Government policy is not contained in the Booker/Tate Report; Government policy is in the Tripartite Committee Report and that is what I intend to deal with. So whether he has a copy or not does not matter.

Sen. Hosein: Mr. President, I wonder if the Minister might also make a copy available to me.

Dr. Rowley: We have just agreed that there will be a copy placed in the Parliament Library. That will satisfy the conditions.

I have gone through this in another place and I was appalled to hear responsible members of the national community get up and say that Government has a report in its hand to close down the diversification programme and to do this and that when in fact, if they had any access to the report at all, they would have seen quite clearly that the opposite was the case. I am not responsible for other people's behaviour. What I am responsible for is bringing Senators up to date on what we are doing on a particularly intractable national problem.

With respect to the recommendations in the Tripartite Report, one would have seen that we have agreed on the size of the Trinidad and Tobago sugar industry. I want to make the point that, unlike a number of the other reports, what is probably unique about the Tripartite Report is that Government was involved in the hammering out and in the recommendations that came out. Therefore, we had no difficulty in accepting its recommendations because the Government was a part of working it out. So when it came into our hands on a Sunday, by the Thursday of

the same week it could have gone to the Cabinet and could have been laid in the other place on the Friday of the same week because we had been part of the recommendations.

Other reports in earlier times had different points of view and these points of view were contentious and the contentiousness overcame the process and we got nowhere. On this occasion we have a window of opportunity because we have some measure of consensus. I would appeal to members, wherever they may be, to try to preserve that consensus with the objective being to preserve the future of the company.

Unlike in the recent past where one of the many proposals put forward was the closing down of one factory—and I am hearing that the Booker/Tate contains that too (not the copy that I have) and the retrenchment of 7,000 persons and things like that—this report agrees that the size of the Trinidad and Tobago sugar industry would be pitched at 125,000 tonnes of sugar. This year we produced 110,000 tonnes. We are saying that we can expand the industry by a further 15,000 tonnes. And this was arrived at after considering the scenario I painted earlier, the whole question of price and secured markets and the outlook for the future in those markets.

If we produce what we were producing at one time, as some would have us do when we were producing over 200,000 tonnes—of course we can do that again. However, should we do that we would have to sell the bulk of it abroad at under \$1,000 per tonne and it is going to cost us \$4,000 a tonne to produce it; that does not sound like good business.

So we have agreed on the size of the industry, given the kinds of markets: Satisfy the local market, meet our export commitments. So we are today saying that the Trinidad and Tobago sugar industry is going to be 125,000 tonnes. How do we do that? In a variety of ways.

The analysis by the experts is that it does not require any significantly increased acreage of cane to do that. We can increase the amount of sucrose in the sugar-cane juice by planting improved varieties of cane and by planting a greater acreage of that improved variety. As I mentioned earlier, on the advice of the technical experts out of Booker/Tate, we can improve the mills at the two companies to improve our extraction by a further six or seven per cent of actual juice. We now have a target.

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Who produces that cane? At the moment half of the cane is produced by independent private cane farmers and the company produces the other half. We have agreed that we should allow the cane farmers to produce 60 per cent of the cane and the company to reduce its production to 40 per cent from 50 per cent. This has implications. If the cane farmers are going to produce more cane, then it may be—we have not established that as yet—that they may acquire some Caroni land. Or there may be cane farmers who already have land under their control, land that they could put into an increased acreage of cane. However, if Caroni is going to produce less cane, then this has considerations for its own operations; you would not require the same kinds of output.

We talk about improving and increasing the amount of cane to be mechanically harvested. Because, you see, today, at Caroni (1975) Limited it costs just under \$40 a tonne to have a contractor mechanically harvest cane. I think the figure is \$34 if a contractor is doing it using a mechanical harvester. But if the company is doing it, as it is doing now, using manual gangs, it costs upwards of \$80 per tonne, about twice the price. So if we are going to talk about the company becoming more efficient and we say shift a bit more from manual harvesting to mechanical harvesting to get the benefit of that immediate reduction in costs per tonne for cutting the cane, then we have agreed to increase the amount of cane to mechanically harvest it.

We talk about promoting all new varieties, we talk about expansion of acreage and so forth. The Government also agrees, as a result of the technical advice it has received, particularly with respect to the mills, that over the next five years we can invest a further \$80 million in the company, and that can pay for itself because we are going to invest for specific purposes to get certain worked out returns. That is the cane operation.

What about the financial operation? As I said earlier on, the company is basically bankrupt. When I spoke to you earlier in the debate on the motion moved by Sen. Prof. Spence, I made the point that what we are seeking to do is to make Caroni (1975) Limited bankable. At the moment the company probably owes every bank in town—and cannot pay. And all that happens is that somebody sends up a note to the Minister of Finance and says “pay that”. Whether it is \$100 million, \$20 million or \$5 million—the financial department is basically a post office to the Treasury. We cannot operate like that for much longer.

We want to have the company, like any other company, able to go and talk to its bankers in the context of normal banking arrangements. To do that, the books

of Caroni (1975) Limited will have to be cleaned up. So the Government, as part of the Tripartite Report, has argued that the subventions that have been made to Caroni (1975) Limited over the years totalling over \$2.1 billion will be put into the company as equity. In short, I think Sen. Mansoor probably understands more than I would, but basically that is being written off. You are improving the company's bankability by leaving the interest payments there for future tax write-off situations, so that the company can attract some form of investment in there.

2.50 p.m.

I have heard it said in other places that the company is being treated differently, and that there is some question of discrimination. In fact, one person in the other place actually said that Caroni is the only company where its subventions are treated as loans. Now, that is not true. Some Members might have had dealings with some other state companies and you would know that a vast number of state companies have on their books significant Government Treasury support, which is recorded as loans—in many cases which they cannot pay. So it is not true to say that Caroni is being treated differently in any way.

Recently, you would have seen the Ministry of Finance, on the instructions of the Cabinet, putting up for sale and effecting a sale of Trinidad and Tobago Printing and Packaging Limited, a completely different company operating in a completely different environment, but a state company that was in financial difficulty, with no way out, except to divest the state of it; and we have effected a sale on that.

You would have heard about the arrangements to deal with National Fisheries, Nonpareil Estate, and BWIA. In short, what I am saying is that this Government is looking at the whole state sector across the board and dealing with them on a case by case basis. In this case, in my portfolio today, we are talking about Caroni; another time I might talk about National Fisheries or Nonpareil Estate or National Poultry. These are state companies which are being addressed.

We talked about restructuring the company. One of the considerations here is that the culture of the company over the years has been such that the management arrangements leave much to be desired. If today we are dealing with the problem, the expert opinion, as we sat around the table, is that what is needed is to target a situation, possibly a holding company, restructure the company into divisions, let them operate as profit centres managed as subdivisions, basically with a view to creating subsidiaries, where the management will manage the resources more

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tightly and account for what they get and you would see exactly where the money is going and how to adjust to suit the difficulties within the company.

So we can strengthen the strong—make it stronger; then strengthen the weak, or prune, as the case might be. So we talked about restructuring the company into a number of identified divisions, one of which would be a cane-growing division, an engineering division; and to the extent that you aim towards operating it like a holding company, services can be provided from the subsidiaries at a cost. We had no difficulty in agreeing with that and in fact the more recent reports of all kinds have advocated that there is no divergence of view here.

One of the warnings, though, you will see in the Tripartite, is that at the moment there does not exist within Caroni Limited the quantum or quality of management to give effect to these wishes. We shall have to significantly strengthen and reorganize the management if we are going to attain the goals that we set ourselves. The Government, the company will have to do that; the board will have to look at that. We have to source what is required.

We hear much talk about diversification. It gets many people upset or optimistic. What does it really mean? If it means doing something other than growing cane, then Caroni has been diversified for the longest while and in one of the best possible ways. Caroni has a distillery making rum and, as you would know—

Hon. Senator: Bad rum.

Dr. Rowley: There are two kinds of business that do not lose money anywhere in the world: One involves the sale of alcoholic beverages and the other, matters of ill repute. But the fact is that Caroni has a distillery which is a money loser. One might have difficulty understanding that, but that is a fact.

The Tripartite Report addresses that and says that we must do what is required to make that distillery profitable within the next two years, even if it means joint venture arrangements. In the Tripartite you would have seen that we have opened the door to joint venture arrangements with aspects of the industry. As we go along we shall see what develops; we shall see what is available, keeping our objective in sight.

If that was diversification, then the first attempt at diversification has failed, because the distillery is a money loser. We had the bagasse plant and that was a

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money loser. In fact, much of it was done in the *vaille que vaille* approach to diversification, where on the advice of local experts in some instances, Caroni embarked upon the production of all kinds of crops in the misguided approach to feeding the nation, using the kind of funding I was talking about just now, to produce, pumpkin, pineapple, papaw, cassava, coffee and God alone knows what else. Every single one was a disaster, except the rice project which was properly and professionally approached. Every single one was a money loser. So, in fact, that kind of diversification made the last state worse than the first. That is why the tripartite approach, very pointedly, says yes, we will embark upon diversification, but we will embark upon projects only after vigorous scrutiny. Caroni is now involved in a cattle project.

I have heard from other quarters about the threat of trade liberalization. Yes, we are cognizant of that, but within Caricom—as long as we are part of Caricom—we have to deal with Jamaican beef and Guyanese beef, where the potential is greater than any Trinidad and Tobago potential. So even without the threat of trade liberalization, even within our agreed association, we have to consider the future of these kinds of projects. So we are going to examine them very carefully before going any further; and to the extent that we have agreed on going further with some, it requires investment.

I think the figure you might see in the Tripartite Report is \$34 million to move some of our projects from one stage to a commercial stage. At the moment the company does not have \$34 million; the Treasury does not have \$34 million, so whither goes that programme? We have to seek that funding from elsewhere and it is in this consideration that the Government has been looking for a possible investor and, as you would know, investment in agriculture is very difficult to get on the local market and even on the foreign international circuit.

However, since May, while the tripartite team was meeting in anticipation of a successful conclusion, we have been looking for possible sources of funding. To date, we have identified possibilities through the Commonwealth Development Corporation, which is a British Government development agency, which has funding which it sometimes uses in agricultural enterprises all over the world—here in the Caribbean, in Africa, Asia and places like that. We have been talking with them, to see whether we can access some of those funds.

Only recently we have had a visit from a highly technical team from the Corporation and I hope in the not too distant future, if all goes well, we might be

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able to interest them in disbursing some of those funds, even in joint venture arrangements to take forward some of the projects we have identified as important for Caroni (1975) Limited. We have been looking at that, and to the extent that we are successful, we will begin to deal with the problem.

With respect to the whole question of reduction in the labour force, we have said in the Tripartite Report, yes, that has to be done, but we want to do it against a background where people can be encouraged out of the industry in a reasonable and humane way. One of the things we have agreed to is seeing whether we can find agreement on an improved pension plan, which would make it worthwhile for persons who are now in the industry to want to come out at an earlier age. We shall have to work on that and I hope that we can get agreement so as to get this done, because if we do not do that, as the Tripartite itself says in this report—and I want to quote it for you:

"The plan additionally sought to include flexibility and room for manoeuvre to deal with possible sources of derailment."

I hope we do not create our own sources of derailment. I hope that the consensus approach that we have entered into since January and which has been progressing to this stage, will continue, in our dealing with that.

The report goes on to say on page 24:

"Increased costs of production may require greater attention to the mechanism for securing a suitable attrition rate in the labour force..."

This is something that we have to keep our eyes on all the time, whether the attrition rate anticipated through the programme that we have hinted at in this report, is the required attrition rate to make the company viable. We intend to work this in a caring and not a cavalier manner, but keeping our objective in mind as we go along.

3.00 p.m.

The Government's intention is to make these adjustments so that we will have in Trinidad and Tobago a viable sugar industry which can stand on its own, with its umbilical cord to the Treasury severed, and providing satisfying and secure jobs to those who are in the industry and those in industries which support and supply the sugar industry within a five to eight-year period, depending on which sector you look at. Trinidad and Tobago's sugar industry is now before this Senate for reorganization and restructuring.

We are the last in the Caribbean to have done that. The industry in Jamaica has been restructured; the industry in Guyana is restructured to the extent that today Guyana is producing significant amounts of excess raw sugar. We have taken note of that, and we have taken action at the recent Heads of Government Conference to get Heads of Government to agree to have Caricom source its refined sugar within Caricom. What that means is that if we could get agreement with and compliance from our Caricom neighbours, our sugar refinery—the only one in the Caricom—which is now producing at half its capacity, can then begin to process raw sugar from Guyana and elsewhere and supply our Caricom neighbours. Unfortunately, to date—even though Heads of Government have agreed to that—our Caricom neighbours have not been playing ball. We hope to persuade them to play that ball.

We have gotten Heads of Government in the Caricom to agree to set up a sugar lobby—and the President of Guyana was named the head of that lobby—to press our case in the international fora, to protect our EEC and United States quotas, and we intend to pursue that. We have been working on it in all quarters and I hope that in the not too distant future we shall begin to see light at the end of the Caroni tunnel.

Finally, in the light of the mission statement that we are now going to rewrite for Caroni (1975) Limited, it is our intention for more reasons than one to change the name of the company to focus more closely on the targets we have set for ourselves and to work in the environment, which we would like to believe is a new, changed and an improved one.

I ask that you take note and, I ask for your support.

Question proposed.

Mr. President: Before I call on Sen. Muntaz Hosein, seeing that we have such sweet talk on Caroni (1975) Limited, I want to welcome back another Caroni representative, Sen. Carol Merritt, who has been indisposed over the last few weeks. I have no doubt, unless my eyes are deceiving me, that she is fully recovered from her illness.

Sen. Muntaz Hosein: Mr. President, we are here again to talk about Caroni (1975) Limited. I am a bit disappointed that the motion before us is worded in such a way for us to take note. I wondered why just "take note" since this Tripartite Committee had Government's and the company's support and inputs, inputs of the banks, trade unions and farmers. One would have thought that the

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report being submitted would have simply gone to the Cabinet of the day and implemented.

But lo and behold this matter has come before us to “take note”. Perhaps, the motion should have been one to “examine and take action required”, rather than simply one to “take note”. I do not know why this has been done. It is very instructive that this was being done during an election period. We wonder about the intention of this Government. It seems quite suspect that something like Caroni (1975) Limited was brought in another place during a time of election simply to take note.

Mr. President, if you—as I am sure you have done—were able to seek the advice of others, you would hear people saying that this motion was simply brought before the Senate so that the Government could perhaps beat its chest and make political mileage out of the motion. I should like to give them a little more credit than that, and perhaps believe that there was a more honourable intention. I know I take the Minister by surprise.

One must examine, and the Government needs to do this, when it talks about, the kind of co-operation that is now existing and wants this co-operation to continue. I could not agree with the Minister more, that this is what we require in the country, and not only in respect of Caroni (1975) Limited, but overall. Because without co-operation on any matter our country is not going anywhere. He will find that we on this side of the Senate will be very willing to co-operate, but he must understand that if there seems to be a lack of co-operation then there must be reason for this.

The Minister alluded to the Booker/Tate Report and he said that heavy weather was made of it in another place. What can the Minister expect if he is in receipt of a report that is not available to the opposite side? If he had made that report available prior to the debate, perhaps there would not have been any suspicion or all that heavy weather which he spoke about. These are some of the things that militate against the kind of co-operation that the Minister, and all of us, would like to see. We should not have the cause to come here and ask that the report be made available to us.

The Minister was aware that in another place heavy weather was made and if he wanted to avoid that problem here, he should have laid it in the Senate prior to coming here, and we would have had no problem with it. There has been so much said about there being secrecy with respect to the report and sinister things

contained in it and so forth, perhaps against the best interests of a good Trinidad and Tobago. We do not want to operate in an environment of this nature. I therefore wish to advise the other side that if they want to avoid things like that, they have it within their grasp to do so by simply making the information available prior to coming to the Senate.

3.10 p.m.

Dr. Rowley: Would the Member gave way? On a point of clarification. The motion before the House is the Tripartite Report. What went into that was a number of reports of which the Booker/Tate was only one. There were various other sources of information including Mr. Dennis Pantin whom we invited to provide economic advice to the team. We used those components, and we got a Tripartite Report upon which we agreed. I saw no reason to want to put the other things in because they were simply contributory factors to this report. That is the sum total of the argument. Unless the hon. Member would like to incorporate some of what is in other reports and amend the Tripartite Report, other reports are as of now irrelevant.

Sen. Hosein: Mr. President, I believe that the hon. Minister understands the sensitivity surrounding the name Booker/Tate and that alone should have cued him. Even before the debate, it was being bandied about that the Minister had this report in his possession and people were querying whether it was a private report. I am simply saying that if the Minister was aware of that, he should have made the report available and he would not have had the kind of flack he received regarding that report. I hope he accepts this as advice to the other side on how to get the kind of co-operation required.

The other area is that we have to look at what kind of track record the Government and previous governments can contribute to this country, and with regard to Caroni Limited. We have reports dating back to 1978: the Spence Report, part of which was accepted very late and part of which was put into operation. In 1980 we had the Rampersad Plan; in 1985 the St. Cyr Report, in 1988 a Cabinet Plan called the Dookeran/Caroni Diversified Products Limited Plan, we had the Directional Plan in 1992. We had, as was indicated by the Minister, a diagnostic review of Caroni Limited by Price/Waterhouse. We had commissions of inquiry—the Soulbury Commission, the Goldenberg Board of Inquiry, the Honeyman Commission, and I think yet another. It is a very long list of reports and commissions on Caroni Limited and the truth of the matter is that

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the governments of the time did not see it necessary to take action. Therefore, the track record of the Government as it pertains to Caroni (1975) Limited is one of report upon report with little or no action.

Perhaps, the Minister in his winding up will tell the Senate what was the cost in terms of dollars and cents to the taxpayers to have all of these committees and reports in the past and the cost in terms of manpower and debates in this House. What did it really cost this country and the taxpayers to have all of these reports and committees which past governments received, and simply put them on shelves and did not really do anything about the recommendations in these reports? This is the background against which this motion is brought to this House. The Minister must understand that if there is some scepticism about the likelihood of the report or the acceptance that the Government will implement it, it is based on this background. I believe that those of us who have had the pleasure of speaking in the Parliament from 1978 to the present, would be correct in being very sceptical as to whether this new report will be implemented. That is the key to what we are doing here today as far as I am concerned.

Mr. President, I want to congratulate all the people involved in putting this report together. It is very good and very comprehensive. This report seems to have hit, to my mind, exactly what is required to be done about Caroni (1975) Limited. Perhaps I am saying something that might have been said in this Senate about other reports. I was not here in those days so I do not know. I may be echoing; Mr. President, you are better placed to say that than I am. You might have even recalled that other Members got up in this House and said the same thing about other reports but I can only comment on this particular one before the House and to congratulate all and sundry on the excellent report they have produced.

My fear is whether this report will really be implemented and I am happy to have heard the Minister in his opening remarks state, "examine and take action required".

I am going to hold the Minister responsible for that statement he made and I am going to come back at him at some future time if he does not implement it. I want to accept what he is telling me that he is going to take action. We have to give the Minister some kind of credit. He is new and is only 10 months in the job, therefore I have no reason to doubt his credibility. I can only caution and I can only advise that the Minister should be very careful that does not go the way of the previous Ministers with regard to this report.

When we want to get co-operation from other people we must be prepared to go the extra mile. If we do not go the extra mile, be it with our employees, wife, children, whoever, we would find that we would not get co-operation, because the other party would not walk the extra mile as well. In this case we are not talking about the extra 45 miles, we are simply talking about that extra mile. The Government should have considered—and it is unfortunate that it still has not yet considered the contentious problem of an exact date for payment of the Caroni back-pay. There has not been an exact date. “Before the next crop” is not acceptable. It has been asked for a specific day. I think that the Government should have looked at that and set an exact date when that payment should have been made and we would not have had all those problems in the recent past.

3.20 p.m.

The question of whether the Government had problems has something to do with the arrogance it tends to display. It must not talk about co-operation on one hand, and then in arrogant terms on another hand, and expect that people would co-operate with it. Therein lies a problem. What you preach and practise may be two different things, and unless you are prepared to practise what you preach, you will always have problems with other parties. I am sure that if he seek Sen. Draper's advice, he will tell him that the path he is going on is a very rocky, and contentious one. These are some of the major problems that face us with regard to co-operating as far as Caroni (1975) Limited is concerned.

If you examine the Government's attitude with its other partners, you will find that there is a similar vein running through it. That is what I think the senior ministers of this Government need to look at. I am taking some time to try to drive this point home, because I am mindful of the position that our country is faced with at the moment.

The Minister touched on diversification. From the moment you talk about diversification people immediately begin to think about the loss of jobs. When you talk about the loss of jobs it is a very sensitive nerve you are touching, and when you talk about trade liberalization that is also another sensitive nerve. You need to have a better plan than the one you have now, if you have one. I am hoping that you have one to get all your social partners that make up the fabric of Trinidad and Tobago together, so that they can sit and work together to get us out of the hole that the government before put us into.

Some of us within the private sector, and all the other sectors of the economy of Trinidad and Tobago have contributed to our being in the hole that we are in

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now. The only way that we are going to get out of that hole be it Caroni (1975) Limited or whatever, is with the united effort of all the social partners of Trinidad and Tobago. I am simply saying to the Government that it will not get that unless it attracts the other social partners in a meaningful way, a coming together to get ourselves out of the whole thing. I emphasize this so the Minister—and we have quite a few senior Ministers present—would take it, try to sift and examine it to make certain that he is not contributing to further exacerbation of these problems we now have.

The Minister spoke about unemployment and of the market being unable to keep pace with the demand. Yes, that seems to be what is happening, but we must understand that the market for jobs in Trinidad and Tobago and any small country like ours, is in the main, controlled by the Government. Therefore, the Government must take the necessary steps to ensure that those of us who are on the job market and are willing to work are getting an opportunity so to do. The Government must examine itself when it is talking about unemployment and being unable to keep pace with the demand.

I recall that prior to the election of 1991, the Minister of Finance received a report from within the People's National Movement. The hon. Minister is present, I am sure he will remember that, because heavy weather was made about that report prior to the general election. I do not remember the names of the others, but Sen. Rahael was a member of that committee. I remember when the presentation was made to the Minister of Finance it was stated that the document had the answer to our unemployment problem. I do not know what has happened to that document.

It is only 10 months and a senior Minister is telling us he cannot keep up with the demand for jobs. What is happening? I have never really seen a copy of that report, but if that report was supposed to do what it said, what has happened to its implementation? Perhaps it was a blueprint. Maybe in his winding up the hon. Minister would tell us what has happened to that report. Did they put it on a shelf, throw it in the Caroni River or are they implementing it secretly? Perhaps we shall know about it 10 years later.

3.30 p.m.

When you talk about unemployment and say that you are unable to keep up with the demand, you are in fact telling us that you have failed to do your job. That is what the national community will say based on what you are telling us—

you cannot do the job. My answer to that is if you cannot do the job, make way. Let somebody else do it. We are talking about running Caroni as a business, I totally agree with that. That is the way it should have been before the Government took it over. In business circles if you get a job to do and after 10 months you come to the shareholders or board of directors and say to them, "Gentlemen, I had a blueprint for unemployment, but it has not worked". I think that the board in most instances would say, "Will you please send in your resignation and let me find someone else". These are the harsh realities of running a business but, of course, politics is not really a business, and we can see the difference.

The Minister touched on Government financing to Caroni. Every time we talk about financing to Caroni and refer to how much money Caroni owes the Government, we have a problem. We are getting only part of the real problem of Caroni. We do not talk about if funding had to come from the Treasury over all these years. We ask why action was not taken to arrest the funding all these years. Why now? Why so late? I am not saying no to it. The Government always had the whip hand. The Government hires the people so they cannot escape the responsibility. Perhaps the Government will say, "Well, it was not in our time". The Government controls the price of sugar which is the revenue earner of Caroni (1975) Limited.

We are very familiar with what happened with Trinidad Cement Company which was losing money until Government took its hands away from the pricing of cement. The price of cement went up and the company became viable. But in the case of Caroni (1975) Limited, the heavy hand of control was there. What I am asking is simply that the Minister when he puts a case to the Parliament he must not say that we have had to spend so many millions of dollars to fund Caroni for so long a time—I do not doubt that is true—but he must say all the other things that go with it. He must also say that the Government control the price of sugar. In other words, they have tied the hands of the manager: he cannot manage. Whatever the case, it is simple. If you want to bring revenue in line with expenditure, either reduce expenditure or increase revenue or simultaneously do both, but it would seem very clear that is not enough.

One must be very careful, when one comes to Parliament to talk about finance to Caroni, to tell the full story. I do not want to go too much into that. If Caroni is bankrupt, then the Government must take the blame. They control it. The employees of Caroni (1975) Limited gave free labour to the company to assist it in trying to get out of the problem. They are doing their part as well. I am not saying

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that the Government have not been called upon to provide moneys year after year. I recognize that. I am saying that the Minister must tell the full story because what he is doing is giving a lop-sided case.

We hear about the Booker/Tate Report and the Minister said to us that he went to Booker/Tate for two reasons: funding in the future and expert advice. I do not think anybody can fault the Minister for looking for expert advice. I certainly would not. If he is looking for expert advice, then he has every right to go, in his judgment, to the best source he could find. If he is looking for funding in the future, I have no problem with that because I recognize that advice and funding are necessary to get Caroni out of the hole in which it has found itself, and whether he went to Booker/Tate or somebody else, really does not matter.

Sen. Prof. Spence: I wonder whether the hon. Senator would agree that perhaps if the expert advice was available locally the bias, at least, would be in the interest of Trinidad and Tobago as opposed to foreign advice.

Sen. Hosein: I totally agree with the Senator that as long as the advice is available locally, there is no need to go outside for it. I also recognize that decision is not being made by either the Senator or me. That judgment has to be made by the Minister, and if he feels that advice must come from Booker/Tate, so be it. I would hope that the Minister and his Government, in coming to that kind of judgment took into consideration all that is available in Trinidad and Tobago, because, eventually, the Minister and his Government will have to answer if the advice they got from Booker/Tate does not work. He will have to answer to the national community. Therefore, it is only fair to allow the Minister to get the advice from where he wants. He and the Government are going to be the ones to be held responsible.

I have no problem with the question of restructuring the management of Caroni (1975) Limited. I do not think that anyone would have a problem with the Minister with regard to the restructuring of the management for the good and betterment of the national community. On this side of the House, he would have no problem if he decided to do this.

3.40 p.m.

The Minister alluded to this part of the report that dealt with early retirement of the workers through an improved pension plan. I would imagine that all of this would come up and the relative trade union will be sitting with the Government regarding the details of this plan. I am certain that this will happen. I hope that the

Minister would go that route and not have a problem where people do not agree on something but they have to accept it. We have a case in point with BWIA, for example, where a similar matter has come up and the union is saying that they do not agree on whatever moneys have to be given to the workers in the retirement plan. So I hope that will not be the case and that there will be sufficient time in which the Minister will seek the co-operation of the union before he does these things.

Mr. President, whether we like to or not, there must come a time, if a company is being diversified, if you are trying to make it viable, some strong medicine is going to be required. Some people may have to leave the company by way of early retirement and so on. I do hope the number will be small and it will be done in a humane manner—I think the Minister alluded to that—and that people will be able to get their money. I hope it will not be that the money will come way down the road because that would defeat the purpose.

If the people in Caroni (1975) Limited who wish to take advantage of early retirement do not get their money, the unemployment situation in Trinidad and Tobago being what it is, they may have difficulty looking after their families. Perhaps whatever moneys they receive could go into farming some land or a small business or something. Whatever it is, they would need that money. I hope that the Minister would be in a position to put aside that kind of money and make it available for these people to be paid, and to be paid promptly.

With regard to this report, we are not opposed to it. We are in favour of it; we think it is a good report. We have a major problem with implementation. If this report were to be implemented, I am certain that it would go a long way in making Caroni (1975) Limited viable. I hope the Minister would use his energies to implement this plan. As long as that is done, I believe all of us in this Senate would be very happy; so too would be the people of Caroni because the company may turn out to be viable.

I thank you.

Sen. Surendranath Capildeo: Mr. President, it is with great dismay, a sense of deep foreboding and, I may say, an instant betrayal of our parliamentary trust, that I approach this kind of—what I deem—senseless debate. The people of this country, Sir, are not stupid, least of all the sugar workers and cane farmers. All of us here, with limited exception, are their descendants. We all have a definite historical link to sugar. The sweetness flows in our veins. But some of us, Sir, are left with a bitter taste in our mouths.

Sen. Huggins: I have heard this speech before.

Sen. Capildeo: Listen again and learn.

This is a relatively new phenomenon in this session of Parliament, of this honourable Senate being asked to take note of certain matters and things done, undone and not done by the Government, the last motion being one by my friend, the good Pundit, Sen. Gosine which went something like this: "Whereas the Government of Trinidad and Tobago recognizes the importance of the public service in the administration of government and in ensuring sustained growth in the nation; and whereas... and whereas...and...; be it resolved that this Senate take note of the Government's approach..."

Mr. President, I do not want to insult the memory bank of anyone here or of the public out there, but I am sure nobody remembers anything about that debate. Worse, there has not been any obvious, overt, recognizable, startling, incredible or fantastic result of any so-called reform of the public service. In fact, since this motion to take note of what the Government is doing about the public service, the situation has gone from bad to worse and several of the hon. Ministers are under siege from almost all sections of the public service.

So I ask: What is the purpose of this kind of motion? Is it a lack of confidence and the Government wants some kudos, an opportunity to pat itself on the back? Is it a new method of informing the public on certain matters and things? Is Senator Draper finding a way around our attractive Minister of Information? I have already asked my good friend, Sen. Wade Mark, to go easy on the lady. He must learn to use charm and not exposé. It looks bad for a nation when a Minister is caught with his pants down, far more a lady Minister.

To return to the matter at hand, Mr. President, what really is the purpose of such a motion at this time? What is its relevance, given the present ruinous state of this nation? Is this Government so powerless in its legislative programme that it has to fill the gaps in its non-existent plans by a motion of this nature? It is not fair to the country and the people. As I have said, the people are not fools. They are not going to fool the sugar worker, the cane-farmer or the taxpayer with this motion.

Let us, Mr. President, begin at the beginning. The motion says:

"Be it resolved: That this House take note of the Report of the Cabinet appointed Tripartite Committee on Caroni..."

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and my copy has:

“(1875) Limited”.

Yes, Mr. President, my copy has Caroni (1875) Limited. And that, in all seriousness, Sir, is no mistake. You see, it could be 1875 Limited. It is no mistake at all because, when it comes to sugar, the sugar worker, the cane farmer and Caroni, time is immaterial as far as this Government and its predecessors—in title for the last 36 years—are concerned. So whether it is 1785, 1875, 1975, 1992 or 1995, it is the same khaki pants: Words, words and more words, nothing else.

As far as sugar is concerned, it has been a history of verbosity, verbiage, loquacity, prolixity and non-stop talking. Here we are today, being forced to continue and take part in this literal diarrhoea of the mouth as far as sugar is concerned. That is why I said at the beginning of my contribution that I am filled with dismay, deep foreboding and a sense of betrayal.

Let us go back to the actual wording of the motion. The motion says we are to take note of the report. I did some research on the word “note”. Apparently, that is an important word in the Government’s legislative language. Take note, it is like “shortly”. So I went and did some research on the word “note”. Did you know that there are some 60 different meanings and usages of the word outlined in the *Compact Edition of the Oxford English Dictionary*, published by the Oxford University Press? I shall give some of the meanings and they can take note of the meanings so that they can use them for us to take note of other matters that we may come to later on.

“Note” may mean distinction, mark, importance, representation, fame, to observe, mark carefully, give heed or attention, to notice closely. As Edmund Burke said, in one of his letters: “I received Your Lordship’s letter, and as the merchants say, note the contents”. Does the hon. Minister want us to say likewise, “We note the contents”?

Mr. President, Shelley, wrote, referring to Charles I:

“Have you noted that the fool of late has lost his careless mirth?”

That is another use of the word “note”. Well, no one could accuse this or any other hon. Minister of losing his mirth, carelessly or otherwise.

Mr. President, “note” can also mean to affix the stigma or accusation of some fault or to mark or to brand with some disgrace or defect or to stigmatize for some

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reason. The expression used in the dictionary, Sir, was to be in suspicion and noted with infamy. I do not think that the Minister would take kindly to the use of the word “suspicion” or “infamy” to this Tripartite Report. So just what are we doing here? Taking note.

Over the years, every word that has to be spoken about sugar has been said. Every expression, every phrase, every sentence it is possible to use about sugar and the sugar industry has been used. The debate on sugar and the sugar industry has been used. The debate on sugar has been repetitive, padded, protracted, spun out, never ending and interminable and it goes on even today. Mr. President, the time for words is over. It is time for action now. The debate must stop. Implementation must start, and start now. The babbling circuitousness on sugar must stop. Pay the people their money now and implement the report!

Mr. President, every idea, conception, thought, opinion, position, belief, conviction, plan, design, scheme, vision, dream, intention and objective with respect to sugar that could have been written has been written. You have just heard the evidence of the Minister himself of the innumerable reports that have been written on the sugar industry. What more theory, hypothesis, postulation, supposition or conjecture about sugar do we need in this country? None, I say. Implement the plans now. You will get the Capildeo Plan in 1996 or before if your Government falls. Pay the people now, start implementing the plan, stop the talk, stop the writing; start working now. That is what the cane farmer and the industry want. They want the business to work. The words, the letters, the debates and the wasting of parliamentary time must come to an end. Go out there and get the thing working and if they cannot do it, quit and let other people who can do it, do it.

Mr. President, if words and ideas could be converted into sugar we could in this country safely shut the industry down and all the millionaires. It is times like these you really wish people could be made to eat all of their words.

There is a real danger in this type of debate and here we get very serious. The debate is sterile and impotent; it produces nothing. It should have been, in all honesty and conscience, a motion to implement the report, to do something positive and concrete. Instead, my contention is that the nature of this debate poses a real danger to our fragile society. We have just been through an election campaign. The motion is well timed but it is dangerous. Instead of cementing the divisive and fractious blocs of our community, this kind of motion at this point in

time heightens the differences. It creates a we-and-they situation for no reason whatsoever.

I want to quote from lectures a by Prof. John La Guerre. It is entitled, “The Sociological Impact of Changes at Caroni (1975) Limited”, and La Guerre, a lecturer at the Faculty of Social Sciences at UWI, is a local expert, not an imported one. I quote, and you will see why I say that this debate borders on the dangerous:

“It was at one time fashionable to see the plantation as essentially a relationship between labour and capital. Academics are now much wiser, having in recent times been converted to the view that the plantation was more than just an economic transaction. There is now increasing consensus that the plantation was, in fact, a total system in which social relations, status, race relations and politics were part and parcel of a single cultural system. The plantation became, in fact, a way of life.

Trinidad’s history and cultural inheritance have largely been based on the plantation. Slavery represented one phase of the plantation experience; indentureship the other. In many ways these two phases explained the different evolution of the two major communities in Trinidad—the East Indians and the African-descended communities. For well known reasons, the ex-slaves flocked to the urban areas. The successors, the immigrants, largely from India, were by various means forced to come to terms with the plantation. The end result was the emergence of two cultures in Trinidad: The Creole culture became identified with the urban areas, while East Indian culture was associated with the plantation and with the requirements of its existence.

In short, the sugar industry and East Indian culture came together and in practice worked as a total system. Recreational facilities, hospital services, policing and welfare provisions became the responsibility of the plantation. It is for reasons such as these that the sugar industry must be regarded as a special case and its proposed restructuring be handled with care and understanding.

The state is understandably the trustee of the nation. It must thus take into account the national interest, whether the restructuring involves Iscott, T&TEC, WASA, Trintoc or Caroni Limited. But the national interest is not a *deus ex machina*, instead, it is a consensus built up by the integration for the various interests in society, taking into account the evolution of those interests.

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Historical factors thus explain why the sugar industry and East Indian culture are coterminous. They explain, as well, the fact that state enterprises, the public services, police and armed services are largely dominated by the African-descended community. It is accordingly just as important to take into account social and cultural factors in the restructuring of the public service as it is in the case of the sugar industry.”

Once more, Mr. President, the perception—and I respect “the perception”—out there is that the Government is satisfying everybody but the sugar worker and the cane farmer. The perception is out there and therein, Sir, lies the danger of this kind of debate; it is a real and present danger. The debate immediately places the two major communities of the country in stark contra-distinction to each other.

Dr. Rowley: Would the Senator give way? Just for the record, I should like to assist him by pointing out that I have been appointed by the President of the Republic and I am a Minister of all races of Trinidad and Tobago.

Sen. Capildeo: As I was saying, Sir, it immediately gives rise, because of historical circumstance—not through the fault of this Minister or anybody—to the hornets’ nest of ethnic politics with the general propaganda of equating sugar with India, when nothing could be further from the truth. It is not solely an Indian affair. There is a substantial African input. It involves the whole nation, but the perception is out there and that is the danger in a debate of this nature.

Mr. President, I want to quote from a book called *Ethnicity, Pluralism and the State in the Middle East*, edited by Milton J. Esman Itamar Rabinovich. I quote from page 3, Sir:

“Conditions that give rise to ethnic politics are (1):

Control by the modern state of political and economic resources are vital to the security and well-being of its inhabitants and (2)

tensions between the pluralism of society...”

You see, it is all well and good to come and laugh, giggle and pretend that real life is not going on outside there. But it is, and the tensions are there and the danger in the debate is there.

“and the claims of the state to regulate the lives of all who live within its territorial boundaries. Though external influences may at times be significant, the arena for ethnic conflict—for the political expression of ascriptive pluralism—is the modern state.”

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That is the new political theory being espoused. They go on at page 21 to say:

“In contrast to assimilation, the state may enforce patterns of discrimination or exclusion against minorities...”

I link this to the statement I made of the perceptions outside Parliament which run deeply within our society:

“denying their members equal access to economic opportunities and public services and consigning them to inferior social, cultural and political status. There are numerous combinations of neglect, harassment and institutionalized discrimination by which states deprive and repress members of subordinate communities. Inferior status may be combined with substantial cultural autonomy as in the Ottoman millets and the South African homelands. The State may cultivate and exploit divisions within subordinate communities along kinship, sectarian, urban/rural, or class lines, in order to weaken them, or it may co-opt compliant individuals and make them dependent on minor but selective handouts from government.”

The handouts could be in any form, Sir.

“Such draconian measures as enslavement, genocide and expulsion...”.

And we see it in Eastern Europe; it is not something in theory. Members on the other side can giggle and make their jokes. This is real life—

“have been practised by Governments against conquered or subordinate ethnic and confessional communities...”

It is an article of conventional wisdom that economic growth and prosperity provide the ideal context for the management of ethnic conflict, since increments of growth can be used to pacify ethnic discontent at no absolute cost to advantaged groups or to the regime. There are two contrary hypotheses. The first holds that during periods of rapid growth, subordinate groups develop high expectations, and that failure to realize these expectations, (despite real economic improvement) produces frustration, relative deprivation, militancy and heightened conflict.”

And you have to be blind to be living in a society and not see frustration, deprivation, militancy and heightened conflict; and you have to have a certain mental attitude to come to the Senate and giggle when the points are being made.

4.10 p.m.

The counter hypothesis, Sir, argues that because most communal grievances are not economically founded, they are unaffected by economic growth.

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Moreover, even if growth could attenuate the conflict, the critical question is how the regime distributes the surplus. The regime may be under more significant pressures from the dominant group to channel incremental resources to their needs.

We have heard from the Minister, that not only is there not a surplus, there is bankruptcy—total and complete bankruptcy—and from what he is saying, the bankruptcy is not only in respect of Caroni Ltd., it extends to the entire Government itself. The Government does not know what to do. So it comes here with a motion that, as I say, is fraught with danger.

In this country we cannot afford the—it is almost an evil—luxury of ethnic conflict. We are supposed to be the leaders of the new Caribbean nation, albeit, that we have abandoned that position through ineptitude and through lack of any kind of initiative. We have to demonstrate by our personal lives the superior quality of our way of life as compared to the ethnic wars which now ravage the world, particularly in Eastern Europe and what was formerly Soviet Russia.

Moreover, coming closer to home and coming home, it is imperative—and this is what brings this debate alive—that we expose Guyana to the homogeneity of our society—with all its faults, its quirks, its excesses; it is imperative that we expose them to the beauty and harmony that exist in these little islands of ours, so that stability would ensure Guyana's continued success on the road to true democracy and equality for all.

This is not a debate in isolation about a tripartite committee on Caroni Limited. This debate goes to the root of our society. It involves and affects 95 per cent of the population of this country which claim a direct descendancy from sugar; and that is where the debate assumes its enormous importance. That is where the frivolity with which the debate is being treated on the other side is something which has me filled with a deep sense of foreboding. Because what this country is looking for is leadership. It is looking for implementation of the endless reports on Caroni Limited. It wants to see an end of Caroni Limited reports—it wants to see action.

Sen. Dr. Kuarsingh: Would the hon. Senator assist me by telling me how this side is treating the debate frivolously?

Sen. Capildeo: If the hon. Gentleman could wade across to this side and sit down and look opposite, he would see it. The importance—

Sen. Dr. Kuarsingh: Please take my question seriously. How are we being frivolous?

Sen. Capildeo: Apparently you are not listening. You are not listening to your own side and to me. Mr. President, let me continue. The importance of this debate is not merely to take note of a tripartite committee report on Caroni (1975) Limited. It is a debate which affects the population of this country in a very fundamental way; and the people of this country have become tired of words; they are tired of plans; they are tired of being told things are in train and will be done shortly. They want to see action. Moreso, the people of Caroni, the sugar workers who have a judgment since 1983 and cannot enforce it—and you come to tell those people, take note! The perception out there is that that is rank discrimination. I am not saying that the Minister is.

Dr. Rowley: What are you saying?

Sen. Capildeo: I am saying that the perception is there; and to erase the perception you should implement the report. Why not say we are going to implement this report today? Why do you not amend your motion and say let us go on, implement the report? What is the problem? Why should we only “take note”? Why could the Minister not have the courage of his conviction and say, “Look, we have this report. This is a Government report. We spoke to the union, we spoke to management; we spoke to labour, we are going to implement this report come hell or high water.” Why come and say “take note”? And then you would come and say, five years down the line, we are still there; and in the year 2002, according to this report, we are still there. The people of this country, are tired and fed up. They want action, and words will not do. I end with the old saying, Sir, “Who don't hear, will very well feel.” Thank you.

Sen. Rev. Daniel Teelucksingh: Permit me, Mr. President, to compliment the Government on this study it has initiated and aimed at, to quote the hon. Minister, “resolving the long-standing issues related to Caroni (1975) Limited.” Today, this Senate is being asked to “take note” of Government's initiatives. Yes, we have taken note also of the voluminous documentation of the initiatives of previous years; and also we note the several months this Senate spent in 1992 in considering Sen. Spence's motion on the rationalization of the sugar industry. In fact, the *Hansard* record of that debate may very well find an important place among other valuable resources for study on Caroni (1975) Limited. We take note. That is, we are being given notice of Government's intention. But what we should all like to see is purposeful determined follow up initiatives, since the matter of implementation is what counts.

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Mr. President, I like the speed of the hon. Minister of Agriculture. He has begun a most vital project of national significance and one would prefer, in the event of any Cabinet reshuffle, that he be requested to remain in his present portfolio to pilot the recovery of a much maligned and sometimes misunderstood state enterprise. I do not think that we could afford a change with this kind of start we have had.

4.20 p.m.

On the question of long-standing issues, I know that the year is coming to a close, the 1993 budget is being prepared and I really hope, as Sen. Hosein observed, that the Government will keep its promise to pay the sugar workers that \$30 million out of its \$160 million indebtedness, before the next crop begins. This is a commitment which I urge the Government to honour since no excuse to renege or disappoint the sugar workers will be good enough. I am pleased today with the verbal assurances given by the hon. Minister that this promise will be honoured.

The Report of the Tripartite Committee on Caroni (1975) Limited embodies a good principle—and this is how I look at the report—which Government should continue to entertain; and that is the principle of dialogue, compromise, consultation and accommodation.

One problem which has haunted this nation and all of us is the curse of indecisiveness and the blight of protracted discussions. Why have we waited so long? Why have we waited until now, when the hon. Minister has to announce that Caroni (1975) Limited is on the verge of collapse? Why did we wait so long? Something has to be wrong with us as a people.

This is one of the reasons for the disappointing Trintoc strike. Here is a lesson for us to learn, and it is relevant to this observation I am making in my study of this document. The nation was reminded by the OWTU of the failure of the company to settle outstanding issues since 1985. If that is true, then for the past two weeks the national economy has been unjustly battered due to dilatory causes that begged for an explanation. How come soon after the oil strike began all parties got together and suddenly answers towards a settlement began flowing in? Why did it take so many years in coming?

A strike today in any sector in this country, manufacturing or industrial, is a perilous step leading towards economic suicide. We have been preparing for this,

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because of our procrastination. The principle of dialogue and purposeful consultation which produced the Tripartite Report before us today, will go a very long way in creating a basis for future co-operation and goodwill among all the principal players, namely, the Government and its company, the Cane Farmers' Association and the trade unions. This pattern is to be commended to the agricultural sector also.

In that Trintoc impasse the union explained that its strike action is to be understood in terms of fear and uncertainty about job security after the Trintoc/Trintopec merger. On the other hand, Government and the company have been seeking feverishly to calm the union. Why, this nation is asking, do we allow things to reach so far? Just as we are telling ourselves in this report. Why is it that over the years we allowed Caroni (1975) Limited to reach this state, almost a state of no return?

Mr. President, something has to be wrong. There is a breakdown in communication—if there was any communication at all—in the quest to solve the complex problems of Caroni (1975) Limited. I suggest that Government consider initiating an energy commission comprising the Government, its company and the OWTU to consider, together, projections and strategies in the oil industry. This coming together is what has produced the document before us.

The document before us is not a plan of the Government only. This is the message I get in reading it. Different parties got together to study what can be done with an ailing industry. I have the feeling that this might just be needed with so many of the other industries. We are a people who seem to be learning very slowly, especially when today we are noticing the power of the unions in this country. We have learnt in many Januarys when the sugar workers threatened to strike, how serious it would be, and the power of unions. We have learnt it very slowly and painfully.

This report is an excellent one. I like the dream and the drive that were responsible for producing it. People got together to produce this report. If there is humility in the Government in the production of this report, then that has to be commended. The Government brought together others in the production of a plan. I believe that no matter how sacred the energy sector might be, there is need for Government to sit and listen to everybody. In fact, it is doing that right now. There has to be a crisis first before we sit and listen to somebody. It is only a crisis that will teach us a lesson, and it is only from a crisis we get answers.

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This document is possibly teaching us something. I really hope that this will be a new strategy in problem solving by the Government. I believe this methodology of confrontation must be shunned. We would never progress if there is suspicion in parties who are diametrically poised for war. This is the scene right now.

Our Government and all of us, can learn a lesson from the present problems in the British coal industry. That nation's Trade and Industry Secretary, Mr. Michael Hasseltine, in a kind of arrogance on behalf of his government's position said:

"I do not think there is a case for changing the recommendation that I had made."

That was his first position. That kind of arrogance, which is not uncommon among us and in our history—He might have said, I do not think there is a case for changing any recommendation at all". It was not many hours after he said that in the House of Commons, his government had no alternative but to purchase a basket of humble pies. We have to learn from this. I am very sad today that this is the way our country has been going. We must learn to listen to one another. We must learn to create avenues for dialogue and discussion rather than confrontation. We have had enough confrontation.

4.30 p.m.

I agree with the views of Sen. Capildeo. While coming to the Senate meeting today, there was, around midday, a call-in radio programme. Here was one listener calling the host and quoting the hon. Minister of Agriculture on some of the things he said about this particular report. He was saying that any time this matter of Caroni Limited comes up, the question of race cannot be separated from it. I feel very disturbed that someone from Point Fortin—the entire country looks at this particular problem in terms of race. We have taught them to do this and it is very sad. The whole nation looks at it. There are going to be all of kinds of problems and negative reactions the moment you decide to fix your budget so that those people would get what is due to them. It is very sad that it should be like this. It is because we have allowed it to get out of hand for too long. This is why all these interpretations have now been added to a problem that should have been dealt with earlier. I wish the hon. Minister well. I really hope that he will stay on to complete his task.

On implementation, I do not believe that I or Caroni, the workers or the nation can wait, as I see some dates in your report, five, seven years down the line. I too

believe that the Government should select certain areas. They have selected some like aquaculture, citrus and animal farming. What we would need you to do as a Government is to take them possibly one by one and do something dramatic and revolutionary about them and let them work. This is what we should like to see.

I hope and pray that in this very important state enterprise which is here to stay—I believe that we shall always be an economy with agriculture playing a most important role—we try to understand how important this is. It is not a delicate issue at all, it is an issue that involves consultation, discussion, understanding and patience.

I should not like to see the Government adopt any attitude based on arrogance at all. I love this document and the spirit that has produced this document. The spirit comprises mutual understanding. A document like this should have been produced many years ago, and I think that the whole idea behind it is one that should be adopted in solving other issues.

Thank you very much.

4.33 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

Sen. Roi Kwabene: Mr. President, it is heartening to note that once again, the Government has taken in stride the necessity to bring this issue concerning Caroni (1975) Limited before this Senate.

The motion asks to take note. I should like Members on the opposite side to also take note that Trinidad and Tobago needs to have a clear agricultural policy and I have to agree that Caroni (1975) Limited is of strategic importance, has a very important role to play, as far as the national agricultural policy is concerned. However, if we are to take note of this report in a serious manner, we also have to look at what is happening in Trinidad and Tobago as a whole at present.

As we are all aware as Members of this Senate, in Trinidad and Tobago we are confronted with a foreign debt crisis. As we also know, the people of Trinidad and Tobago need to come to terms with this reality today, for tomorrow may be too late. We have to take note of the rise in crime and unemployment in this country. We also have to take note of the fact that during the early years of our beloved nation, when the People's National Movement were the Government, during the years 1956 to 1986, they had the opportunity to address this issue of national development and an agricultural policy.

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As yet, in Trinidad and Tobago we have failed to fully harness the human resource, which is the most important resource in our beloved country. What I am saying is not irrelevant to the subject, because as you are aware, labour is involved in Caroni (1975) Limited and taking that into consideration and the fact that diversification may be one of the means sought by the opposite benches, we have to take into consideration the need for us in Trinidad and Tobago to feed ourselves, and the rising cost of foodstuffs.

Trade liberalization, now a familiar term not only to us, but also to the man in the street, comes into focus, for there is a very important need to protect our local farmers. During the presentation of this motion by the hon. Minister, I heard reference made to the Commonwealth Development corporation. I mention this reality in the Senate today, that because of the global economic conditions the United Kingdom has recently advised that same corporation to cut down on their investments abroad. I am quite sure that includes the Caribbean region.

We have to find \$34 million to finance the proposed plans for Caroni (1975) Limited. However, the Minister is in a unique position; he is Minister of Agriculture, Land and Marine Resources. We live on islands which are surrounded by water. We all know the price of fresh fish. I think that within recent times our marine borders have been extended. I think it is very important to the Minister to take into consideration—this is a suggestion for the the hon. Minister—the fact that the waters which surround us, the foodstuff and livestock that are there, need to be harnessed, if we are seriously thinking about progress in our beloved country.

I think it is important that not only Caroni (1975) Limited should be looked at, but the whole issue of fishing in our surrounding waters. At this time it is very important for me to reiterate that once we can harness our land and marine resources, we may well be on the way to recovery. I sincerely hope that this suggestion I have made will be taken seriously.

As the hon. Minister is also quite aware, we are also in the earthquake belt. If we were to take note of today, we would know that earthquakes are occurring in diverse places. It is important for the Minister to take note of that reality, for today or tomorrow were an earthquake to take place here, whether we would be prepared for such an emergency is another matter.

Currently, we have this issue of crime which needs to be addressed and that is directly linked to unemployment in our beloved country and as such, we should

harness the human resource. Therefore, I suggest that the Government seize this opportunity to implement the recommendations of this Caroni Tripartite Report as quickly as possible, not shortly. We are accustomed to the term “shortly”. They have had the benefit of other reports in previous years and it is necessary for us at this time to take note, that since we had all these reports before—and of course we had the contribution of a Senator in one of those reports. The Senator before me stated that we need to implement this report urgently. If we do not, history would record what has taken place once again in this country.

5.10 a.m.

We in Trinidad and Tobago have become accustomed to commissions of inquiry. Rumours abound in our beloved islands. These are matters of urgent importance that need to be addressed. At present the people of Trinidad and Tobago are to be encouraged and inspired to work collectively for the benefit of the country. How else can we inspire confidence in them if we do not enable them to feed themselves? In years gone by we had the slogan "Buy Local". Today, with trade liberalization, we are confronted with another situation. Agriculture is so important. We can build marine farms. If we do not want to go to sea for fear of piracy or of using our petroleum, we can establish farms close to us and encourage our young people to pursue a career in aquaculture.

I know that we have a history of wilful neglect of our beloved people by the PNM to deal with, but I am not here to throw political blows at anyone. We are dealing with history. At present, if we are to inspire any confidence in the people, the PNM should seize the time and implement this report. However, in implementing the report, they should take into consideration the fact that there are people out there who are entitled to justice—that is, the money owed to those workers.

I sincerely hope that at this time in our beloved history, as a collective House, we take note that the implementation of this report is of urgent importance and we should not allow it to return to the dustbin of history, where we would be referring to a report that was written 10 years ago. The time is now for us to seize the opportunity and I implore the Minister, as a matter of urgency, to implement the suggestions that I have put forward in my humble way, with respect to marine farming whereby we can breed fishes right here, whether in fresh water or in salt. It is important. Thank you very much.

Sen. Everard Dean: Mr. President, let me, like the other Senators before me, congratulate the Government and the Tripartite Committee on a job well done. The report is divided into nine parts, not including the appendices and the map. I would want to confine myself very briefly to the section which deals with human resources since it is the area closer to me in my sphere of activity.

I looked at this report and so much has been said in so little space—just three and a half pages. It deals with the fundamentals of the 10,000 souls that work in the sugar industry: it deals with discharging the arrears owed the sugar workers; I heard \$160 million mentioned, but I see \$128.5 million here. I saw lower down the page the way some of these debts could be liquidated and, in this regard, it is also satisfying a human need when they talk about the house lot tenancies to be given to the workers according to the conditions laid out there. In satisfying this need we would also be liquidating a further \$29.2 million in debt, which I think is commendable because you are killing two birds with one stone.

The second area I want to look at is the pension area. I think it is very commendable that efforts are going to be made that staff reduction will be done by attrition rather than wholesale retrenchment. The way one expects to deal with that is by restructuring the pension plan, reducing the age limit to 55 and 60 respectively.

One of the most heartening things that I have seen here is the proposal to change from a non-contributory to a contributory pension scheme, which is always the better one to deal with, for the recipient, because he gets a bigger lump sum, he gets a bigger monthly pension rather than the \$150 I see stated here. It states:

"While the details of the proposed new pension plan are still to be finalized and agreed with the union, it is already evident that a contributory plan, to which the union has agreed, will be implemented by January 1, 1993."

Again, this is commendable.

Going back to Sen. Teelucksingh's theme on collaboration and discussion in order to get things going, one can really see that what came out of this report was the whole question of dialoguing with everyone concerned in the sugar industry.

With respect to the labour force categorization, it says:

"It is painfully clear that the existing system provides further ground for disadvantage and abuse."

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No doubt about that. That is so, particularly in the case of the temporary employees who may be working for 10 years and still have no benefits to get. Efforts are being made to look at this situation.

Most important, is the proposal on the apprenticeship scheme where we shall be getting the younger folk off the street and, at the same time, using the university people to look at the organizational restructuring of Caroni (1975) Limited.

I want in closing to congratulate the Minister and the Tripartite Committee for a wonderful job and, as I said, three and a half pages to comment on is not very much but, at the same time, it is the subject closest to my heart and I wanted to say a few words in this regard. Thank you very much.

Motion made, That the Senate do now adjourn to Tuesday, October 27, 1992 at 1.30 p.m. [Hon. L. Saith]

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 5.20 p.m.