

Leave of Absence

Tuesday, June 23, 1998

SENATE

Tuesday, June 23, 1998

The Senate met at 1.31 p.m.

PRAYERS

[MR. VICE-PRESIDENT *in the Chair*]

LEAVE OF ABSENCE

Mr. Vice-President: Hon. Senators, I have granted leave of absence to Sen. The Hon. Finbar Gangar from sittings of the Senate with effect from June 23, 1998.

SENATOR'S APPOINTMENT

Mr. Vice-President: I have been advised that His Excellency the Acting President has appointed Mrs. Elaine Teemul a temporary Senator with effect from June 23, 1998 and continuing during the absence from Trinidad and Tobago of Sen. The Hon. Finbar Gangar.

OATH OF ALLEGIANCE

Sen. Elaine Teemul took and subscribed the Oath of Allegiance as required by law.

WELCOME

The Minister of Finance (Sen. The Hon. Brian Kuei Tung): Mr. Vice-President, before I lay the papers, may I just extend a warm welcome to my very good friend. It is good to see Sen. Joan Yuille-Williams, with whom I have had the pleasure of serving in the Senate. Not having had the opportunity before, let me just take the opportunity to extend a very warm welcome to you, Senator.

PAPERS LAID

1. Report of the Auditor General of the Republic of Trinidad and Tobago on the accounts of the National Institute of Higher Education (Research, Science and Technology) for the year ended December 31, 1994. [*The Minister of Finance (Sen. The Hon. Brian Kuei Tung)*]
2. Report of the Auditor General of the Republic of Trinidad and Tobago on the accounts of the National Institute of Higher Education (Research, Science and Technology) for the year ended December 31, 1995. *Hon. B. Kuei Tung*]

3. Report of the Auditor General of the Republic of Trinidad and Tobago on the accounts of the National Institute of Higher Education (Research, Science and Technology) for the year ended December 31, 1996. [*Hon. B. Kuei Tung*]
4. Annual audited accounts and financial statements of the Trinidad and Tobago Mortgage Finance Company Limited for the year ended December 31, 1997. [*Sen. The Hon. B. Kuei Tung*]

AGRICULTURAL SECTOR

[Third Day]

Order read for resuming adjourned debate on question [May 05, 1998]:

Be it resolved that the Government of Trinidad and Tobago intervene in appropriate ways, including adoption of the following measures:

- i. Expansion of the School Feeding Programme to encompass all primary and secondary schools and tertiary level institutions;
- ii. Division of the Caroni (1975) Ltd. Citrus Farm into 25-hectare blocks for lease to private farmers;
- iii. Development of 2,000 hectares of cocoa on state-owned land for lease to private farmers in 25-hectare blocks;
- iv. Provision of loans to the agricultural sector through commercial banks on a similar basis to those provided to the tourism sector. [*Sen. Prof. J. Spence*]

Question again proposed.

Sen. Nathaniel Moore: Mr. Vice-President, the Motion before us deals with a most critical area in the life and experience of our country. I discovered that agriculture in this country has been a problem for a long time and there has been so much criticism over the various programmes that governments, over time, have embarked upon and undertaken. We can be sure that there will always be something to criticize about a government's plan for agriculture, and there will be always encouragement and advice to try certain areas of action.

So, I will think that the mover of the Motion, Sen. Prof. Spence, is sincerely concerned about agriculture in the country, being an agriculturist himself. Perhaps he did not realize it, but when I was going to the university, I knew he was around

the Faculty of Agriculture. I knew him as being engaged in agriculture for a long time, and I know from his interest there and his pronouncements elsewhere that he is deeply interested in agriculture and agricultural production in our country, hence this Motion. I think that we must give credit to Sen. Prof. Spence for demonstrating his interest in another way to try to encourage the Government to take further steps than have already been taken to improve the agricultural sector in the country.

I notice that the tendency is for us to have exchanges on both sides about who started what, who did that good thing and who did that bad thing about agriculture, and I do not want to engage in that kind of thing. It would seem to me that the party aspect of politics caused this kind of exchange, and perhaps somebody will say it is a necessary evil, but if it is, let it be so; but this kind of exchange and the extent to which it is taken sometimes does influence one to think that the better way to come up with programmes for agriculture—perhaps as with anything else in the country—is by general consensus, and by including the entire country, especially those who are interested in agriculture and farming, to have an input into the programmes. Plus, if the effort to work out any agricultural programme was a national one, then we expect fewer criticisms of the programme and less incisive exchanges between both sides of the House on policies, plans and so forth. What would happen is that when a programme is arrived at, whatever Government comes on the scene will fall into line and implement the programme which is there, of course, with necessary changes to keep with the changing time. I say this because I think very often we spend so much time and energy trying to blame people for not doing certain things, but agriculture is a difficult area, and perhaps we would always have this kind of exchange.

The Motion states:

"Be it resolved that the Government of Trinidad and Tobago intervene in appropriate ways, including adoption of the following measures:"

What I like about the Motion is that it does not want to dictate to the Government what it ought to do, but it recognizes that Government can intervene in a number of ways, and certain suggestions are given. I am sure that from our discussions we have acknowledged that these are valuable suggestions.

1.45 p.m.

- "i. Expansion of the school feeding programme to encompass all primary and secondary school and tertiary level institutions;"

I think the big argument about this or the great advantage is that there would be an expansion of demand for agricultural products. If there is an expansion, then there will be the incentive to produce in response to this demand, so there would be, perhaps, greater production and, we hope, productivity as well in the agricultural sector. In addition to the expansion of demand, what we can see, is that if the correct crops are grown in response to the demand, then there can be an improvement in the nutritional level of the diet of the people concerned, particularly in this case, the students.

It is no secret to people who have dealt with students, that many students do badly at school or not do as well as they ought to, because of some deficiency in their diet. Sometimes at school we see children sleeping, uneasy, or without much energy and so forth, and we know very often that the problem was perhaps, either wrong eating habits or poor nutrition. If the agricultural sector would provide the variety of foods which would afford a balanced diet, that could redound to the benefit of the students. In that way we will have better students and so we would have better results in our schools.

In addition to that, surveys have shown also that levels of production, generally, and productivity in an economy, will vary with the nutritional health of the worker. So when we have workers who are well fed, then we have higher levels of production or productivity and, of course, better development. The nutritional benefit of expanded agriculture will accrue not only to students at school, but also to people in the workplace. Certain elements in our diet such as iron, protein and iodine are found to have contributed a lot to the mental acumen of the students. I am sure that those who have to prepare the meals would do it in such a way that the student would get the greatest benefit from it.

Mr. Vice-President, we are not only talking about expanding production and productivity in agriculture, but also about the nutritional health of our society. What we find today in our school feeding programmes—I am not going into details on that, but when I was around and up to now I am exposed to some extent to it because my wife is a teacher—is that children very often get what we call a smalta or chubby as the beverage with their meals. I think my fellow Senator from Tobago on the other side mentioned it before, that it would be preferable perhaps, to see that student with an orange, some other citrus, banana or some local fruit of greater nutritional value. As Dr. St. Cyr said, the fresh foods are preferable to canned foods and foods prepared in other ways. We are part of nature; nature will

take care of us if we keep near to it. If we keep eating fresh fruits and vegetables it will serve us well where health is concerned.

Another great value we could get from expanded farming is the possibility of manufacturing. Someone mentioned it and all of us know about it, that as a little boy, we grew a lot of cocoa and shipped it to England. Coming back from there, we get a lot of Ovaltine and a lot of other canned products. In those days we called it sweet chocolate. It means then that we grew the cocoa, it was processed in Europe and came back to us at a higher price. Often, poor people, as most of us were at the time, could hardly afford to purchase a bar of chocolate, while we grew the cocoa. So, if in our own economy we strive to take advantage of production of these local foods, then we could go into processing at various levels. These processed foods earn more money than the raw material and so, would contribute more to the economy in terms of exchange and labour.

Somehow, if we go in the fields right now and look at the mango trees—I do not go about in the fields much in Trinidad, but in Tobago I see a total spoil—most of our fruits are on the ground and nobody thinks much about that; mangoes in particular. We have a lot of other fruits which during harvest time, go to waste. I know that in Tobago, for example, the Tobago House of Assembly, there are pilot programmes doing some primary processing of these foods. Mangoes are sliced and treated in some ways, but the one I like most is where the mango is sliced and dried. A brother of mine brought a little desiccator—I do not know the name, but I think it is something that dries fruits; a rotating apparatus with a bulb inside that lets out a certain amount of heat. He would dry and slice the mangoes, pommeracs, plums and a lot of our local fruits in it and within 8—10 hours he would have some beautiful, tasting sliced fruits. One will be surprised to know how sweet and well-flavoured, mango which is dried and sliced can taste, without adding anything to it. It pains us when we go about and see thousands of mangoes on the ground actually being spoilt.

One setback to agriculture is that we sometimes produce these things, but a failure to process them further causes a lot of spoiling. Again, if we process them we make way for employment. As I said, in Tobago there are pilot programmes being run both in Louis d'Or and Goldsborough, where we have some food processing, juicing and so forth. We are hoping to move from the pilot stage and there would be many people to follow the pilot, so we could get full-fledged production in time.

Agricultural Sector
[SEN. MOORE]

Tuesday, June 23, 1998

I hope I am not repeating too much of what other people said, but so much for the school feeding programme. We know that there are many people who need the school feeding programme and benefit from it. I think the idea of expanding it is a laudable one, whether we could carry it to the tertiary level or what stages we move into, but I am sure that Government would really like to see how far it could be pushed in order to get all the benefits from farming and to benefit farming itself.

The second item says:

“Division of Caroni (1975) Ltd. Citrus Farm into 25-hectare blocks for lease to private farmers;”

I cannot boast to know too much about that, but I guess the main idea is trying to highlight the value of private enterprise. I think by now we all know—I complained about it here already—that in the private sector, we have greater productivity than in the public sector. I may be wrong in particular cases but I think, generally. I am pained myself by seeing workers on the road trying to work. The story has already been told where people go to work for two hours and call it a day’s pay; they get what is calculated as eight hours’ pay. That is horrible.

Even if by dividing agricultural lands in Caroni and privatizing the farms, so to speak, we would give people an incentive to work longer hours and to produce more on behalf of the country, then we would have achieved something. I think that this is a course that can be followed to give the farmer greater pride in productivity. If he is perhaps working for somebody else, he would want to just give what he thinks is his fair share of labour and hope to receive his pay. If it is his own business—and we are hoping that the right kind of people would get into it—then he will take pride in seeing his crops progress and put his all into it.

What I understand right now with the kind of production carried out at Caroni, is that there is a certain amount of—I do not want to use the word “looseness” but let me say—lack of surveillance in certain areas which results in a high level of praedial larceny or thieving, if you like.

Even in Tobago we have the outfall of this because some of the farmers are saying that when this large amount of thieving is going on in the citrus farms in Trinidad, people who steal the citrus bring them to Tobago and sell them very cheaply. This prevents the farmer in Tobago from getting a fair price for his product. If a fellow steals something he does not put out any money to produce it; he gets it for nothing. So, if in the normal market you can get 25 cents for your

orange and they could come and dump it for 10 or 12 cents, how would the people in Tobago sell their oranges for 25 cents when you can get large numbers?

Tobago is a small market and if one makes a good raid in Caroni, perhaps, one could affect the market considerably in Tobago. The people in Tobago think that one of the outfalls of the kind of production and surveillance in the Caroni area affects them somehow in this way. I could tell you personally, not for citrus only, but there are certain things that I do not buy—you would pardon me—if it comes from Trinidad, like water melons. My reason is, we well know that people steal these crops sometimes and come to sell them. They might have just been sprayed or treated—people complain about this too often—and they may not be safe to eat. I try to keep far from that kind and buy what I see being produced near the farm.

2.00 p.m.

If our farms are privatized then it may guard, to some extent, against praedial larceny, because the private owner may be right on the farm defending it against thieves, a kind of situation which perhaps might be lacking right now.

If these farms are divided, it may involve more people in the line of production. Small farmers get 25-acre blocks. Perhaps other hands could be employed and labour or employment would be provided for people who would not have been employed otherwise. In privatizing and dividing the farm into small blocks, with perhaps a greater supervision over the farming in general, you instil pride in the local person so he knows he is feeding and contributing towards the health of the nation.

Of course, the problem might come in how you apportion; to whom do you give the farms? Do we give the farms only to the people who live in Caroni or people everywhere who are interested in farming? I think the fairest thing to do is, at least, give the people who are interested in farming, because if you just share it to friends—you want a good friend to get a break—you may not get the productivity or the level of production you want to see either, which might defeat the purpose of dividing the land. Therefore, a good government knows that it must choose the people to lease these farms to, people who are interested in farming and with a certain level of skill which can be applied to a particular crop and that may justify the division of the farms.

Where the actual amount of 25 hectares is concerned, I guess the Professor might have studied enough to know that figure is a viable size for that kind of crop, so it would suit him. In our experience, we cannot say that. Where would you find 25 hectares of land to give 100 farmers? I would say more about the Tobago situation later.

The third point is to develop 2,000 hectares of cocoa, again in 25-hectare units. I heard people speak nostalgically about cocoa sometime ago in the debate. We must remember that the country did well in cocoa production some years ago. I do not want to sound as if I am boasting, but I took part in that production. As a boy, my father was in charge of a small plot, just about three or four acres of cocoa. In those days when the standard of living was not so high, coming to the end of the year and the beginning of the new year when there was cocoa, the farmers felt a little happy to get new clothes and for the children to see some books.

Towards the end of the year you could get kite paper and thread to fly your kite, and you felt happy. Thus, cocoa brought many of us great happiness. Before that—I do not know if you could call it the sorrow—we had to be there to cutlass the cocoa. The cleaning was done with a cutlass, and this was called cutlassing. We had to clean around the root of the cocoa to allow light to come in to keep away some harmful pests and you had to trim the trees to let the sunlight in and allow fresh growth, because although cocoa is very strong it needs some reviving sometimes. In essence, the production of cocoa needed much work, plenty labour, as far as I remember. Even if we have mechanized production today, we cannot apply that to cocoa to a great extent, we still need intensive labour.

It is a good measure, but since I am fiercely Tobagonian, I wonder how well this would apply to us in Tobago who try to follow the plan, because 25 hectares is a large area where farming is concerned. I do not know if you know the Tobago terrain. It would not be an easy job in producing the cocoa, because apart from the fact that it takes a lot of intensive labour, it calls for a great deal of strength and endurance. The average farmer now—and it is the same in Trinidad and Tobago—is somewhere in his 50s or 60s. In other words, people are getting older and much weaker, and cocoa production needs a lot of strength. As I said before, it does not lend itself to too much mechanism—it needs manual labour. How much can the older folks do, at this age when they are dying and the younger folks are not too interested in this kind of labour? Here you would have a little set back in beginning to attract the kind of people you would want perhaps, to do the production; but it is worth trying.

I went up to Pigeon Peak in Tobago sometime earlier in the year, and I noticed cocoa planted up to the last 1000 metres of the mountain. I wondered how it happened. In fact, I knew part of it, as I said, but I did not know that cocoa production was carried so far uphill. There was no road, it was a track, a footpath where you would walk and your donkey would go. Therefore, if we are talking about cocoa production under those circumstances, that is a "no-go" where that area is concerned; because those cocoa trees are there still blooming. Some of them are bearing fruit, but the pests are going to eat them out before they come to any kind of maturity. The trees are there and they can be rehabilitated if you like, but I doubt that people would be interested in that. If you are going to apply this to my area we would possibly have to go for smaller farms in more favoured areas.

The other aspect of this issue is the price. I was reading from the *Sunday Express*, a 4-page pull-out on the cocoa and coffee industry, which said that the price of cocoa fluctuates considerably, so some kind of guarantee should be given on the price. If a farmer cannot bank on the income from his crop, he would be reluctant to go into the production of that particular crop. That is, perhaps, another disincentive for cocoa production. I am not saying this to discourage anyone or to say that we must not try it, because there are more favoured areas where it could work, but where the pricing is concerned we are at the whims of the market, and the fluctuation is not encouraging to the farmers.

We also have many pests in Tobago. Parrots are, perhaps, our biggest pests right now. They would go to the tree and cut the cocoa green or when it is about to ripen. If it is ripe then there are the squirrels and the woodpeckers which would assist when the hole is already made. There is a terrible loss in the crops. Really, it is a daunting task in Tobago: the terrain, the pests, the age of the farming community and so forth; but if we could find the area, then we could go into production.

Perhaps I should mention another point which was quoted as a plus for the industry in Tobago—the flavour of our cocoa. We have a nice cocoa which is used to blend with other cocoa from elsewhere. I understand it is not so rosy on the surface as it seems, because while we indeed have cocoa of a good flavour which can be used to flavour other cocoa, with the trend towards using artificial flavouring, that would come as a siphoning off of the advantages we have with our flavoured cocoa, because the people who are blending now are getting into artificial flavouring. I understand there would still be the need for the natural cocoa because we know that the trend today is for people to get into natural foods. There

would still be the market for this. Again, I am agreeing with Sen. Prof. Spence that we can go into some additional cocoa production bearing in mind the minuses, trading them off with the pluses, see where we get the net advantage, and go for it there.

Concerning the loans for farmers and provision of loans to the agriculture sector through commercial banks on a similar basis to those provided to the tourist sector, I admit I did not look closely to see what were the incentives to the tourism sector, but I know there are things such as grants. In fact, it became the centre of controversy some years ago when some people got grants and very soft loans. They seemed to have been favoured people. I know that there are some incentives given in the tourist industry, and the Professor said that, perhaps, we could extend the same to the farming community.

Commercial banks were mentioned, and I remember that a contributor asked in the last debate, "What are we going to do with the Agricultural Development Bank, if we are going to use the commercial banks?" I spoke with people from the ADB in Tobago and what they said is that the interest for their loans is at normal commercial bank rates, and they have to do it that way because that is mandated by the IADB. Their advantage is, however, that their interest is on the reducing balance. Every time an instalment is paid, the interest is calculated on the smaller balance, rather than on the total, as is done for other loans. Thus, the ADB does have an advantage over the others. I understand that in Tobago most of the people who take loans for these agricultural areas go more for fishing and not farming, nevertheless there is this advantage.

My view is, if you have the Agricultural Development Bank to service and finance agriculture, you can use it with whatever incentives are given. We could channel it through the ADB rather than it going to the commercial banks.

Indeed, the farming industry as it has developed in the United States of America and many European countries, thrives on subsidies. I think something was said about subsidies and I do not want to belabour the point. It seems to me that the farmer needs some kind of incentives to farm because when we talk about farming, we are talking about food, and everybody has to eat. If the bulk of our population is poor—we understand that at least half of our population is at a very low standard of living as far as nutrition is concerned—therefore, it is necessary in our economy to provide cheap food for our people. If the inputs to agriculture are many and expensive, we cannot expect the farmer to produce cheap food. There

needs to be some kind of incentive to induce the farmers to go into production, and so there may be need for some kind of help.

2.15 p.m.

I do not know what we would call it because I know the people in advanced countries are now frowning at subsidies and saying that people given subsidies enter into the market with an unfair advantage. But how can we encourage our farmers to produce to feed the country if we do not give them some kind of incentive? We would have to devise something. It may be a grant but we must do something, or the farmer will not be induced to farm and if it does not happen like that and the farmer goes into farming, the price of farming commodities will rise and then poor people will not be able to afford it and will settle for bare necessities which may not meet their nutritional needs.

I am sure the Government will continue—apart from milk and fishing which I understand now enjoy some kind of subsidies—to hold out some type of incentive to the farmer so that we can expand on farming for the nutritional needs of our population.

Mr. Vice-President, I would like to mention one or two more matters in relation to what was said in the debate already, with respect to Tobago. My friend, Sen. Alfred, said that there used to be a farm school in Tobago which took in young students and everybody would like to know why the school was closed. What I am inviting us to do is to seek more information on this. I will give what I can. The farm school is not closed. I repeat, the Kendall Farm School is not closed; it is in operation. I learnt that they have reorganized the programme. Firstly, the farmers in Tobago complained that the school was not necessarily filling the needs as they would like it. A survey was carried out after complaints were made and they decided to do something which I understand happens in Trinidad as well. They decided that the residential aspect of their programme would be suspended for a while, but they would still carry out the courses needed by the farmers. In other words, the farmers would dictate the kind of activity which would go on in the school.

They are now running courses in application of fertilizers to certain crops and breeding of certain types of livestock. They are running the courses over time for the farmers, as they require. It is a restructuring of the programme. If you thought that the closing was the ending of residents on the compound, that is only one aspect of it. That has ended but the school is not closed. The programme goes on and training is carried on—perhaps more effectively—as the farmer would want to see it.

For this month they have run two separate programmes at the farm school. What I understand is that they recruit experts in tutoring, where they can find them, to assist in their training programme. The farmers seem to prefer that. More study is being put into the farm school in Tobago to make it more effective. There is a general farming programme in Tobago now which they are trying to develop—access roads with development of plots and dividing the lands for the farmers. They try to go hand in hand so that they would provide the roads in those areas where the plots are so the farmers would have access to them.

There is still the problem of the division but there is now an agency set up by the Assembly that sees after this programme of development of agriculture and agricultural access roads and they are carrying out the development of these roads and farming in general in Tobago.

The plan of privatizing or of dividing state lands for farmers is going apace in Tobago but, of course, not to the extent as is suggested here. We cannot have these large areas in Tobago because of the kind of terrain we have and the amount of agricultural land that is available for production purposes.

I think I mentioned the view of the Agricultural Development Bank; the Agricultural Development Bank does not like the idea of allowing the commercial banks to service the agricultural sector. Also, the commercial banks do say that they do very little financing for agriculture; whatever they do is more for fishing. The bankers agree that they can, perhaps, go around and do some more public relations so that people are aware of their programmes, but I think they have good leaflets with information that people can read about the services they provide. If they understand, they know what the bank is doing but, as I say, more information is always welcome, I am sure.

One thing we must learn from our agricultural programme is that we have to learn from the experiences of the past, Mr. Vice-President. We have noticed that farms were distributed—I remember in the 1960s and the 1970s some farms were distributed. In fact, I know of one case on the Hope Estate where the farmer received, I think, 12 animals. A certain area of land was prepared and planted with grass and other plots were available for the farmer to use as he wished, but there were other areas of grass. He was given these animals and they were supposed to provide milk for the people there.

Within a short time many of the farmers dropped out of the programme. There are still only two farmers I can remember from among those who received lands

and the facility. Many of them sold some of the stuff they were given such as the feedstuff and implements and bought cars which they plied up and down the roads and within a short time one did not hear about them.

The point is that some of the people who were given the lands were not suitable people. They were not interested in agriculture and although some of them were given short courses they were not enthused to go ahead with it. They just used it as another way to get something to do or to get something to put their hand on and the farming suffered. There was also the case in Goldsborough where some distribution was done. That suffered almost the same fate. This highlights the point I made earlier that when we are distributing farming areas we must make sure that the people who are interested in farming, who have the skills of farming and who decide to make farming their livelihood are the ones who get these areas. This is the mistake that was made in the past which we do not want to happen again—to give lands to friends. These are the things we must guard against when we put our programme into gear.

Since the people who are really interested in farming were not given the farms, this created another situation. In Tobago many estates were acquired in areas and they were not really allocated to the farmers and were not used up.

Mr. Vice-President: The speaking time of the hon. Senator has expired.

Motion made, That the hon. Senator's speaking time be extended by 15 minutes. [*Hon. Wade Mark*]

Question put and agreed to.

Sen. N. Moore: Mr. Vice-President, the point I was making is that the large estates were acquired and they were not divided and given to farmers. Therefore, those who are really interested in farming went and squatted on these estates. That is the squatting problem we have in Tobago, not for housing.

The housing squatting is a very recent phenomenon in Tobago. We had people squatting on the farming lands earlier. That compounded the problem in Tobago about the use of these estates and the farming and the division. Now that they are ready to organize farming, some of these people who were squatting before will have to do some kind of adjustment. We recognize that these people were genuine in their desire to make a living from agriculture and to use the land, and so the Assembly is going to accommodate these people and make them happier, I hope, in their farming pursuits.

Agricultural Sector
[SEN. MOORE]

Tuesday, June 23, 1998

Mr. Vice-President, I hope I have been able to make some enlightening points on this.

Sen. Jagmohan: Mr. Vice-President, I thank you and I thank the hon. Senator for the opportunity to make an enquiry. I am enquiring from Senator Moore if *bona fide* farmers in Tobago, who are domiciled Tobagonians, are given the support that the Motion asks for in the last provision. That is the provision of loans to the agricultural sector through the commercial banks on a similar basis to those provided to the tourism industry. Would this not be a reasonable incentive and would this not spur them on to get into farming to any extent?

Thank you.

Sen. N. Moore: I did indicate that getting incentives would assist farmers in the production of agriculture. I do agree with you that if they do get the financing, or help with financing, to this extent more people would be encouraged. Not, perhaps, to the extent or to the level that they might like because these are not the only factors; the idea of finance is only one factor, but we believe that more people may get into it.

As I said before, people are taking loans but they are more involved in the fishing side of agriculture. The bank has no quarrel with these people in spite of the rates. We can only pinpoint one person who is delinquent in terms of payment. What happens to those fishermen is they get duty off their engines. I do not think that they get rebate from the gas. I understand that the milk farmers get something. The point is, if people who do other types of farming get similar incentives, there is no doubt that more people will show some interest in agriculture.

2.30 p.m.

Sen. Yuille-Williams: Mr. Vice-President, just before Sen. Moore ends, I was not really listening intently to his contribution. There is one point I would like to ask about and that is about the farm school. In fact, Trinidadians used to go to Tobago and spend about two years in the school. I can remember one young man who went—I think he is still in farming and doing well.

When we are thinking in terms of development, I am wondering whether or not the system of young people spending those two years has been discontinued and whether you are saying that existing farmers on short courses are using the school now. That would be a change in the programme. I was not quite sure whether or not your Government discontinued the programme with young people spending

two years resident at the farm school and have now brought in existing farmers on a short-term basis. Just a little clarification, please.

Sen. N. Moore: Yes, Sir, that is exactly what I said. The people who were there for two years: there is no longer that facility. Not that as it is, it will end, but there is a body studying the whole idea of development of agriculture in Tobago and perhaps after that study, something else may be done about the school, but for now that is what is being done.

Mr. Vice-President, I want to commend Sen. Prof. Spence for opening our eyes with this Motion and allowing us an opportunity to see areas in which we can improve agriculture in our country. I hope that the outcome would satisfy him and that the whole exercise will result in the effects we would want, which are, increased production in agriculture, increased nutritional levels in our school population and in our population in general, so that we all could benefit from our activities here.

Thank you, Mr. Vice-President.

Sen. Rev. Daniel Teelucksingh: Mr. Vice-President, first of all, as we are coming to the close of this debate, I want to join with the many who congratulated and thanked Sen. Prof. Spence for reminding the Government and the nation of significant issues which can strengthen and enhance the agricultural sector.

I support this Motion and I am very, very impressed with the general support on all sides. The problem is: What about the action? Because I have heard this kind of debate before.

I am particularly interested, now that so much has been said in various resolutions in the Motion, particularly in resolutions two and three and I would make certain comments on these with implications which I consider to be very important.

Both resolutions, we have noticed, point to a shift from state-controlled agricultural enterprises to private management, in this case, private farmers. This is a good provision which means empowering and providing greater incentives to farmers if lands are leased to them.

Resolution two proposes that the citrus farm of Caroni (1975) Limited be leased to private farmers. This is one of the resolutions I want to focus on for a moment or two and I wonder—I have been trying to get this from Sen. Prof.

Spence—why such a resolution to take away from Caroni (1975) Limited its citrus farm and give it to farmers? Has it failed? Was it unsuccessful? These are questions we might ask. Then, what else failed in Caroni (1975) Limited? We import citrus juices, citrus in concentrate: why has this very important sub-sector in Caroni (1975) Limited not proven viable? That is a question I ask.

Furthermore, this is not the only one. There is the perception that Caroni (1975) Limited has been plagued with perennial financial difficulties. There are many of us in this country who ask the question: Is this really true? Froghopper or not, state-owned Caroni (1975) Limited will meet its sugar quota commitment to the United States and to the European Union and may earn because of that, about TT \$250 million this year. You are telling me things are bad.

In addition to that, I understand that the income from molasses could be anywhere from about \$20 million. Will somebody add to this list the income from aquaculture, from the distillery, from the buffalypso business? I am really asking myself, why this haemorrhage of funds when some of us are getting the impression that whether there be floods, or a severe dry season, or pest problems, God has blessed this land and the industry has been producing sugar, in addition to the sub-sectors. There are some of us in this society who are not seeing failure and yet there are stories of financial and economic failure. Somebody has to answer some questions.

In addition to this, what about the millions of dollars per year in Government subventions? Yet, the general story is things are bad. Why can the industry not be self-reliant? Will somebody please tell this nation?

Mr. Vice-President, let me read a most disappointing report in the *Trinidad Guardian* of June 13, 1998. I quote:

“Recent reports of foreign objects and particles being found in sacks of sugar, presently being being sold on the local market...”

This is a June report—June 13.

“Earlier this week, it was reported that stones and pieces of glass were found in bags of sugar bought by retailers.”

Do you remember the story, Mr. Vice-President, of tyres and chains found in the new mill in Ste. Madeleine? Of course, I understand that was easily explained. We are not going through that, but this does not paint a good picture. Some of us are asking the question: Is this carelessness or sabotage of some kind, in these reports, whether it be sugar or the mill? It does not paint a good picture at all.

While I am on this question of sabotage, carelessness and so on, allow me to draw your attention to another state enterprise where certain developments are creating a situation that must not be ignored. Over the past few days, on at least four occasions in the media, the nation was alerted to a highly flammable situation at another state enterprise, namely at Petrotrin's Pointe-a-Pierre refinery.

We are informed of anonymous circulars with allegations of racism but, equally dangerous is the threat to sabotage the refinery. Today, I want to fervently appeal to the Government, to the union leaders and to all the workers to do all in their power not to destroy the goose that has laid for us the golden egg for decades and continues to do so, both in the energy and in the agricultural sectors. There must not be even a thought of any kind of terrorism to destroy what we have laboured for, no matter what our grouses might be.

You see, this “mash down the place” mentality can destroy a society, both its human family and its economic base. Once again, the race, the ethnic factor rears its ugly head. That sleeping monster, once we have it awakened, knows no reason.

Enough of that, because I want to turn to Sen. Prof. Spence's resolution number three. I know he will be very much encouraged by Government's statement and commitment to revitalize and rehabilitate some of the cocoa estates and the cocoa industry in general. We are very, very encouraged and happy that Government is showing interest in the rehabilitation of many of the cocoa estates across the country that have been neglected.

The resolution to develop 2,000 hectares of state-owned land for cocoa production deserves attention. Much has been said about this, but I want to add most respectfully, that it is time to utilize the labour force at the nation's prisons. Millions of taxpayers' dollars are spent annually on the maintenance of prisoners; the institution with its prison officers and all other supporting mechanisms. I think the time has come when the prisoners should earn their keep. I notice that the hon. Minister of National Security has been recently examining work done by prisoners. I think that our prisoners can earn their keep; make a contribution to the society they have dishonoured and possibly be trained and equipped to return to that society and, as far as this proposal goes in resolution number three, I think that we can well use the labour force at the prisons to develop that 2,000 hectares of cocoa and not be surprised if upon serving their prison sentences, that these persons may eventually turn out to be willing and devoted farmers of these estates.

Thank you very much.

The Minister of Agriculture, Land and Marine Resources (Dr. The Hon. Reeza Mohammed): Mr. Vice-President, the Motion presently before this Senate deals with primarily four major areas, the first of which is the School Feeding Programme; the second, the citrus farms at Caroni (1975) Limited; the third, provision of 2,000 hectares for cocoa production and, the fourth, provision of credit through the commercial banks similar to those provided to the tourism sector, to be provided to the agricultural sector.

First, let me allay the fears of Senators on the other side; we on this side have absolutely no intention of amending the Motion. Secondly, to deal with the multitude of issues which were brought to light during the presentations made by hon. Senators on this Motion.

Mr. Vice-President, we started off by hearing about Jeff Stollmeyer; the virtues of the economic models of Sir Arthur Lewis; even Dr. Rudrinath Capildeo came into debate and the Tripartite Agreement. We heard comments about the National Agricultural Marketing Development Corporation (NAMDEVCO); coconuts were mentioned; anthuriums; papaya; peppers; and not to forget golden apples, Mr. Vice-President.

Hon. Senator: Dwarf golden apples.

Dr. The Hon. R. Mohammed: Dwarf golden apples—I stand corrected. The fisheries sub-sector; the forestry sub-sector; the North coast; guaranteed prices; the White Paper; diversification of the economy; employment in the sector and the list goes on.

What amazes me is the fact that the majority of those on the other side, except in the case of a few of the Independent Senators, had the opportunity at one time or the other to make a contribution towards the development of the agricultural sector.

Mr. Vice-President, as Sen. Rev. Teelucksingh just mentioned, what has happened to the agricultural sector? Why are we where we are today? Why are we in this situation as far as the agricultural sector is concerned?

2.45 p.m.

Mr. Vice-President, we tend to forget some basic things, firstly the fact that there is a paucity of infrastructure in the sector; secondly, we have gone away with the understanding for too long that if we have land and labour we can grow food;

be it food for the production of arable agriculture, livestock agriculture, or even aquaculture and that is not so because there is something more fundamental to all this and that is water. The management of our water resources.

I have just returned from the Bahamas where I attended an FAO conference for Latin America and the Caribbean and one of the major areas of focus of that conference, was the importance of water for agriculture. Of the 33 member countries which were represented, every single member in his or her contribution, spoke about the importance and the management of water resources for agriculture. It may sound very simplistic to talk about water, but when I asked the Director General of the FAO what were his three main priorities for the agricultural sector globally, he said to me; “Minister, my first priority is water for agriculture, my second priority is water for agriculture and my third priority is water for agriculture.” That is how important it is.

In Trinidad and Tobago, we talk about agroprocessing and about being able to supply the markets which we have developed on a regular basis. The market shares which we have acquired, be it locally, regionally or internationally, we fail to understand that during the rainy season there is an excess of surface water, 90—95 per cent of it runs off in the Gulf of Paria and those water courses run in an east to west direction, and we tend to lose half of our growing season during the wet season because of waterlogged conditions, and during the dry season, the situation is in the reverse; there is too little water to grow those commodities which are required to meet that degree of food sustainability for our people. This is why this Government, and in particular, the Minister of Agriculture, Land and Marine Resources under this operational plan has focussed as one of its major targets on the management of our water resources which would allow for continued production in the agricultural sector, particularly during the dry season and on the other hand, to create and put in place the infrastructure which would reduce in small measure, a degree of excessive waterlogged conditions of our soil and floods in particular.

Mr. Vice-President, in my contribution today I do not wish to comment on each one of the issues raised by Members of this Senate but to deal with the facts. I say to Sen. Prof. Spence that where Caroni (1975) Limited is concerned, to divide the citrus farms into 25-hectare blocks for lease to private farmers, that in order to allocate these parcels of land to the private sector farmers, it would require a legislative framework. Under the Tripartite Agreement which was referred to by Sen. Alfred, there was an agreement within the framework of that

document which speaks of the distribution of lands, in this instance, particularly for the production of sugarcane by the private farmers. Even that required a particular legislative framework so the distribution of state enterprise land can be accomplished.

To pre-empt Sen. Prof. Spence, who may wish to enquire why we cannot use the State Agriculture Lease (SAL), which is a state land lease for this purpose. I would provide him with the answer immediately by saying that the SAL deals primarily with state lands and not state enterprise lands, and go further and indicate to the Senators that since 1994, after the signing of the Tripartite Agreement in June 1992, it was the responsibility of the former government to put in place the Agricultural Small Holdings and Tenure Act to enable the distribution of lands under Caroni (1975) Limited. I am advised that some effort was made to this effect, but for whatever reasons, the draft legislation never reached Cabinet level. As we came into office, we have taken the necessary steps and I wish to advise this Senate that the draft bill has been submitted to the Cabinet which has mandated that it goes out for public comment. I am also advised that the responses from the public have been received and the committee, within the framework of the Ministry of Agriculture, Land and Marine Resources is presently looking at the comments made by the public with a view to making the necessary amendments to the draft bill, so it can go back to Cabinet, perhaps by the middle of next month, for final approval before coming to this Parliament.

Sen. Prof. Spence: Thank you. My understanding is that Caroni (1975) Limited is a company set up under the Companies Ordinance, in that sense, therefore, it is a private company because the Government of Trinidad and Tobago is the shareholder. In that regard, I cannot see why Caroni (1975) Limited cannot operate as any private company could and lease its lands. Indeed, Caroni (1975) Limited has already leased lands out, or Orange Grove has, and Orange Grove is similarly structured to Caroni (1975) Limited, so quite frankly, I am still at a loss to understand. I would be grateful if the Minister would explain to me why a private company with the Government as its shareholder cannot lease lands under contract which it draws up with the CUC.

Thank you.

Dr. The Hon. R. Mohammed: In response to Sen. Prof. Spence's question, Orange Grove does not fall under the purview of Caroni (1975) Limited, it falls under the purview of the Corporation Sole. Caroni (1975) Limited, as far as I am aware, has very little jurisdiction on the lease of those lands.

Secondly, the Senator is proposing that since Caroni (1975) Limited is wholly owned by the Government, why can it not take the decision to lease its lands? One of the terms and conditions under the Tripartite Agreement is that Caroni (1975) Limited must establish a land administration unit in order to enable it to distribute its lands primarily to the private sector for the purpose of the cultivation of sugarcane. I think I should let this Senate know that institution is in place and is beginning to manage its affairs with the view to using the legislative framework which is presently being developed by this Government to enable it to distribute those lands.

In the past, I knew that cane farmers were able to lease small parcels of land from Caroni (1975) Limited which it felt could be put in the hands of the private sector to allow them the opportunity to produce sugarcanes which would then be purchased by the mills. Here we are talking in a larger dimension, as far as the Motion is concerned, in terms of citrus farms being cut up into 25-hectare blocks. Caroni (1975) Limited has a little over 3,000 acres under citrus in La Gloria and a little over 2,000 acres at Todds Road. If that were to be converted into hectares and divided into 25-hectare blocks, it would mean that 60 farmers would be allocated those portions of land within the framework of a 25-hectare parcel.

It goes deeper than that, and Sen. Rev. Teelucksingh asked why is Caroni (1975) Limited citrus production not profitable? We have been faced with a situation in the citrus subsector whereby we have one processing unit in Trinidad and Tobago, that is the Co-operative Citrus Growers Association. On coming into office, I was advised that discussions were ongoing between Caroni (1975) Limited and the Co-operative Citrus Growers Association with a view that the CCGA was taking produce out of the citrus plantations of Caroni (1975) Limited and there was a paradigm shift in that it took the decision to purchase shares from a company in Belize so that the investment which CCGA ought to have made in enhancing the capacity of the CCGA in Trinidad was now injected into Belize, but all this time Caroni (1975) Limited continued to increase its citrus hectareage. This impacted negatively on the private farmers in the citrus subsector because Caroni (1975) Limited citrus groves are just coming to the point where they would come into full production. A citrus plant, be it orange or grapefruit, has a five-year gestation period before it gets to full production, so that the output on an annual basis from that parcel size continues to increase as they grow to maturity in those citrus orchards. The Co-operative Citrus Growers Association, not being able to absorb that increase in production, because it continues to remain with a fixed

production capacity, caused a spillover into the domestic market, but the people who suffered most were the private citrus farmers because, as you would know, the market price of any commodity is determined by the elasticity of demand and supply. When there is excessive supply in the market—bearing in mind that citrus is seasonal—it brings the price down so that the revenues to be generated from putting that excess citrus on the domestic market are significantly reduced. Because of this concept of elasticity of demand and supply, the prices offered caused a fall in revenue, as opposed to if the negotiations went to termination, where the capacity of the CCGA would have been enhanced to absorb the excess production as the groves became more mature, so that we would have had a better price for the citrus coming out of Caroni (1975) Limited.

3.00 p.m.

I also want to advise this honourable Senate that presently, the board of Caroni (1975) Limited has entered into negotiations, *vis-à-vis* a joint venture partnership, for processing of citrus. It will mean, therefore, that the number of fruits which fall off the trees and go to waste would now be able to be absorbed—once we finalize that joint venture partnership—and would now go into conversion into juices which would be packaged and which, no doubt, would be sold not only on the domestic and regional markets, but also on the international market. This situation, *vis-à-vis* the citrus subsector—

Sen. Montano: Thank you for giving way. Can you advise us: How much money Caroni (1975) Limited is going to invest in the project, and whether the joint venture partner is a local or foreign company? Thank you.

Dr. The Hon. R. Mohammed: The objective is to encourage, first and foremost, a local joint venture partner who would be willing to make the capital investment into the project. Caroni (1975) Limited intends to use its asset base as part of its equity in this joint venture operation. So that, in the final analysis, it may very well end up in such a manner that Caroni (1975) Limited would be required to make very little financial investment into this operation.

Mr. Vice-President, I was saying that this situation is not only common to Trinidad and Tobago and its citrus industry. If I may use the example of the Bahamas. The Bahamas has tremendous orchards of grapefruit, and what the Bahamas is required to do with that grapefruit is to export that grapefruit to a processor outside of the Bahamas; that grapefruit is converted to concentrate, which is then repurchased by the Bahamas for use in the tourist industry.

Now, we have been faced with disease problems, one of the most recent being the tristezza situation, *vis-à-vis* the citrus subsector. We, in the Ministry of Agriculture, Land and Marine Resources, in particular the Research Division, in conjunction with Caroni (1975) Limited, are trying our best to grapple with this situation. I am pleased to advise this honourable House that after my visit to Cuba two weeks ago, we were able to return to Trinidad and Tobago with a Memorandum of Understanding with the Cubans with respect to citrus certified root stock, whereby we are now going to work closely with the Cubans because, for whatever reasons, the Cubans seemed to have licked this problem. So that technical expertise will be coming to Trinidad and Tobago in the not too distant future, to assist us with this disease problem in our citrus production.

So, Mr. Vice-President, once we have this piece of legislation, the Agricultural Small Holdings and Tenure Act, in place—and hopefully this piece of legislation will be coming, firstly I hope to the Senate before it goes to the House of Representatives—and we have it passed by both Houses of Parliament and proclaimed by the President of the Republic of Trinidad and Tobago, we would then be in a better position to begin to distribute those lands and, as I said at the start of my contribution, to deal with the subject matter areas of this Motion.

Sen. Prof. Ramchand: Mr. Vice-President, I thank the hon. Minister for giving way, he is going away from a question I wanted to ask him about the citrus industry, so I have interrupted in order to ask that question. I would like to know whether the Co-operative Citrus Growers Association receives any grants, concessions or tax benefits from the Government and whether, if it does receive such benefits, it has any obligations to the agricultural policy of the Government of Trinidad and Tobago and whether, therefore, the Government could have intervened and said to them, "We do not think it is a good idea for you to invest in a company in Belize, you should be investing in Caroni (1975) Limited"?

Dr. The Hon. R. Mohammed: Sen. Prof. Ramchand, I am not of a legal mind, but I think if you look at the Constitution of the Republic of Trinidad and Tobago you would find that it is within the rights of the Co-operative Citrus Growers Association to manage their affairs as they see fit. Having said that, you asked a question about whether they are beneficiaries of corporation tax. I would like you to please permit me to hold that answer until a little later in my presentation because I wish to refer to the agricultural incentives package which this Government has now put forward to the Cabinet. When I refer to that document, I assure you that your question will be answered.

Agricultural Sector
[HON. R. MOHAMMED]

Tuesday, June 23, 1998

Mr. Vice-President, where the citrus matter and Caroni (1975) Limited are concerned, as soon as we have that piece of legislation in place, I am sure that we are going to continue, make sure, and make every effort to keep true to form as far as item (ii) of this Motion is concerned.

The Motion also speaks of the School Feeding Programme and I feel that my colleague, the hon. Minister of Education, has dealt amply with that matter.

So that I would like, in the interest of time to move on to item (iii) of the Motion, "Development of 2,000 hectares of cocoa on state-owned land for lease to private farmers in 25-hectare blocks." Mr. Vice-President, again, that item on the Motion would be discussed in more detail, if Sen. Prof. Spence would so permit me, when I begin to develop my arguments and my proposal to this honourable Senate under the Agricultural Incentives Package.

Where provision of credit for the agricultural sector through commercial banks is concerned, I wish to advise this Senate that Cabinet has appointed a technical committee to look at several state enterprises, one of which is the Agricultural Development Bank. I think one of the areas which this technical committee is looking at is precisely in sync with item (iv) of Sen. Prof. Spence's Motion. Not to mention that recently the interest rates at the commercial banks have gone a little bit higher than the interest rates of the Agricultural Development Bank.

When we came into office we had serious problems with the Agricultural Development Bank and it was our duty to take the necessary measures to restructure the bank. One of the things we were required to do was to ensure that the capital adequacy ratio of the bank was maintained at 30 per cent. Today, the capital adequacy ratio of the Agricultural Development Bank stands at around 33 per cent. Having been able to control that issue at the bank, I am advised that during the period June 1996, all the way into the third quarter of 1997, there have been increasing demands from the agricultural sector for loans from the Agricultural Development Bank. If I am not mistaken, the sum of money disbursed by way of loans to the agricultural sector for crop and livestock production, fisheries and what have you, has increased tremendously.

During the course of the presentations by Senators on that side and, in particular, the contribution made by the hon. Sen. Nafeesa Mohammed, guaranteed prices were spoken of. She also spoke about the provision of incentives to the agricultural sector as the force which would drive the agricultural sector to develop into a vibrant and a viable one. I think we continue to fail to appreciate the

fact that there is a serious disparity in wages between the manufacturing, services, tourism, energy and agricultural sectors. We, as a Government, have started developing the policies to ensure that we close that gap. The economic indicators coming out in the *Review of the Economy* for the agricultural sector look very promising. We are seeing more and more that those who left the agricultural sector are now beginning to return. We are trying, therefore, to manage our affairs in such a manner as to encourage, in particular, those who left the rural communities and migrated to the urban communities in search of employment to return to rural communities and furthermore, to ensure that those who continue to remain within the rural communities will stay there and continue to produce food off the land.

That is why I was able to say to Sen. Muhammad Shabazz, when he said that we should adopt the White Paper, that I think we have to understand something here. When a new government comes into office, it just does not put aside all the policies which were developed by a former regime: it does not do that. A new government coming into office would be very stupid to adopt that kind of approach. So where the agricultural sector is concerned, we looked at the White Paper, we identified those areas within the framework of the White Paper which were in sync with the philosophies of this UNC/NAR Government and we adopted those. Those which were not in sync with the philosophies of this Government were put aside and we developed new ones. We have to understand that if every new government which comes into office just discards the policies of the former regime, they are going to spend their entire five years developing new policies, so that at the end of five years one ends up with a lot of paper work and absolutely no implementation.

So, in keeping with some of those good things we have identified in the White Paper and in keeping with making modifications to some of the things in the White Paper, it became necessary for this Government to take an approach and to provide a fillip to the agricultural sector, to provide a tool which would be designed to drive that agricultural sector, and this is in keeping with the comments made by the hon. Sen. Nafeesa Mohammed when she spoke about guaranteed prices and incentives for the agricultural sector.

Mr. Vice-President, I would like to take this opportunity to present some of the areas proposed in the incentive package for the agricultural sector 1998 and beyond. Firstly, we are limited in the quantum that we are able to expend by way of incentives, from a fiscal standpoint, for the agricultural sector by the World Trade Organization/General Agreement of Tariffs and Trade (WTO/GATT)

in that we are limited to 10 per cent of agricultural GDP. This incentive package for the agricultural sector, 1998 and beyond, falls within that agreement.

3.15 p.m.

Mr. Vice-President, not only that agreement, but also within the agreement of the Agricultural Sector Reform Programme and the loan agreement. If I may speak firstly on a commodity basis about the proposed guaranteed prices, I would first give the existing prices and then the proposed guaranteed prices. If I may first refer to sugarcane, the existing guaranteed price per tonne of sugarcane is \$153.77; proposed guaranteed price, \$153.77 until such time as we are able to implement the pricing mechanism as being developed by the Rankin committee, whereby sugarcane would be paid for on the basis of quality. Most of the work required under the Tripartite Agreement to enable a change in the pricing system for sugarcane bought from the private sector, whereby cane would be paid for as a function of sucrose content, has already been done.

The next commodity I would like to refer to in terms of guaranteed prices, is milk. Nestlé Trinidad Limited at this point, is about the largest purchaser of milk from the private sector. Mr. Vice-President, recently we were able to encourage Nestlé Trinidad Limited to increase its guaranteed price per litre of milk from the private sector—the dairy farming community—from \$1.10 per litre to \$1.55, an increase of 45 cents per litre. In addition, Government has increased its incentive for milk from 90 cents to \$1 per litre. This means that for every litre of milk sold by the private farmer to Nestlé Trinidad Limited, that farmer would now receive a total of \$2.55 per litre of milk.

In the case of coffee, the existing price was \$8.36 per kilogram. That has been increased to \$11 per kilogram, an increase of \$2.64 per kilogram. For cocoa, the existing price of \$9.55 per kilogram has been increased to \$12 per kilogram, an increase of \$2.45 per kilogram. The existing price of oranges is \$20 per crate; new proposed price—and, of course, these proposals are subject to the final approval by Cabinet—of \$21 per crate, an increase of \$1 per crate. Grapefruit, from \$12 to \$13, an increase of \$1. Copra, from \$2.66 to \$3.10, an increase of 44 cents per kilogram.

A new item we have included by way of a guaranteed price is dry corn. Corn dry shelled, 15 per cent moisture: \$2.20 per kilogram or \$1 per pound. There was never an incentive or guaranteed price for corn. Paddy, grade I: from \$2.02 per kilogram to \$2.20, an increase of 18 cents per kilogram. Grade II paddy: from

\$1.76 to \$1.82, an increase of 6 cents. We have decided not to add any incentives to grades III and IV paddy in an effort to encourage our farmers to ensure that they produce, at least, a quality rice which would give them grades I and II paddy.

Mr. Vice-President, I next turn to the proposed maximum rates in terms of the incentives programme for the agricultural sector 1998 and beyond. I refer firstly to vehicles. Wheel tractors (new): existing incentive, \$6,000; new proposed incentive, \$25,000, an increase of \$19,000. Wheel tractors (used)—a new item in the incentives programme, \$15,000. Four-wheel drive vehicles (new): old incentive \$5,000; new incentive \$30,000, an increase of \$25,000. Four-wheel drive vehicles (used)—a new addition to the incentives package, \$25,000. Two-wheel drive vehicles (new)—an addition to the incentives package, \$20,000. Two-wheel drive vehicles (used)—never before on the incentives package—incentive, \$15,000. Trucks (new)—a new addition to the incentives package, \$35,000. Trucks (used)—a new incentive on the package, \$20,000.

Machinery and equipment: Solar equipment and bio-digesters—a new addition to the incentives package, \$5,000.

Water for agriculture: wells and ponds—a new addition to the incentives package, \$20,000; irrigation equipment—another new addition to the incentives package, \$25,000; water pumps (non-electrical) \$7,500.

Mr. Vice-President, on the environment and soil conservation. Contour drains: for every 30 metres an additional \$35 per 30 metres; it went from \$35 existing to \$70 proposed.

Storm drains: for every 30 metres it went from \$40 to \$80, an increase of \$40 per 30 metres.

Contour banking/ridging/terracing per hectare: it went from \$185 to \$370, an increase of \$185.

Contour barriers per 30 metres: it went from \$20 to \$40, an increase of \$20.

Terrace outlets per 30 metres: it went from \$60 to \$120, an increase of \$60.

Check dams from \$100 to \$200, an increase of \$100.

Mr. Vice-President, we have also added an incentive for ploughing which was never there before at a rate of \$200 per hectare. In the case of citrus which is more relevant to this Motion, the establishment of new citrus groves per hectare, \$2,000; rehabilitation per hectare, \$2,000.

Coffee and cocoa: price support cocoa beans per kilogram went from \$1.75 to \$3.00, an increase of \$1.25. Another new input into the incentives package, price support for coffee beans per kilogram, \$2.00. Establishment of cocoa and coffee per hectare (new fields)—a new item added to the incentives package, \$4,000 per hectare. Rehabilitation exercises (cocoa and coffee per hectare)—another new addition proposed for this incentives package, \$2,000 per hectare.

More importantly—and I expect that Sen. Prof. Spence would be pleased to hear this—the establishment of centralized fermentaries: a proposed \$10,000 per centralized fermentary.

In the case of coconuts which were referred to in the contribution made by Sen. Prof. Ramchand, price support per kilogram went from 66 cents to \$1.10, an increase of 44 cents. The rehabilitation of coconut estates: proposed incentive—another new addition to the incentives package, \$1,000 per hectare. For the establishment of new estates, cost per hectare—another new addition to the incentives package, \$1,200.00.

Mr. Vice-President, next I would like to refer to corn and say that the former regime attempted to grow corn in Trinidad and Tobago. I am advised by the farmers who were part and parcel of that programme, that in spite of their efforts—this is not in any way to be critical—after spending or making an investment in land preparation, the seeds that were given to the farmers never grew when planted. I am also advised that the market that was being developed as a guaranteed market for this corn, ought to have been the National Flour Mills. The price that was being offered to the farmers as a guaranteed price at that time was 50 cents per pound of corn. I am to advise this honourable Senate, because of the large sum of money spent annually on the importation of corn in excess of \$200 million for the production of livestock feeds, for 1998 the first crop of corn has already gone down on close to 1,000 acres of land.

Mr. Vice-President, this Government took the decision not to use hybridized corn. We took the decision to use self-pollinating corn for the reason that second-filial generation corn seeds produced from hybridized corn would not germinate. This would obviate the need to import seeds for corn production, having brought in from Brazil two varieties of corn which are self-pollinating.

The proximate analyses we have done from the pilot study indicate that the nutritive value of this corn is close to 8 per cent in fat, 10 per cent protein. We have developed a guaranteed market for this corn through the aegis of the feed

millers. The feed millers have agreed to purchase or provide a guaranteed market and are willing to pay 85 cents per pound, 15 per cent moisture for this corn. Government will provide an incentive of 15 cents per pound of corn purchased by the feed millers.

Mr. Vice-President, in addition to this, within the framework of the provision of an incentive under corporation tax relief, these feed millers who would be registered with the Ministry of Agriculture, Land and Marine Resources, would be able to benefit by way of relief of the corporation tax.

Mr. Vice-President: The hon. Minister's speaking time has expired.

Motion made, That the hon. Minister's speaking time be extended by 15 minutes. [*Sen. B. Kuei Tung*]

Dr. The Hon. R. Mohammed: Thank you very much, Mr. Vice-President. I get the feeling that my contribution to this debate is so interesting that everybody has fallen asleep. [*Laughter*] Nonetheless, Mr. Vice-President, I am certain that the press is awake and aware of what I am saying.

Mr. Speaker—Mr. Vice-President, coming from the other House, it is difficult to become acclimatized to using “Mr. Vice-President” when one is accustomed to using “Mr. Speaker”. Please have me excused, Sir.

3.30 p.m.

I was referring to corn. I said that we have succeeded in providing a guaranteed market for those farmers who would be producing corn and I also indicated that we have already put down in excess of 1,000 acres for the first crop. It is proposed as we generate more seed stocks from this first crop, more farmers would be the beneficiaries of free seeds from the Ministry of Agriculture, Land and Marine Resources, in addition to having been provided with a guaranteed market, a technical package, and also being supported by the extension arm of this Ministry.

It is not going to be possible in the short term for Trinidad and Tobago to produce its entire corn requirements. Some of us may argue: how much of this corn produced would end up at the feed millers, that most of it would be stolen and that a significant percentage would end up either as roasted or boiled corn. I have no problem with that, because as long as we continue to provide an affordable commodity to our people to enhance our nutritional status, I have

absolutely no problem with that. If the farmer, in the final analysis, decides that he could get \$3.00 per cob for his corn rather than allow it to get to the stage where it dries and he has to shell it then sell it for \$1.00 per pound, let it be so. The important thing is this: as long as we can reduce that import component for corn it would mean that revenue would stay here. In addition to which, we would be providing a food commodity used all over the world.

Mr. Vice-President, it is sad to say, however, that my technocrats in the Ministry told me, "Minister, we cannot produce corn in this country." I told them, "Okay, if that is the case, I would show you how to do it," and that is what I am about. I will leave the question of corn.

I have already mentioned the incentives for rice and referred to the incentives for sugarcane. I would now deal with the livestock subsector. A new addition to this incentive package is the provision of a proposed incentive of \$2,000 per hectare for the establishment of pastures. I have already referred to dairy and milk per kilogram. Nestlé originally provided \$1.10 per kilogram as a guaranteed price. They have increased that by 45 cents, and by way of an additional incentive from Government, farmers would receive an additional 10 cents, in the final analysis, for every litre of milk supplied to Nestlé and to the other processors—because there are others. This is one of the reasons I brought to Parliament a bill to establish a livestock and livestock products board, because now that legislation has been proclaimed, we have put in place the physical requirements to ensure that the board is functional. The Livestock and Livestock Products Board would now be mandated, not only to deal with the incentives for the livestock subsector, but also would be required to ensure that the infrastructure and particularly the research, as well as the well-being of the stakeholders in the livestock subsector, are looked after.

It is very unfortunate that when we look at our food import bill and take out the component of it spent on dairy, dairy products, imported lamb and what have you, and calculate the percentage of our food import bill so spent, it is very significant. In Trinidad and Tobago we are endowed with natural and human resources to enable us to produce more livestock and livestock products. That is why this Government in developing its policies, is focussing on ways and means whereby we can take advantage of both these resources, to ensure that the livestock subsector, in particular, is developed. A new addition to the incentive package for goats and sheep is a proposed incentive of \$2,000 per hectare for pasture cultivation.

I refer next to fisheries. The fishermen have always complained that when they purchase gasoline they are charged a 5 per cent road tax. They feel that it is very unfair to them to pay this road tax for gasoline which goes into a boat engine which is used on the sea. We have taken the necessary measures within the framework of this new incentive package to take care of that. There is an incentive built into the incentive package for agriculture 1998 and beyond which refers to gasoline for use in the fisheries subsector.

In keeping with the fisheries subsector, again, a new addition to the incentive package: ponds for aquaculture, a proposed \$20,000 per pond. Multipurpose boats: we are trying to encourage our fishers, as I am told they are called now, rather than fisher folk; Sen. Prof. Kenny correct me if I am wrong. In order to encourage the use of multipurpose boats to remove, in some measure, the stresses imposed on our inshore fisheries so that our fishers can now go further out to sea and participate in offshore fisheries, proposed incentives—multipurpose boats, \$50,000; pirogues, existing incentive \$2,500, we have now increased that to \$5,000 proposed, an increase of \$2,500. A new addition here is an incentive for production from aquaculture on the amount of fish produced; we propose an incentive of \$5 per kilogram of fish produced from an aquaculture operation.

I next refer to forestry, because I know Sen. Prof. Kenny as well as Sen. Prof. Spence are interested in the environment: a new addition to the incentive package for the rehabilitation of watersheds, a proposed incentive of \$2,500 per hectare; the construction of nature trails, a new addition to the incentive package, a proposal of \$500 per kilometre; the construction of perimeter fire traces, also a new addition to the incentive package, a proposal of \$250 per kilometre.

Sen. John: Mr. Vice-President, I have one simple question for the Minister. I realized that maybe there is a change in the Government's policy. The Prime Minister announced that we should try as much as possible to have local input into all our agricultural undertakings, but recently the Central Tenders Board has dropped items such as guava, passion fruit and sorrel from the list of supplies to the institutions and instead have invited tenders for the supply of apple juice. Is this a policy change in Government or just something done by the Central Tenders Board?

Dr. The Hon. R. Mohammed: I would let my hon. colleague know, if that is the case I am totally unaware of it, and I thank him very much for drawing it to my attention. I would most certainly look into it.

Agricultural Sector
[HON. R. MOHAMMED]

Tuesday, June 23, 1998

Mr. Vice-President, in the short time left to me, I would add, as far as the Motion is concerned, for the enlightenment of Sen. Prof. Spence in particular—he would be delighted to learn—that where item (iii) of his Motion is concerned, we have just acquired the sum of \$12 million under EDF Eight for the rehabilitation of cocoa and coffee estates.

If I had more time, I would have gone on for the rest of the evening, but I would like to—

Sen. Prof. Ramchand: Thank you, Mr. Vice-President. The hon. Minister did promise that before he stopped he would give me an answer to a very specific question, as to what are the financial benefits or concessions being granted at present to the Co-operative Citrus Growers Association and if such benefits are being granted, would it not have been reasonable for the Government to expect a kind of *quid pro quo* and say to them, "We prefer you to invest in Caroni (1975) Limited rather than in Belize?"

Dr. The Hon. R. Mohammed: I must tell my erstwhile colleague that I am not finished with my presentation as yet, but I thank him for reminding me.

As far as I am aware the CCGA does benefit from corporation tax. I cannot say that we as a Government can mandate them not to invest their moneys in Belize, in spite of the fact that they are beneficiaries of corporation tax, that is why I referred to the part of the Constitution which refers to that freedom. Has the question been answered? He does not seem quite happy, but that is all I can offer at this point in time.

Sen. Prof. Ramchand: Mr. Vice-President, I would have thought that if we are making concessions to a group, we would have some kind of moral right to say to them that we suggest they do this rather than that. We need not bring the full force of the law against them, but certainly there is a moral obligation to co-operate with us.

Dr. The Hon. R. Mohammed: Would the Senator feel comfortable if I told him what to do with his profits? That is a fact of life! They took their profits and made an investment, that is their right.

Sen. Prof. Ramchand: If we are contributing to their profits by giving them taxpayers' money in the form of concessions, then the country has a right to expect some kind of co-operation from them. I do not wish to debate it. I got the facts I wanted.

Dr. The Hon. R. Mohammed: Mr. Vice-President, if we continue like this I would have to ask for an extension of my time. [*Laughter*] Nevertheless, there are benefits which accrue to the private farmers, in that, presently, the Co-operative Citrus Growers Association pays the farmer for produce made, by way of crates of oranges or what have you, a much higher price than the Government guaranteed price. Therefore, there are benefits being accrued. I take your point, Sir. Maybe it is something we need to consider a little more closely, but that is the position.

I was just referring to item (iii) on the Motion to inform Sen. Prof. Spence that under EDF Eight we have acquired the sum of \$12 million for our rehabilitation exercise under cocoa and coffee, and to say also that the Agricultural Small Holdings and Tenure Act would provide a fillip to the allocation of parcels of land, in this case one is advocating 2,000 hectares for the increase in hectarage. Under cocoa, we would most certainly bear this in mind.

I think I have been able to respond or bring some degree of comfort to the questions that arose during the course of this debate. I thank the hon. Members of this Senate, firstly, for having me here, and secondly, for giving me the opportunity in my capacity as Minister of Agriculture, Land and Marine Resources to participate in this debate.

Thank you.

Sen. Prof. John Spence: Thank you, Mr. Vice-President. I thank all the Senators who contributed to the debate and for the general support given to the proposals made in this Motion. I also thank the hon. Minister for taking the time to come here to be with us this afternoon. I congratulate him on his contribution.

Simply and in rather basic terms I indicate my main philosophy in suggesting that we go in this direction. I think first of all, we all have to understand that we now live in an age of trade liberalization, global village and so forth. I think we will discuss this again when we come to Sen. Dr. St. Cyr's Motion, but basically that has to be the starting point. That, therefore, means we have a different scenario when it comes to our agricultural production systems. It means, by and large, we have to be more competitive and efficient.

If we start from that position, then it seems to me that one of the things we must immediately do is look to our human resource which is our farmers. When I say this, I run the risk of it being suggested that I am not in support of small farmers or I do not appreciate what they have done for the agricultural system over

the years. But we are, indeed, faced with a completely different scenario. I often think that many statements and policies of the Government do not seem to recognize this change in our circumstances. I certainly am one who, over the years, has urged that we continue with subsidies. I have pointed to the fact that many of the developed countries which have urged us to remove our subsidies, have continued with subsidies. I suggested that we should play as much a delaying game as we can over the agreements with respect to WTO and TRIPS and draw out our changes as long as we can in order to benefit our farmers. In the final analysis, we are going to have to make those changes. It seems to me that we do not always recognize that we have to do so.

3.45 p.m.

This afternoon we have listened to the Minister outline a large number of incentives that are going to be given to farmers. I find myself in a very difficult position because I certainly do not want to be suggesting that farmers should not get as much help as they can because I am one who has urged that all along. I even suggested that we should delay our moving towards a position where we no longer have subsidies.

My problem with the incentive packages that the hon. Minister has outlined is twofold. First of all, as he has said, these have to go to Cabinet. That means that at this stage they mean nothing because we do not know if Cabinet is going to approve them. I am very tempted to now sit down and ask the hon. Minister of Finance to make some comments about the financial aspect, but I will not.

Dr. Mohammed: Professor, with all due respect, can I please ask you to have some faith in Cabinet?

Sen. Prof. J. Spence: I have every faith in Cabinet. My problem is I think some people in Cabinet may understand precisely what I am saying with respect to trade liberalization and competitiveness. As I said, most of those types of incentives have been tried in the past. Therefore, while I would not speak against them I would caution that there may be no reason to suppose that they would work any better now than they have worked in the past. They may be increased and there may be little changes here and there, but basically the philosophy is the same as we have had for many years, that we will give incentives for production purposes. Quite frankly, I think that has failed and what we need to do is concentrate, as you have done in some of your incentives, on the end price rather than give people money for ploughing or making ponds and so forth; this is what

we have. The paraphernalia, superstructure, infrastructure and bureaucracy that has to be set up to police this sort of system, quite frankly, costs more than if you spend that money in putting an additional dollar or two on the end price. In the case of citrus farms instead of increasing from 20 to 21 increase to 23 or 25 and forget the subsidies for planting citrus or digging wells. I have a little difficulty with that although, in principle, I support the empowerment.

Dr. Mohammed: Thank you very much. I want to point out two things to you. Firstly, at the start of my contribution I made reference to the lack of infrastructure for this sector. We felt that in putting this incentive package together we must, at least, pay some attention to what is required by way of infrastructure. Secondly, because I spent most of my time detailing what was there, I did not refer to the way this Government is to implement this package. I want to assure you that we have developed a system which, again, is before Cabinet for consideration whereby we have created a one-stop shop to ensure that it works, because I am told there were incentive packages in the past but very few farmers were able to take advantage of these because of the implementation. We have learnt from past experiences and we hope not to make the same mistakes this time around.

Thank you very much, Sir.

Sen. Prof. J. Spence: Thank you, Mr. Minister for that intervention. I will not belabour the point. I have just expressed my concern as to whether that path which, as I said, did not seem to work in the past will work now; I hope it does.

Basically, what I was saying is that in order to address the new situation of international competitiveness I believe we have to create a new farmer. I do not think that the farmers we have had in the past are going to be able to adapt the way they should in order to meet this new paradigm that we are in. We are in a completely new situation with respect to competitiveness with outside forces. Therefore, my strategy—and a lot of what I have suggested embodies that strategy—is that we have to demonstrate to people that farming is a profitable business. I think there is a lot of skepticism on many people's part and, perhaps, with very good justification, that one can really make a good living from farming. I certainly can tell you I am struggling to supplement my pension from farming; it is not easy.

The idea of selecting Caroni's citrus and the cocoa was that I felt that this was a good possibility for creating family farms—and Sen. Dr. St. Cyr has pointed out the importance of family farms in the whole system—and demonstrated that we

can have 60 family farms doing well because they were hedged against most of the traps that one might fall into and which would lead to failure. That was the philosophy in suggesting that.

With respect to the School Feeding Programme, again, the strategy was that this was a way of, perhaps, beating the system and providing hidden subsidies by paying better prices for your school meals than perhaps would be justified in only commercial terms. Therefore, perhaps give a subsidy on social grounds which would lead you around WTO and TRIPS because eventually the question of subsidy will come to the fore even though one may get away with it for a few years. Therefore, if you are looking down the road I think you have to do two things. You have to try to create a farmer who is more competitive in the international environment and you have to set up your system in such a way that eventually they will have to exist without subsidies.

Again, the question of giving incentives through loans at, perhaps, a lower rate of interest is a device which, even though it may be in one sense a subsidy, that seems to be still allowable within the terms of international trade and WTO.

What I still have some difficulty with is to see from the hon. Minister's contribution that there is some new thrust that is going to lead to a change in what we have now, which has not progressed over the last few years and it is going to continue to decline even though, as he points out, there may be some movement back and forth in the agricultural sector which may have a marginal increase one year over the other. I suspect that you will find that in 1998 the agricultural GDP was reduced largely because sugarcane is so dominant in the total production and because the sugarcane production this year has fallen.

I have grappled with the problem of how we should tackle the galvanizing of the agricultural sector. I have come to the conclusion that if we just give it more of the same we will not get a change. The particular points I have made here are not intended to be exhaustive or the only way to tackle the agricultural sector but I tried to be specific about certain areas which I think could make a difference.

One of the problems we have grappled with over the years and never seem to be able to solve is that we have an agricultural faculty which has been turning out graduates such as yourself, Sir, over the years but very few of these graduates have gone into production; government service, teaching service and all the rest but they do not farm. Yet, most of the farmers we are competing against in other countries

are highly skilled people who are university graduates and who are going to be able to:

- (i) adapt quickly to new technology and the systems they adopt; and
- (ii) come out of one activity in farming when it is not profitable and get into another which is how we are going to have to be aiming in the future.

I think the farms created here by Caroni citrus and by the cocoa—which I am very happy to hear is being funded—should be available to university graduates. Therefore, what we are saying to Trinidad and Tobago is that the sons and daughters of farmers today, when they come into farming, instead of becoming lawyers and doctors and so forth, will be attracted to doing university degrees and going back into farming. But we have to demonstrate that because, certainly, it is not apparent now, otherwise all these graduates we have been turning out would have gone into farming.

It seems to me one has to look for some strategies or new ways of thinking for the agricultural sector which will allow us to move forward, along with all the incentives and packages which you have suggested and which, perhaps, I have been a little skeptical about, but nevertheless they may work and I hope they do. I do not think they are going to be the only tools in themselves that we can use which will be successful.

We are in an age where government intervention is, by philosophy, being reduced. Indeed, that is why I say sometimes we do not seem to have our policies or strategies across the board. We seem to have strategies in certain areas and in others we seem to be coming from a direction. I am suggesting, and I think certainly from the hon. Minister's contribution he has taken that position too, that this is an activity in the agricultural sector which still needs government intervention because all those incentive packages are government intervention. This is not necessarily the general philosophy which we are now operating in. For example, there is a lot of discussion about privatization of state enterprises. Logically, if that is the route, this will also apply to Caroni (1975) Limited, Tanteak and the rest, but we have said we recognize that in the agricultural sector there may be some differences and, therefore, we do not take the policy right through in those areas. I am very glad that is, indeed, the case.

I would like, again, on the basis of the global situation and competitiveness, to say a little word about corn. When I first came to Parliament the hon. Minister at the time was Lincoln Myers who suggested potatoes. There was a big flurry with photographers and so forth but, of course, as I knew very shortly we had forgotten that we had said that we were going to grow potatoes. Next came Minister Rowley who, like yourself Sir, said we should grow corn. As you know in the United States corn is grown by the square mile. I still do not see how we can expect small farmers in Trinidad and Tobago to compete against farmers in the United States who are producing their corn by the square mile. That is our present paradigm; that is who they are competing against. For a short while we may get away by paying a subsidy on the price but for how long will we be able, under the WTO rules, to continue to pay that subsidy? Do we build up the expectations of these farmers for a short while and then see them dashed?

I agree entirely with the point the hon. Minister has made with respect to corn on the cob. Yes, I think it is a very good thing to encourage farmers to produce more corn on the cob and to get a better price for it because I believe very strongly that small farmers must grow high priced crops. That is another change that we have to make in our agricultural system, which we are not tackling. If we are going to be competitive then there are certain crops that are not appropriate for small farmers to grow because the total income per acre of land is too small, therefore, you are condemning them to a low income continuously. An acre of cabbages, in fact, is a very high-priced total product.

Dr. Mohammed: Professor, if I may just supplement what you are saying. If one looks at the corn issue from a cost benefit analysis basis, it is also the intention to utilize the stovers once the corn is harvested as a source of livestock feed. What that will do, in the case of the small ruminants subsector, is provide a reduction in the cost of feeding for the production of lamb as well as goats. This can also be used in the dairy subsector and most certainly impact positively in reducing the input cost of feed. This is the intention. It is not only to produce corn for human consumption or for livestock consumption. It is also intended to use—because we intend to get into ensiling corn stovers to enhance nutritional value as a source of livestock feed.

Sen. Prof. J. Spence: Thank you, Mr. Minister. I hope, Mr. Vice-President, that it works. I have expressed my skepticism but I hope it works.

With respect to water, I agree entirely with the hon. Minister. Again, when I first came into Parliament the Minister of Planning was the present Governor of the Central Bank, and on one occasion the President of the Inter-American Development Bank, whom I had worked under in the Economic Commission for Latin America and the Caribbean, was visiting Trinidad and the hon. Minister asked if I would speak to him about Inter-American Development Bank loans for water, which I did.

4.00 p.m.

I am quite convinced that is extremely important. Why it has not been important in the past in Trinidad is that we have grown tree crops and sugarcane and the tree crops ripen in the dry season as does the sugarcane, so we have not really needed and there has not been the pressure for irrigation here as there will be when we start growing annual crops. The Minister is entirely correct. When we start growing annual crops, then we will need much more water for irrigation.

Now, if the hon. Minister had been here last week, I think it was, when we were discussing the Water Orders—I told his colleague that I was going to say this—he would have found that when his colleague presented his forecast for water production in Trinidad and Tobago, he did not mention agriculture.

Dr. Mohammed: Sen. Prof. Spence, I want to assure you that I have since corrected that. [*Laughter*]

Sen. Prof. J. Spence: I am very pleased to hear it and I hope that the hon. Minister's clout in the Cabinet will succeed in getting him in that direction, but you see, here is the thing where the policy in one way does not seem to be gelling with the policy in another way. It is a point which I raised last week with respect to the discussion we were having on water. I agree entirely. I think if the hon. Minister does nothing else during his term of office than to provide additional water for agricultural purposes, he would have made an excellent contribution.

With respect to the infrastructure with rural access roads, this is something which was started by the last government. Again, I have repeatedly said, until you have your production going, you do not know where to put the roads, so really all you are doing in the interim is providing some money to improve your roads. Fine, that is very good.

When this project was first discussed, in those days I would meet with the Inter-American Development Bank representatives frequently and I said just this to

them. They said, "We know Trinidad needs the foreign exchange so we know that, but we are not pushing it too hard."

I have seen rural access roads near my own farm which, quite frankly, lead to one farm even now being constructed. So, one wonders really whether we have not got the cart before the horse. Let us get the agricultural system working, then we can say, "All right. Now, there is production in this area. We are going to put our efforts into rural access roads here to bring the produce out." And not use the money that is being borrowed for agriculture to have a general improvement in our roads in the country, even though they have been upgrading the rural areas. That is not the intention of an agricultural sector loan. Borrow through some central planning loan to go into your roads, bridges and the like.

Mr. Vice-President, I was very pleased to hear the hon. Minister's statement. I do not agree with some of the aspects that he is proposing, but nevertheless I wish him well with respect to those aspects. I was also very glad to hear that the Government will support the Motion but, hopefully, Sen. Moore seemed to suggest that the Motion was not mandatory, therefore, it could be supported and then, perhaps, it did not matter whether it was implemented or not. I tried to make it as mandatory as I could but still in polite language.

Clearly, the Senate does not dictate what the Executive does, but by supporting the Motion, I would hope that it means that there is some commitment to implementing the various aspects, though I again emphasize that they are not intended to be exhaustive. These are some examples of what you could do to get the agricultural sector moving, remembering three basic items.

First of all, Sen. Dr. St. Cyr has made the point, in an excellent contribution, that very few countries in the world are able to progress without a sound agricultural sector. The only two that I can think of are Hong Kong and Singapore and I know it is being said that we should follow the Singapore model. I hope it is not meant that we should follow it with respect to agriculture as well. They just have not got any land, so they cannot have agriculture.

I was a little disappointed to find in the hon. Prime Minister's presentation of achievements over the last two and a half years, that agriculture was not mentioned. I hope that when he makes his presentation in two years' time, he will have a lot to say about agriculture, but certainly he had nothing to say about agriculture at this stage, which I took to mean if there was something good to say,

he would have said it. So we are still in a position where we have to move forward.

The first basic point I want to make is that we need an agricultural sector in order to maintain our rural economy; in order to stop the rural/urban drift; in order to maintain our quality of life; in order to have good food, as Sen. Dr. St. Cyr has mentioned. That is the first thing.

The second thing is that we are in the international environment which means that we have got to be competitive. We would not be able to continue with subsidies and tariffs very much longer, therefore, we must gear ourselves in order to meet those challenges. In order to meet those challenges, we need a new farmer and in order to create a new farmer, we have to show that the agricultural sector can be profitable. So I think we should have some devices to make that demonstration to attract the new farmer and, therefore, to allow our sector in the future to be able to compete as described.

Thank you and I beg to move.

Question put and agreed to.

Resolved:

That the Government of Trinidad and Tobago intervene in appropriate ways, including adoption of the following measures:

- i. Expansion of the School Feeding Programme to encompass all primary and secondary schools and tertiary level institutions;
- ii. Division of the Caroni (1975) Limited Citrus Farm into 25-hectare blocks for lease to private farmers;
- iii. Development of 2,000 hectares of cocoa on state-owned land for lease to private farmers in 25-hectare blocks;
- iv. Provision of loans to the agricultural sector through commercial banks on a similar basis to those provided to the tourism sector.

ARRANGEMENT OF BUSINESS

Mr. Vice-President: We now move on to Motion No. 2 and I call on Sen. Dr. Eric St. Cyr.

GOVERNMENT'S ECONOMIC PHILOSOPHY

Sen. Dr. Eric St. Cyr: Mr. Vice-President, I beg to move the following Motion standing in my name:

Whereas in early post-war years the economy of Trinidad and Tobago was actively redirected to providing enhanced infrastructure and higher incomes to the population through a policy of localization and industrialization and planning; and

Whereas with the slowing down of the industrial boom worldwide in the sixties there evolved a policy of public participation in industrial enterprises culminating in the resource based industries at Point Lisas; and

Whereas with the third oil shock and the new liberalization paradigm there has been since the eighties a move toward divestment and trade liberalization; and

Whereas economic activity thrives best in an atmosphere of clearly understood and stable economic policies;

Be it resolved that the Government of Trinidad and Tobago articulates its broad economic philosophy particularly regarding public participation in industry, economic liberalization and human resource management and its strategies for furthering economic well-being of the nation.

Sen. Prof. John Spence: Mr. Vice-President, I beg to second the Motion and reserve the right to speak at a later stage.

Sen. Dr. E. St. Cyr: Mr. Vice-President, the present Government has been in office for two and a half years, just about the middle of its term. By now, it would have had an opportunity to assess the state of the economy, to have brought a measure of experience and practical reality to the policies it had before taking office, and to have come to grips with some of the realities of governing this nation. So, I think that this is about the proper place in its term when the nation as a whole should hear from it, what is its perspective on the economic life of the nation and what is its philosophy on this most important area of national life.

I believe that it is the responsibility of a government to so manage the economy, so set the policies for the nation, that the material well-being which must underlie the entire social, economic and political processes is firmly based and I believe it is the duty and the responsibility of the Government to tell us how it views things; what it is planning to do and how it perceives that it will work. After

all, we must not only be able to say, "Well done", when things have gone well, or say that things have gone badly, but it would give a tremendous amount of confidence to the nation if we could see a government in place which anticipates what is likely to happen before it takes place so that we know we are in good, sound hands as we go into the unknown future.

I think that the economy at the present time is performing at a good level and perhaps we are not in a crisis and so it is a good time that we could take stock while we are not panicking about anything in particular.

I know that the price of oil is down, but apart from that, I think that we could, in a level-headed way, take stock of our economic policy at this time. As an indicator of the state of the economy, we have from the *Central Bank Annual Economic Survey for 1997* some very interesting indicators.

4.15 p.m.

For instance, we see that for the fourth successive year, we have had real growth in the economy recording almost 3 per cent growth last year. We see that the inflation rate has been coming down and is stabilized at just over 3 per cent, which is a tolerable and decent level of inflation. We see that the rate of unemployment has been coming down, but is still intolerably high. Perhaps the rate at which we have been able to get it down in the best of times is just under 10 per cent. Most societies have a floor level below which we do not get rates of unemployment. I am not saying that we should have 10 per cent of the population unemployed, but most societies seem to have a floor below which one seldom gets to the rate of unemployment. I see that we have started to generate a positive fiscal balance and last year this approximated one per cent of GDP and I see that our balance of payments to GDP has been sustained to just about 3 per cent.

Our international reserves have been growing and the exchange rate, which I think is the most important price in the system is reasonably stable, sliding at perhaps less than 4 per cent or thereabouts, but no cause for panic. The only area in which the economy performed in a way that should be watched during last year, was that there was a substantial 12 per cent deficit on the current account of the nation, indicating that perhaps we have started to consume more imports than the underlying ability of the economy to generate foreign exchange warrants, but by and large, the performance of the economy is good, and as I say, it bottomed out

about five years ago and has sustained this decent level of performance. I believe that the time to take stock is usually when there is no crisis when we could sit rationally and say: we are not attacking each other, let us find out how this thing is working and where we are trying to go and why.

In the Motion I am presenting, I am taking the most important preamble, the part which says, "Whereas economic activity thrives best in an atmosphere of clearly understood and stable economic policies;". The key actors in any economic system must understand what we are trying to do. This really sets the tone for the investment climate and, by and large, the rate at which we are investing and adding productive capacity and putting in place those things which would enhance factor productivity. That is the key determinant in economic progress. Let me say something about that key determinant.

Quite often we focus on sales and trade but those things ought properly to be the lubricating oil in the system. The real engine of economic progress is production and the efficiency with which our factors of production are employed and we could embellish this however much we want, at the bottom, labour productivity is the key and underlying that, is usually capital investment which gives extra muscle to human muscle and brings in technology to enhance productivity. The key variable at which we must look is how much or at what rate we are enhancing the productivity of agricultural employment, labour in agriculture, and the productivity of labour in manufacturing and so forth. The measurement of productivity in services is difficult, but certainly if we could see a steady rate of growth of labour productivity in the goods-producing sectors, we could usually assume that it would be followed through into services.

I am saying that the investment climates, which ensure that we put in place over a long period of time what would determine rates of growth or factor productivity, are based on a general appreciation by investors that there is a shared understanding of what we are trying to do and how things are working, so by and large, investors would not be surprised by a sudden change in the policy of the Government. In other words, a policy is set which one could almost assume is the direction in which you would be going for the next five to ten years, so investment plans could be made knowing that those things could be banked on. I think it is in this respect that it is so important for the country as a whole, the business classes, and the labour sector—especially our labour leaders—to understand the philosophy which governs the policies which are being pursued by any particular

administration. I am hoping that this would be an opportunity when, over the next week or so, the nation could hear what is being planned.

In the preamble to the Motion, I have taken a historical perspective. By and large, I have taken it from the post-war days. My understanding is that prior to the emergence of self-determination through the nationalist movements, the social and economic policies which were pursued were largely determined in London by the colonial authorities and filtered to the colonial administrators, but with the coming of the independence movement in the 1950s they peaked, and 1955 and 1956 were perhaps the peak of that debate. One of the arguments made is that hitherto the economy was run for the benefit of international interests and that the local population such as it was, the focus was not on the welfare of that group and the nationalist government of the People's National Movement sought to redirect economic and social policies towards enhancing living levels for the nation as a whole. They did this by bringing in policies that would localize industry, localize the thrust of things, using the technique of planning.

The major thrust of policy change was in the direction of moving away from primary production, mainly agricultural and mineral production and moving into secondary production. I keep saying that the policies of Sir Arthur Lewis were not interpreted or applied correctly. Basically, Lewis thought that productivity in agriculture had to be raised and in order to make room to bring in capital equipment, there was need to take part in the labour off the land to make room to bring in mechanical devices and in order to do this, one needed to engage labour in secondary industry. Somewhere along the line we got side-tracked and went into a closed country—import substitution industrialization—which dried up and we know some of the consequences. I was quite surprised that I have not had to change some of my light bulbs at home for the last six months. At the peak of this policy, I used to change them every week. In other words, we ended up with a closed economy of low quality goods, relatively high prices and our level of welfare was not substantially enhanced.

We moved away from that policy during the oil boom years and there is a particular phase I recall from that period of planning where we were told that we were no longer going to produce those nice-sounding plans. Planning had lost its mystique but we got substantial oil revenues and the policy then shifted to industrializing, but now developing the resources of the country so that we moved away from import substitution industrialization to resource based industrialization.

Effectively, what we are doing at Point Lisas is monetizing gas and converting our abundant gas resources to a form which would enable it to be exported. In the 1960s, the world economy went into a period of slump and many international firms which operated in Trinidad and Tobago ran into difficulty and in order to preserve jobs, by and large, the state found it necessary to nationalize or take over many of these failing companies which in itself, was not good economic policy, but in terms of its social impact it made sense.

4.30 p.m.

At one time, I think we had well over 100 state-owned or partially state-owned companies, very many of them doing quite badly financially, but the ideology, I think, was good in that it enabled the development of Point Lisas. I think that the country had to force that thrust which, by and large, was good and was the seed bed on which our present industrial thrust is based.

Moving rather quickly to the period of the third oil shock, where the nation had to come to terms with itself, it had been living on oil windfalls, living very well as though we were wealthy, not from production, but from oil windfalls. When the bottom fell out of the oil market in the middle 1980s, we had a day of reckoning. For about five or more years we searched for a soft landing, as it was called and, by and large, we went downhill, everything went down; negative growth for several years, rising unemployment and foreign exchange crunch, and with the adjustment came a number of painful things. If that constitutes the background, Sir, in that period we also came to grips with the new emerging international paradigm of liberalization.

I remember very clearly when the Caribbean Basin Initiative came on the scene, the then President of the United States was very clear that he was not going to bring gifts of money; what he was going to do was to show to the Caribbean a system that worked, and a system that works entails responsibility for matching one's resources used with resources possessed and produced. So that, we came through that period of structural adjustment and I believe that it is to the credit of this nation that we came through that period very well compared, certainly, with some of our Caribbean neighbours. I keep saying this over and over, our trade union leaders behaved with the utmost responsibility in assisting the society as a whole, led by the Government, in bringing the country to an even keel. I am talking here of governments, because I think there were at least three governments where one could see a consistent approach to the solution of a national problem.

Mr. Vice-President, that is the background. We are now in a period when we must make an assessment. Before I come to that, I remember the tremendous work done in the early 1990s by a very competent accountant functioning, not as Minister of Finance, but as Minister of Industry and Commerce, doing a tremendous political and technical job, shifting our manufacturing sector from being a very protected, sheltered sector into being a competitive international competitor. I want to pay a compliment to the hon. Sen. Brian Kuei Tung for the work he did then and, like me, he wants to do the work. I do not think many other things matter but to get good work done. Is that so?

We want now to take a look into the future. In other words: where are we charting the country in the next 5—10 years? I have identified three areas in which I would like to hear what the thinking of the Government is. The first has to do with its thinking on public participation in industry. Now, this is a highly ideological issue and we are likely to get people who are as convinced that Government should have no place in industry as there are people who would argue as strongly that all industry ought to be publicly owned.

I know from the documents I have seen that the suggestion is that Government will no longer be the dominant actor in investment and ownership, but that it reserves its proper right where there is need to participate there. Now, there are situations where an investment is so lumpy that a private investor may not take the initiative, and there are situations where there are sectors where for public interests and other concerns, the Government may see it wise to take part. This is one area in which I think we would like to hear the views and full articulation, so that we may go into increased divestments.

The second area is the area of economic liberalization, and I believe that there, too, we have broadly pointed that we are in that mode and that we are likely to continue there.

The third and most important is, in my view, the policies regarding human resource management and development, because I firmly believe that it is human ingenuity which determines all things. One may have a certain red type of mud which is nuisance, they call it bauxite now, but 100 years ago, probably 60 years ago, it was probably nuisance. It is human ingenuity which determines whether some physical thing is or is not a resource. Most of the technology that we say is the determinant of productivity in so many cases is embodied in the human resource.

One of the things which bothers me about the human resource is that we seem to have two humps: a very large, almost disoriented 15—25 group and another hump of high performers in the society. I really would like to hear what the policy is, what the thinking is on dealing with the development of our human resources and the management thereof. When we have heard the policies it would also be important to hear what the specific strategies would be, which would be the areas for short-term, practical action, and all these things, we hope, would be brought together as we hear articulated a picture of how the economic aspects of the life of the society and nation are perceived to pan out in the next 5—10 years.

Mr. Vice-President, with these opening remarks, I beg to move.

Question proposed.

ADJOURNMENT

The Minister of Public Administration (Sen. The Hon. Wade Mark): Mr. Vice-President, before moving to have the sitting adjourned, may I inform fellow Senators that next Tuesday, June 30, 1998 we are going to be dealing with Bills Nos. 2 and 3 conjointly. We will then proceed to Bill No. 1 thereafter, and we will then proceed to Bill No. 4, the Community Mediation Bill. I have just informed fellow Senators so that they will be properly prepared to deal with all these matters if they arise, given the pace we are going to proceed with next Tuesday.

Mr. Vice-President, I beg to move that this Senate do now adjourn to Tuesday, June 30, 1998 at 1.30 p.m.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 4.42 p.m.