

Leave of Absence

Tuesday, October 27, 1992

SENATE

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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 the following Senators to be absent from today's sitting of the Senate: Sen. Joan Yuille-Williams, who is still out of the country; and to Sen. Pundit Gosine who is ill.

LATE ARRIVAL

Mr. President: I have been advised by Sen. Mansoor that he will be about two hours late. Sen. Wade Mark has also indicated that he will be a little late.

PETROLEUM TAXES (AMDT.) BILL

Bill to amend the Petroleum Taxes Act, Chap. 75:04; brought from the House of Representatives [*The Minister of Finance*]; 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.

**PETROLEUM PRODUCTION LEVY AND
SUBSIDY (AMDT.) BILL**

Bill to amend the Petroleum Production Levy and Subsidy Act, Chap. 62:02; brought from the House of Representatives [*The Minister of Finance*]; 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.

**INCOME TAX (IN AID OF INDUSTRY)
(AMDT.) BILL**

Bill to amend the Income Tax (In Aid of Industry) Act, Chap. 85:04; brought from the House of Representatives [*The Minister of Finance*]; 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.

Petition

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PETITION

Rotary Club (St. Augustine)

Sen. Deodath Ojah-Maharaj: Mr President, I have the honour to present the petition on behalf of the Rotary Club of St. Augustine.

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

Petition read.

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

ORAL ANSWERS TO QUESTIONS

**Energy Sector
(Rationalization Plan)**

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

10. Could the hon. Minister of Energy and Energy-based Industries state whether the Government has a new rationalization plan for the energy sector?

If the answer is in the affirmative:

- (a) Has the plan been accepted by the Inter-American Development Bank?
- (b) If the plan has been accepted, could the Minister make copies of the plan available to the Senate?
- (c) Could the Minister also state precisely when such plan was submitted to and accepted by the Inter-American Development Bank; and
- (d) Could the Minister state whether in the formulation of the plan there was any consultation with the interest groups directly involved in the energy sector and precisely who were the parties consulted and when did these consultations take place?

Mr. President: Hon. Senators, as I indicated, Sen. Mark will be a little late. If the Minister is so disposed maybe at a later stage after the Senator arrives, we will find a convenient time to answer this question.

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Question, by leave, deferred.

LPG Cylinders

17. *The following question stood on the Order paper in the name of Sen. Carol Mahadeo:*

- (a) Is the Minister of Labour and Co-operatives aware of the dangerous state of LPG cylinders used by consumers in households throughout Trinidad and Tobago?
- (b) If the answer to (a) is in the affirmative, would the hon. Minister indicate when last did the Factory Inspectorate inspect the factories and/or companies which fill and sell these highly combustible inflammable gases with a view to having safety and other standards met?
- (c) Would the Minister also indicate whether or not any prosecutions have been instituted by the Factory Inspectorate for failure by defaulting bodies to comply?

Sen. Dr. L. Saith: I regret to say that the answer to this question is not ready. I would ask that the Senate defer that for one week.

Question, by leave, deferred.

ORDER OF BUSINESS

The Minister of Planning and Development (Sen. The Hon. Dr. Lenny Saith): Mr. President, I beg to move, in accordance with Standing Order 20(4) that the Senate do now continue the debate on the following Motion which was in progress when the Senate was adjourned on Tuesday, October 20, 1992.

Question put and agreed to.

Mr. President: Hon. Senators, before we continue the Government motion, there is a Private Bill down for second reading. If you have no objections, I would like to put this to the Senate, dispose of it and avoid unnecessary delay.

Assent indicated.

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, be now read a second time.

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Bill accordingly read a second time.

Bill referred to a special select committee of the Senate appointed by the President as follows:

Sen. Ainsley Mark (Chairman)

Dr. Harry Kuarsingh

Sen. Roi Kwabene

Sen. Carol Mahadeo

1.40 p.m.

CARONI (1975) LIMITED

[Second Day]

Order read for resuming adjourned debate on question [October 20, 1992]:

Be it resolved:

That this House take note of the Report of the Cabinet appointed Tripartite Committee on Caroni (1975) Limited. [*Dr. The Hon. K. Rowley*]

Question again proposed.

The Minister of Planning and Development (Sen. Dr. The Hon. Lenny Saith): Mr. President, as I start my contribution, let me say that I sought to get a copy of Sen. Capildeo's contribution but I was unable to do so. Thus he will have to forgive me if I cannot quote him verbatim. I must say, that not only was I disappointed, but I was also very distressed by his contribution on this motion.

Sen. Capildeo is gifted with high intellect and a capacity for the language, which should be used for very positive contributions. If I may just touch on a few points that he made; I think it is incumbent upon us, on this side, to deal with them. At the start of his contribution he very disparagingly referred to the motion to note the report by asking why it was here. What was the purpose of bringing it here? He also implied that there was some ulterior motive on the Government's side for having this motion brought for debate.

I want to tell Sen. Capildeo, and other Senators that the Government brought this motion to the Senate for two reasons: Firstly, there were some Senators who requested an opportunity to make a contribution on this report and secondly, the

Government feels that it is important enough an issue in which all Senators should, if they so desire, have their views expressed. And in expressing their views, they try to make sure that the Government, in implementing the report, give due consideration to those views. I cannot agree that bringing this report for debate in the Senate can do any harm. In fact, it can do a lot of good.

Sen. Capildeo spoke at length, but I think if you go through his contribution you will not see a single reference to the matters in the report. There were perceptions of racism; there were lectures on how the state uses state companies to discriminate; there were a number of issues which would only fuel the perception, as he puts it, that in dealing with Caroni Limited, one is dealing with it on the basis of ethnic or racial considerations.

Mr. President, that does not do anything to further the development of Caroni (1975) Limited, nor to further the already difficult situation which exists in this country. I hope that the contributions on this motion would, if they have not done so, so far, deal with the very important matters which this Tripartite Committee has suggested as a possible long-term solution to Caroni (1975) Limited, and would give Senators on this side an opportunity to hear their views.

There are two issues with which I should like to deal and which have arisen in this debate so far. The first is the question of reports being laid in Parliament. There was much talk about the Booker/Tate and other reports not being laid. I have a difficulty in what seems to be a suggestion that source documents, which inform either the company or the Government in coming to some decisions, should now become documents which are laid in Parliament. It is my view that a document which the Cabinet accepts as a policy document, rightfully should be laid in Parliament. I cannot see that source documents, which sometimes the Cabinet itself has not seen, should in fact be laid in Parliament.

Just in the case of Caroni (1975) Limited alone, there is a report from the Institute of Management and Labour Relations dealing with the Human Resource Department of Caroni (1975) Limited. It was produced on January 28, 1992; there is that large document from Price Waterhouse—Diagnostic Review—which was produced on March 10, 1992; there is the Booker/Tate Report, produced on July 16, 1992. None of these reports has, in fact, come to the Cabinet as a document. They have all been used in the exercise which was being undertaken. As a result of those and other documents, and much discussion, a policy document was

prepared which went to Cabinet and has been accepted. This, to me, is legitimately a document which would be laid in Parliament.

During the course of the operations of Government, there are numerous reports and documents which have been prepared as source documents, leading up to policy decisions. Really, I make the point, because I do not think it is fair for Senators to request those source documents to be laid in Parliament.

Those of us who are or were, in the consulting business know that in presenting a report to your client, you seek to present a report that deals with the situation as you see it, and your recommendations are basically for the eyes of those who hire you to do it. Therefore, you can be very frank in your recommendations. It would be putting consultants in great difficulty if as they write their reports they have to write them on the basis that these are going to be public documents laid in Parliament. Therefore, if we take the view that source documents ought not to be laid in Parliament, it is not because we have anything to hide, it is merely, that we have to get that principle quite clear.

Another issue raised is the question of implementation. There seems to be some scepticism that this report, which I should like to call an action plan, will, in fact, be implemented. I assure Senators that the Government is committed to the implementation of this report. Even as we debate, implementation is, in fact, taking place. I think it would be necessary to place on the record once more what is taking place with this report.

1.50 p.m.

The report was received by the Government on July 19, 1992. Four days later it was taken to Cabinet, and Cabinet accepted it and its recommendations. In other words, on July 23, Cabinet accepted the recommendations of the report. The following day it was laid in Parliament and made public. As a result of that, the Minister of Agriculture, Land and Marine Resources who has responsibility for Caroni Limited, in September of this year presented to the Cabinet a comprehensive implementation plan. Every recommendation made in the report was listed and the agency responsible for its implementation was identified and was told to proceed. There are matters to be implemented by the Ministry of Finance, by Caroni Limited, by the Ministry of Agriculture, by the Ministry of Trade, Industry and Tourism. The recommendations at page 24 of the report onwards, were listed with the agency responsible for its implementation.

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On September, 17, the Ministry of Finance brought to the Cabinet and had approved action in respect of matters for which they were responsible. If you go through the report under financial restructuring you will see there are a number of issues that need to be addressed. Let us take Item (1): Conversion of the loan capital of \$2,138 million to a subvention. An adjustment of the profit and loss statement reflect the accrued interest related to the loan capital. On September 17, the Government agreed to that recommendation and the Ministry of Finance was instructed to proceed with the conversion of that loan capital.

Item 2: The Government had to assume responsibility for the outstanding loans from Fincor: \$100 million due in the year 2,001 and \$120 million due in the year 2,004. It was agreed on September 17 that the Government would assume those loans and be now responsible for their servicing and for their repayment. We proceed.

The debenture on the company to be officially released. Government agreed on September 17 to release the assets of Caroni Limited which were pledged as security to the Government in connection with the World Bank loan in the sum of US \$12 million. Steps are being taken to release this debenture. Accrued liabilities amounting to \$200.2 million for VAT, PAYE, health surcharge, lands and buildings taxes are to be settled.

We agreed that the Government would pay Caroni Limited for all the lands that were taken from the company for various activities during the years and that money would be used to retire its debts. So that again that recommendation is being implemented.

There are two other items in which the Ministry of Finance had to take direct action. The first related to the provision of capital investment of \$80 million over the period 1993 to 1997. A decision has been taken to proceed to grant that capital investment as required by the plan. The last decision that the Ministry of Finance was directly involved in was the payment of the arrears of back pay to the workers of Caroni. The amount of arrears owing is \$128.8 million. You hear all sorts of figures being bandied about. The amount owing is \$128.8 million.

It is estimated that in accepting the recommendations of the plan some of this debt will be retired by providing employees with lands which they now have on lease—that figure is estimated to be \$29.2 million so that the cash requirement is roughly \$99.6 million. The Ministry of Finance was also asked to make provisions to pay \$30 million of that amount to the workers before the start of the next crop.

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Arrangements are being made to have that money paid—I think the start of the next crop as of now is January 2, 1993. I want to give this House the assurance that the \$30 million promised in the report will in fact be paid. It does not have to be a political issue, an election issue; it does not have to be the subject of politics and marching.

Mr. President, there are a number of other areas of Caroni Limited which require action, and I am advised that action is in fact being taken on them one by one. I simply want to make the point that we are not waiting on debates or Members opposite to insult and abuse us. We have proceeded to implement recommendations in the plan and will continue to do so. I feel very strongly about—

2.00 p.m.

Sen. W. Mark: On a point of order, Mr. President. If the hon. Senator is alleging that anyone on this side insulted and abused the Government, he must concretize that statement or withdraw it, because nobody on this side either insulted or abused the Government.

Sen. Dr. Saith: I feel very strongly about this matter. It is important, given the history of Caroni (1975) Limited.

Sen. W. Mark: Mr. President, on a point of order. The hon. Leader of Government Business has alleged that we on this side insulted and hurled abuse at the Government. No such abuses or insults were hurled. Therefore, if he is alleging that, we are asking him to produce the evidence. If he cannot produce the evidence, withdraw the statement so that the record of *Hansard* can be properly—

Mr. President: The Leader of Government Business was directing his comments specifically at Opposition Senators. If he has, ask him to pay attention to your request.

Sen. Dr. Saith: I continue to say that I feel very strongly about Caroni (1975) Limited. It is a company—

Sen. W. Mark: On a point of order. The hon. Leader of Government Business alleged a short while ago that we on this side of the Senate—he was referring to us, the Opposition in the Senate—abused and hurled insults at the Government. We have not done so.

And if he cannot provide concrete evidence to support his allegation, we ask him to honourably withdraw the remarks.

Sen. Dr. Saith: I suggest the Senate Minority Leader read the contributions of the Members on that side. If he feels that the charges are not correct, then so be it. That is the way we see it here.

Sen. W. Mark: Mr. President, I am seeking your protection on this matter. The hon. Leader of Government Business cannot abuse the Standing Orders. If he is alleging and putting on the record of Parliament that we alleged certain things, it is either he can prove what he is saying or withdraw the remarks. I am asking you for your protection in this matter.

Mr. President: Senator, everybody has the right of freedom of speech inside here. Members have spoken and others come to certain conclusions as to what they sometimes perceive their remarks to be. If he is of the view that the Government was in some way insulted and abused by certain comments which were made, I think he is entitled to do that.

You are asking him to show proof. At the same time, you might also have to show proof that you did not.

Sen. W. Mark: He is making a categorical statement. He is not saying that he perceived abuse or insults.

Mr. President: We will not go into the semantics.

Sen. W. Mark: I will be guided by your ruling.

Mr. President: The *Hansard* record will prove who said what and who did not say what.

Sen. Dr. Saith: It is a company in which the Government has poured substantial amounts of money. Let me make the point that we do not hold anybody responsible, or blame the employees of Caroni (1975) Limited because the Government had to put substantial sums of money into Caroni (1975) Limited. We merely indicate it as a fact.

Over the years the Government has put substantial sums of money into this company. It can no longer afford to do so even if it wished to do so. Therefore, it seeks in an environment of collaboration with the stakeholders of Caroni (1975) Limited—the cane farmers, the sugar workers and the management of the company—to come to some kind of agreed position, as to where Caroni (1975) Limited must go; how to take it there and to agree that working together we shall take it there.

Having established that, we are committed to the action plan and we are in fact implementing it. We should like to get the support of everyone in the country

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to ensure that Caroni (1975) Limited survives in a form that would make all citizens of this country happy and comfortable.

Thank you, Mr. President.

Sen. Prof. John Spence: Mr. President, I shall make my contribution basically in three parts. First of all, I shall deal rather briefly with some reference to previous sugar rationalization reports; secondly, some reference to the Tripartite Report which we are now dealing with and thirdly, I should like to say a word or two about the amendment which I suggested to this motion to note the report.

I suppose the start of the present state of reports in the sugar industry was in 1978 when a very comprehensive study was done. There was a committee of which I was the Chairman and other Members were: Dr. D. Ali; Mr. Bertrand; Mr. Chapman; Mr. Donowa (Caroni); Mr. Dookeran (Ministry of Agriculture); Mr. Enatally; Mr. Farrell; Mr. Fraser; Mr. Panday; Mr. Ramlogan; Mr. George Rampersad; Prof. Satcunanathan; Mr. Tull; Mr. Wotherspoon and Mr. Khan (Secretary).

2.10 p.m.

I think it is interesting to look at the way this committee went about its business, because it differs somewhat from the present efforts to solve the problems in the sugar industry. The committee had the responsibility for investigating several matters to do with Caroni Limited and so all of the inputs that went into the final report were inputs which the committee itself had commissioned. The committee comprised representatives of the sugar workers, representatives of the cane farmers, representatives of the Government, and independent people from the university.

The second point which I think it very important to note, is that the input, I would estimate, must have been made by some 30 or 40 professionals because there were many studies which were commissioned by the committee and which were carried out. For example, there was a socio-economic study of the sugar workers and sugar-cane farmers, which was done by the Ministry of Finance in collaboration with the Central Statistical Office and the Town and Country Planning Division of the Ministry of Planning; then there were studies on livestock proposals for diversification and crop proposals and so on. With the exception of one, all these persons were experts from Trinidad and Tobago, so

that everything that went into that report was of local vintage. We did have one sugar technologist from Jamaica at one stage to give some advice about factory processes, but he at least was from the region.

Another point I think useful to note is that there was full agreement at the end of the year's deliberation. We, in fact, sat for a year, and like Minister Saith, I do feel rather strongly about Caroni (1975) Limited because I spent much of my professional life, one way or another over the years, involved in trying to solve this problem. On that occasion I spent a year on it.

I am not taking any responsibility or credit for the final report and that is why I can talk about it in these terms. I was referee. If anyone should be praised for a substantial input into the report, it is Mr. Al Fraser who I think has never really been publicly acknowledged for the work that he has done on that report, and so I should like to do so now. He has certainly worked very hard on the final drafting of the report. He was at that time a public servant. My understanding, Mr. President, is that when the report went to the then Prime Minister, Dr. Williams—and this is second-hand information, as he did not tell me this himself; I have no real proof that this is so—but my understanding is that he remarked that it was the best report that he had seen on the sugar industry and commented on the fact that it was entirely local in its composition and origin. If one looks at it in that context, one can see the value of the contribution.

As I discussed earlier on the motion on Caroni Limited, the responsibility for implementing the report was given to the Food and Agriculture Corporation which, on the face of it, seemed like a good move, except that I never really could understand why one would have a Deputy Governor of a Central Bank as chairman of a Food and Agriculture Corporation. As it turned out, the report was not implemented. I do not have any knowledge as to why it was not, but it is perfectly clear that there was no concerted action to implement the report.

The original committee was kept in existence for some time in order to "monitor progress". On one occasion the then Minister of Agriculture contacted us to determine what our view was, because he was taking some flack in the House about the lack of implementation. As chairman I had to say that we were concerned about the fact that there seemed to be lack of implementation. At that stage the committee more or less faded out because they did not seem to be happy.

Subsequent to that, in 1980, there appeared what is sometimes referred to as the "Rampersad Plan". That was never a public document and I do not think that I

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have ever seen it, certainly not officially, so I am not really in a position to say much about it. My recollection from what is published in the newspapers is that it has as its base a land distribution system and therefore is not as comprehensive in its conception as the original report.

My next contact with the problems of Caroni (1975) Limited arose about 1983 or 1984, when the Cabinet appointed a committee under the chairmanship of Mr. Padmore, again to look at the sugar industry. I remember Dr. Euric Bobb, Mr. Frank Barsotti, and a number of others, were on that committee. Again we met and it seemed to me that we were going round in circles and getting nowhere. At a certain stage I felt, here again hours were being spent with no results, and I remember suggesting that the whole thing seemed to be hinging on economic issues rather than on anything else. I remember asking Dr. Bobb, an economist, if one were subsidizing a commodity for export to earn foreign exchange to what limit could one go. This was at a time when we had much foreign exchange at our disposal because this was the boom period. His comment was that you could sometimes spend \$3.00 to earn \$1.00 in foreign exchange.

I think perhaps when we are looking at Caroni Ltd. we should not just look at whether it is a Government company which has lost money, but in terms of what we were not doing in part. Surely if there are inefficiencies then that is a loss, but in part what we were doing was subsidizing an agricultural industry. I shall return to that point later. At a certain stage I suggested that Dr. St. Cyr and Dr. P. R. Gomes be commissioned to do a study and hence the St. Cyr Report.

That also, of course, was not implemented and a few years later the new government came into power in 1986 and again a new Minister of Planning, Mr. Dookeran, decided to have a look at what could be done because Caroni fell within his portfolio. He again got a technical group together and again, for my sins I suppose I was asked to represent the university on that committee. Again, we discussed what could happen with Caroni and what progress we could make. As you can see by this time I was getting grey with Caroni (1975) Ltd.

That technical committee suggested three options in solving the problem. Eventually the company selected one of the three, put it forward and the Government selected another one of the three and, to my mind, unwisely, did not refer to the fact that there were three plans, and it then became popular to assume that the Government had gone against the technical committee's advice. In fact, it had not. It had just selected a different option of the three presented by the

technical group. However, again because of the plan which the Government had selected, there was opposition to that and there was no progress.

I shall be a little personal at this stage and suggest that there was another input because I happen to feel very strongly about the solution that one should offer Caroni Limited, and I take this on the basis that I have spent much of my time over the years looking at Caroni, and that is the motion which I moved in this Senate some months ago on Caroni Ltd. In that motion I outlined how I felt we should approach the problem and it is available in *Hansard* for anybody who wants to refresh his memory in more detail. At that time I did not expect that the Tripartite Committee could, in fact, address what I see as the fundamental issues in Caroni (1975) Limited, and indeed it is my opinion that those issues to do with Caroni's place in the agriculture of Trinidad and Tobago have not been addressed.

2.20 p.m.

I shall go through in a little while, the recommendations that they make. I think one would see, from what the hon. Minister of Planning has just said, that they deal with financial arrangements for the company and not with its basic agricultural aspects which is what I think we ought to be thinking about, rather than how we adjust its financial status.

Mr. President, with that rather brief introduction, I would come to the actual recommendations of the Tripartite Committee. The hon. Minister of Planning has referred to the financial restructuring. I really have no problem with this. I think it is something that has to be done. What one is doing is to regularize the way it has been treated over the last few years in terms of the company. This does not say, in looking at these recommendations, that one is dealing with an agricultural enterprise that has an important role to play in the economy of Trinidad and Tobago. All this is doing is to set the company on its proper footing.

The one point that I should draw to attention to in that regard—and this I do, in fact, treat very seriously—is a point which I do not think the hon. Minister of Planning has referred to, and that is that under those recommendations, there is the establishment of a joint ventures unit. Somewhere in the report it also makes the point that by restructuring in this way, by putting the financial arrangements in order, the company then becomes more attractive to investors.

That concerns me, Mr. President, because the organizational arrangements of the company do not imply any subsidiaries. In fact, it stated that the company will

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be a unit with divisions but no subsidiaries. Now, perhaps that is not the intention down the road, but that is the concept as it is at present outlined in this report.

I then have to ask the question: If one is looking for investment in Caroni (1975) Limited and its house is put in order, is one thinking of shares in the company? Because if our thinking about shares in the company, then I ask the next question: Are they thinking of local investment or foreign investment? I feel very strongly about this, because I am not in favour of the 100,000 or 75,000 acres of our best arable land returning in any part to foreign ownership. It may be considered to be an ideological position. I just think that it is too important for our agricultural future to allow the land resource, even in part, to be dealt with in that way.

Of course, it is possible to proceed by another device—and I would certainly like to hear from the Government side on just what is planned in this regard. What one could do is to transfer all of the land ownership to the state and not keep it a part of Caroni (1975) Limited. Then, of course, one could have equity in the company from anyone and the land resource would not be tied up in that way. They could then lease back whatever parts of the land they felt they needed for the particular joint venture to Caroni (1975) Limited without changing the ownership in part or in whole.

Mr. President, I consider than an extremely important point in the first set of recommendations on financial restructuring. That is, the fact that restructuring seems to be moving towards making it more interesting to investors, perhaps even to foreign investors, and the fact that there is to be established a joint ventures unit—and I do not see any details as to how this unit will move from the point of view of equity in the company.

The next section deals with sugar operations. I have no great problem with any of the recommendations here. Indeed, I would say that most of them were in the original report in 1978 in the concept of trying to make the operations more efficient. I have absolutely no doubt that we have to do that.

One of the things that I should draw attention to in the 1978 Report is that for the first time the sugar union agreed to full mechanization. Now, much has been said about the consensus that has now been reached. Let us be quite clear: In 1978, there was complete agreement on the path that should be followed. Before that the sugar union was opposing mechanisation but in 1978 there was full agreement on full mechanization. There was one reservation from one of the cane-

farming bodies about the closing down of one of the factories, which has long since been closed anyhow, but at the time they did not want that. That was the only reservation.

Mr. President, it would seem to me that if we are going to move forward, it must be on the basis that we have started from a position of not just three parties getting together and negotiating, but on the basis that this is what we all feel is the best programme for this land resource and for the future of agriculture in Trinidad and Tobago and that is what I believe happened in 1978: A group of people of diverse interests got together and with professional advice came up with a programme, rather than in a negotiating position arriving at a final result, which, of course, has led to much acrimony as one can see both in the other place and here. I think that is unfortunate, but in a way I think it was inevitable given the way the exercise was structured.

In 1978 I believe the report was accepted by the Government, brought to and accepted by both Houses of Parliament.

I have no problem with sugar operations. One thing that has changed is the target, but I recognize that one has to update targets in the light of present circumstances. There are now only two sugar factories working and clearly the cost of production of sugar must be related to the size of those factories and the most efficient figure that one can come up with. I have seen some figures recently which suggest that 150,000 tonnes would give a lower figure per tonne of sugar, but of course 125,000 is better than the 75,000 which was planned by the previous Government for local production only.

As long as one can market the sugar, I do not think there will be any great problems with that and the increased efficiency would lead to less land being used and, therefore, one can release land for other purposes.

Agro-processing opportunities: I think there is some mention of a citrus factory. The only thing that I would say here is, this again, must not be done in isolation but must be done in the context of the association which also has processing facilities.

Diversification within sugar—the three pillars on which the original report rested were: Diversification of the use of sugar, diversification of the use of sugar cane for livestock feed—and diversification of the use of land in the growing of other crops.

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Human resources: I have no real problem with that. The discharging of the arrears—yes, of course. Introducing improved pension, if that is what has been worked out, absolutely fine, no problem. Under human issues, I would hope that the move forward—and I am sure; in fact, that is the Government's intention—would be done humanely. There is talk of early retirement and so forth.

Again, there would have been an advantage if one had moved in 1978 in that that was the boom period and so alternative employment for people who might have been laid off was easier to come by. It is much more difficult now to reduce the labour force because there are not the jobs in the other areas.

The next section is with regard to Caroni and the wider environment. Of course, there are aspects of this which I feel are really the crux of how one should approach the Caroni issue.

With regard to excising those parts of Caroni (1975) Limited that do things that local government should be doing, we said that 13 years ago, and clearly, there is no problem with that. It reduces the loss so when those figures are added up, one can set a certain figure for services which Caroni has carried out and which should have been local government services.

Rationalization, research and development and pollution and the environment, clearly that is to be desired, no problem there at all.

The report then refers to rationalization of the national effort in food production, ensuring that the company's initiatives complement and encourage the farming sector. That really leads us onto the situation with respect to agriculture, which I think is really how one should view Caroni (1975) Limited.

Mr. President, it is because I moved that motion earlier in the year on Caroni (1975) Limited and did not seem to get much response and certainly there is no evidence from this Tripartite Report that the views expressed then were in any way taken into account, that I have at this stage again, moved an amendment which really is designed to focus on how I think we have to approach the problem.

Now, the report suggests that Caroni (1975) Limited must select certain diversification efforts which would be commercially viable. My position is that you cannot decide what agricultural enterprise in Trinidad and Tobago, with very few exceptions—I would say, perhaps, ornamentals and aquaculture maybe two—

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is viable until you know what the policy of the Government is going to be with respect to agriculture and its subsectors.

I realized at that stage that the Tripartite Committee could not address that issue. In effect, what is happening in that regard is that the cart is being put before the horse. We have to settle the other issues first. There is nothing that has happened in the last couple of weeks that has done other than to convince me that more and more we need to address this issue.

Every time the hon. Minister of Trade speaks about trade liberalization, it becomes clear. Two days ago in the newspapers he commented on the fact that Nestlé has to pay higher prices for cocoa—I think he meant coffee, perhaps he said coffee and it was reported as cocoa—anyway, the report was cocoa and sugar. So what is one saying? Is one saying that having just increased the price of sugar to make Caroni (1975) Limited more viable the price must be reduced for Nestlé, or is the Government going to give a subsidy? Perhaps that is the intention. It is not clear from those comments.

The agricultural sector keeps getting these little comments: “Perhaps the coconut industry should go out” or, “we really need a coconut industry”. What about beef? I think the hon. Minister of Agriculture made the comment in his presentation whether we can compete against Guyana and Jamaica with respect to beef. What is the policy with respect to milk? It is rumoured that there is going to be a ceiling on the present production of milk above that level, where prices would be very much lower. So what is happening? On each of these issues the Government policy is not clear.

What I am saying is, let us start with the agricultural sector and decide from scratch whether we want it. That is the first issue we should address. Now, I think we should have an agricultural sector, but it is not clear to me, quite frankly, that many other people, Government, Opposition, parties out of power, and so on, are really convinced that we should. So when the Minister of Finance—

Sen. W. Mark: I am not too clear when the Senator says the Opposition is not clear. We have a manifesto and if Sen. Spence wants a copy of it he can have it. Our position on agriculture is very clear.

Sen. Kuarsingh: But you have no policies.

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Sen. W. Mark: If you are referring to the Minister of Agriculture who said there is no agricultural policy in the country, refer to him. Leave us out for the time being. I will articulate our policy at the appropriate time.

Sen. Spence: Mr. President, I am very pleased to hear that there is an agricultural policy at least in one of the political parties. My own position, honestly, is that as a country—let us forget Opposition and Government and parties out of power—it seems to me that we are an urban society and we are not really convinced that agriculture is important. That is my conviction at this stage. I should like to be proved wrong. I want to be proved wrong.

The Minister of Finance looks at the agricultural contribution, the GDP and he said it is three per cent—really, three per cent. How can he take it seriously? I am very pleased to see the Minister of Trade said perhaps it should be 10. Yes, perhaps it should be 10 per cent, but what are we doing to make it 10? Why do we not get down to the real issues and decide whether we want it or not?

Of course, what has happened since 1979 to now—and that is a most important change—is that we now have trade liberalization. The last time I was speaking and mentioned trade liberalization, the hon. Minister of Planning corrected me and said it was trade reform, but yet two nights after that, on television, I heard him say trade liberalization. So where are we? Obviously, it is trade liberalization.

Mr. President, herein lies my amendment which I should now like to read. I want to read it into the records and then discuss the points that have been raised here. I suppose it must be the longest amendment that has ever come to a one-line motion. Add the following words to the end of the resolution:

“and supports commitments which may be made by the Government of Trinidad and Tobago to:

- (a) Proceed expeditiously with an analysis of the major agricultural commodities, currently produced or with potential for being produced in Trinidad and Tobago, in terms of how each commodity may affect or be affected by:
 - (1) foreign exchange balance, including Caricom trade;
 - (2) employment;
 - (3) contribution to GDP;
 - (4) need for agricultural commodity subsidies;

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- (5) need to protect local farmers against subsidized exports particularly from industrialized countries by means of anti-dumping and other appropriate legislation;
- (6) exchange rate policy;
- (7) price of food;
- (8) food security;
- (9) social stability;
- (10) infrastructure for agriculture;

in order that informed decisions may be made on agricultural policy and, therefore on commodities to be produced by Caroni (1975) Limited, so as to ensure its economic viability on diversification, and

- (b) develop land lease programmes, particularly on Caroni (1975) Limited's lands to establish medium sized farms which would include the creation of a cadre of well trained farmers, emphasis being placed on training at farm school (Eastern Caribbean Institute of Agriculture and Forestry—ECIAF) and University (Faculty of Agriculture, UWI) levels.”

I take that latter section first, and then go through the list in the first section.

I believe why agriculture is becoming important in Trinidad and Tobago is that if we went back 50 years and came into this same Chamber, we would have found that the people who were running the Legislative Council were all planters. In fact, in our history we would find there was no problem about the importance of agriculture, no problem about relationship between Government and agriculture, because the planters ran the country, anyhow.

We moved away from that and with independence we somehow moved that system out. I have no quarrel with that, but in so doing, what we have ended up with is a large number of small farmers and no real strength in the farming community of farms of any large size.

What we have is vegetable growers who do extremely well; we have rice farmers and small cocoa producers who are part-time farmers rather than full-time and we do not have a strong voice for the agricultural sector because the capital moved out during the boom years into other enterprises. I am not one who blames

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DEWD for that, because I see no reason why people should not get a good wage if they are entitled to it and if they work for it.

On the other hand, what the farmers did not do at that stage was to replace the labour by machine—which is what they could have done—and make their enterprises efficient in that way. It was a golden opportunity to modernize our agricultural system, where I believe our farmers failed us, because they found riper pickings in another area. So they moved their capital into trading and heaven knows what, certainly not into the agricultural sector.

I think we have to recreate a farming community of larger-sized farms, someone who is earning an income equivalent to a doctor, a lawyer and so on. To do that, we have to utilize the resources which are available in the Government, because a great deal of the arable land is owned by the Government, but more than that, in a state of affairs in which there is such doubt as to the future of the agricultural sector, it is not going to happen by private initiative, except for these little niches of ornamentals and aquaculture and so forth. It is not going to happen for the basic food items that perhaps we need to produce and it is certainly not going to happen in any substantial way unless it is created by Government.

I am saying that in the same way that this Government created a heavy industrial based industry at Point Lisas, it has to create a farming community, and that is what it has to use Caroni (1975) Limited for. Whatever financial arrangements have to be made, fine, but I am less interested in that because I assume that should have been done long ago if it was not. In any case, it needs to be done and is being done, as we are told by the hon. Minister of Planning. But what are we doing about creating a farming community in this country?

Of course, all the things that I have listed here you will hear being said by various people—certainly by various Ministers—at different times. But that is not good enough. One cannot just assume—you will see in this report there is a statement to the effect that we should not only accept the previous Government's position of 75,000 tonnes, but go to 125,000, because if we did not do so, we would be sacrificing the foreign exchange earnings that 50,000 tonnes can bring. Has anybody done his arithmetic to show whether it is worthwhile having the 50,000 tonnes the foreign exchange will bring? Perhaps it is, because I certainly do not know and I have not seen the arithmetic.

I am saying that we just cannot assume yes, it gives foreign exchange; yes, it gives employment. How much employment? What is the cost of the employment? What are the alternatives? What I am saying is that each individual commodity has got to be analyzed in this way.

Now some of these things can be quantified: Foreign exchange, employment, contribution to GDP, the subsidies that you may have to give, the protection that you may have to give—perhaps not quantifiable, it is a policy decision which you have to make. The exchange rate policy can be a factor that is put into the equation because it can be said that the exchange rate is now US \$1 to TT \$4.25. If it were \$6.00, it would be so-and-so; if it were \$7.00, it would be so-and-so; then you could forecast what it is likely to be five years down the road and adjust your agricultural planning on that basis. Do not shut down your coconut industry today to find in two years' time it is \$1 to \$7 and it is cheaper to buy your own coconut oil than to import soybean oil.

Mr. President, if you look at recent newspaper reports, with respect to what is happening with talks in GATT where the American representative has just packed his bags and gone home because they cannot agree with the Europeans about subsidies, here we are singing the praises of complete trade liberalization and no subsidies, and of course the world is not going that way at all.

Let us at least plan for the future. Suppose all the subsidies were removed, would the price of food that we can buy on the international market still be as low as it is today or would it be higher? Then would our rate of exchange mean that we are paying more for imported food? Somebody has got to do these analyses and the Government has the resources and the responsibility to do it and determine on that basis what our policy should be.

In my opinion, there cannot be an agricultural policy until they have done these calculations and then we can decide. The policy can be in very general terms; we will take all of these things into account, but at some stage they will have to go and do the work and decide what the factors will be. Of course, the price of food is a factor, which can be quantified, but it is also a policy decision.

As I said in the recent debate, William Demas, some time ago in one of his writings, suggested that our food prices should rise in the Caribbean in order that our farmers be paid better for their produce. That is a policy decision, but it is quantifiable in terms of what would happen if the price of food was increased.

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Do not just take the World Bank view that we should not, in fact, produce any of our own food, because that is the “basket” that is being sold. Perhaps it is the right line, but do not accept it before you have done your own calculations.

The concept of the World Bank—and its representatives have individually said it to me—is that you should not produce your own food if you can buy it more cheaply abroad. What you should be doing is to export your agricultural produce in order to earn that foreign currency to buy the cheap food. All right. So you are going to export, what? So you look for market niches and of course ornamentals and aquaculture are frequently mentioned. How much land is going to be used in ornamentals and aquaculture? If you use 1,000 acres, you probably have twice as much as you need. What are you going to do with your other 200,000 acres of arable land in the country?

Let us analyze these lines that we have been given and see if they really make sense in terms of how we should structure our economy, how we should structure our food security. I do not put food security as high up as other people do, but I am frequently hearing Government Ministers giving speeches in various places—and again for my sins, I go to many openings of various things—they keep on talking about food security. What is meant? Is it food security in the sense that we have the money to buy the food, or is it food security in the sense that we will produce a quantity of food locally, therefore, it is readily available? What is the cost of that? If we do not produce it, what is the cost in loss of jobs?

Suppose the agricultural sector disappeared, what happens to the 45,000 people now employed in agriculture? Have we got alternative employment for them? I do not see any of these things being discussed. Even when we are discussing *Caroni (1975) Limited*, what are we talking about? We are scoring political points off each other. I do not want to score any political points off anybody. From my dealings with several Ministers of Agriculture, I am very loathe to be critical of the policy because I know that each Minister of Agriculture is dedicated to the task. I know that this Minister is. Both Dr. Samaroo and Dr. Rowley were former university colleagues of mine.

The difference is, if you go back long enough, when I first got into this game of agriculture, Victor Bryan, Kamaluddin Mohammed, John O’Halloran, Padmore, Lionel Robinson, Chambers, they come for a little while and agriculture is their interest for a period and then they move on to better things. I unfortunately

stayed with agriculture. You must forgive me if I speak more emotionally on the subject which I have spent my life trying to assess.

I realize the difficulty that Ministers are placed in, but surely we can get some logic into the system. The few farmers that are left, we are sending very mixed signals to them, and we do not really do the hard work that we need to do. In these days of computers, surely we can have computer modules that will tell us all we need to know if we change the factors in all of these different things: if we change the rate of exchange, increase the price of food, increase or decrease the subsidy, all these things we can calculate. At the end of it we will decide, all right, we accept the World Bank's position that we should not produce rice in Trinidad and Tobago—because that is what they have said. They have said that beef, rice and milk are a waste of time.

I wish somebody would tell us what to put in their place, because anything you put has exactly the same problems and it is going to need the same protection because there is no country in the world that does not give some measure of protection to its agricultural sector. It is just an issue of what type of protection you give, whether it is anti-dumping, subsidy, heavy duties or which commodities you choose to protect. I do not see us doing that. So hence my amendment is in two parts. One, trying to say “Look, for heaven's sake, let us approach the sector logically”. If when we approach it, we decide we do not want an agricultural sector, let us say so and the farmers will know they should do something else. But I do not think that is what we should do at all, so let me be quite clear of my own position, in case the way I am putting it should be construed that I do not think that there should be an agricultural sector.

I shall point to one factor I have put here which cannot be quantified, and that is social stability. I do not think that there is any doubt at all that if you have a strong rural sector with a strong farming community you will have greater social stability. Why is it that the United States, which is an industrial giant and has three per cent of the population in the land, can have a farm lobby that is strong enough to keep our sugar or rice out and so on? It has always been a mystery to me. I long for the day when the lobby in Trinidad and Tobago is strong enough to have similar effects. I must say that I myself get a little bit despondent because certainly my efforts do not seem to make any headway at all.

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I am hoping for some commitment from the Government side that some of these factors; in fact, all of these factors will be looked at in determining what sort of agriculture we should have. I hope the conclusion will be that we need to have a much larger agricultural sector; that the production of milk should not be 10 per cent, but 30 per cent; that we should do as we have done with rice, which moved in three or four years from six per cent to 30 per cent and so on; and we should do the same thing with beef, and we need to give employment and to have social stability, because we need to have some food security—all of these things. But I do not see it happening.

So please, may I plead that we move in this direction, and the second part, that we create a cadre of farmers who will then take the movement forward. Because after we have created that sector, then I think we can relax, because that sector will be putting the pressure on the Government. It will not be one ivory tower academic shouting his head off every now and then, but a strong farm lobby that can have some influence. So that we will have a number of farmers sitting as elected Members of the House of Representatives—genuine farmers earning their living by farming; and that the Government and the Opposition will find it essential to place a farmer in their senatorial ranks. Thank you, Mr. President.

Sen. Kuarsingh: Mr. President, I wanted to seek clarification of the Senator, but I really did not want to disturb him.

Mr. President: You are not speaking?

Sen. Kuarsingh: Not at all. I just wanted a little clarification.

Mr. President: All right, proceed.

Sen. Kuarsingh: It was not clear to me what was the significance of the Senator saying that we had no non-local consultants with respect to one of the reports that he praised so highly. Arising out of that, I want to know how far he thinks we are going to get if we cut ourselves off from the physics of the world.

Sen. Spence: Well, Mr. President, I am not really a physicist, so I cannot talk about physics, but I know that the Imperial College of Tropical Agriculture was established in Trinidad in 1921. It developed a world reputation for agriculture; and the faculty of agriculture was established as a successor to that in 1960. I know that we have a faculty of engineering; I know that we have been growing sugar for 200 years; I know that the agriculturists in Trinidad and Tobago sit on a very large number of international committees; that they give advice in various parts of the world on agriculture, especially the tropical world. They sit on the

boards of international institutes which are funded by the Group of Seven in very substantial sums. Trinidadians sit on those boards.

So I have absolutely no doubt as to the competence, experience or good advice in the agricultural sector that can be given by locals. It is the one thing that I will stick my neck out for, because, let us be quite clear, if we are saying that we are not competent in that field, then let us give it up; let us forget about competing in the 21st century, because that is what we are saying we must do. We are saying we must liberalize trade, we must get into the mainstream, we must not isolate ourselves; we must learn all these marvellous new technologies; and the old technology that we have done for so many hundred years, we do not know how to do? Well, let us give it up. That is what I say. Let us all emigrate to the United States or where have you; let us go further than NAFTA and ask to be made the 51st state and try to get in there. Because what can we do locally, if we cannot do that? I do not know if I have answered the question.

Of course nuclear physics is not an area that we would have any competence in. But any time that we go to get advice we should be jolly sure that we inform ourselves in advance and that we are quite clear what we are asking for and why we are asking for it; and that we are the ones who determine what input is made, rather than that we be dictated to, or even if not dictated to, overwhelmed, as I see us being overwhelmed—not in the case of Caroni (1975) Limited; I am talking in broader terms now. I think we have been overwhelmed in the macro economics sphere by the world trend or what have you. Thank you.

Mr. President: Any more clarification?

Sen. Kuarsingh: No Sir.

Mr. President: Otherwise I would have to get his time extended.

Sen. Wade Mark: Mr. President, let me first of all express my sympathy with Sen. Spence's pleas. As an old veteran of the agricultural movement, he has been drumming home for years this agricultural cause, but without much action being taken either by the old PNM or the so-called new PNM. I sympathize with his hope, Mr. President, because as far as we on this side are concerned, the present Government is extremely hopeless; it is totally and absolutely bankrupt, and it is completely visionless.

Sen. Ojah-Maharaj: You are insulting the Government!

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Sen. W. Mark: And the sooner the population can get rid of this regime the better it would be for Trinidad and Tobago, and there would be hope for agriculture under a new administration, the United National Congress.

The hon. Minister of Agriculture, my hon. friend, Dr. Rowley, speaks loudly all the time. I remember in 1991 attending a very important seminar up at the International Relations Department and hearing him—he was then a Senator— lambasted the Maritime treaty signed between the then NAR Government and Venezuela. I would imagine today it is a complete about-face, like his Prime Minister—no problem.

The hon. Minister in his presentation last week painted a very gloomy picture of the future of Caroni Limited. He spoke about impending calamity, that the company was basically bankrupt; that it was virtually on the verge of collapse, as if he was seeking to establish a basic for some diabolical plan that the Government has for Caroni (1975) Limited. And then later on in his presentation a clearer picture began to emerge. Even clearer was the real intention of the Government. They are seeking joint partners, foreign investors. They need to get rid of the entire management team that currently runs Caroni (1975) Limited in an effort to put into effect the new plan.

3.00 p.m.

Dr. Rowley: Mr. President, I just want to make it abundantly clear, before the Senator goes further, that no such statement was made by the Government with respect to getting rid of anybody at Caroni (1975) Limited. As a matter of fact, and particularly with respect to his statement about getting rid of the management team, statements made by the Government or written in the document are quite clear and they do not tally with that statement.

Sen. W. Mark: Mr. President, I really cannot understand that one. I recall clearly, even on the radio station, the hon. Minister was reported to have made it quite clear—right here, because his speech was tape recorded—that the present management of Caroni (1975) Limited would not be able to execute this plan.

Dr. Rowley: We are supplementing the team.

Sen. W. Mark: Well, you need to clarify the issue—*[Interruption]* You be quiet because your day is coming on November 15.

Mr. President: Senator, please address the Chair.

Sen. W. Mark: I am getting echoes and feedback from the other side.

Mr. President: When you encourage that sort of direct dialogue it affects the reports.

Sen. W. Mark. Thank you, Mr. President.

Essentially, I am saying that the Minister painted a very gloomy picture of Caroni (1975) Limited. We all know that this is a company that has been riddled with financial problems ever since it was taken over in 1975. Who is responsible for the crisis at Caroni? Is it the workers? Is it the union? Is it the farmers?

You have a government of a party that has been in power for 30 years and if you look at the strides that agriculture has made, which I will come to later on in my contribution, you would realize that agriculture has not really developed in Trinidad and Tobago in the way that it ought to have developed. It has to do with the fact that he who pays the piper calls the tune. This is what has been happening here for the last 35 years. There is a very powerful import food distribution lobby in this country. Whether it was under the old PNM or the NAR, that import lobby influenced government's thinking in agriculture.

It is the same kind of madness that is taking place today. The only difference this time is that you have a superimposed, super-national body that is more like a government, called the World Bank and the Inter-American Development Bank, virtual allies of these distributors who are now telling the country, "You must mash up the place and abandon agriculture".

When we look at the records—and this is why I ask of my good friend, where is the report he promised me last week? I should have liked to receive that report on Booker/Tate so I would have been able to make a more enhanced contribution. I do not know if he would be so kind as to make that copy available to me after my contribution. He has denied me access to that information.

Mr. President, the fact of the matter is that the history of the PNM in relation to reports and recommendations in the sugar industry goes back to 1968, with the acquisition of Forres Park Limited. When we acquired Caroni in 1975, the government of the day commissioned a number of reports. Sen. Prof. Spence referred to his own Sugar Rationalization Report, the Spence Committee Report. Those people who comprised that committee worked very hard and they produced a very comprehensive and enlightening report.

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This report was accepted by the then Cabinet; it was brought to the Parliament and debated and the future of that report came to an end after that debate. One could conclude that the old PNM undermined and frustrated the implementation of the Spence Report. No real support was provided to ensure the successful implementation of the report.

We have had many other reports since the Sugar Rationalization Report. We have had, as was mentioned, the Rampersad Report which was diametrically opposed to the Sugar Rationalization Report. We have had, for instance, a plan advanced under the chairmanship of Dr. Eric St. Cyr in 1984.

We can go on and on as far as reports on Caroni (1975) Limited are concerned. The fact of the matter is that we have yet another plan. This time we are to take note of this plan and the Government is hoping to begin implementing sections of this report. I understand that the hon. Minister of Planning and Development did indicate to us, during his contribution, that Government has begun to implement sections of this report. We should like him to share with us some more information on that. What sections of this report have been implemented? *[Interruption]* He did not say so. *[Interruption]* I came in a bit late, this is why I am trying to get some clarification.

Sen. Huggins: Do not stand up there and say he did not say so.

Sen. W. Mark: This arrogance that you exhibit as the Minister of National Security, you have to be careful. The arrogance of the PNM is glaring.

The reality of the matter is that the Minister of Agriculture, Land and Marine Resources has tabled a report, and we understand there is a second report. I have asked him to make a copy of that report available to me as I am interested in seeing it.

From the information we are receiving, I can only clarify my mind when I actually read that report in terms of the real intentions of the Government. Although the Minister has gone on record attempting to clarify what was the real purpose of the report, there are some dark clouds that still hang over Caroni (1975) Limited as far as the Booker/Tate Report is concerned. Unless we are able to see a copy of that report we would have lingering doubts in our minds about the real intentions of the Government as far as the future of the sugar industry is concerned.

3.10 p.m.

We know that Tate and Lyle has taken over the Jamaican industry; they are now there in full force. We know that they are in Guyana; we know that they have arrived in Barbados and certainly, they are down in Belize. We do not know if it is the intention of the Government, through all sorts of antics, to bring Tate and Lyle back to Trinidad and Tobago. This is why we are seeking to get that report because Booker/Tate is supposed to be a subsidiary of a larger corporation and we should like to know exactly what the contents and recommendations of that report are.

Mr. President, as you are well aware, Sen. Spence referred to that particular development. There is the present round of GATT called the Uruguay Round that is taking place today. It has almost collapsed because of differences between the USA and the EEC as far as subsidies are concerned. New items never before brought on the agenda of GATT have now been brought: services, foreign investment, agriculture, intellectual property rights. Those items are going to have disastrous implications for the sovereignty and future independence of developing countries. But more so, the agricultural aspect. This is why I feel that when we are discussing matters like this report, the essence of which we want to identify as its potential as far as agricultural development and diversification of that sector are concerned, we have to be mindful of what is taking place in the international community and where we stand.

When we talk about liberalization of trade we are talking about agriculture as well; the provision of food. I shall come to that. That question is very critical for us. I do not have the facts here but we have in fact abolished our negative list. We do not know to what extent sugar or sweeteners, artificial or otherwise, are now being imported into Trinidad and Tobago. Maybe the Minister of Agriculture can tell us. With the limited protection that has been given by the World Bank as far as agricultural products are concerned, if they have not begun to be imported into this country we could expect them to be imported ultimately. There is a time-frame for everything under this World Bank arrangement.

I also believe it is a bit unfair. It is a kind of dishonesty as far as presenting an objective picture to the country is concerned. The Minister of Agriculture cannot come here and simply weigh down one state enterprise and talk about the amount of losses—\$2 billion and over—that this state enterprise has lost and the fact that Caroni Limited has now become a ward of the Treasury, when in truth and in fact we have a number of state enterprises that are almost in a similar position. I believe that objectivity demands that the Minister of Agriculture give us a

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balanced picture and not come to this Senate and attempt to paint one state enterprise in a particular way. It is not fair. Sometimes when you hear statements you wonder if they are true—whether these people are on their own mission, dancing to their own music and seeking to create disharmony in this land. Why else for instance would he emphasize in the way he did, the problems and losses of Caroni? I have figures and facts before me Sir. We have several state enterprises that are in trouble.

Look at the last report we have from the Auditor General's Department on the accounts of Iscott. This was in 1986, and it is a litany from 1980. The last one we have is 1986 and from 1980 right up to 1986 there are recorded progressive losses by Iscott. Who is bearing that loss? It is the taxpayers of Trinidad and Tobago. At the end of 1986 Iscott's total accumulated losses amounted to \$1,559,477,000—\$1.6 billion. We could well understand, if we got from 1987, 1990 before the lease arrangement took place between Ispat and Iscott, the losses probably would have crossed the \$2 billion mark. I am simply saying, let us be more balanced in our presentations.

Dr. Rowley: Thank you for giving way. Mr. President, since the Senator has accused me of dishonesty in stating the facts on Caroni (1975) Limited before the Senate, I ask, does he recognize that in the Cabinet we have different portfolios and that different Ministers have different responsibilities. If so, is he implying that as Minister of Agriculture I should present the case without the portfolio?

Sen. W. Mark: I am not saying so. I understand very clearly the hon. Minister in terms of Cabinet responsibility. All I am simply saying Sir, is that in presenting a picture in a multicultural society—*[Interruption]* You get a bit heated because the truth offends. If you are a Minister as you are, you have to come to this Senate and give us a balanced picture. You did not do that. That is what I am saying. You attempted to paint Caroni Limited into a corner and create for the whole world a picture of bankruptcy when you have many state enterprises in that position.

Mr. President: Stop addressing the Minister directly.

Sen. W. Mark: Mr. President, I am saying, we have to get a balanced picture. If we look at BWIA, another state enterprise—accumulated losses of over a billion dollars to date. *[Interruption]* Yes, you all are right-sizing, take care you all get “wrong sized”, though.

3.20 p.m.

Mr. President, we are talking about a situation in which a number of our state enterprises are experiencing financial difficulties because of the bankrupt policies of the Government, and of their placing square pegs in round holes. The PNM bear full responsibility for that; they along with the NAR Government. The PNM were in power for 30 years. We go to WASA, Mr. President. WASA has an accumulated debt of approximately \$1.6 billion; PTSC, \$1.7 billion and Port Authority, \$1.5 billion. All those enterprises or utilities are our own and of course, they are in trouble. I am simply saying let us present a balanced picture, so that the population out there does not get the impression that Caroni (1975) Limited is the sole burden on the Treasury of Trinidad and Tobago.

Dr. Rowley: We never said so.

Sen. W. Mark: I am not saying that you said so. I am saying that the implication could be there. Sometimes, perception becomes reality.

Mr. President: You understand that.

Sen. W. Mark: You have to be very careful in terms of what you say.

In several enterprises in the country we have difficulties and problems. Poor Caroni (9175) Limited is getting a lot of pressure because over the years this regime refused to pay. They took the lands of Caroni and the hon. Minister has now stated that based on a recommendation, they are now going to pay. If they had done that before, maybe Caroni (1975) Limited would not have been in the state that it is in today.

When there is an administration of a price control regime that treats sugar less favourably than other products, you will have a crisis or collapse. You have an industry that could really be on the brink of collapse. In this report I am happy to see that they have recommended that another 15 per cent increase be allowed for sugar in 1993, as a result we shall get an increase in the price of sugar in the 1993 budget speech.

The old PNM Government was there for 30 years and this regime of control was rigidly adhered to. Whilst this was taking place, companies were divested and privatized, such as the cement company. If the NAR were there they would have done the same thing. There is no difference between the PNM and the NAR. It is Twiddle dee, Twiddle dum; the same khaki pants. In 1985 they privatized the cement company and wrote off many of its debts. They deregulated the price of cement. In 1985, a bag of cement would have cost about \$7.95; in 1986, it went

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up to \$12.00; in 1988, \$17.95 and at the end of September in various places, the price was about \$21.00. In Trinidad and Tobago cement is no longer regulated. It is now on to market forces.

They are now in the religion of the theology of market fundamentalism. They have been re-baptized. I understand the Prime Minister is now a Pentecostal. He was something else; he has now been re-baptized. *[Interruption]* I am saying what is taking place in the country.

The point I am emphasizing is that we need to be very objective and if we want Caroni (1975) Limited which has a history and a culture of its own, we must recognize that this company requires help, and stop treating it like a “*bobolee*”. That is what they are doing. There are workers in that company and I will come to that, in terms of the wickedness of this regime. They talk about paying \$30 million before January 2. This is an anti-trade union Government. I will come to that too at the appropriate time.

I am saying that we have to recognize that in Trinidad and Tobago Caroni (1975) Limited, with 80,000 acres of land offers the best hope for an agricultural revolution. Today, there are school children who eat channa and red mango for lunch. The masquerading of the present regime is becoming very clear. They have been unmasked. They came on television during the heat of the election, “*mamaguy*” the whole population and say the School Feeding Programme will begin on October 15. To the present time there are no indicators that school feeding will be resumed this year.

I thought my colleague was going to clarify that. I was giving way to him because on every occasion when I say something he clarifies the point. Now, he gets up and walks out. That is a fact. I am making a link between agriculture and nutrition; food for the nation. I am saying that Caroni (1975) Limited offers a golden opportunity for this kind of development. We are talking about social welfare and development at the same time. It is a twin objective. I think I shall have to go to that ministry to give the Minister some advice. It is a twin objective that we have to achieve at the same time. This Government is about “*gallery*”, cosmetics, smiling, “*mamaguying*” people, pretty boy and baby face.

There will come a time in Trinidad and Tobago, when all that gimmickry and cosmetics will no longer hold. People are unemployed, starving and dying in this

country and the Government is fiddling. When we talk about agriculture, we look at it, as I said, as an engine of serious development, growth and transformation of our economy. Does this Government have the strength, courage, determination, will and the kind of bone marrow in its system to make it stand up? I am afraid not.

"Time for Action", the West Indian Commission Report says; they also recognize the importance of agriculture. In this region, we import approximately US \$1.2 billion annually in food. In the Caribbean we are supposed to have a creative economy and society. It was stated in the *Express* newspaper a week ago that in Trinidad and Tobago today we have imported \$35 million more than what we imported last year, for the first half of 1992. At the end of 1991, our food import bill stood at around TT \$895 million. The Minister will say that he has now come in, but one assurance I can give is that at the end of 1992, after the Minister of Agriculture, Land and Marine Resources would have been in office for a year, we shall have reached the billion dollar mark in food imports, because of this liberalization process taking place in our economy today.

3.30 p.m.

I am a trade unionist and I cannot sit idly by and allow anybody to unfavourably remark on, or unnecessarily attack workers. On page 173 of the report of the West Indian Commission, *Time for Action*, the importance of agriculture, particularly the role of the sugar industry, is recognized. It is stated under sugar:

"The industry contributes in a variety of ways: earning foreign exchange...self-generating most of its own energy; generating employment; spreading services in health care, housing, welfare, and sporting facilities..."

Caroni has been doing that for years. I wonder whether these matters were taken into account when the Minister presented his statement. You come here bellowing smoke, saying that Caroni is \$2 billion in the red. This is not happening only at Caroni; the sugar industry in the region plays that role. It provides local government services, and it is in this report. The people who sat on this committee are now recommending that this kind of service be discontinued and allow the local government to deal with that.

Caroni is:

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"spreading services in health care, housing, welfare and sporting facilities; providing educational and training opportunities in a wide range of industrial and agricultural skills; creating good business for suppliers of materials and services throughout the communities in which they exist; and supplying the by-products which form the basis of other important and lucrative existing enterprises and perhaps, as technology progresses, for future enterprises as well."

The West Indian Commission team recognized the important role that agriculture, particularly sugar, is playing. It seems to me that outside the energy sector, the petroleum and petro-chemical sector, the only industry that is now making sense in Trinidad and Tobago is Caroni Limited.

They are attacking Caroni, but Caroni is making a very critical contribution to the development and growth of this country. I want to quote what the Central Bank has said about Caroni (1975) Limited in its quarterly Economic Bulletin, June 1992:

"The sugar industry recorded a significantly improved performance in 1992. Some 110,400 tonnes of raw sugar was produced, 10,000 tonnes above the level of output attained in 1991 and 9,500 tonnes above original estimates".

People are working hard at Caroni, and I want the Minister to know this. He probably did not read this bulletin when he was quoting statistics about what is happening in Australia and Barbados. Hear what is being said about factory efficiency at Caroni in 1992:

"Furthermore, the level of factory efficiency has reflected, in the ratio of cane processed to sugar produced, an improvement from 12.9 in 1991 to 11.72 in 1992, the best technical yield in 15 years."

Fifteen years, not five years or ten years. It is blood, sweat and tears at Caroni. They are working hard under some very trying conditions and you come here and try to bad talk them.

"Sugar exports at the end of June 1992 amounted to 55,700 tonnes compared with 52,000 tonnes in the first six months of 1991."

We are exporting more sugar and earning more foreign exchange for this Government to waste. At what cost? You have to read this West Indian Commission Report and all those reports that went before. People are talking about costs and not giving Caroni Limited credit for the kind of services that they

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have been providing to the country for years. Put that into the cost too if you are serious about it, and then talk about cost. Do not try to bad mouth the company and the workers.

"It is expected that 46,000 tonnes of sugar will be shipped to the EEC under quota agreements in 1992. The particularly good performance of the industry in 1992 was attributable to a variety of factors, including a stable industrial relations climate and favourable weather conditions."

I want to repeat this.

"...including a stable industrial relations climate and favourable weather conditions."

I continue:

"However, unplanned cane fires continue to have an adverse effect on harvesting operations".

They went on to talk about sales on the domestic market. So, what kind of talk are we getting here when after oil in the country, Caroni seems to be doing very, very well. Give Jack his jacket and where praise is due, give praise. That is the way we on this side operate. This is the Annual Economic Survey of the Central Bank of Trinidad and Tobago, 1991.

If we are serious about agriculture, the Government will intervene and direct credit and reduce interest rates, but this Government is on a course of financial liberalization, like Jamaica. They are freeing up everything. This Government will be freed up just now too because it seems not to be in charge of anything in Trinidad and Tobago, including itself. It allows international civil servants to come into our house and tell us how to manage, who to fire, rightsize, downsize and adjust. If we are to rightsize, let us rightsize.

Sen Teelucksingh made reference to the kind of harmony and co-operation that went into the final production of this Tripartite Report. Let us get an incomes policy framework for this country in which the burdens of adjustment can be equitably distributed. Do not put all the burdens on workers and poor people. You will have war in the country. Let the rich pay.

In 1991 the banks in this country recorded a net profit of close to \$100 million, and in 1990 they got \$40 million. They made almost \$60 million in clear profits on the blood, sweat and tears of poor people in this country and we have

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not instituted a windfall measure on that kind of obscene profits, which as I said, they made at the expense of poor people. There are 150,000 young people unemployed in Trinidad and Tobago; children are eating channa and red mango for lunch because the Government has refused to restart the School Feeding Programme. I am not saying seize the banks. I am saying that every business enterprise has the right to a fair and reasonable return. Give them a fair and reasonable return. Do not be obscene like Amoco—and I will deal with them at the appropriate time, when we are discussing petroleum. As far as the commercial banks' contribution in loans towards the agricultural sector is concerned—under the past regime, the NAR; the old PNM and this new one—no significant change has taken place.

3.40 p.m.

Consumer products: I am not against anybody buying a car, especially—I am against people buying BMWs, I have a problem with that. Hear what a man tells the country: “You see me, I am in this business to make money. I am a Minister to make money. You see, I used to work for \$40,000 a month.”

Sen. Huggins: Mr. President, on a point of order. The Minister of Trade never made such a statement.

Sen. W. Mark: He must deny that.

Sen. Huggins: I want you to withdraw it.

Sen. W. Mark: He must deny that and I will bring the quote for him from the *TNT Mirror*.

Sen. Huggins: Quote from reliable sources. Do not come here and talk nonsense and say the Minister said that.

Sen. W. Mark: He can say it is nonsense, he is free to say so.

Mr. President: I cannot have two people standing at the same time. When the Presiding Officer stands, the first basic rule in parliamentary procedure is, all Members are required to take their seats immediately.

You have made a statement, Sen. Mark.

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Sen. W. Mark: I can quote from the *TNT Mirror* and let them deny it. It is in the *TNT Mirror*, Sir. He said that.

Mr. President: You do not have it?

Sen. W. Mark: I do not have the *Mirror*, but I can get it.

Dr. Rowley: Withdraw it.

Sen. W. Mark: Withdraw what, you are dishonest.

Mr. President: Unless you have the document you quote from, I advise you to withdraw it.

Sen. Mark: The hon. Leader made a statement.

Mr. President: No, no, no.

Sen. W. Mark: I shall be guided. I withdraw it.

Mr. President: If you want to quote from whatever newspaper, it is only fair that you have the newspaper with you. You have done that before and I did not stop you.

Sen. W. Mark: I am guided by your ruling, Mr. President. I withdraw the statement, Sir, until I have the time—well, I would not have the time after tea, but I will bring it to the attention of the hon. Minister of National Security so he can take appropriate action against the *TNT Mirror* for misquoting the hon. Minister.

Mr. President: At this point, I want to advise you that your speaking time has expired.

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

Question put and agreed to.

Sen. W. Mark: All I am arguing at this stage is that the commercial banks in our country continue not to take the kind of basic interest in the agricultural sector of Trinidad and Tobago. At the same time, what we have taking place in our country is a continued spiral in the importation of food and live animals.

At the end of 1988, we imported close to \$720.2 million, worth of food. In 1989, we imported \$858.6 million. In 1990, we imported \$859.9 million worth of food. At the end of 1991, we imported \$895.0 million. I am predicting that we

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shall be crossing the \$1 billion mark in 1992, under this hon. Minister of Agriculture.

In the Minister's statement, he referred to the trade union and he went on to make reference to what is taking place at Caroni (1975) Limited with the All Trinidad Union. I know of no union—and, in fact, I have been checking it out very carefully with all major trade unions in this country, whether it be OWTU, NUGFW, Contractors and General, All Trinidad; they seem to have some kind of agreement with the companies or the employer, where, for instance they would have a register and people who are applying for employment would seek to be registered. The final decision for determining whether a person is employed or not is made by the company, and not by the union.

I remember a union that has now died—Brotherhood of Industrial and Construction Workers—that is how they used to operate the construction industry. Anybody who wanted to get a job on any project, whether it is Point Lisas, Port of Spain, wherever, had to go through Brotherhood. People are now saying that is a wrong thing. Let us apply a policy across the board to deal with that, but do not come to the Parliament and try to attack one union. That is offensive and it gives the impression—

Sen. Dr. Kuarsingh: Would the Member give way? Would he care to give his opinion as to the moral rectitude of the situation?

Sen. W. Mark: I am saying, Mr. President, that is a practice that has been going on and I do not see anything wrong with a system, in which, for instance, the workers are seeking employment and we have a register at our office. They come to put their names down and sent to the company. The company will be the one to determine if "x" or "y" is employed. But the impression that is being given is that All Trinidad is the agency for employing people.

Sen. Ojah-Maharaj: You turn back PNM members.

Mr. President: Can I have some order in this debate now, please.

Sen. W. Mark: Mr. President, I should like to go on. We are talking about agriculture and research and development. There is an institute called CARDI, the Caribbean Agricultural Research and Development Institute. That institution has refused to negotiate and bargain with a recognized union in this country over the last three years. We should like the Minister of Agriculture, who seem to be anti-union, to take a more positive approach to this question. Because CARDI is an

agricultural research institute in the region. Its headquarters are in Trinidad and Tobago.

There is a legal, recognized majority union representing the workers of CARDI. What that institute and its management are doing, is hiding behind legalism; they are saying that they have immunity, diplomatic and otherwise. I am saying that the human rights of people ought not to be flagrantly violated in the way that those workers' rights have been and are being violated by CARDI.

We call on the Minister of Agriculture to take firm action on this matter. They are denying workers in Dominica and Barbados the same rights. So what we have in the region is institutions being established, Caribbean Institution of Agricultural import, and denying workers of the Caribbean their legitimate human rights.

This is in violation of the International Labour Organization Convention No. 87: Freedom of association and protection of the right to organize, which was passed in 1948. It is also a violation of Convention No. 98: The right to organize and collective bargaining, which was passed in 1949.

We should like the hon. Minister to take up that matter. It is a scandal, an outrage and a denial of people's trade union and human rights in the region. We continue to dilly-dally on this matter under the cloak of immunity.

We have no problem with diplomatic immunity, but does that give an agricultural research institute the right to deny workers of the right to be represented by a trade union whether it is in Dominica, Barbados or Trinidad and Tobago? That could never have been the intention of the framers of the law. They are violating the law and we have to take action against them and we call on the Minister of Agriculture to do so.

I want to indicate that this Tripartite Report has, in fact, provided a basis for some action. In fact, they call it "An agenda for action." We demand that the Government implement the recommendations of this report. Nothing less will be accepted on this side: Total implementation of that report.

In this regard we are going to be moving an amendment to that motion at the committee stage to ensure that we could not only take note but we take note and implement the report. They say they will pay backpay on January 2, 1993. Well, we want to ensure that they pay, so we will be proposing an amendment to ensure that they pay the workers of Caroni (1975) Limited.

The first government in the whole Caribbean to have appealed an Industrial Court award was a PNM one. That is anti-trade union activity. It has not stopped. The Prime Minister came on the radio and attacked the PSA on whatever spurious grounds.

Dr. Rowley: Mr. President, on a point of order. The Member is misleading the House and I ask him to withdraw that statement. The Prime Minister did not attack the PSA.

Mr. President: What is the statement?

Dr. Rowley: That the Prime Minister came on radio and attacked the PSA. I would ask the Senator to withdraw that statement.

Mr. President: Sen. Wade Mark?

Sen. W. Mark: Yes, Sir.

Mr. President: The Minister is saying that the statement you made pertaining to the Prime Minister is incorrect and asks that you withdraw it.

Sen. W. Mark: He is saying so. But I am saying that the Prime Minister's statement was an attack. If he is saying that is not so, he has a right to say so, but I am saying it is implicit. Mr. President, you guided me a short while ago, that I can imply.

Mr. President: You are not saying that he said it?

Sen. W. Mark: I am saying implicitly the Prime Minister's statement was an attack against the PSA and if the Minister is saying that I must withdraw that statement, I would be guided.

Dr. Rowley: Mr. President, the Member is engaging in semantics. He made a categorical statement. Has he withdrawn it?

Mr. President: He is correcting that part. He is not saying that the Prime Minister—

Dr. Rowley: I rose on a point of order responding to something that he said, not what he will imply in the future. He said the Prime Minister came on radio and attacked the PSA. If he is withdrawing that statement, that is fine; if he is not withdrawing it I am not concerned about what he is going to say in the future. He made a statement recorded; he actually said something and I am querying it.

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Sen. W. Mark: Lenny Saith said something, too.

Mr. President: Sen. Mark, you have said that that statement is incorrect. Would you withdraw that and continue.

Sen. W. Mark: What I am simply saying—

Mr. President: I am asking you if you would withdraw that specific statement.

Sen. W. Mark: Mr. President, if he is saying that I said specifically that the PSA was attacked, I withdraw that statement.

Dr. Rowley: Thank you very much.

Sen. W. Mark: I am now indicating to the Senate, I am saying that implicit in the Prime Minister's statement was an attack against the PSA and the integrity of that organization.

Sen. Dr. Kuarsingh: I rise on a point of order, Sir. I rise under Standing Order 35(5):

“No Senator shall impute improper motives to any Member of either Chamber.”

Therefore, I ask that he withdraw that statement implying that the Prime Minister had improper motives.

Mr. President: Overruled.

Sen. W. Mark: Thank you for your protection, Sir. In closing, because I do not want to go much longer, although I have so many other things to say—I might have to save that for the platform in Tobago for the House of Assembly election. *[Interruption]* I am going to your homeland, that is his homeland, Tobago. I will reserve some of my fire. I have some more ammunition, but I will hold some fire.

Mr. President, I serve notice that we on this side will be moving an amendment to the Minister's motion to ensure that there is no mistake about the implementation of this report. We do not want ambiguity in this matter. We want it to be very clear that they are going to implement the report and we want that to be taken today.

Since they have committed themselves to paying the \$30 million in backpay, we also want to ensure that that is done. We are also moving an amendment in this regard to ensure that the backpay is paid.

Mr. President, we believe that the effort that has been made by these hon. gentlemen who have sat and put together this report and have advised the Government on how it should move on Caroni, but so many advisories have been issued before, that we can only hope that the Government, this time, through the hon. Minister of Agriculture would stick to his target.

Somebody made a plea, which I endorse, that when the Cabinet is reshuffled in 1983, that they leave him where he is because we want to hold him down to this promise. They will shift many of them, but we want him to stay in Agriculture, because we believe that in spite of his sometimes difficult ways, he would do whatever is necessary, and we will ensure that he does what he says he will do.

Mr. President, if they do not deliver, the people will deal with them. *[Interruption]* I know you are getting dealt with on November 15. I hear the PNM are getting a new General Secretary and they will make him an assistant.

Mr. President: Sen. Mark you are wasting time.

Sen. W. Mark: Mr. President, I really want, at this time, to wind down my contribution and to indicate in closing that we would hope that the Minister will give us some responses to at least our queries.

We should like the Minister to reiterate, for purposes of the record, what sections of this report have been implemented so far, which ministries are involved in this exercise, so at least we would have a clarification from him on this matter. We want to know if he is extremely serious about the matter or if he is joking as so many of the Government Ministers are doing today. With those few words—

Mr. President: What about the amendment?

Sen. W. Mark: I am moving the amendment at the committee stage, Sir.

Mr. President: We do not have committees in a motion.

Sen. W. Mark: We move, at this point, an addition at the end of the resolution:

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

Seconded by Sen. Surendranath Capildeo. [Noise]

Mr. President, there are now two amendments I am going to propose: the first moved by Sen. Prof. John Spence which as far as I know, was circulated in print form to all Senators last week, so I would not bother to read the full text of this amendment. The amendment, seconded by Sen. Michael Mansoor, is now before the Senate.

We have another amendment proposed by Sen. Wade Mark and seconded by Sen. Surendranath Capildeo. This amendment reads:

Add at the end of the resolution the following:

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

These two amendments are now before the Senate and those who wish to speak may speak on both the original motion and the amendments.

Before I call on Sen. Hydar Ali, I just want to remind Senators I am quite a liberal person I give people much latitude, but in the last Senate I had to remind Members from time to time that there is Standing Order No. 39. “Rules for Members not speaking” it says:

“A Senator present in the Senate during a debate—

- (b) shall maintain silence while another Senator is speaking, and shall not interrupt, except in accordance with these Standing Orders;”

While I appreciate, as I have said before, that Parliament is no Sunday school, we cannot allow a constant barrage of argument to continue while someone is speaking. Everybody appreciates a sharp bit of wit, but again, I must advise Members to please ignore most of the asides and direct your remarks to the Chair to keep on course, to enable your own speech to be accurately recorded in the

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pages of *Hansard* so that there will be no doubt as to what you said or not say. I look forward to your co-operation.

Sen. Hydar Ali: Mr. President, I am not really concerned that since 1978 there has been—to quote the Minister of Agriculture, Land and Marine Resources—“a plethora of well-documented studies and initiatives aimed at resolving these seemingly intractable problems”.

I make this statement fully conscious of the fact that we are here merely to note this report of the Tripartite Committee. But the 60-odd meanings of the word “note”, referred to by Sen. Capildeo give me some ray of hope. In addition, the other studies met with limited success because of lack of consensus according to the Minister’s statement read elsewhere.

This Tripartite Report does not suffer from this setback, as evidenced by the signatures at the end of the report. By the way, I hold the common view that a signatory to a document is a party to the recommendations therein and cannot shirk that responsibility associated with it.

At this time, I was about to ask that the hon. Minister of Agriculture give us an unmistakable undertaking that this report will be implemented. But Sen. Dr. The Hon. Lenny Saith has spoken before me and has given us some indication that many parts of this document have been implemented. So I will not pursue this except to say that it was my wish and it will always be my wish and for that reason I will support the amendment proposed by Sen. Wade Mark, that this be implemented.

Mr. President, I am pleased with this report, as it seems to have most, if not all, of the ingredients for success. The parties involved in this exercise deserve our congratulations. However, since we are in the process of noting, we should note especially that the time envisaged for viability is five years and for profitability is eight years. We must remember these time spans, five and eight, if we are to hold the Minister accountable, if viability and profitability are not realized.

We should also note that the report states that the only diminution in the labour force will be by attrition. I hope no one—and I include my colleagues at the front here, or no other Government, if we are to believe the threats we are regularly subjected to, reneges on that.

I now look at some of the recommendations in section 4, which deal with sugar operations. I advocated in a previous debate that sugar production should be increased rather than decreased. So I am pleased that an industrial target of 125,000 tonnes annually has been set. However, to achieve this target it seems that everything has to be working optimally and assumptions that appear unrealistic have to be made.

For example, in Table III, we see that from 1992 to 1997, the cost per tonne of harvesting the company's cane using mechanical means and self-loading trailers—that still refers to manual labour—remains at \$41 and \$81 respectively, whereas the corresponding rate for a contractor remains at \$36 throughout that period, 1990 to 1997. The same applies to transportation costs in Table IV. What is even more surprising to me is that in Table XII, the recurrent costs of the company's administration also remains constant for that period.

Mr. President, I do not know how feasible it is to adopt new varieties of cane. This is another point. No figures have been given in the report and I understand that it takes several years to introduce a new variety. This is where the thrust is to introduce new varieties so that there can be better yields to achieve this target, especially as it relates to farmers and the new varieties being available to them.

In dealing with the farmers' cane, the report seems to imply that there is no control over age of cane at harvest, levels of extraneous matter, or the degree of staleness of cane. Whereas it might be difficult to determine the age of cane at harvest, there does exist the mechanism for dealing with the last two, that is, the degree of staleness and extraneous matter. Canes of good quality—that is the term used in the report—are defined in the First and Second Schedules of the Production of Cane Act and it is the responsibility of the cane weigher therefore, to accept only such cane as fits that description.

Mr. President, it would help the farmers considerably if there was flexibility in the daily quota system. For the benefit of those not familiar with that system: If you are a farmer and you have a contract to sell cane at a certain point, you are allowed a certain number tonnes per day; that is called a quota. I would say it would help the farmer if there was some flexibility in the daily quota system which works reasonably well, provided that there is no breakdown at the factory, in which case he cannot transport his cane, or there is no company transport or if there is a breakdown at the scale or the derrick or whatever.

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The situation is further aggravated when a farmer experiences an unplanned fire. He is now in a position where he has to get this extra cane out and he is only allowed his quota. The method for getting this extra cane out is very ad hoc. The farmer's quota is not automatically increased and he is expected to ask other farmers to give up their quota in order to salvage his crop. As we would expect the is not always successful in this and he then has to make several trips to the supervisor in the cane-farming department and sometimes even to the cane-farmer's manager who is located in Usine Ste. Madeleine, when his priority at that time should be to remain on site trying to get out his cane. The situation is quite common and deserves urgent attention.

4.10 p.m.

The report also recognizes problems of farmers in delivering their canes directly to the company's milling facilities. I must say that although this is a recommendation, I agree that it is not a strong recommendation, but one does not know whether there is any time-frame put to this. This is a very costly operation for small farmers even if they were to form some sort of co-operative and we should like to know—talking about co-operatives is a very risky business—under what ministry we would put this particular co-operative, but one assumes that the old law would apply. So I would suggest that this be introduced only when it is feasible to do so.

The report does mention that it is against the handing over of land to workers. I assume that there is distinction between the handing over of land to workers and the selling or leasing of land to farmers. The company should look into the possibility of making additional land available to farmers to ensure that the target of 785,500 tonnes of cane—set for farmers up to 1996—is made easier to achieve.

There is another factor that affects farmers. If a farmer's cane is burnt just on the eve of the crop, there is no compensation and one would like to see some sort of insurance scheme introduced. Apparently, they cannot get insurance on their own and I am asking that the Government, through the company, make some provision to assist the farmers so that they can get some sort of insurance for the cane that is burnt before the crop has started. Once the crop has started the position is a little better where they can, by juggling the quota system, get the cane out.

Mr. President, I am disappointed that the question of unplanned fires has not been mentioned in the report, presumably because it was not within the terms of reference, but I was pleased to hear from Sen. Wade Mark that even the Central

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Bank's report talked about the effect of cane fires on the harvesting operations. I should like to mention some figures that we got only recently on unplanned fires in 1992. In 1992 the number of unplanned fires was 1,412; the number of acres burnt, 12,819; the number of tonnes of cane burnt as a result—about 300,000. Because of the large areas that are burnt, it is not possible to reap all the canes and we have some figures here. Number of acres not reaped—385, which results in a loss in terms of the production of sugar of 9,235 tonnes.

Anyone who has lived in the cane-farming area would notice that fires do not occur in the middle of nowhere. I have ascertained that unplanned fires tend to occur near populated areas and on fields that are harvested mechanically. I do not know what we can read from that, but there is a perception in the industry that when these fires are set somehow it facilitates the workers and equipment, but I am just hazarding a guess. When canes are burnt maliciously, it is called arson. In any other area, this is treated very seriously. If a house is burnt down the police will check it out, but when it comes to the malicious fires that affect canes, although it is considered arson, I do not know how seriously it is treated. I should like to know, for instance whether the Minister has any figures relating to how many, if any, arrests have been made of people who have been charged with setting fire to cane during the last 10, 20, or 200 years for that matter, and what steps are being taken to maintain the decrease in unplanned fires. I say decrease because in 1991, the number of acres not reaped was 858; number of tonnes of canes lost, 22,000. I do not have the figures for unplanned fires in 1991; apparently there was some decrease and it is not surprising because there was a big education drive and advertisements telling us about sugar cane being our life.

I support very strongly the recommendation that steps be taken to ensure that Caroni (1975) Limited become a sugar refining centre for the Caricom region. It is hard to believe that this status has eluded the company even though it is the only sugar refinery in Caricom. This is a statement that was made by the Minister and in the report but I gather that there is some refinery in Jamaica. I do not know what its output is like.

I am typical of those people who were referred to, I think, in the report of the West Indian Commission, *Time for Action*, as sceptics in relation to Caribbean integration. We have been trying unsuccessfully for a long time to have our national airline, BWIA, designated the regional carrier, so I am not very optimistic about the chances of Caroni (1975) Limited being designated the Sugar Refining Centre of the Caricom region. I am not making this statement because it is my

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personal view. If we were to quote from the hon. Minister's contribution last week, he said: "We have taken note of that"—that is, trying to get all the refined sugar produced and bought within the Caricom region—"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". But he went on to make the statement: "Unfortunately, to date, even though Heads of Government have agreed to that"—that we source refined sugar from within the Caricom region—"our Caricom neighbours have not been playing ball. We hope to persuade them to play that ball."

There seems to be another formidable hurdle that must be overcome before this comes into being. I refer to a requirement that is mentioned in the Tripartite Report and I quote—

"Caroni (1975) requires implementation of a CET (Common External Tariff) applicable at the same level to both raw and refined sugars from extra-regional sources in a manner which was addressed at the 1992 Heads of Government meeting."

Mr. President, the Council of Ministers has already met to discuss the CET and our own Minister of Trade, Industry and Tourism was very disappointed—he was quoted as being disgusted in yesterday's newspaper—at the outcome. One can only hope that the news out of the Special Summit—according to an invitation I received to attend the opening tomorrow it is being called a Special Summit, due to start tomorrow in Port-of-Spain—will be more encouraging, not only for Caroni (1975) Limited, but for the entire Caricom region.

I laud the recommendation that the company be granted the status of sole importer of sugar and industrial sweeteners into Trinidad and Tobago. The way this statement is put, one gets the impression that they are now going to be granted that status, but apparently they have been the sole importer of sugar. What has been added to that portfolio, so to speak, is the sole importer of industrial sweeteners into Trinidad and Tobago.

In another section of the report the recommendation is that the company be conferred with the most favoured status, not less than that enjoyed by other state enterprises. I am surprised that Caroni (1975) Limited does not now enjoy that status, so I empathize a little with those who are wont to argue that Caroni (1975) Limited has been treated unequally in the past.

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I should now like to look at some of the recommendations under “Diversification” in section 5. I am particularly pleased that diversification within sugar is being explored. I get the distinct impression, however, that this is just an initial move to be explored and developed at the regional level through the sugar associations of the Caribbean and the Standing Committee of Agricultural Ministers in the region. I am very disappointed at the manner in which this recommendation is stated, as it gives the impression that nothing is known about diversification within sugar, when it should be well-known that a Caricom technical mission visited Cuba in 1991 and got first-hand exposure to this type of diversification.

Nationals also had an opportunity to learn about the Cuban experience when—as I mentioned in the previous debate on *Caroni (1975) Limited*—FAO consultant Rena Pérez spoke on the topic, “The Development of Animal Feed Production Systems in the Cuban Sugar Mills” on January 29, 1992 at the University of the West Indies.

Under “Diversification”, livestock and the bagasse feed plant are also mentioned. It must be realized that livestock and the manufacture of ruminant rations—as mentioned in the report—go hand in hand. If these ventures are successful, Caricom's high demand for both meat and feed ingredients could be satisfied to some extent. So that the problem we had recently with the importation of Irish beef would not be as bad as it was at first. The proposed bagasse feed plant could go a long way in alleviating this situation. This is one of those proposals we have been hearing about for a long time. I do not know whether this was just culled from one of the several reports or the peripheral reports that were made available to the team, but I hope that this really comes on stream. In this connection, I lament the fact that there seems to be no role for the Sugarcane Feeds Centre which was represented on that Caricom technical mission to Cuba in 1991 and which is involved in the production of feed for livestock. Again, I ask that the position of the Sugarcane Feeds Centre must be clarified.

Under “Diversification”, the report mentions rice, and the Minister mentioned that rice is a success story; the only success story there. Only two types of rice were mentioned, the irrigated and the rain fed rice. Again, in my previous contribution I mentioned that studies were made to produce rice along the highway in the brackish water. There was no response and I do not know whether that is feasible or if there is any thinking in that area at all.

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Sen. Prof. Spence: Mr. President, I wonder if the hon. Senator would amplify on his comment that if we produce feed the problem with the subsidized Irish beef would be removed. I did not quite follow the linkage. If certain meats are subsidized it comes in at a low price, but producing our own feed may still not meet that problem.

Sen. Ali: Mr. President, this was just an off comment to mention that by having these two areas merged, that is, producing livestock feed and producing livestock, one is going to perhaps reduce the import bill on beef and things like that.

I now comment very briefly on the section dealing with Caroni (1975) Limited and the wider environment. It was argued in the past—and I am glad that this was mentioned several times here today—and the present report continues this argument, that Caroni (1975) Limited provides some services that are strictly the responsibility of local government. As far as I am aware, the real problem with this arrangement is that the company is not compensated for it. I therefore disagree with the recommendation that all such functions "be excised from the company's portfolio and transferred to the state". Mr. President, because of the nature of the equipment required for these services and accessibility or perhaps, lack of accessibility to some areas, it would be much easier for the company to continue some of these functions and be compensated for that, rather than have the state assume a responsibility which it would be unlikely to discharge satisfactorily.

Just to make one or two final comments. Since we are talking about selling land and collecting money, perhaps the Minister could look at the possibility of Caroni (1975) Limited being compensated for the land that was used for the Caroni Racing Complex. In a report we had at the Public Accounts Committee, it turned out that it was worth \$4 million. Perhaps, some steps should be taken to recover that. We cannot recover the \$120 million that went into infrastructure, but Caroni (1975) Limited could collect the \$4 million for the land.

I would endorse the recommendation in the report that the money that is owed to the workers be paid. I trust that what the hon. Minister, and everybody else is saying, on their side at least, is going to come to pass, and come January 2, 1993, the workers will be getting \$30 million out of their backpay.

I would like to join the band of parliamentarians headed by the hon. Minister whose fathers have worked in the cane fields.

Thank you.

Mr. President: I was going to take this opportunity, before we suspend the sitting to allow, with the leave of the Senate, Sen. Wade Mark to pose his question, if the Minister of Energy and Energy-based Industries is willing to answer at this stage.

It seems as though the Senator wants to utilize the time to quote from a newspaper to substantiate something which he said in his speech, concerning a Minister who is now here. Do you want to pose the question?

Sen. W. Mark: No, I would leave the question, since I have a few supplementary questions, and it might take us beyond the time for the tea break.

Mr. President: I would allow the Senator to refer to his speech, where he was interrupted by the Minister of National Security, just to read the quotation that he was referring to. There should be no further comment.

Sen. W. Mark: Mr. President, I quote from the *T&T Mirror* dated Friday October 16, 1992, headlined "I never took a vow of poverty". I just want to read the relevant section.

"Since Ministers are exempted from all relevant taxes on the purchase of a car, Kuei Tung saved more than \$200,000 on the BMW deal.

Ministers can enjoy that privilege every two years.

Kuei Tung said: I am a business-oriented person and I am always on the look-out for a business deal.

In my previous job at ALGICO, I worked for about \$40,000 a month; now, as a government Minister, I earn just over \$8,000.

The tax waiver..."

and this is Kuei Tung—

"on vehicles is the only perk of my job and I have decided to make use of it.

'I have nothing to hide from the public.'

He said he would not pass up a good deal."

Mr. President: Senator, I believe, if I heard right, you said that the Minister said he became a Minister to make money.

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Sen. W. Mark: No, no.

Mr. President: You did not say that?

Sen. W. Mark: The record will show.

Mr. President: The impression that I got, and which caused the Minister of National Security to jump to his feet, is that you said the Minister said he used to earn \$40,000. *[Interruption]* I think you alluded to what he proposes to earn in the office of Minister, which is far from that.

Sen. W. Mark: No Sir, the record will show otherwise.

Mr. President: If it shows otherwise, it is all right if it shows that.

4.30 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

ORAL ANSWERS TO QUESTIONS

Mr. President: Members, I thought this would be a convenient time to dispose of question 10 that was outstanding. The Minister has agreed to answer.

Energy Sector (Rationalization)

10. Sen. Wade Mark asked the Minister of Energy and Energy-based Industries:
Could the hon. Minister state whether the Government has a new rationalization plan for the energy sector?

If the answer is in the affirmative:-

- (a) Has the plan been accepted by the Inter-American Development Bank?
- (b) If the plan has been accepted, could the Minister make copies of the plan available to the Senate?
- (c) Could the Minister also state precisely when such plan was submitted to and accepted by the Inter-American Development Bank; and
- (d) Could the Minister state whether, in the formulation of the plan, there was any consultation with the interest groups directly involved in the energy sectors and precisely who were the parties consulted and when did these consultations take place?

The Minister of Energy and Energy-based Industries (Sen. The Hon. Barry Barnes): Mr. President, Government's plans for restructuring the energy sector have been articulated on several previous occasions in several different fora. They essentially comprise the following:

The total divestment of the urea company and Government's shareholding in Fertrin as a package for the purpose of raising financing to reduce the burden of foreign debt service in 1993. The Minister in the Ministry of Finance has given an update on this matter in a statement made in the House on Friday September 11, 1992.

The partial divestment of the methanol company as a means of funding a possible joint-venture investment in an MTBE project. Government's assessment of the potential MTBE project is still in the study stage.

The merger of the residual National Energy Corporation into the National Gas Company which is currently underway as part of the new mandate that has been given to the National Gas Company.

The merger of Trintoc and Trintopec into a new company. The companies have appointed a merger committee whose goal is to initiate and expedite the merger which would give rise to a single state-owned exploration, production, refining and international marketing company.

Various sub-committees comprising personnel of the two companies were established to treat with high priority, the issues associated with the merger.

Seeking a potential joint-venture partner for the upgraded Pointe-a-Pierre refinery who would bring to the venture a guaranteed supply of imported crude and the availability of secure markets for refined products, as well as technological and financial support for the refinery's operation.

With respect to (a), the Government's plan for restructuring the energy sector has been accepted by the Inter-American Development Bank.

In terms of (b), the structuring plan referred to has been passed to the Clerk of the Senate for distribution to the hon. Members of the Senate.

In respect of (c), the Inter-American Development Bank met with Government over the period April 27, to May 1, 1992 to review the energy sector loan portfolio. During this review, there were full discussions of Government's plan for

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the restructuring of the energy sector. The Inter-American Development Bank's acceptance was confirmed by letter to the Government dated June 23, 1992.

Turning to (d), there have been full communications and discussions of Government's plans and intentions with the companies that are directly affected and there will be continuing deepening discussions as Government's restructuring process continues. The Trintoc/Trintopec merger committee has held a series of discussions with the staff of both companies. The merger committee has also made formal presentations and held discussions with the Oilfield Workers' Trade Union and other representative trade unions at the companies.

Sen. W. Mark: Mr. President, could the hon. Minister of Energy state when the merger is likely to take place finally or what time-frame does he envisage for the finalization of plans for the merger of Trintoc and Trintopec?

Hon. B. Barnes: Mr. President, the current intention is that a new company will be registered in early November. That is merely the registration of the company to allow the appointment of the board of directors, etc. and to give a group of people the opportunity of taking the necessary steps to prepare that company for the eventual absorption of the personnel of Trintoc and Trintopec. The actual merger is not likely to commence until early 1993. We believe that there will be a settling period, obviously, as the new company comes into operation. We would anticipate that the entire exercise of a functioning operation should be there by mid-year. But, the short answer is that the merged company, we anticipate, will be coming into operation some time in January, 1993.

Sen. W. Mark: Mr. President, could the hon. Minister indicate whether the elements outlined by him would form part of the Government's Green Paper which is expected to be tabled some time at the end of October? And secondly, given what he had indicated, if Trintoc and Trintopec cannot get a partner to bring in reasonable amounts of crude, would the Government go along with this expansion plan for Trintoc and Trintopec?

Hon. B. Barnes: Mr. President, I am not too sure that I fully understand the nature of the question, but perhaps I should begin with the second part of it.

The refinery upgrading project is under way. I think we must very clearly understand that because the Pointe-a-Pierre refinery must be in a position to meet the product quality specifications that are being introduced worldwide, and shall come into full effect in 1995. If the refinery remains in its present configuration,

we shall not be able to meet the oxygenated/gasoline and gas oil sulphur requirements. So that there is no question that we have to upgrade the refinery.

Having said that, I must tell the Senator that we recognize that there is a process capacity in that refinery over and above our guaranteed availability of crude. And we are saying, that although there are several ways of seeking to secure that additional quantum of crude—and the easiest, of course, is by going out and purchasing it on the international market, which we do not have the money for, nor can we rely on being able to achieve processing arrangements that have to apply over 10, 12, 15 years—we are saying that it is a much better strategy to go out and seek a partner for the upgraded refinery who may be prepared to bring a commitment of crude for security of the market place, finance and technological support for the refinery operations.

At this point we have not even commenced looking. We are merely saying that when we get our act together that is what we are going to do.

Sen. W. Mark: I am asking whether the Government would be sticking to its commitment to table in this Parliament by the end of October, its energy policy—the Green and White papers.

Hon. B. Barnes: It is still the intention of Government to have the draft energy policy tabled as a Green Paper in Parliament by the end of October or very soon thereafter.

5.10 p.m.

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Sen. Mahabir-Wyatt: Mr. President, when you deal long enough with international organizations you get to appreciate the various shades of the words "to note". We have a motion before us asking the Senate to take note. In international civil servantes, "to note" means to file and forget. There are other shades. There is "note with interest" which usually means to read and to file; then there is "to note with concern" which means that you start to pay attention, and "note with alarm" which means more or less what it says.

The motion before us is that we take note of the Cabinet appointed Tripartite Committee Report on Caroni (1975) Limited. The fact that it is a tripartite report has received considerable attention in this Senate. It has been commented on very favourably by several people, and to have achieved that kind of consensus in a tripartite group means that there had to be considerable work and compromise.

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Page 24 of the report states:

"There is need to guard against any undermining of the consensus which made this report possible."

This seems to be sending a signal through the report, "please, just take note." In other words, "just file it, forget it and accept it."

I noticed that the persons who worked on this report, and obviously they were noting with interest what they were doing, because out of 12 of them, nine, not only have a direct interest in the subject, but also they make a living via sugar and Caroni, so the interest is acute. With that nine to three ratio, it is not surprising that the report itself is rather inward looking. The mark of compromise is definitely there, which is to be expected.

While I think compromise is something excellent in institutions such as marriage and politics, I do not think that compromise is necessarily the best way of going about business. If you are trying to solve a disagreement as to whether to seek out markets in Japan or the United States, you do not have to compromise on the half way position which is Turkey. It just does not work like that. There are positions that have to be taken and you base them on certain assumptions which guide your objectives and action plans.

I should like to see Caroni (1975) Limited survive for historical reasons. I do not know if this document before us is going to provide the means or the action plan as Dr. Saith has pointed out, which is going to take Caroni (1975) Limited into the future. I just do not know. I think it is a most peculiar document. If I read it properly, it seems to be saying to me that what we must do is take away all the historically accumulated debt that it has at the moment and—I believe if I am not reading it wrong—underwrite some of the debts it is going to accumulate, and that in some mysterious way, is going to make it viable. The introduction says:

"The terms of reference were to develop an agenda for action aimed at putting Caroni (1975) Limited on a viable footing over an agreed time frame."

This is assuming that viability is possible, and assuming that all one has to do is to pay off this accumulated debt; put into place certain plans which people have been trying to put into place for a long time, and immediately the whole thing is going to be viable. This is putting either \$2.85 billion or \$2.58 billion more debt onto the people of this country; people who are already loaded with debt, but we are being asked, on the basis of faith, I think, to accept that this is the correct way

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to go in order to make Caroni (1975) Limited viable, and therefore we can move into the future.

The report does not tell us on what assumptions these conclusions are based. I have read this report over a couple times and with the greatest respect to comments which have been made about management consultants, at least one thing they do when they are going to make an action report is to spell out in some detail the assumptions on which their recommendations are based.

It would appear to me that in the document there is room for openings for joint venture approaches, which again seems to indicate that what we are going to do is pay off all the debts; give all the debt to the people of the country and persuade some presumably gullible international investor to come in when we do not even know if Caroni (1975) Limited can succeed. We do not know what assumptions this plan is based on; they may in fact be right, I just do not know. There are far too many variables. There are variables which have to do with trade liberalization, world markets, replacements for sugar and various other cultural policies and subsidies which have been pointed out much better than I could, by other people. Would you invest money in Caroni (1975) Limited based on this report? I would not dare.

I should like to hear what Sen. Mansoor has to say about it from a financial point of view. I hope he is going to speak on this because it worries me very much. I do not know whether some of the source documents would have given the assumptions on which these conclusions and action plans are based. I doubt it because source documents do not usually give those assumptions. I can only assume that they must exist somewhere. I would like to know what they are because it is very difficult for me to consider a report of this importance without knowing, as I said, the assumptions on which it is based.

I do not think that any private enterprise or organization would go into an investment on this basis. The banks would not let you; they would not lend you the money. I did make a point of checking the library to see if the reports which we had asked for had been lodged there, so I could inform myself and perhaps avoid having to say what I am saying, but they were not there. What we seem to be asked to do is not to vote, thank goodness, but "to note" an action plan which is being presented to us without the assumptions on which the viability proposition is based.

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I am surprised at the unquestioning support that this document has received. It seems to have received this support simply because everyone is too frightened to say anything, they want to guard against any undermining of the consensus which made this report possible, because such consensus was not achievable in the past. Somehow this does not spell out viability to me.

The very fact that Sen. Wade Mark made very uncategorical demands of the hon. Minister a few minutes before the tea break, demanding that the Government immediately put into effect all the recommendations in this report, indicates that the Opposition really does not want the Government to start going back and examining the assumptions.

Sen. Dr. Saith has indicated that in fact many of these recommendations have already been implemented. I note with alarm—

Sen. Hosein: I just wish to correct the statement made by the Senator. On this side no one is afraid to criticize the report if we think it deserves criticism.

Sen. Mahabir-Wyatt: I did not say that anybody was afraid, but thank you, Sen Hosein.

5.20 p.m.

Sen. Michael Mansoor: Mr. President, I suppose I should thank Sen. Diana Mahabir for the invitation to speak. I had no real intention of speaking today, but it is always very difficult to refuse the invitation of a lady.

I thought I would say a few words, particularly because I had the honour to second the amendment to this motion proposed by Sen. John Spence. I rise basically to make the simple point that the report starts out by saying very clearly that the key objective of this entire effort is to put on a viable footing, over an agreed period, the operations of Caroni (1975) Limited. So that, in the first paragraph of the report, the expectations of the reader are aroused and that reader is led to hope that there is some light at the end of the tunnel.

It was with that frame of mind that I approached this report because I felt that, perhaps for the first time in very recent times, there appeared to be the probability that Caroni (1975) Limited would stop costing the country the millions of dollars it has costed us each year. I am sure that if someone read the Spence Report, 1978, he or she would have had the same expectations, but, as Sen. Spence outlined earlier, the fate of that report was not a particularly fortunate one.

I want to note with caution the expectations that have been expressed by a variety of speakers in this debate, because those speakers have basically said, "let us implement the report", and they are depending on the good Minister to deliver the goods—to make Caroni (1975) Limited viable. I believe that a benchmark of his career would be whether or not Caroni (1975) Limited becomes viable in 1997 or 1999 or, let us say the year 2000. It is out of a sense of caution, and perhaps care for his reputation in the year 2000, that I wish to make this intervention.

My concern really arises out of the financial data that is presented on page 38 of the report, Appendix 5(a). In that appendix, the projection for 1997 is that, notwithstanding all the manoeuvres, strategies and tactics that will be implemented by the Minister and his team in the year 1997, the net position from sugar operations is still a deficit figure of \$28.101,000. That figure contains within it optimism which historical experience would lead one to doubt very seriously. Even if all the assumptions that the Minister makes come to pass, in 1997, we would still be losing \$28 million from sugar operations. This is where the hope that I had had when I read the first paragraph of the report completely evaporated. I should just like the Senate to note that the Minister is telling us very clearly that, notwithstanding all of these rosy assumptions, we would still be losing money from sugar in 1997.

That is a very significant observation, if I may say so, and it is particularly so because of what Sen. Spence has said. He has made it very clear that with respect to each commodity in the agricultural sector we should do a detailed analysis to see what is the economic effect. We must ask ourselves: How is it affected by exchange rates? How does it affect our employment? How does it affect the price of food? How does it affect the cost of living? It is all set out in the amendment. So, I ask the Minister to emphasize the fact that sugar, even in 1997, and even with all of the good luck that is encapsulated in that projection, will be incurring a loss of \$28 million. The report goes on to say that in 1997 Caroni as a whole will show a profit of \$7.963 million—the net position as it is called. However, that profit in 1997 is based on the expectation that there will be a net profit from the diversified operations, some of which have not even started commercial production.

The report says that the net revenue from diversification will be \$22.964 million in 1997 and it lists on page 40 where this money is going to come from. It says, for example, whereas in 1993 we expect to lose just about \$1 million on sheep; in 1997, we expect to make a profit of \$600,000. Whereas in 1993, there is

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no revenue from the bagasse feed plant, in 1997 we expect to get \$9,240 million and further, whereas there is no revenue from aquaculture in 1993, we expect to get as much as \$13.938 million in revenue in 1997.

I ask the question: If it is that in sugar, which we have been working with for 200 years, we have this unhealthy prognosis as to what will happen in terms of an economic return, what is there in this report to make anyone believe that we shall be more successful in what I perceive to be very complex operations like aquaculture and bagasse feed plant from which we are projecting huge profits? We are projecting profits of \$22.9 million from these diversified operations for which, I understand, we do not know where the capital is coming from. I am not sure about that, but I do not think that capital sources have been identified. What makes us believe that we shall get this revenue?

Further, one also has to regard this profit of \$8 million in 1997 with more suspicion, particularly because of the fact that mention has been made in the report that a large portion of the savings will come from the attrition of staff. One expects that attrition because there is a promise, somewhere in the report, that pension arrangements will be made attractive for people to retire early—What is the cost of that pension? Is it included in these figures? I do not think it is because there is the comment in the report that the cost is not known.

5.30 p.m.

The promise contained in the first part of the report appears to be rather ephemeral; it is not based on reality; it is based on hope and I would not wish the Minister's future, what he would put on his resumé in the year 2000, to be affected by the hope that is being expressed by every speaker—just implement the report and everything will be all right. It is not going to be all right. It is going to depend on this diversification project for which we will have to find capital, expertise, technology and markets. Mr. President, one can get even more detailed. One can look at the expectations with respect to the prices we shall get from the EEC, whether they are going to take that amount of sugar in 1997. They say they are going to continue to take 47,000 tonnes. Will they? I do not know.

I should like to make the point that the projections are based on optimism rather than reality or experience of the past and I am particularly concerned about the realization of the net revenue from diversification which makes the picture not look as bad as it otherwise is.

I would further say, Mr. President, if one looks at page 38, again, one sees that in computing what is called the company's overall net position, there is an item of revenue called "estimated net revenue from land sales" and that is put in at an amount of \$26.6 million in the year 1997. We all know that the supply of land is not infinite and this is not a sustainable revenue line. So that in the year 1997, although there would be a company's overall net position of \$34.5 million, much of it is the sale of capital property, land, which we cannot sell a second time.

I would wish to compliment the Minister in the early preparation of this report. I think it is a step in the right direction, but I would wish to caution those who have expressed dreams and hopes to just implement the report, that it is not going to be easy. I would be prepared to bet that these results are not going to be achieved. The business risk is just too high and if anyone believes that the Minister, however competent he is, would be able to wave a magic wand, implement these things and the Caroni problem would go away, I would suggest that person is making a serious error. I wish the Minister luck and I would advise him to say with caution what he expects to happen at Caroni.

Thank you, Sir.

The Minister of Agriculture, Land and Marine Resources (Dr. The Hon. Keith Rowley): Mr. President, this has been a very long debate for me here in the other place. This is the fifth day of parliamentary time that we have been looking at this matter and I think a more fitting presentation could not have come at the end of this debate than that just made by Sen. Mansoor.

The issue in the national landscape is sufficiently important to have taken up that much parliamentary time. In the cut and thrust of the political system we know that we have Government and Opposition and some things are said by Opposition as form rather than substance. But I think, basically, the gist of it is that we, as a people, would like to succeed.

When one looks at the report and the treatment of the report in the debate in this Senate, one gets a clear picture of those Senators who read the report and digested its contents, and those speakers who, regardless of what the report contains, the issue which is being dealt with, in name alone, would have generated the contributions from that quarter.

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[SEN. MANSOOR]

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I wish to start by expressing my thanks for the support and the cautions raised by Sen. Mansoor, Sen. Teelucksingh and Sen. Dean. I think they understand the problem we are facing. Even Members of the Opposition bench, I think understand the problem. But this problem of Caroni (1975) Limited has been, over the years, a problem which has taken on proportions outside its real nature. It was with some—well, how should I put it—sadness that I listened to the presentation of Sen. Capildeo because I wish I could find some way of convincing him that there is no malicious intent in the presentation of the report, the search for an action plan or the treatment of Caroni (1975) Limited.

I heard the comments of Sen. Hosein. He raised the question, specifically, why the Booker/Tate Report was not laid here, and I think Sen. Dr. Saith very adequately explained why and I hope that he and other Members would accept it in that vein that, basically, it was a working document and the final position is what we are really dealing with. During the last presentation I was browsing through a document being used by my colleague, the Minister of Energy. This document of June 24, 1983 is titled, “Trinidad and Tobago: Development Issues for the 1980s”. This is not Government policy, but it was an assessment from another quarter of the sugar industry and it is interesting to note what they have to say under “Recommendation for Policy.” They were advising the Government as to what policy should be pursued and we get this all the time coming from the international agencies of which we are a part.

Listen to what they say about sugar in 1983:

“The Mission makes the following recommendation:

Scarce resources should not be used to revive traditional export crops. In particular, a decision on the gradual elimination of sugar production needs to be made promptly.”

So, as far back as 1983, the mission which came from the World Bank was advising the Government to close down the sugar industry. The fact that this report exists and was not tabled here, like any other report, means nothing. The fact is, no such policy was adopted and no such policy is being adopted. Therefore, there is no need to let that be—

Sen. Hosein: Would the Minister, give way? We have no problem with a report that is a working document that has not been quoted from, but I think it is unfair to the Senate to quote from a document to which we do not have access to check, to verify, to see what else is recommended. So as long as a document is being quoted from, that document, in our view, should be made available to all.

Hon. K. Rowley: I take that point, but the quotations were not the substance of the matter. If I may clarify the point further, the whole question of the introduction of that, the Booker/Tate Report into the debate was from the other side. In fact, in the other place, a number of wild and seemingly unsubstantiated statements were made and, as Minister, I had to correct the record by saying, “since you are saying the document says ‘A’, in fact, it says ‘B.’”

I take the point the Senator is making, but if there was a problem with introducing the document into the debate, it was not the fault of this side. I introduced it on the basis of saying that those Members who were following the debate would have noticed that this was so. Those were the words I should have used. Anyhow, at this time, I should like to put minds at ease that whatever the various reports contain, what we are seeking to do is find a way out of the quagmire of the present situation.

Sen. Mahabir-Wyatt and Sen. Mansoor put their finger on the point. Yes, the document did not give the detailed assumption, but as I tried to point out in my presentation, before the Government committed itself to that consensus which finally came before the Senate, the Government had to be so informed to take those things into account. The details of technical inputs, numbers and actual investment possibilities are contained in other working documents.

Again, it is not that we took those positions blindly, but the optimism as referred to by Sen. Mansoor is there. It is, in fact, an optimistic approach, because we should like to embark on a programme of activity which, if we manage to succeed, would put us in a better position than we are in today. Otherwise, what is the point? That is why I would want to focus entirely on the matters at hand.

As Minister responsible, I hear all these charges about attempts to keep an ethnic group down, veiled threats about danger in racism. I would want to dismiss all of these things because I am of the view, as a citizen of this country, that the fear to which Sen. Mahabir-Wyatt spoke a while ago, of dealing with the substance of the matter, is engendered by a reference to all these extraneous matters. I do not intend to walk that route.

Those Members like Sen. Wade Mark who sought to accuse me of being dishonest and who painted a particularly grim picture of Caroni (1975) Limited, let me assure them that the only reason I am stating these facts is that they are facts pertinent to the issue before us. Had it not been so, I would have said that.

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The fact is, I am Minister responsible for Caroni (1975) Limited and, therefore, if the situation there is as I have said—what I have noticed is that no one on the other side has been able to get up and query any of the figures. What is being queried is the motive and the implementation. In fact, I was a little disappointed—even after I had presented the motion, I pointed out that all other state investments within my portfolio are finding themselves under scrutiny of a similar nature.

In fact, I made the point that we have had to take steps to close down Nonpareil Estate. The Cabinet has had to take a decision to do something about National Fisheries. A Cabinet decision in the last administration was taken to close it down but it was not properly effected. It is now performing in a way where every month we lose money; it is running up interest on past debts of over \$500,000 per month. The Cabinet has taken a decision on that. It is unfair to me to say that I am being unfair to Caroni (1975) Limited by trying to paint a picture of Caroni (1975) Limited—and if the picture I have painted of Caroni (1975) Limited is bleak and gloomy, that is the picture. It is no malice on the part of the Minister.

They have accused me of attacking the company and the workers. Well, if speaking the truth and putting the facts on the table and saying let us identify—and one of the interpretations of the word “note” is to identify—it as a problem to be addressed now before it collapses, then I am guilty of having done that. That is the connotation of the “note” that we are using.

Let me give you an example: Caroni (1975) Limited takes cane from cane-farmers, processes the cane, pays them upfront a portion of the money and at the end of the year, it has been the practice, pay what is called the final payment. The company is not in a position, normally, to pay that final payment out of its own revenues because it starts out with a deficit. So the Government makes provision to make a portion of that deficit available so that the cane farmers can be paid.

Even with an unexpected increase in the price of sugar this year—because in January of this year the price of sugar was increased by 15 per cent—what we said at the time was to give the company an improved revenue share, small as it might be, so as to make it deal with its housekeeping while we looked at the wider picture.

What is the position today? The Government, through my Ministry, liaises with my colleagues in the Ministry of Finance; the Government is in a position and has available the Government's portion of the final payment to be made. What are we being told by the company? The company is telling us that their accounts do not permit the company—even after the unexpected increase in the price of sugar—to make available its portion of the final payment so that cane farmers can be paid their final payment. The reason being that the company is in a financial position, which, however put, is untenable.

I would be the most irresponsible Minister in this country to come here and say otherwise. I have stated the facts relating to the state company, Caroni (1975) Limited. It is not a question of the Minister having any malice towards any section of the national community, or any company in particular. I think the point that needs to be taken here is that something must be done about it, because if the company does not do something about itself, what is likely to happen is that we will get up one morning and hear, not only that they cannot pay the cane farmers what they owe, but they cannot pay the suppliers and they cannot pay their wages.

What happens in that situation? It would collapse. If I use the word “collapse”, that is an appropriate word. If I use the word “bankrupt”, that is a standard word to describe financial insolvency. If I had used it improperly, I am sure Sen. Mansoor would have corrected me at tea-time. I know I could have counted on him for that correction. Since he did not do that, I assume that I have used the word correctly. These are the facts that we are facing.

When one looks at the contributions—I am sure if Sen. Capildeo had read the report, he would have seen that the debt owing is \$128 million and he would also have seen a provision of enticement to workers who are already in possession of significant portions of land where they live and under long-term tenancies, that I think approximately \$20 million of that debt can be wiped off by having that purchase made.

It would be, again, quite irresponsible to come into the debate and talk about when the Government will pay the \$160 million owing to workers, because one would expect that in the Parliament, even if the press likes the figure \$150 million, a Senator dealing with a document that puts it out like that, the Senator would have used the official figures which, as of now, would be way below \$100 million—as I say, one does not expect the Opposition to spend its time praising

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the Government. I should like to think that he did not read it and therefore impute no malice to his presentation.

There is an issue I want to raised and that is the issue which several Senators touched on, the Opposition Senators, in particular, about the price of sugar. Sen. Wade Mark used it in the context of there being some malice on the part of the Government, to stand on the neck of the sugar industry by controlling the price of sugar. Mr. President, what the Government has done by controlling the price of sugar is to ensure that its price of sugar remains artificially high. If we let market forces prevail, the price of sugar would fall. In fact, I did make the point in my presentation and again I am disappointed that it was not taken—they are not taking me seriously—that in order to keep the price at that level and in order to have the local suppliers and manufacturers use sugar rather than sweeteners as alternatives, the Government pays to the manufacturers a rebate of the increased price that they paid for Caroni sugar.

It is quite irresponsible to say that the pricing of sugar is something that is used to depress and oppress the sugar fraternity. Nothing is further from the truth. In fact, in talking about painting a gloomy picture and strangling the industry, let me draw to Senators' attention an article in *Caribbean Week*, written by one Robert Goddard. It is dated October 2, page 40—and the Government had nothing to do with this, it is just raising a flag about the *status quo* in a neighbouring Caribbean island. It states:

“For many years, dating from the early years of this century, sugar has been the backbone of the Dominican Republic's economy, earning the bulk of the country's foreign exchange and generating most of the jobs.

Until the late 1970s, the Dominican Republic was exporting over one million tonnes of sugar a year. The long run of prosperity for the sugar industry came to a halt in 1982, when there were quota cuts from the United States' sugar imports. The Dominican Republic's sugar exports fell drastically in the years following 1982, until exports are only a little over \$300,000.

On the heels of this disaster has come bad news from two other sources. Most directly, the planned privatization of the huge Polish sugar beet industry, which is likely to boost world production and push prices lower. Polish economic planners expect that Poland will now produce 1.7 million tonnes of sugar a year and this will increase production by over 20 per cent and cut the

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costs by 10 per cent. This will mean an extra 300,000 tonnes of sugar production in an already saturated world market.

Another threat to the Dominican and Caribbean sugar producers comes from artificial sweeteners. In December of this year, the patent held by the US firm Nutrasweet/Aspartame will expire. Aspartame is an artificial sweetener which is 200 times sweeter than sugar. In the last few years, it has been eating into the sugar market to the extent of five million tonnes a year.

The end of Nutrasweet/Aspartame's patent is expected to lead to tremendous competition among the producers of artificial sweeteners. They will be falling over themselves to take an even bigger bite out of the sugar market.

One study conducted by the Group of Latin American and Caribbean sugar exporting countries has estimated that the competition from producers of sweeteners may drive down the price of sugar in the United States from \$0.30 per pound to approximately \$0.10 per pound. Even worse news is on the way.

Nutrasweet has announced that it plans to have a new sweetener approved for general consumption by 1994. This is called Sweetener 2000 and it is 10,000 times sweeter than sugar."

So if these forecasts come to pass, the whole landscape of the world sugar market would once again be changed.

We have heard much about the 1978 report. It is an excellent report. My fault, your fault, anybody's fault, the fact is, it was not implemented in its totality. In fact, work in my Ministry has shown that a significant portion of the report has been implemented. The one area where there was no real implementation was the area of cutting the cost of production of sugar. We all know why, and let us not mince matters over that.

The area of cutting the cost of production of sugar was a sacred cow which nobody touched. I think this is where, Sen. Mahabir-Wyatt spoke put her finger on the pulse. We still have that problem today and all the reports, including the one before us today, acknowledge that and we say, "Yes, we will have to address that". With all that I have just said about the sweeteners, even within the maintenance of the existing *status quo* of the sugar industry, internationally, we recognize that we need to reduce our cost of production.

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So when Sen. Mark says that the workers are working hard; yes, they are working hard. When he says that we are bad-talking the workers, that is not true. For the report says that we need:

“...to recognize that the plan additionally sought to introduce flexibility and room for manoeuvre, to deal with the possible sources of derailment, increased costs of production may require greater attention to the mechanisms for securing a suitable attrition rate in the labour force.”

It says that we will go by attrition, yes, it says that attrition will be through an improved pension agreement. What if we do not get agreement on the pension arrangement? Because we know who has to agree; the chairman might agree, but the vice-chairman might not agree. The report is patently transparent. It says how we can succeed and it also says how we can fail. So if we do not get agreement on the pension plan arrangement to bring about the humane attrition and at a certain quantum which would make the efficiencies that we are seeking achievable, then we are going no place. It is as simple as that. That is why the report says that:

“We hope that the consensus arrangement will continue as we address these matters and that we seek the target ahead.”

That target ahead is to have an industry which can stand on its own two feet. Because whether we like it or not, the fact is that the industry is not standing on anything else other than the Treasury. The floor of the Treasury is not as strong as it used to be.

If we do not do something about it, much as we like to play games with words and appeal to our neighbours in our likeness, the fact is that if we do not address it seriously, it is of no consequence whether I am the Minister or he is the Minister, it is going to collapse, simple as that. Insofar as we have embarked on this programme, it is a programme which seeks to address that particular problem.

Sen. Mansoor touched an important point when he said that even though we are saying that we are going to try to get all these optimistic things done, the fact is that sugar will still be a loser. The report says so. So let no one come five years from today and say that the Minister promised X, Y and Z and delivered Y. It is here in black and white.

That should put us in a good frame of mind to talk about this whole emotional thing about bringing back Tate and Lyle and bringing back Booker/Tate. That is

just so much emotional talk. I can tell you one thing: No one in the international investing circle now is interested in coming to take over any sugar industry of this nature anywhere in the Caribbean. In fact, we would be lucky to get loan funds to buy equipment to apply to the existing operations to improve efficiency.

The company is not in a position to fund the capital stock improvements that are required; the Treasury is not in a position so to do, but it has to be done if we are going to achieve these targets. Therefore, we have to look for sources of revenue.

Given the scenario where even after all this is done, even with the best will in the world it shows a loss position, bankers of whatever nature would not be falling over themselves to fund this arrangement. So let us not fool ourselves.

It might sound good to those who do not know better to have spokespersons at the national level talking emotive talk about bringing back Tate and Lyle and bringing back whomever. I tell you one thing: From where I stand, if I could bring back a foreign investor here today to invest capital in this industry to guarantee its future, I would most certainly adopt that course.

The point is, there is a place in this country for a sugar industry. I tried to make the point that there are certain attributes which should want us to encourage a sugar industry. But if we try to do so in a way which the circumstances cannot permit, we could lose everything at once. But we can, after detailed analysis, and having involved all those who ought to be responsible—and I think it was Sen. Mahabir-Wyatt who pointed out that several persons here made their livelihood from the sugar industry and contributed to this report, and one would assume that they would want to see its survival. If it is that we require involving outside capital, it would be quite irresponsible to take an ideological position that we do not want any outside capital when you do not have any inside capital.

6.00 p.m.

Sen. Mark made the point that our local banks were netting almost \$100 million in profit. I wonder if he wants the assignment—I think he has influence in those banks—of getting any of that money invested in Caroni Limited. Investment funds for agriculture are extremely difficult to come by. Agriculture on the scale we are talking here is just not the past time of the unemployed; we are talking serious capital investment and serious modern management techniques.

There is much emotive talk about Caroni Limited providing goods and services to the wider central Trinidad. It sounds good, but it is \$2 million worth of

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work and \$200 million worth of talk. We said, "Okay, the local government bodies will assume those responsibilities and to the extent that Caroni does those works, it must be arm's length and they pay for them, but even if all of it is done, \$2 million. It does not change the picture at all. You hear more talk about that than the fundamental issue of whither goeth this industry.

I would agree with Sen. Diana Mahabir-Wyatt when she said that we have been afraid to come to the kernel of this matter. What I am trying to do as Minister today, at this time, in our time, is to once and for all come to the kernel of this matter and let us see if we can at least partially solve it. There is no other way. If the plan does not succeed 100 per cent, and it succeeds 10 per cent, that is poor; 50 per cent, disappointing; 60 per cent or 80 per cent, we would have gone a long way from where we are today where the company has been requesting from the Minister of Finance every year for the last five years until now, over \$200 million just to stay in the same place and receiving at this time less than \$100 million. So of course you did not stay in the same place, you would have slipped back.

We have to do something and the one thing we do not want as a people—not what I want as a Minister, not what this Government wants as a political party—is for our leaders to misrepresent the situation and take advantage of the unfortunate circumstances of those who would at least listen to them. It calls for responsibility, it calls for a certain mature approach in dealing with an intractable problem that has been with us for too long. I am not prepared to debate at this stage what should have happened over 30 years. I am not dealing with that.

The fact is that the problem is here today and today's problem requires today's solution. We need to ensure that whatever mistakes were made in the past, we do not make them today or tomorrow. It would be a mistake, indeed, to continue business as usual because if we go that way it would not be very long before we woke up one morning and heard that the company cannot continue in business, because it can do that only on the basis of its ability to fund its operations.

Sen. Spence gave us a synopsis of how we got where we are today, but he made the point about the 1978 Report being all local. I can say the same thing here. This action plan is all local. There was no foreigner involved in the preparation of this action plan. The action plan was prepared by 100 per cent locals.

I must come back to the brief contribution of Sen. Mahabir-Wyatt when she said that the report is inward looking. She is correct, in that interest groups sat and did a report. In fact, from where we sat as we followed this report, we did not use the phrase "inward looking", we were concerned about inbred thought. When I said that we have to look for financial support both local and external it was concern over an inward-looking report that caused us, among other things, to want to have the parallel assessment of an independent, recognized authority, so that those with whom we deal cannot dismiss our action plan as an inward-looking inbred consensus. That was one of the reasons we got the Booker/Tate consultants involved, so that their assessment of some of the things we asked to be assessed cannot be deemed to be inward looking.

Also, she made the point about how we got some of the positions. I do not want to quote from the Booker/Tate Report, because in keeping with Sen. Hosein's position, it would be quoting in detail a document which was laid here, but I just want to give Sen. Mahabir-Wyatt the assurance that many of the issues raised by her are dealt with in there, in the assumptions, some numbers, positions and so on. It was on the basis of that hard assessment that we were in a position to agree or disagree with positions taken at the tripartite discussion.

In fact, to give you one example, we were introduced to the concept of greater efficiency. Sen. Mark made a big play about the efficiency of Caroni being the best in 15 years. However, as far as sugar extraction goes, it is still poor, but by hiring an expert sugar technologist, he was able to point us to a position where it is possible to make a quantified dollar investment in the factory geared towards improving the extraction of juice by about 6 per cent. So without planting any more cane, just taking out more juice from the cane that is now going through the mill, by improved engineering, and investment of about \$20 million, we could make that investment in a profitable way because the increased extraction of juice that will follow from that investment will pay for the investment itself. These were some of the things we did while the tripartite was talking about the global picture—the actual technical details.

The question of diversification. Sen. Mansoor made the point that if the diversification programme failed, there was no profit component in the whole exercise—absolutely correct. Then, it was absurd for any person to get up in Parliament here, or in the other place, to say that we are following a Booker/Tate under-the-table Report which says to abandon the diversification programme. That does not make sense. In fact, what we are saying—and it was said in the

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Tripartite Report—is that we need to hurry and get on with some investment in certain aspects of the diversification programme which are sufficiently advanced to be commercialized on a larger scale. I do not know if Sen. Mansoor is aware that Caroni over the last few years has been carrying out a major pilot project in Malaysian prawn farming. It has been very successful. At this stage it is a big pilot project, but not big enough to be commercially viable.

6.10 p.m.

The plans are there and if you look in the Tripartite Report you will see that that programme, plus other aspects of diversification, require an investment of the order of \$34 million. What we are saying is that if we do not have that money now and that investment is not made, then the profit to which he made reference would not be realized. We have to make the investment, and anticipating success, it is out of that that a profit comes. Malaysian prawns from all reports—I am telling this Senate that we have had, as I mentioned earlier on, the Commonwealth Development Corporation, and I noticed that some Senators dismissed these things in a disparaging way. The fact is, if they do have the money to invest, on what basis are we going to say no? We need the investment. Somebody made the point about markets and technology; even though we have done some work here at Caroni (1975) Limited, the fact is that there is a lot more work to be done.

This particular organization has at this time a few of those projects going worldwide, and of all the things they have seen at Caroni (1975) Limited, that is the one project that has caught their imagination. We would be quite irresponsible not to encourage investment so that we could move from the money losing pilot stage to a major commercial operation. If we can produce tonnes of Malaysian prawns here, the local market would absorb quite a bit of it. The Caribbean market—we are on the doorstep of a major tourism area. From here to Bermuda, there is market for those prawns. No problem with marketing.

We have the kind of expertise in this country where we can develop that industry further. All we do not have at this point, is the substantial investment required to move it to the scale at which it needs to be moved. You will find me, as your Minister, moving heaven and earth to encourage that investment to get that operation going.

The report states that we must embark on programmes of diversification, only after rigorous scrutiny. That is why the amendment proposed by Sen. Spence finds no problem on this side, because its details indicate the kind of scrutiny that will

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have to be given to Caroni's ventures in arriving at decisions as to whether we go or not; how far we go and how much to invest. Rigorous scrutiny.

If after rigorous scrutiny against all the background outlined in that amendment, it is found not to be viable, then even though it is identified in this report as one of the things to be proceeded with, we would say, no, because after rigorous scrutiny it cannot stand the test. I raise the point about our involvement in Caricom. That was a part of it. The world has changed considerably; our little cocoon has gotten considerably tighter since 1978 when the Spence Report was laid.

It does not help me to get up and say implement that report, and that was the report to have saved us. In fact, even as we are speaking now, changes are being made that we have to take into account, otherwise we would end up five or 10 years from now, where we are today—where we have embarked upon programmes five or seven years ago, which today are abject failures and in abandonment. We do not want to repeat that. We want to learn from those mistakes. We must learn from those mistakes. The word “diversification” is not a magic word.

I made reference to the point of the distillery. We in this country have a long tradition in rum making. It is one of our strengths. On the one hand we have private enterprise rum-making, making millions of dollars; embarking upon significant investments. Only this week, I met with local businessmen who told me that they are going to Tobago—on the basis of rum sales and profits—to embark upon a \$50 million project. But what is happening to the distillery at Caroni? Losses.

Something has to be wrong. I raise this in the context that we are looking for foreign investment. Why is it that we cannot encourage local people with the expertise, and the money, to make the required investment in areas in which we have traditional expertise? There is no good reason why the Caroni rum distillery should be a money loser. If we find out that the reason is that it is improperly managed, then we would seek to get it managed properly. If we find out that there is something inherently wrong in the operation, we have to address it.

One of the things I want to recommend to Caroni (1975) Limited immediately, is to do a proper assessment of the future of that distillery as a business enterprise. I can tell you one thing: One could rest assured that whatever the answer is, it would require capital investment. Because the bottling plant at the distillery is

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antiquated. To the extent that they would move from there to profitability, immediately, they would have to start talking investment. Every time we talk about something at Caroni (1975) Limited, one thing comes up, investment. Let us not fool ourselves about that. It would require significant capital investment to move it from where it is at, to the stage that we are hoping to take it—a viable position where we can start.

Sen. Prof. Spence made a comment about the report not saying anything about subsidiaries. I am sure he missed it when he read his copy. He said that there was no reference in the report to subsidiaries. I wish to draw his attention to the last paragraph on page 8 of the report which states:

"In a word, then, the recommended organizational structure seeks to combine the elements of strength drawn from Caroni Ltd. as a single entity with those which are obtainable from a decentralized method of operation. It is proposed that within the Company the units will function much like subsidiary companies but to the outside world Caroni Ltd. will be a single entity."

So, it is charting the course. It goes on to say:

"The platform will have been created, however, for subsidiaries not only in function but also in legal fact..."

It is written here in black and white—

"and hence for divestment under appropriate conditions, and at a time when the return from any such manoeuvre is certain to be more attractive than at present."

So it is spelt out here in the report. What we are talking about here is that we envisage a restructured Caroni (1975) Limited, a holding company, which as of now, is spawning the operations as profit centres; separating operations; improving management; identifying separate investment; operating a number of subsidiaries. It is spelt out here. We are not fighting ideologies, we are fighting reality. If it is that a subsidiary arrangement will make the distillery profitable and the alternative is to leave it where it is at, to be underperforming and losing money, I would have no difficulty in encouraging the creation of a joint venture arrangement. We have to get off this situation of making arguments for winning points. What we want to do is to make arguments for saving the company.

6.20 p.m.

Sen. Prof. Spence in his amendment made reference to the involvement of a higher calibre of farmer. I could not agree with him more. We spend a lot of

money every year training people at the university and at ECIAF, and we have been doing so for years. On page 19 of our manifesto we have set there, as well as talking about the establishment of a centre for agricultural research, which means consolidating the disparate attempts now at agricultural research, which are all over the country, we want to bring it all together to be more cost effective. Here is what the manifesto states:

"A programme of incentives will be designed and implemented to encourage UWI and ECIAF graduates and others with training in agriculture to establish commercially viable ventures."

I quote this if only to tell the Senator that we are at one in this approach of seeking to get our trained people onto the land to operate in a commercial way. This is a direction we intend to pursue as we go along. He spoke about the need—

Sen. Prof. Spence: I just want to ask a question about the organization structure, because the paragraph which the hon. Minister quotes seems to be in itself contradictory because it starts off by saying it will operate as one entity; then, it introduces this thing about subsidiaries, then it talks about divestment. It does not say whether divestment is of the subsidiary or of the main company. That seems to me to be a very confusing paragraph, if he does not mind my saying so.

The other question I ask is with respect to investment: Is it the intention to create subsidiaries which would then have joint venture partners without necessarily having equity in the main company? Or is the investment to be in the main company as well? With respect to the point the hon. Minister was making about farms, could he in carrying on say whether the intention is to continue to run Caroni as a state farm with or without investment or to have farm development schemes whereby there will be private farmers on Caroni lands?

Hon. K. Rowley: That is a whole debate by itself. In short, the question of the creation of subsidiaries; I do not see any contradiction there at all. That paragraph identifies a progressive approach. As of now it is an entity and this question about bringing all its strengths together has to do largely with, for example, strength of its balance sheets at the moment. The whole question of writing off the debt and retaining the interest charges for write-off position is one of the strengths referred to. One must see that paragraph as a progressive action. That is why it says the platform would have been set for the creation of subsidiaries both in form and in substance in legal fact. There is no question about it We intend to go towards the creation of subsidiaries.

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With respect to investment this whole question of subsidiaries is also to create a more flexible approach for encouraging investment in agriculture. Because there might be an investor who might want nothing to do with sugar but might want to invest in aquaculture; one that might want nothing to do with aquaculture but might want to invest in citrus. We do have to create these openings because without them, I can guarantee you 10 years from today we would be in the same place because we have not addressed the problem in any solvable way.

In Trinidad and Tobago today Caroni has under its control almost 3,000 acres of citrus. What is the future of that? You raise the question, would it be as a state farm or do we have individual farmers playing a role in it? That debate is not concluded. The one thing I can tell you is that the production of citrus at Caroni is something which is already on the landscape and how we conclude the process after rigorous scrutiny, put us in a better position to answer that final question. I know there is a point of view that we can go one way of leasing out the lands and having farmers operate them on a lease operatorship. The other point of view is that the company can plant more of those acreages and then operate its own evaporator, and then take into account the supply for the local market and for export. But then one must also take into account what exists elsewhere in the community and to the extent that there are possibilities for a synergy and merging of Caroni's interests with other interests in the private and corporate sectors; we are keeping the options wide open. The end result is, we are looking for solutions to the existing problem.

Sen. Prof. Spence: Mr. President, this to me is an extremely important point because it is the whole thrust of my proposal for advancing the well-being of Caroni (1975) Limited. The Minister has spoken frequently about the need for capital for investment. My proposal would use that 3,000 acres of citrus to acquire capital. I have outlined that the sale of the option to lease would bring in a TT \$15 million loan through the Agricultural Development Bank. I do not think this is by any means a nebulous approach. It is a very specific and concrete approach which I have taken in order to advance the capital requirements of Caroni and also to develop within the community, a cadre of farmers which I believe will be essential if we are going to have an agricultural entity. I consider this to be absolutely critical from my point of view as to whether we advance at all both in the agriculture sector and in Caroni Limited.

Hon. K. Rowley: The Senator's proposals will be examined vigorously and if they are found to have potential to contribute, they will not be disregarded, I can assure you. I want to get to the point he made about wanting to see an agricultural policy and against that policy one would be in a better position to determine the viability of subsectors or crops in the industry.

I made a comment recently in an interview with a newspaper. What I said was, as far as I was concerned this country does not have an agricultural policy. And a number of persons took umbrage at that. I make no apologies for that. What I was saying is that we need to examine the national potential, identify what we can and cannot do; what we should and should not do; get down to the level of consideration of subsectors or crops, put some numbers on them; can we produce 40 per cent, can we produce 200,000 tonnes and then set policy to achieve that. And with all due respect to whoever else, we have not done that, we do not have that and as a result of that I went to the Cabinet a few months ago and we put together a fair sized team of experts from inside and outside the ministry, from agro-processing, agricultural planning, the university and one person from an international agency to which we contribute, EECA, and this team have been meeting for some time.

We call it a task force, and they will be taking into account all the information available plus any outlook which they might have, their perception of the future—taking all that into account and developing for Trinidad and Tobago a draft national agricultural policy. Work is proceeding apace on that. It is our intention when we get that draft policy which would have been done by a cross-section of our own local expertise with minimal foreign involvement, to devise our own strategy for dealing with our own resources under our present and possible future circumstances—when we get that I will take it to the Cabinet, and if Cabinet is happy with it, it will then be published for public discussion.

6.30 p.m.

As a nation, we will determine for ourselves where we are going in agriculture. We can publicly set out standards; areas of concentration; make it known to those who may want to invest in the sector what is available; how much and what we are going to import. I believe for the first time that will put us in a position to operate against the background of a national agricultural policy. Work is apace on that.

In fact, only today on my way to Parliament at lunch time, I received a copy of a strategic plan of the task force, "Improving Food and Agricultural Policy for

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Trinidad and Tobago". It is confidential, and the first draft. It is my copy which was prepared by the task force, constituted on August 4, 1992, by the Minister of Agriculture. We have begun to get some documents in place. Work is proceeding and I hope before the end of the year I would be able to present to the nation a draft agricultural policy, which we can chew on. Everybody from the various sectors who has an interest in agriculture will have the opportunity to improve the draft. I can tell you that I intend to rely very heavily on the support of my ex-colleagues from the university.

I think we can conclude this debate on the score that we are agreed that Caroni (1975) Limited has been important; it is important and should continue to be important on our national landscape. I think we have agreed as to what size of industry we should strive for. What the report is asking is that we so tailor the industry's position, that that size be a viable operation; that we also take steps to do other things which would allow us to maximize the use of our land resources, whether they are arable or not, in the area which comes under the control of Caroni (1975) Limited.

We agreed to have the company operate with a decent balance sheet. No company can operate if its numbers do not add up and it is basically bankrupt on the books. It cannot operate in a proper manner, and as of now, they are not doing that. We have agreed to discharge some of the responsibilities to the best of our ability given the constraints in the present situation. Some of it is backpay and others are non-cash situations. We have agreed to continue to work together as a team to deal with this question of accelerating attrition. These are some of the things which we have agreed upon.

This debate is about letting Members of the Senate have an opportunity to bring themselves into the picture to make the kinds of comments that they have made. I want to give you the assurance that nothing that you have said: good, bad, insulting or otherwise has escaped the Government's notice. We took note of everything that you said. As we proceed—

Sen. W. Mark: Could the hon. Minister indicate what steps are being taken by the Government and the ministry to rectify this anomaly that exists at CARDI? I raise this question because the rights of workers are being affected and I would like the hon. Minister of Agriculture to respond to that query.

Hon. K. Rowley: As I said, you raised it; I took note of it, but I do not think this is the time or the place to get into any debate over that.

Sen. W. Mark: Could you recommend a private meeting?

Hon. K. Rowley: No.

Sen. W. Mark: I am trying to find out the Government's position on this matter. If you cannot outline the position today, could you then indicate to the Senate when you will be able to clarify this issue? It is a very serious issue. It affects workers' human rights and trade unions' rights. I know that even though you are anti-union, you will look into this matter.

Hon. K. Rowley: Since you know that I am anti-union, you should also know when I will look into it, because you seem to know a lot about matters which you do not know anything about.

Sen. W. Mark: You are too soft skinned. I want to get a position where the workers of CARDI are concerned.

Mr. President: We are running out of time. This is a different matter.

Hon. K. Rowley: I was just on my winding up sentences. I think that we are all ready to go home.

Sen. W. Mark: Mr. President, with all due respect, this is not an irrelevant matter. This involves 60 workers at CARDI. They have been denied their trade union rights.

Hon. K. Rowley: There is a time and place for everything.

I want to conclude by once again thanking all Members for their contributions. We all would do well to do whatever we can to ensure that success visits this plan, because if we do not succeed in any significant measure, in the not too distant future we would be in a far worse position. So, whatever our divergence of views as to 100 per cent accuracy of where we are going, the fact is I sensed from all the presentations, that the consensus is that something has to be done about Caroni (1975) Limited. This plan offers some kind of hope, success and possibility. I am optimistic and responsible. Hold me responsible insofar as I hold the portfolio.

Thank you, Mr. President.

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Mr. President: Hon. Senators there are two amendments to this motion. I have to put them separately. I shall not read the full text of the amendments as both have been circulated to all Senators. I would put the amendment moved by Sen. John Spence and seconded by Sen. Michael Mansoor.

Question, on amendment, put and agreed to.

Mr. President: There is another amendment moved by Sen. Wade Mark and seconded by Sen. Surendranath Capildeo.

Question, on amendment, put and agreed to.

The Senate divided: Ayes 7, Noes 19

AYES

Mark, W.

Capildeo, S.

Baksh, S.

Kwabene, R.

Merritt, Miss C.

Hosein, M.

Dean, E.

NOES

Saith, Dr. The Hon. L.

Huggins, Hon. R.

Barnes, Hon. B.

Kuei Tung, Hon. B.

Yuille-Williams, Hon. J.

Draper, Hon. G.

Robinson-Regis, Hon. C.

Mark, A.

Callender, S.

Ojah-Maharaj, D.

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Elder, Mrs. J.

Kuarsingh, Dr. H.

Rahael, J.

Hassim, A.

Mansoor, M.

Spence, J.

Rooks, J.

Mahabir-Wyatt, Mrs. D.

Ali, H.

Amendment negatived.

Question on original motion, as amended, put and agreed to.

Resolved:

That this Senate take note of the Report of the Cabinet appointed Tripartite Committee on Caroni (1975) Limited and supports commitments which may be made by the Government of Trinidad and Tobago to:

- (a) proceed expeditiously with an analysis of the major agricultural commodities, currently produced or with potential for being produced in Trinidad and Tobago, in terms of how each commodity may affect or be affected by:
 - (1) foreign exchange balance, including Caricom trade;
 - (2) employment;
 - (3) contribution to GDP;
 - (4) need for agricultural commodity subsidies;
 - (5) need to protect local farmers against subsidized exports particularly from industrialized countries by means of anti-dumping and other appropriate legislation;
 - (6) exchange rate policy;
 - (7) price of food;

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(8) food security;

(9) social stability;

(10) infrastructure for agriculture,

in order that informed decisions may be made on agricultural policy and therefore on commodities to be produced by Caroni (1975) Limited, so as to ensure its economic viability on diversification, and

- (b) develop land lease programmes, particularly on Caroni (1975) Limited's lands to establish medium sized farms which would include the creation of a cadre of well-trained farmers, emphasis being placed on training at farm school (Eastern Caribbean Institute of Agriculture and Forestry—ECIAF) and University (Faculty of Agriculture, UWI) levels.

Motion made, That the Senate do now adjourn to Tuesday, November 3, 1992 at 1.30 p.m. [Hon. L. Saith]

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 6.40 p.m.