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DISCUSSION REPORT

(Paper presented by O. Nurse and T.M. Farrell)

The authors were congratulated for a very lively and well-presented paper. Mr. Nurse was asked to reconcile his statement that the viability of the old system of agriculture has been steadily eroded over the years because of the shift in relative price ratios between the main products of domestic agriculture and the main imported agricultural products and the point that the agricultural industry cannot provide a decent living for its employees given current prices, costs and production technology. It was found that the two statements were the same and that the relative shift in the price changes is between major agricultural export and import crops. The prices have been moving against agricultural exports and in favour of imports. The sugar industry in particular is inviable because it is hard pressed to pay its wage bill.

One issue discussed was whether the sugar industry was shedding labour because of the decline of the industry or because of the displacement of labour by a more efficient form such as machines. This question was important in view of the fact that in Guyana and Belize it is the only industry that is making a policy-agreed profit; efficient harvesting was being studied because of the depletion of cane cutters and consideration given to the implementation of machinery particularly in harvest time. It was pointed out, however, that the shedding of labour was not directly related to either of these things. Part was due to the view of the company to simple rationalise labour force from an industrial relations point of view, and also in preparing the way for mechanical harvesting which has not been proved as the better way of harvesting. Part of the decline in employment has taken place even during the period when the sugar industry in Trinidad was producing, or going toward its peak level.

The paper was challenged in the statement that developed countries are able to dominate and manipulate the various quota systems and commodity agreements and in the illustration of the meagre price increase in the West Indian sugar agreement of Ł83 per ton when the world market price was Ł250 per ton. It was pointed out that the world market price is only about 10 per cent of the world trade, so it is likely to fluctuate much more widely, than if West Indian sugar were on a similar average, and also that there were a number of years when the Negotiated Price Quota (NPQ) prices were above the world prices. Notwithstanding this, however, it was pointed out that West Indian sugar production has also been small but has been getting only Ł61 per ton, which was way below production costs and that it was a fallacy that NPQ were obtained for many years when the market price was low. The NPQ price was far above the general system of Commonwealth preferences: sugar sent to England has been paid for on the basis of the preferential tariff. This turns out to be of a far higher value than the value obtained even in terms of the NPQ price, so that net, the West Indies have lost over the whole period.

While the wide fluctuation in world price has had a damaging effect, dropping to Ł15 in 1968, having a stable price has been to the disadvantage of West Indian sugar. All the region has been trying to do all these years is to cover the cost, not to generate surpluses in the industry to have the effect in the other parts of the agricultural industry of maintaining prices in the sugar industry. The stable prices are Commonwealth preferences given in the exchange, not a net benefit to the Caribbean and though the prices have been stable, they have been low, even £40 per ton. A lot of this has to do with the multinational companies in Trinidad, Guyana and Jamaica.

One delegate disagreed on the cost of producing sugar on the argument that the production in the Caribbean is much too high, such that the West Indies are pressing themselves out of the international market. One other aspect which he felt could have been raised was the secondary value of processing rather than just exports in the raw stages. Also one of the areas which should be expanded and intensified was in exporting things like avocadoes because of the large market of West Indian immigrants in North and Central America and the United Kingdom. Nevertheless, there were problems in the lack of resources and the conflicts coming from the laws of the country, and it would also mean cutting back on sugar. Land not under cultivation was also simply not good enough for crop cultivation.

Delegates agreed that nationalisation of agriculture is important but affirmed that mechanisation is at least in totality necessary as the region does not have the capital goods for industry which is one of the arguments for mechanisation. What is lost in employment and income generation and for agriculture through mechanisation is gained in the capital sector but since there is not a capital goods sector the comparative gains have to be considered in the specific situation of agriculture and in opposition to the losses made by having to pay for the input of the capital goods.

Another point raised was that the capital-intensive oil industry in Trinidad has been continuously shedding employment over the years. The major issue was whether this would continue in the petro-chemical sector which the paper had assured would absorb labour displaced by the mechanisation of agriculture. This question was answered by viewing the industry on three levels: refining, petro-chemical and capital incentives and the manufacturing industry that uses the petro-chemical industry as input. The first two levels make substantial gains in employment in setting up petro-chemical industries. However, the third level can be developed to the extent where it utilises little labour, for example, in the making of plastic buckets and forks from plastics. Focus was being placed on textile, plastic and fertilizers which are areas of the manufacturing industry which could be the real sources of employment.