

# Massa Day Not Done! Lomé and the Trinidadian Sugar Industry 1975-2005<sup>1</sup>

### Massa Day No Hecho! Lomé y la industria azucarera de Trinidad y Tobago 1975-2005

Lovell Francis<sup>2</sup>

#### **Abstract**

This paper challenges the mantra repeated for decades in the wake of the signing of the Lomé Sugar Protocols by the African, Pacific and Caribbean group of nations (A.C.P.) of which Trinidad and Tobago was a member and the European Economic Community (E.E.C.) during 1975. The slant voiced by the Community and accepted by many within the Caribbean has for far too long suggested that the Sugar Protocols continued the seemingly altruistic economic relationship established between 1951 and 1974 by its direct predecessor the Commonwealth Sugar Agreement (C.S.A.). However this is very much a misnomer as post 1975 the nation's sugar industry, centred on the island of Trinidad, like its counterparts in the A.C.P., entered a paradigm fundamentally bereft of most of the economic benefits of the C.S.A. and which instead worked overwhelmingly to the advantage of British refining companies like Tate and Lyle. This meant that though Dr Eric Williams, the nation's first Prime Minister intoned that independence meant the ending of "Massa's" time in Trinidad and Tobago, where the sugar industry was concerned the economic subservience concomitant with a history of colonialism continued well into the twenty-first century.

Key Words: Lomé Sugar Protocols, intervention price, Commonwealth Sugar Agreement, African, Caribbean and Pacific nations, sugar quotas.

#### Resumen

El presente trabajo desafía el mantra repetido por décadas a raíz de la firma de "Los Protocolos de Azúcar de Lomé" por el grupo de naciones africanas, pacíficas y caribeñas (A.C.P. por sus siglas en inglés) -del cual Trinidad y Tobago era parte- y por la Comunidad Económica Europea (E.E.C. por sus siglas en inglés) durante 1975. La falsa premisa expresada por la Comunidad y aceptada generalmente en el Caribe, ha sugerido por mucho tiempo que los Protocolos de Azúcar eran una continuación de la supuesta relación económica altruista establecida entre 1951 y 1974 por su predecesor directo, el Commonwealth Sugar Agreement (C.S.A.). Sin embargo, resulta una inconsistencia puesto que la industria azucarera de la nación después de 1975, centrada en la isla de Trinidad y que al igual sus semejantes en el A.C.P., había entrado en el paradigma de que se privaba de la mayoría de beneficios económicos de la C.S.A., mientras que al mismo tiempo trabajaba en pro de beneficiar a compañías de refinamiento británico como Tate and Lyle.

AñO 10. N°19. BARRANQUILLA. ENERO - ABRIL 2013. ISSN 1794-8886

<sup>&</sup>lt;sup>2</sup> Lovell Francis is currently one of the lecturers of the University of the West Indies St Augustine History centred Foundation Course, Caribbean Civilisation. He is also currently the Department's Lecturer of Latin American History. In 2012 he was awarded his Ph.D. in History. His dissertation was entitled, Transformations in the Trinidadian Sugar Industry: Caroni, State Intervention and the Sugar Sub-Sector in Trinidad 1970-2005.



Si bien el Dr. Eric Williams -el primero en ocupar el cargo de primer ministro de la naciónsostenía que la independencia conllevaría al fin de la era de "Massa" en Trinidad y Tobago, la industria azucarera estaba preocupada con el servilismo económico concomitante con una historia de colonialismo continuada hasta bien entrado el siglo XXI.

**Palabras clave:** Protocolos de Azúcar de Lomé, intervencionismo, Commonwealth Sugar Agreement, naciones africanas, caribeñas y pacíficas (A.C.P.), cuotas azucareras.

\*\*\*

In December 1951, in the face of real uncertainty over its future, Trinidad and Tobago like its West Indian and Commonwealth sugar producing counterparts became a signatory of the first Commonwealth Sugar Agreement<sup>3</sup>. This unexpected commitment turned back the clock on British sugar policy because it pledged the former colonial master to import some 900,000 tons sugar annually from British West Indian producers at prices guaranteed to be above the prevailing market levels, out of which Trinidad's annual allotment stood at 158,000 tons<sup>4</sup>. Since the promulgation of the Sugar Duties Act in 1846 Britain had adopted a laissez-faire stance on the British West Indian sugar industry, only granting it preferential treatment under extreme circumstances, for example, during the so-called Great War when the metropolis faced severe shortfalls in stocks<sup>5</sup>. Hence this was an expected situation and though when carefully examined the C.S.A. was not solely a tool of economic altruism<sup>6</sup>, it was certainly economically favourable for Caribbean producers within the confines of the times because it assured the two requirements deemed most essential to the success of the regional sugar industry, which were namely decent price structures and an assured sugar market.

This agreement ushered in a trading relationship that proved immensely profitable for Trinidad's sugar companies during the 1950s and much of the 1960s because it assisted

<sup>&</sup>lt;sup>3</sup> Government of the United Kingdom, Ministry of Agriculture, Fisheries and Food. Commonwealth Sugar Agreement 1951 Text. December 1951.

<sup>&</sup>lt;sup>4</sup> Caroni Limited, Quarterly Bulletin: The Role of Sugar in Trinidad and Tobago's Agriculture. April 1966. p 11.

<sup>&</sup>lt;sup>5</sup> The so-called Great War (1914-1918) devastated the sugar beet fields of continental Western Europe and prompt shortages of the commodity in much of Europe. Phillip Chalmin. The Making of a Sugar Giant: Tate and Lyle 1859-1989. New Jersey: Harwood Academic Publishers, 1990. p 115.

<sup>&</sup>lt;sup>6</sup> The C.S.A. was also intended to limit the relatively high cost British beet sugar industry to no more than 443,000 acres of cultivation and to ensure that cane sugar refining companies like Tate and Lyle would have a reliable supply of sugar to keep their refineries churning. Government of the United Kingdom, *Foreign and Colonial Office* 20/26.



them at registering revenues of a magnitude hitherto unseen on the island<sup>7</sup>. For example, as exemplified in Figure 1, Trinidad's major sugar companies recorded steady increases in income during the period 1950-1954. Later during the 1960s, the C.S.A.'s overall usefulness was only undermined by unfavourable endogenous circumstances such as the escalating production costs for sugar exhibited by the island's sugar companies, which more often than not was centrally tied to unseasonal weather in Trinidad and damage to the cane crop<sup>8</sup>.

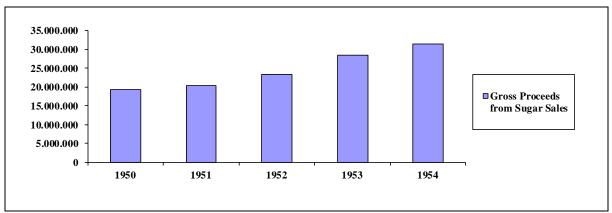


Figure 1. Gross Proceeds to Trinidad's Sugar Companies from Sugar Sales 1950-1954. Source: Government of Trinidad and Tobago. *Report of the Board of Inquiry into a Trade Dispute in the Sugar Industry of Trinidad*. December 1960. pp 4-5.

By the advent of the 1970s, however, it became clear that this rather indulgent association was coming to an abrupt end, and that circumstance bequeathed great trepidation throughout the British West Indian sugar exporting islands. It was published that the C.S.A. was not going to be renegotiated after 1975<sup>9</sup>, there was not yet any kind of a successor agreement, and because of those two circumstances some industry observers intoned that it meant the end of a favourable period of trade with Britain that would directly ferment the ruin of the British West Indian sugar industry<sup>10</sup>. This fear was made more palpable by the reality that, Britain, reversing its initial repudiation of Western Europe's premier economic block, the European Economic Community (E.E.C.), actively and successfully courted

-

<sup>&</sup>lt;sup>7</sup> See Trinidad and Tobago. "The Finances of the Sugar Industry." Report of the Board of Inquiry into a Labour Disturbance in the Sugar Industry. December 1960. p 11.

<sup>&</sup>lt;sup>8</sup> Caroni Limited, Director's Report and Accounts and Chairman's Statements 1964-1967.

<sup>&</sup>lt;sup>9</sup> S. Norman Girwar. The Future of Commonwealth Sugar in an Enlarged E.E.C. September 2<sup>nd</sup> 1972. p 4. <sup>10</sup> Ibid.



inclusion, and was thus slated to accede to full membership of the group in 1975<sup>11</sup>. This provided added worries for West Indian sugar exporters because it was believed that within the bloc Britain would have to eschew it sugar trading arrangements with its former and remaining colonies<sup>12</sup>.

In the end, these concerns were overstated. Whereas prominent members of the Western European trading bloc, namely the French and the West Germans did not favour the potential entry of millions of tons of cane sugar into its already saturated Western European market, the British were allowed to retain their traditional sugar trading arrangements <sup>13</sup>. The entrance of A.C.P. sugar into the E.E.C. was facilitated by a number of competing and contradictory economic circumstances. Whereas the continental bloc initially refused to take the 1.3 million tons of sugar from the A.C.P. nations it eventually agreed to under the Lancaster House Assurances <sup>14</sup>, the allure of preferential entry into the London Sugar Terminal helped to smooth over many salient concerns. The reality that Britain for a variety of reasons, which included high cost production and traditional Crown policy <sup>15</sup>, produced insufficient sugar to meet its demands for the commodity, and would thus prove an outlet for Western Europe's perennial overproducers was a more than helpful facilitating factor <sup>16</sup>.

However it would be an historical inaccuracy to underestimate the machinations of one powerful and ultimately very resourceful British company in the exigencies of what would by the mid-seventies become well known as the Lomé Sugar Protocols. Tate and Lyle, soon

<sup>&</sup>lt;sup>11</sup> Ibid.

<sup>&</sup>lt;sup>12</sup> Ibid.

<sup>&</sup>lt;sup>13</sup> "Protocol 22 Sugar Protocol Negotiating Meeting at Expert Level between Commission and A.C.P. Sugar Exporting Countries." Government of the United Kingdom, Foreign and Colonial Office 30/2841. 1975.

<sup>&</sup>lt;sup>14</sup> The initial Lancaster House Agreement Assurance was for 1.4 million tons of A.C.P. sugar annually but It was later reduced to 1.3 million tons. See Roger D. Hart to R.Q. Braithwaite "Implications of Renegotiating the C.S.A. Price under the Commonwealth Sugar Agreement" 1974. Government of the United Kingdom, Foreign and Colonial Office 30/2292.

<sup>&</sup>lt;sup>15</sup> Government of the United Kingdom, Foreign and Colonial Office 20/26.

<sup>16</sup> Community members producing sugar in excess of 105 percent of Estimated Community consumption but within 135% of individual quotas received guaranteed markets and were assured of at least minimal returns on their investments. However sugar produced in excess of those strictures had to be disposed of outside the Community without any export subsidies. Thus an extra market within the E.E.C. that could not fulfil its own sugar needs was economically favourable for Western Europe's habitual sugar overproducers. "Sugar and E.E.C." 1967. Government of the United Kingdom, Foreign and Colonial Office 62/6.



to be Britain's only cane sugar refining company<sup>17</sup> played a significant role in the framing, formation and inner workings of the economic relationship that subsequently ensued between the E.E.C. and the A.C.P. exporting nations. Sensing at the cusp of the 1970s, the potential ruin of its cane sugar refining business the British conglomerate set out to ensure that the entry of A.C.P. sugar into Western Europe was established as one of the major negotiating points of Britain's admission into the continental trading bloc. Moreover employing a multifaceted strategy the company made certain that the issue remained at the forefront of Britain's consultations with the mainland alliance. In the midst of its efforts it was not above overtly attempting to bully the English Cabinet when it was considered to be inadequately presenting the Tate and Lyle case to the Community<sup>18</sup> or when deemed necessary, presenting deliberate misrepresentations to the commissioners selected by the bloc to adjudicate over the A.C.P. sugar issue<sup>19</sup>. The company was adamant that the cane sugar it needed was going to enter the E.E.C. regardless of the requirements of forcing the issue.

So as 1975 approached, a maelstrom of manoeuvring fraught with realpolitik and shifting alliances between the major stakeholders, underpinned the setting up of a new sugar arrangement between the E.E.C. and the A.C.P. nations. It saw, for example, the British Government and Tate and Lyle conspiring on one hand to frustrate the mission of the E.E.C.'s Commissioners adjudicating the matter allegedly in part because one of them had:

Gratuitously prefaced his statement of views on the issue [the entry of A.C.P. sugar into the E.E.C.] by various derogatory remarks about Tate and Lyle. He said I understand, that he had always had a low opinion of the company especially because of the attitude they had taken to the Community in the early

At times the British Cabinet was outmanoeuvred by the company's strategy to achieve its ends which on occasion included denouncing the Government to the media. Government of the United Kingdom, "Conclusions of the a Meeting of the Cabinet held at 10 Downing Street on Tuesday 16 October 1973 at 11a.m." Government of the United Kingdom, C.A.B. 128/53.

<sup>&</sup>lt;sup>17</sup> In 1976 Tate and Lyle took over Manbré and Garton, the only other cane sugar refining company in Britain. Government of the United Kingdom, Monopolies and Merger Commission. Tate and Lyle P.L.C. and British Sugar P.L.C.: A Report on the Proposed Merger. February 1991. *B.T.* 169/300.

<sup>&</sup>lt;sup>19</sup> G.E. Meyers Office of the United Kingdom Permanent Representative to the European Communities to D.B. Hayes M.A.F.F." 18<sup>th</sup> July, 1975. Government of the United Kingdom, Foreign and Colonial Office 30/2845



1970s; and his long held private view was that it was a matter of no great importance whether it stayed in business<sup>20</sup>.

Despite that understandable collusion, however, some of the Crown's officials surreptitiously and a little counter intuitively hoped to manoeuvre out of the long term agreement on A.C.P. cane sugar imports required by the British cane sugar refining juggernaut noting that:

In the longer term it might suit us well to be free of the Lancaster House commitment, and should, if we can, use any shortfall in Caribbean deliveries this year to justify reducing the Lancaster House undertaking. We should therefore be obliged to point out to the Caribbean producers that if they fall short of their C.S.A. quota this year we could no longer hope to obtain for them for 1975 onwards the same access as they have enjoyed under the C.S.A<sup>21</sup>.

In the midst of all this negotiating and politicking, West Indian sugar exporters used the only significant leverage they possessed over their metropolitan trading partners. Declines in Western European beet production in the period 1974/1975 created steep increases in the prices of sugar globally, and in the midst of this situation some West Indian sugar exporters like Jamaica and Guyana saw greater potential profit and opted to shift their sugar supplies away from Britain and unto the far more lucrative American sweetener market because "currently they [Caribbean producers] can get about £1100 a ton for their sugar in the U.S. as compared to the C.S.A. price of £61 and the residual world price of about £200 a ton"<sup>22</sup>.

This in a nutshell was the situation out of which the Lomé Sugar Protocols were created in 1975. It was really Protocol 22 of the general Lomé agreement ratified between the E.E.C. and the A.C.P. nations which pledged the Community to purchase 1.3 million tons of raw cane sugar from the aforementioned cane sugar exporting nations in perpetuity, and at

<sup>&</sup>lt;sup>20</sup> David Hadley Ministry of Agriculture, Fisheries and Food to M.J.L. Attfield Esq. Tate and Lyle. 1<sup>st</sup> August 1975. Government of the United Kingdom, Foreign and Colonial Office 30/2846.

<sup>&</sup>lt;sup>21</sup> "A Report Prepared after Interdepartmental Discussion between Officials." Revised Draft of the Report of Ministers on Sugar. 30<sup>th</sup> January, 1974. Government of the United Kingdom, Foreign and Colonial Office 30/2292.

<sup>&</sup>lt;sup>22</sup> Draft Minute to the Prime Minister from the Minister of Agriculture. 28<sup>th</sup> January 1974. Government of the United Kingdom, Foreign and Colonial Office 30/2292.



prices that would be negotiated intermittently<sup>23</sup>. The signing of this agreement was seen as a boon to the A.C.P. sugar exporting nations on both sides of the Atlantic. In the words of the President of the European Parliament Georges Spénale, "on 28 February in Lomé the European Economic Community signed a cooperation agreement with [forty six] African, Caribbean and Pacific States which constitutes a turning point in the history of international development cooperation"<sup>24</sup>. In the Caribbean the response to the signing of the agreement was similarly enthusiastic, but interestingly the lead negotiator of the A.C.P team during the negotiations, Jamaica's P.J. Patterson, even while toasting the successful completion of his mandate, eschewed ebullience and struck a more sombre tone whilst noting the reality that:

For our part: sugar being so vital to our economies, because of the contribution it makes to employment and foreign exchange and notwithstanding the fact that because of the colonial relationship our economies are presently geared to the production of raw sugar for U.K. refineries, we had to seek an urgent resolution of the problem, which in view of all the circumstances, I have outlined, required a great display of ingenuity and political will to achieve the desired result<sup>25</sup>.

His lucidity was far more appropriate than euphoria, given the contemporary dependency of the British West Indian sugar industry on metropolitan trade. Furthermore whilst the President of the European Union hailed Lomé as a watershed event in the history of world trade, from its onset it was very questionable whether the agreement resembled significantly, or would operate in an economically propitious manner like the one that West Indian sugar exporters eagerly agreed to in 1951. The evidence even in the short term seemed to suggest otherwise. Even though the preamble to the Lomé Agreement pledged the Community to treat with the A.C.P. nations in a, "close and continuous cooperation

\_

<sup>&</sup>lt;sup>23</sup> 'The Lomé Convention Between the European Economic Community and the African, Caribbean and Pacific States." Brussels. February 1975. Government of the United Kingdom, Foreign and Colonial Office 30/2664.

<sup>&</sup>lt;sup>24</sup>. "Georges Spénale President of the European Parliament to Rt. Hon. Lord Elwyn-Jones Lord Chancellor. Government of the United Kingdom, Foreign and Colonial Office 30/2664.

<sup>&</sup>lt;sup>25</sup> "Address by Honourable P.J. Patterson at Luncheon by Jamaica Cane Farmers' Association." Wednesday12<sup>th</sup> March, 1975.' Government of the United Kingdom, Foreign and Colonial Office. 30/2848.



based on complete equality.....and carried out in the spirit of international solidarity"<sup>26</sup> Caribbean sugar producers were not really entering a direct economic relationship with the Community.

Though it remains semantically correct the idea that A.C.P. sugar was going to enter the E.E.C. market after 1975 was a misnomer. West Indian cane sugar would be imported into the bloc solely by virtue of the fact that Britain after 1975 was a member of an enlarged Community and operated under its aegis. The reality was that the sugar exported by the A.C.P. nations would be going where it had always traditionally gone, which was unto the British market. This was because of a few realities that were central to understanding the A.C.P.-E.E.C. sugar relationship post 1975. One of those was that the Community under Lomé was going to act solely as a facilitator of the cane sugar imports into the bloc, not as a negotiating body to deal directly with the sugar trade between itself and the A.C.P. nations.

During the complicated negotiations that preceded the ratification of the Lomé Sugar Protocols, the Community's Commissioners had taken great pains to underscore to the A.C.P. representatives that after 1975 the bloc intended to utilise a hands off approach to their exports and that they would be required to parlay directly with whichever companies in Europe wished to procure their sugar. Monsieur Lordinois one of the bloc's French Commissioners clearly stated this reality to the A.C.P. team whilst asserting that:

On our side, our importers are not the Community nor the Member States. They are the private traders or the private refineries. In other words we envisage that there should be no upper limit imposed on the prices that your traders or countries are able to secure in practice. But there will always be a guaranteed price, for every ton of sugar, below which the price you can obtain from the

-

<sup>&</sup>lt;sup>26</sup> The Lomé Convention between the European Economic Community and the African, Caribbean and Pacific States. Brussels, February 1975. p 3. Government of the United Kingdom, Foreign and Colonial Office 30/2663.



Community will never be allowed to fall. In other words the effective market price is different from the guaranteed price<sup>27</sup>.

Isolated, this does not seem such a significant situation; however, it remains important to note that the purchasing companies would be British, and more specifically the Tate and Lyle Company. There were no continental European companies willing to procure raw cane sugar for refining which meant the commodity would be secured by Britain's only cane sugar refining company. Again on the surface this might have seemed a boon to West Indian sugar exporters because it could have meant a continuation of the old C.S.A. trading arrangement. However the details of the agreement signed at Lomé ensured that this was not the case.

First off, the promulgation of Lomé meant that history had not been rewritten because the A.C.P. nations were still trapped in that habitual neo-colonial role of supplying low cost, raw cane sugar to be refined into more lucrative forms by British refiners. The exporting countries would remain in what Caribbean economic theorists Kari Levitt and Lloyd Best referred to as the, "parent-affiliate relationships" that many postcolonial nations became involved in with their former colonial masters. This was one issue that both the representatives of the Tate and Lyle Company, and the British Government had been adamant about in the negotiations that led to the creation of the Protocols. In fact in response to a provocative French and West German suggestion that the Community should purchase a much smaller but more lucrative volume of refined sugar from the A.C.P. nations and not the quantity of raw sugar it agreed to, the Crown's officials asserted duplicitously that the A.C.P. nations, "could not and did not wish to export white sugar instead of raws" This casuistry had little to do with the wishes and desires of the exporting nations, and considerably more to do with the requirements of companies like Tate and Lyle to keep their refineries churning.

<sup>&</sup>lt;sup>27</sup> 'Text of Speech by Mr. Lordinois Commissioner.' Sugar Negotiations between the Ministers of A.C.P. Cane Sugar Producing Countries and Members of the Commission of the European Communities. Brussels, 14th December 1974. Government of the United Kingdom, Foreign and Colonial Office, 30/2306.

<sup>&</sup>lt;sup>28</sup> Kari Levitt and Lloyd Best. "Character of the Caribbean Economy." Caribbean Freedom: Economy and Society from Emancipation to the Present. Edited by Hilary Beckles and Verene Shepherd. Kingston: Ian Randle, 1996. p 417.

<sup>&</sup>lt;sup>29</sup> "G.E. Meyers Office of the United Kingdom Permanent Representative to the European Communities to D.B. Hayes M.A.F.F." 18<sup>th</sup> July, 1975. Government of the United Kingdom, Foreign and Colonial 30/2845



Secondly and perhaps more significantly, while the adjective, avuncular, suitably described the association between the British Government and West Indian sugar exporters between 1951 and 1974, a more apt describer in the wake of Lomé would be paternalism, and definitely not of the soft variety. The Lomé Sugar Protocols, much like the old C.S.A. arrangement was an example of a guaranteed and favoured trading partnership. Between 1951 and 1974 the modus operandi of the C.S.A. ensured their connotations were one and the same. However the newer agreement radically transformed the meaning of the second word. This meant that while the Sugar Protocols retained the basic structure of its predecessor its reconceptualization undermined the ethos and traditions of the previous relationship.

The promulgation of Lomé made sure that West Indian sugar exporters much like under the old Commonwealth arrangement would not face uncertainty where markets were concerned. This meant they would be spared the precariousness of selling the commodity on the volatile world, or "free market" where the absence of guarantees and the tendency for oversupply habitually meant catastrophically low prices. However it was questionable whether these producers were on the cusp of another golden age circa 1951. This was hinted at, when in a situation never previously experienced, things got off to a rather imperfect start because the British, curiously, tried to manoeuvre out of taking the full 1.3 million tons of sugar that the Community had agreed to accept annually from the A.C.P. nations <sup>30</sup>.

Falling world sugar prices encouraged the Crown to attempt to curtail the quota to 1.12 million tons because of what turned out to be the high price of £250 per ton that was negotiated by the Patterson team<sup>31</sup>. This gambit failed because most A.C.P. countries, like Trinidad, still shipped their full allotment to the Britain as was nominally expected of

<sup>&</sup>lt;sup>30</sup> In fact even before the first delivery of the sugar agreed to under Lomé, the British Government was already planning to use any shortfalls as an excuse to reduce the A.C.P.'s agreed annual quota of 1.3 million tons. "A Report Prepared after Independent Discussion between Officials: Revised Draft of the Report to Minsters on Sugar". 30th January 1974. Government of the United Kingdom, Foreign and Colonial Office 30/2292.

<sup>&</sup>lt;sup>31</sup>. "A Report Prepared after Independent Discussion between Officials: Revised Draft of the Report to Minsters on Sugar. 30th January 1974." Government of the United Kingdom, Foreign and Colonial Office 30/2292.



them<sup>32</sup>. Moreover the attempt to subvert the agreement greatly exasperated and embarrassed British diplomats throughout the West Indies. For example, after discussions with officials in Trinidad, the British High Commissioner summed up his feelings on the issue thusly:

Nothing we said was able to shake their [the Trinidad and Tobago government's] firm conviction that......H.M.G. [Her Majesty's Government] was, albeit rather uncharacteristically, trying to slide out from a firm commitment. I am bound to say that this is very much how it looked to us, and we found it difficult to speak with conviction on our instructions. The upshot of this exercise is that we appear to have had the worst of every world. We have blemished, or at least cast doubts on our integrity to no purpose and we certainly have nothing to show for it<sup>33</sup>.

While this botched effort proved aberrant, it hinted that West Indian sugar exporters had entered a brave new world in their sugar trade with Britain under the auspices of Lomé. Close attention to the details of the Sugar Protocols cements this assessment. For example it remains vital to understand that after 1975, the export of A.C.P. sugar to the E.E.C. was considered privileged, but they were only advantaged in that they were guaranteed. A.C.P. sugar under Lomé would be pegged against the lowest value at which the commodity was traded in the Community. It was called the Intervention Price<sup>34</sup>. This was a significant change from the old C.S.A. arrangements under which exporters had two concurrent allotments. The first of them was called the Negotiated Price Quota which constituted sugar that was bought at special rates and traded on London's preferential sugar markets and thus received relatively high prices<sup>35</sup>. The second quota was called the Free Sales and it was

<sup>&</sup>lt;sup>32</sup> "Ministry of Agriculture, Fisheries and Food Sugar Division Bi-Lateral Discussions with A.C.P. Countries 30 July 1975, Trinidad and Tobago." Government of the United Kingdom, Foreign and Colonial Office 30/2846.

<sup>&</sup>lt;sup>33</sup> . "1975 Sugar Shipments." C.E. Diggines, British High Commission Port-of-Spain to M.P. Preston Esq. Caribbean Department. Government of the United Kingdom, Foreign and Colonial Office 30/2847.

<sup>&</sup>lt;sup>34</sup> The intervention price was effectively a minimum value and acted as a floor to the E.E.C. market and that was the price at which A.C.P. sugar was purchased. "Cabinet Protocol 22: Sugar Prices: Minutes of a Meeting held in Conference Room A, Cabinet Office on Tuesday 7 January 1975." Government of the United Kingdom, C.A.B. 130/791.

<sup>&</sup>lt;sup>35</sup> Government of Trinidad and Tobago. Report of the Board of Inquiry into a Labour Disturbance in the Sugar Industry. December 1960. p 5.



supposed to be sold in the absence of any assurances and should consequently have received "free market" or world prices. However under the C.S.A. it was still habitually traded on the favoured markets and hence fetched prices usually unavailable to sugar sold without guarantees<sup>36</sup>.

Thus immediately the potential profitability of Lomé for A.C.P. sugar exporters like Trinidad appeared inferior to that of the C.S.A. because the sugar sold to Britain after 1975 received the worst, rather than the best European values. This however was not the only negative comparison between them because under Lomé A.C.P. sugar did not benefit from any of perks given to home grown beet sugar such as export cost refunds and the reimbursement to companies of their storage costs<sup>37</sup>. As a foreign and ostensibly competing commodity entering the bloc this was understandable except for the reality that Lomé also removed the equivalent perquisites allowed to foreign sugar under the old C.S.A. which included for example the granting of Preference Certificates. This was a bonus system that allowed Commonwealth exporters to generate additional income from sugar sales<sup>38</sup>.

Interestingly the unfavourable contrast between the old and the new arrangement did not end there. Instead Lomé brought with it a decidedly disadvantageous alteration to the marketing of A.C.P. sugar in Britain. One of the major sticking points in the talks that preceded the creation of the Sugar Protocols was a disagreement between the A.C.P and the E.E.C on whether the sugar should be purchased by British refiners F.O.B. (Free On Board) or C.I.F. (Cost, Insurance and Freight)<sup>39</sup>. The old agreement had seen the sugar being sold F.O.B. and this was a major issue because sugar sold C.I.F. placed the full burden of paying the costs associated with freight and insurance, for shipping, on the producer, while sugar sold F.O.B. meant they were subsumed by the refiners. The ratification of this change would translate directly into much higher expenditure and reduced profits for the exporting nations.

<sup>&</sup>lt;sup>36</sup> Ibid.

<sup>&</sup>lt;sup>37</sup> "C.A.P. Price Proposals 1976/77; Sugar Background Brief: Other Measures: Status of A.C.P. Sugar." Government of the United Kingdom, Foreign and Colonial Office 30/2848.

<sup>&</sup>lt;sup>38</sup> Government of Trinidad and Tobago. Report of the Board of Inquiry into a Labour Disturbance in the Sugar Industry. December 1960. p 9.

<sup>&</sup>lt;sup>39</sup> "A.C.P. Sugar Discussions with the U.K. on the 1975 Price." 1975. Government of the United Kingdom, Foreign and Colonial Office 30/2841.



The A.C.P. negotiating team was understandably adamant that the sugar should still be sold F.O.B, but that if a decision was made to convert to C.I.F., that the price received during 1975 should be significantly higher than the £250 a ton proposed by the British Government, because the high costs incurred in transporting the sugar would erode the potential profitability of that figure <sup>40</sup>. However in the end the Commonwealth countries had no choice but to agree to sell their sugar C.I.F. because the Europeans were unwilling to budge <sup>41</sup>.

Despite initially being ignored on this issue, it was a situation that the A.C.P. nations never really ceased protesting against. For example within the agreement that would be signed a few years later to determine sugar prices for the period 1978-79, it was noted that:

The A.C.P. States point out that, as long as the above prices refer to sugar offered on a C.I.F. European port basis, they will have to carry the full burden of freight charges. As a result, their ex-factory prices have been substantially lower than the ex-factory prices of European beet producers. The A.C.P. states therefore request that the Community consider appropriate ways and means of providing some compensation for these charges. The Community takes note of this request<sup>42</sup>.

A.C.P. complaints of, what from its perspective seemed the unjustness of this paradigmatic shift became a reliable aspect of every succeeding pricing arrangement between the trading partners. This was despite the reality that the Community's official response to the group's entreaties never really extended beyond the perfunctory "takes note" stage.

The adjustment from the C.S.A. to Lomé also contained disadvantages that were peculiar to West Indian exporting nations, like Trinidad. One of those was centred on the prices that were received by Caribbean companies for their exports. The Community's markets were

\_

<sup>40</sup> Ibid.

<sup>&</sup>lt;sup>41</sup> Ibid.

<sup>&</sup>lt;sup>42</sup> "Agreement in the form of An Exchange of Letters between the European Economic Community and Barbados, The People's Republic of Congo, Fiji, The Co-Operative Republic of Guyana, Jamaica, The Republic of Kenya, The Democratic Republic of Madagascar, The Republic of Malawi, Mauritius, The Republic of Suriname, The Kingdom of Swaziland, The United Republic of Tanzania, Trinidad and Tobago and the Republic of Uganda, On the Guaranteed Prices for Cane Sugar for 1978/1979." Government of the United Kingdom, Foreign and Colonial Office 974/404.



generally structured and organised to facilitate the sale of beet sugar, which is more of a year round venture than the seasonal production of West Indian cane-sugar. Due to climatic considerations, Caribbean sugar manufacturing typically ceases by the month of June during any given year. Even though the sugar sold to the E.E.C. really went to Britain, the trade operated under the Community's sugar regime and the differing cycles of beet and sugar-cane sugar production and export created after 1975 a quixotic situation wherein because of the time of year that the majority of the West Indian sugar was shipped to Europe, it sometimes received the lower prices that were attributed to the previous year's sales <sup>43</sup>.

In addition to all of the aforementioned deleterious circumstances that came with Lomé, the new arrangement, unlike the old Commonwealth Agreements also contained strict penalties for nations which habitually failed to meet their assigned export quotas. They would supposedly have the figures reduced when next the E.E.C. and A.C.P. nations negotiated sugar prices<sup>44</sup>. This stipulation was a concern for Trinidad given the reality that the island's sugar industry was experiencing a notable decline in production during the seventies<sup>45</sup>.

Thus the Lomé Sugar Protocols were very different from the defunct Commonwealth Sugar Agreements. Any claim that it constituted a direct continuation of the favourable relationship established between Britain and its present and former colonies in 1951 abjured the actuality that the new agreement established, even on paper, a distinct policy shift that would not be as economically advantageous to the exporting countries as the accord it replaced. If during the fifties and sixties the old C.S.A. somewhat constituted a "parting gift" from Britain to Caribbean territories like Trinidad and Tobago, Jamaica, Guyana and Barbados that were on the cusp of independence, then Lomé presented a much ruder awakening to the perils of the dependence on metropolitan trade by post-colonial societies.

<sup>&</sup>lt;sup>43</sup> "Second Report From the Select Committee on Overseas Development Session 1975-76: The Relationship between U.K. Investment and Trading Patterns and Development with Reference to the Specific Problems of Small Developing Economies Memorandum by the Minister for Overseas Development." April 1977. Government of the United Kingdom, Ministry of Agriculture, Fisheries and Food. 446/2.

<sup>&</sup>lt;sup>44</sup>"Sugar Imports from A.C.P. Countries: Protocol 22 Sugar Protocol Negotiating Meeting at Expert Level Between Commission and A.C.P. Sugar Exporting Countries." 1975. Government of the United Kingdom, Foreign and Colonial Office 30/2841.

<sup>&</sup>lt;sup>45</sup> The islands total sugar production declined from over 200,000 tons of sugar annually to just a little over 70,000 tons by the end of the decade. Caroni (1975) Limited. Director's Accounts and Reports and Chairman's Statements 1975-1979.



In fact, all of the changes made in the new dispensation seemed more than ideally suited to the exigencies of the Tate and Lyle Company. It is interesting, from the perspective of West Indian sugar producers that the creation of the Sugar Protocols coincided with the retreat of the British sugar juggernaut from a number of its traditional regional holdings. In fact the company sold 51% of its Trinidad subsidiary, Caroni Limited, to the Trinidad and Tobago government in 1970<sup>46</sup>. This company, during the 1960s and 1970s, produced over 90% of the sugar manufactured in Trinidad<sup>47</sup>. During 1975, the state acquired the remaining 49% of the company's assets<sup>48</sup>. This purchase was presented to the local populace as the capture of a key economic sector by the state from a much disliked foreign owner<sup>49</sup>. This was an exaggeration because the sale was part of an overarching strategic change in how the transnational parlayed with its West Indian sugar clients. By the mid-seventies Tate and Lyle was abandoning the cultivation and manufacturing side of the West Indian sugar industry.

It is useful to note, however, that the company was not forsaking its connections with the West Indian sugar industry, the raw cane sugar from which it still required for its British refineries. Instead it was seemingly leaving those parts which over time had become less profitable. Trinidad's sugar industry was one classic example of this. Very successful during the 1950s, and early 1960s after the incipience of the C.S.A. by the early 1970s production costs in Trinidad had so increased that not even the assured values that accompanied long term agreements like Lomé were sufficient to ensure the financial profitability of the island's export sugar trade<sup>50</sup>. Therefore arguably one can explain the British company's imperative to extricate itself from the parts of the West Indian industry that would prove costly.

<sup>&</sup>lt;sup>46</sup> Republic of Trinidad and Tobago. Report of the Committee Appointed by Cabinet to Undertake an Independent Investigation into the Financial Affairs and Management Practices of Caroni (1975) Limited. June 1991. p 10.

<sup>&</sup>lt;sup>47</sup> Caroni Limited. Director's Report and Accounts for the year ended 30th June 1970 and Chairman's Statement. p 13

<sup>&</sup>lt;sup>48</sup> The Government paid TT\$ 29.6 million for the rest of Caroni's shares. See Republic of Trinidad and Tobago, Ministry of Finance. Budget Speech of the Honourable E.E. Williams, Prime Minister and Minister of Finance to the House of Representatives of Trinidad and Tobago. Friday 10th December, 1976. p 45.

<sup>&</sup>lt;sup>50</sup> See Caroni Limited, Director's Report and Accounts and Chairman's Statement 1970-1974.



This transference was possible because Tate and Lyle was a lucrative multifaceted sugar company that had tentacles in virtually every aspect of the world sugar trade and in many of its disparate corners. Its global empire included transportation companies, shipping businesses, engineering companies producing machinery for the global sugar industry, technical services companies, bulk storage companies, molasses and rum interests and sundry others<sup>51</sup>. According to Caribbean economist, George L. Beckford, Tate and Lyle during the early 1970s was a "vertically integrated combine operating in numerous countries of the world, with its headquarters in the United Kingdom"<sup>52</sup>. Moreover he noted that while, "plantation production stimulated engagement in other activities, at present this aspect of the firm's operations is relatively small"<sup>53</sup>. Thus some of the alterations wrought by Lomé ideally suited a company like Tate and Lyle which played numerous roles in the regional industry.

Therefore it was not ironic, that in the wake of Lomé, the British conglomerate was retreating from one aspect of the West Indian sugar industry. It was simply responding, in a long tradition of doing so, to the circumstances that affected its business. However Tate and Lyle's departure placed the government of Trinidad and Tobago in a difficult and somewhat paradoxical situation because the state was forced to acquire the assets of its subsidiary, Caroni Limited, in the midst of what were very unusual financial circumstances in the nation.

During 1975 Trinidad and Tobago was in the throes of a spectacular upsurge in national wealth that resulted from the Oil Boom period of the mid to late seventies<sup>54</sup>. This proved favourable for the industry on one hand because it provided the state the requisite funding to acquire ownership of the island's dominant sugar company. Conversely however it also translated that the government took over a controlling stake of the island's major

-

<sup>&</sup>lt;sup>51</sup> George L Beckford. Persistent Poverty: Underdevelopment in Plantation Economies of the Third World. United States of America: Oxford University Press, 1972. pp 128-129.

<sup>&</sup>lt;sup>52</sup> Ibid. pp 137-138.

<sup>&</sup>lt;sup>53</sup> Ibid. p 139.

<sup>&</sup>lt;sup>54</sup> The decision in late 1974 by Middle Eastern oil exporters like Saudi Arabia embroiled in a territorial conflict with Israel to stop oil exports precipitated a global oil crisis leading to price increases for the commodity of over 400%. This was a favourable circumstance for even small scale producing countries like Trinidad and Tobago. Government of Trinidad and Tobago, Ministry of Finance. Trinidad and Tobago Review of the Economy 1974. p 6.



agricultural industry during a period when, because of new found affluence, it was centrally focussed upon rapidly industrialising the Trinidad and Tobago economy<sup>55</sup>. Perhaps then, it was not surprising that in the midst of this situation Prime Minister Dr. Eric Williams, who during the previous decade had, at times to the chagrin of his Caribbean peers, been one of the harshest Caribbean critics of the old C.S.A. arrangement<sup>56</sup>, suddenly went quiet on a new agreement that was potentially less favourable to his nation. It translated that the sugar industry, already rendered less relevant in the Trinidad and Tobago economic pantheon during the twentieth century by the burgeoning strength of the oil industry, was seemingly becoming insignificant.

Arguably this helps to explain why the government of Trinidad and Tobago, when asked by the Community to state its preferred sugar quota under the new dispensation opted to curtail the traditional 158,000 tons under the C.S.A. to a truncated 70,000 tons of the commodity, unlike other A.C.P. members which were attempting as afar as possible to increase their allotment<sup>57</sup>. Arguably any significant change in the trading regime of an export driven industry was bound to impact upon both its short and long term prospects. Thus the fact that Trinidad's nationalised sugar industry under the directives of the state had opted to lose some 53% of its former quota on its most significant market was a situation of some importance. The larger question, however, remained what ramifications the changes in the European regime would have on the Trinidadian sugar industry. As previously mentioned the decades after the signing of the C.S.A. witnessed a notable renascence for the island's sugar companies, at least in terms of their financial performances. Unfortunately in the

\_

<sup>&</sup>lt;sup>55</sup> According to former Chairman of the national sugar company Caroni (1975) Limited, Kusha Haraksingh, the state took some of the acreage owned by Caroni to establish a massive industrial park at Point Lisas in Couva Trinidad which henceforth competed with Caroni for labourers and skilled workers. Kusha Haraksingh. Personal Interview. 10th April 2007. p 3.

During the 1960s Dr. Eric Williams constantly bemoaned the fact that the C.S.A. was negotiated between the British Government and British owned sugar companies in the West Indies, with little or no governmental involvement. He seemed intent on hectoring the other West Indian governments into protesting this arrangement, at times much to their considerable chagrin. Government of the United Kingdom, "Visit of Dr Williams of Trinidad to the United Kingdom." April 1964. Colonial Office 1031/5044.

<sup>&</sup>lt;sup>57</sup> Mauritius opted for a massive quota of 487,200 tons annually. 'Brief on Sugar for the Minister's Meeting on 17 December with Mr Bodell, Mauritian Minister of Agriculture, M. King [Guyanese] Minister of Trade and Consumer Protection and A.C.P. Chairman will be present together with the High Commissioner of Fiji, Guyana and Swaziland'. Government of the United Kingdom, Foreign and Colonial Office 62/6.



wake of Lomé, history was not about to repeat itself for the now nationalised sugar industry.

A sound analysis of Trinidad's sugar industry from 1975 to the late 1980s must highlight that it faced a number of challenges aside from the nature of its export relationship with the E.E.C. These included labour problems, rising production costs, teething difficulties associated with the nationalisation process, unseasonably poor weather and sundry others<sup>58</sup>. All combined they helped to push an industry that performed reasonably well for much of the twentieth century into what soon became a protracted decline. In the wake of the changes that came during 1975 the industry began to register economic performances of a nature hitherto unseen in the history of Trinidad and Tobago, and there can be little doubt that the E.E.C. regime played a central part in the industry's negative economic turnaround. The island's production costs were just too high to benefit from Lomé in the way it had from the C.S.A.<sup>59</sup>.

Two negative but dominant trends in the industry came to the fore. One was centred on a general decline in sugar production in, and exports from Trinidad which is illustrated in Figure 2, and secondly there was an almost exponential rise in the monetary losses attributed to the industry, which is delineated in Figure 3. Thus a fair assessment of the sugar industry in Trinidad and Tobago up to the early 1980s was that it was trapped in an economic crisis.

<sup>59</sup> For example in 1977 production costs in Trinidad were as high as TT\$1021 while the Lomé price received was TT\$844.32 a ton. Caroni (1975) Limited. Caroni (1975) Limited Financial Statement for the year ended 30th September 1977. p 6.

\_

<sup>&</sup>lt;sup>58</sup> Republic of Trinidad and Tobago, Report of the Committee to Consider the Rationalization of the Sugar Industry Volumes I and II. December 1978. pp 16-18.



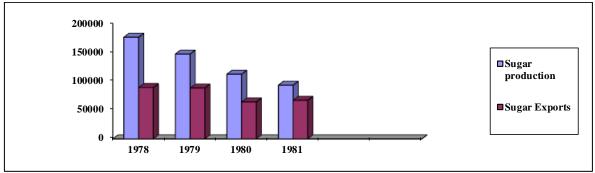


Figure 2 Trinidad's Sugar Production and Exports 1978-1981. Source: Caroni Statistics Cited in Republic of Trinidad and Tobago, Ministry of Finance. *Review of the Economy 1981*. p 19.

This sentiment was shared by a number of persons in Trinidad and Tobago. Significantly, amongst them was Professor John Spence of the University of the West Indies' Department of Agriculture who during 1978 was commissioned by the state to produce a report on the sugar industry. It remains the most far-reaching study ever produced on Trinidad's sugar subsector. In it he expressed the view that the industry displayed, "a total absence of dynamism and growth potential" and moreover, "appears to have operated without clear directives, as to its role and responsibilities, and has accordingly operated in a vacuum" However the words of Frank Rampersad, the Chairman of the national sugar company, Caroni (1975) Limited were even more telling and worrisome when he projected in 1981 that, "recent developments reveal that the chances of survival of Caroni (1975) Ltd., in its present form, are so slim as to be considered non-existent" .

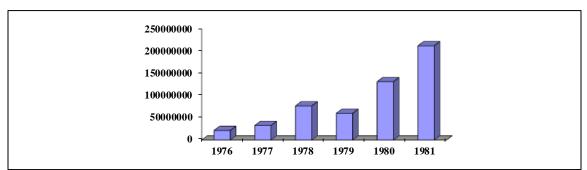


Fig. 3 Trinidadian Sugar Industry's Losses 1976-1981. Source: Republic of Trinidad and Tobago, Office of the Auditor General. Report of the Auditor General of the Republic of Trinidad and Tobago on the Accounts of Caroni Limited for the year end 30<sup>th</sup> September 1982. p1.

<sup>&</sup>lt;sup>60</sup> Republic of Trinidad and Tobago, Report of the Committee to Consider the Rationalization of the Sugar Industry Volumes I and II. December 1978. p 18.

<sup>&</sup>lt;sup>62</sup> Frank Rampersad. Fundamental Structural Change in the Organization of the Sugar Industry: A Programme for the Survival of Caroni. 6<sup>th</sup> July 1983. p 1.



It remains difficult to impugn either assessment when even the nation's second Prime Minister and Minister of Finance Mr George Chambers noted in 1982 that the state controlled Trinidadian sugar industry was only being kept economically afloat by government funding through the medium of "loans, advances- subventions and loan guarantees".

In addition to these woes the island's sugar sub-sector, by the early 1980s was in the unenviable position of, on one hand not producing enough sugar to fulfil its E.E.C. quota in a number of succeeding years, so much so that the Community reduced its allotment in the period 1983/84 from 70,000 tons of sugar annually to 46,000 tons <sup>64</sup>, whilst conversely also conducting a sugar trade with the bloc that saw it receive prices that were so unviable that they were lower than the base Intervention Price stipulated by the Lomé Agreement <sup>65</sup>. Interestingly, despite these circumstances, the state had been loath to make any changes to the industry during the period of sharp decline between 1975 and the early 1980s, arguably, in part because of the vivid distraction presented by the on-going Oil Boom, and the imperatives of local industrialisation. However the exigencies of the sugar industry's unfavourable export trade, it worsening economic status and a number of other concerns, including the nation's escalating food import bill <sup>66</sup> prompted a new sugar initiative intended to relieve the industry of the necessity of its unprofitable E.E.C. sugar trade and the "tyranny" of the Tate and Lyle Company. The industry's saviour, beginning in 1982 was to be diversification.

Selected as the best way forward by the state, this became the dominant philosophy guiding the Trinidadian sugar industry until it eventual closure in the early twenty-first century. It was centred on two closely related and very simple notions. One was that large scale sugar production for export was no longer economically viable on the island of Trinidad and

<sup>&</sup>lt;sup>63</sup> Republic of Trinidad and Tobago, Ministry of Finance. Budget Speech 1982 of the Honourable George M. Chambers Prime Minister and Minister of Finance and Planning. Monday 14<sup>th</sup> January, 1982. p 15.

<sup>&</sup>lt;sup>64</sup> Republic of Trinidad and Tobago, Ministry of Finance. Review of the Economy 1985. p 9.

<sup>&</sup>lt;sup>65</sup> African Caribbean and Pacific groups of States. Memorandum on the Factors to be Taken into Account by the Community in Setting the Range Within which the Guaranteed Price for 1981/82 for ACP Sugar has to be Negotiated. 4<sup>th</sup> November 1980. Table 1.

<sup>&</sup>lt;sup>66</sup> "The Action Plan 1988-1992 for Caroni (1975) Limited." A Medium Term Development Plan 1988-1992 for Caroni (1975) Limited. p 62.



should be ceased as quickly as possible <sup>67</sup>, and secondly that the sugar industry should be converted into a multifaceted producer of a variety of agricultural products for the local and international market whilst simultaneously producing sugar on a much reduced scale <sup>68</sup>.

The diversification of the Trinidadian sugar industry was not a transformation that could be accomplished immediately. However, it should have meant, over time, the elimination of the island's sugar trade with the Community. This sort of change according to economic theorist George Beckford could have proven effective over time because diversified agricultural production has, "the potential for generating more spread effects in the long run than plantation export production" <sup>69</sup>. Thus a multifaceted agro-processing company, fully integrated into the Trinidad and Tobago economy could, if properly managed, have had a more profoundly positive economic impact than a perennial exporter of raw sugar.

Nevertheless, this expectation though sound in theory never came to full fruition and for a number of reasons. One central cause was that though it appears logical on paper, it was not a rudimentary process to convert an industry, habituated to, and steeped in a culture of producing sugar, into one that negates that historically central commodity for the sake of less familiar ones<sup>70</sup>. This was more acutely so given the reality that the other areas the company was being led into, euphemistically referred to as "sundry projects," were unable in the short term to generate the kinds of revenues brought in by sugar sales, as illustrated in Figure 4. The sugar industry in Trinidad and Tobago was therefore left in the dubious situation of attempting to diversify away from something that it was simultaneously also trying to retain.

This was more than a little counterintuitive, and unsurprisingly diversification left the industry up to the dawn of the twenty-first century in very much the same situation that it existed before the promulgation of the process. None of the trends it was intended to arrest

<sup>&</sup>lt;sup>67</sup>Republic of Trinidad and Tobago, Report of the Committee to Consider the Rationalization of the Sugar Industry Volumes I and II. December 1978. pp 16-18.

<sup>&</sup>lt;sup>69</sup> George L Beckford. Persistent Poverty: Underdevelopment in Plantation Economies of the Third World. United States of America: Oxford University Press, 1972. p 226.

<sup>&</sup>lt;sup>70</sup> This dichotomy was pointed out by the national sugar company's first Chairman Frank Barsotti when the idea of diversifying the sugar industry was being espoused in the late 1970s. See Caroni (1975) Limited. Director's Report and Accounts and Chairman's Statement for the Year Ended 30<sup>th</sup> September 1977. p 34.



were positively affected by the process. Thus there was no reduction in production costs for sugar on the island which as illustrated in Figure 5 for example during 1996-1998 remained very high. Moreover partly because the company was, paradoxically, still deeply invested in the production of raw sugar for export there was no improvement in its financial performances into the beginning of the twenty-first century as delineated in Figure 6.

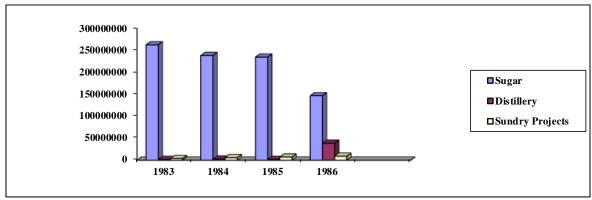


Figure 4 Trinidadian Sugar Industry Income from Sugar, the Distillery and "Sundry Projects" 1983-1986. Source: Republic of Trinidad and Tobago. Report of the Committee Appointed by Cabinet to Undertake an Independent Investigation into the Financial Affairs and Management Practices of Caroni (1975) Limited. June 1991. pp 33-34.

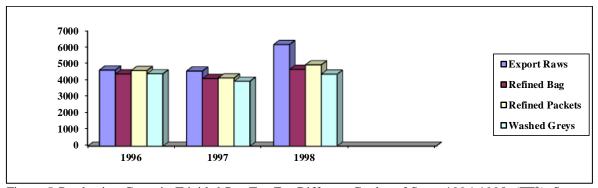
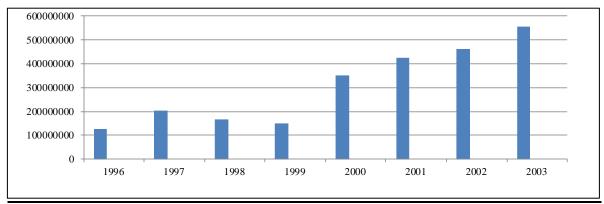


Figure 5 Production Costs in Trinidad Per Ton For Different Grades of Sugar 1996-1998. (TT\$). Source: Caroni (1975) Limited. *Financial Statements for the Years ended December 31*<sup>st</sup> 1996, 1997 and 1998.

The end result of the aforementioned circumstances was significant for sugar in Trinidad. By the early twenty-first century, a little over two decades after the commencement of the programme, diversification had seemingly run its course, to the dubious benefit of the national sugar company, Caroni (1975) Limited. The process had not delivered on its major expectations. Instead, if anything it had helped to reinforce the problems that it was supposed to have solved. Ironically, it left the island's sugar industry still deeply enmeshed



in a very unprofitable European sugar trade, whilst facing spiralling production costs and increased financial losses which demanded ever increasing monetary subventions from the state.



Fig, 6 Negative Economic Performances of the Trinidadian Sugar Industry 1996-2003 (TT\$). Source: Caroni (1975) Limited. *Financial Statements* 1996-2003.

It was therefore unsurprising, if also somewhat uncharacteristic, that the government decided to take definitive action about the Trinidad sugar question in 2003. Just two years before its thirtieth birthday and on the cusp of another oil boom In Trinidad<sup>71</sup> the state opted to close down the national sugar company. It did so to replace it with a new government-controlled venture, the generically named Sugar Manufacturing Company Limited (S.M.C.L.)<sup>72</sup>. Many of the industry's resources were divested in other state bodies and the S.M.C.L. was mandated to produce reduced amounts of sugar to cater primarily to the local market<sup>73</sup>. However, counter-intuitively, in lieu of a review of the exigencies of what had since 1975 been a very unprofitable arrangement between the local sugar industry and the E.E.C., even this new and truncated national sugar company was mandated by the state to produce raw sugar for export to the European market<sup>74</sup> which it unsuccessfully attempted to do until it closure and mothballing along with the entire sugar industry in Trinidad in 2005 <sup>75</sup>.

<sup>&</sup>lt;sup>71</sup> Republic of Trinidad and Tobago. Vision 2020 Report of the Energy Sub-Committee. May 2004. pp 5-6.

<sup>&</sup>lt;sup>72</sup> Statement of Income and Expenditure for the year ended 30<sup>th</sup> June 2003.' Caroni (1975) Limited Financial Statement for the year ended 30<sup>th</sup> June 2003. Chanka Seeterram and Co. Chartered Accountants. p 20.
<sup>73</sup> Ibid

<sup>&</sup>lt;sup>74</sup> Republic of Trinidad and Tobago. Central Bank of Trinidad and Tobago Annual Economic Survey 2003. P 24.

<sup>&</sup>lt;sup>75</sup> Caroni (1975) Limited. Financial Statement for the year ended 30th June 2005. Chanka Seeterram and Co. Chartered Accountants. pp 20-24.



In the end there are many things that can be said definitively about the Trinidadian sugar industry in the period 1975-2005. That this epoch was the nadir of the nation's sugar subsector is clear, as is the conclusion that the 1975 Lomé Agreement did not positively affect the finances of the industry like its predecessor. This is not to say that the Sugar Protocols were solely to blame for the economic decline of sugar in Trinidad; that would be excessive. Rather it is to assert that Lomé constituted a clear policy shift by the Community from the avuncular and British, Commonwealth Sugar Agreement. If the latter had to some considerable extent unduly coddled the West Indian sugar industry, then the former certainly proved a stark introduction to the realpolitik of metropolitan trade for postcolonial societies.

The state controlled sugar industry in Trinidad was not prepared for this change in 1975 in part because of Tate and Lyle's hasty divestment of the industry and also because of the Trinidad and Tobago government's preoccupation with the nation's burgeoning oil wealth. These changes left the industry poised for a financial decline which the state would belatedly attempt to arrest by diversifying the sugar industry commencing in the early eighties. This in turn proved to be a quixotic process. It should have resulted in emancipation from the hugely unprofitable export trade with the E.E.C., which more than anything else served the pecuniary requirements of the British cane sugar refining industry. However, paradoxically, diversification in Trinidad never seriously challenged that neocolonial relationship.

Perhaps the greatest irony was that in the midst of an unrestrained decline between 1975 and 2005 which eventually precipitated the closure, on one hand of the national sugar company, Caroni (1975) Limited in 2003, and then the termination of the entire sugar industry in 2005, the British sugar refiner Tate and Lyle was assured of yearly raw sugar exports from Trinidad that was required to keep its refineries churning. Arguably more than anything it highlights that despite numerous protestations to the contrary, nefarious economics of colonialism easily survived the supposed end of the system.



## **Bibliography**

Diggines, C.E. 1975 Sugar Shipments. British High Commission Port-of-Spain to M.P. Preston

Esq. Caribbean Department. Government of the United Kingdom. *Foreign and Colonial Office* 30/2847.

Government of the United Kingdom. A.C.P. Sugar Discussions with the U.K. on the 1975 *Price*. Foreign and Colonial Office 30/2841.

Government of the United Kingdom. *Address by Honourable P.J. Patterson at Luncheon by Jamaica Cane Farmers' Association. Wednesday 12<sup>th</sup> March, 1975.* Foreign and Colonial Office. 30/2848.

African Caribbean and Pacific groups of States. *Memorandum on the Factors to be Taken into Account by the Community in Setting the Range Within which the Guaranteed Price for 1981/82 for ACP Sugar has to be Negotiated*. 4<sup>th</sup> November 1980.

Government of the United Kingdom. Agreement in the form of An Exchange of Letters between the European Economic Community and Barbados, The People's Republic of Congo, Fiji, The Co-Operative Republic of Guyana, Jamaica, The Republic of Kenya, The Democratic Republic of Madagascar, The Republic of Malawi, Mauritius, The Republic of Suriname, The Kingdom of Swaziland, The United Republic of Tanzania, Trinidad and Tobago and the Republic of Uganda, On the Guaranteed Prices for Cane Sugar for 1978/1979. Foreign and Colonial Office 974/404.

Government of the United Kingdom. A Report Prepared after Interdepartmental Discussion between Officials. Revised Draft of the Report to Ministers on Sugar. 30<sup>th</sup> January, 1974. Foreign and Colonial Office 30/2292.

Government of the United Kingdom. Brief on Sugar for the Minister's Meeting on17 December with Mr Bodell, Mauritian Minister of Agriculture, M. King [Guyanese] Minister of Trade and Consumer Protection and A.C.P. Chairman will be present together with the High Commissioner of Fiji, Guyana and Swaziland. Foreign and Colonial Office 62/6.



Government of the United Kingdom. *Cabinet Protocol* 22: Sugar Prices: Minutes of a Meeting held in Conference Room A, Cabinet Office on Tuesday 7 January 1975. C.A.B. 130/791.

Government of the United Kingdom. C.A.P. Price Proposals 1976/77; Sugar Background Brief: Other Measures: Status of A.C.P. Sugar. Foreign and Colonial Office 30/2848.

Caroni Limited. *Director's Accounts and Reports and Chairman's Statements 1975-1979*. Caroni Limited: Couva, 1979.

Caroni Limited. Caroni (1975) Limited. Financial Statement for the year ended 30th September 1977. p 6, 34.

Caroni Limited. "The Action Plan 1988-1992 for Caroni (1975) Limited." *A Medium Term Development Plan 1988-1992 for Caroni (1975) Limited*. Caroni (1975) Limited: Couva, 1987. p 62.

Caroni Limited. *Director's Report and Accounts and Chairman's Statements 1964-1967*. Caroni Limited: Couva, 1967.

Caroni Limited. Director's Report and Accounts for the year ended 30th June 1970 and Chairman's Statement. Caroni Limited: Couva, 1971. p 13.

Caroni Limited. *Director's Report and Accounts and Chairman's Statement 1970-1974*. Caroni Limited: Couva, 1974.

Caroni Limited, Quarterly Bulletin. The Role of Sugar in Trinidad and Tobago's Agriculture.

Caroni Limited: Couva, 1966. p 6.

Chanka Seeteram and Co. Chartered Accountants. "Statement of Income and Expenditure for the year ended 30<sup>th</sup> June 2003." *Caroni (1975) Limited Financial Statement for the year ended 30<sup>th</sup> June 2003*. 2004. p 20.

Government of the United Kingdom. Conclusions of the a Meeting of the Cabinet held at 10 Downing Street on Tuesday 16 October 1973 at 11a.m.. C.A.B. 128/53.

Government of the United Kingdom. *David Hadley Ministry of Agriculture, Fisheries and Food to M.J.L. Attfield Esq. Tate and Lyle.* 1<sup>st</sup> August 1975. Foreign and Colonial Office 30/2846.

Government of the United Kingdom. *Draft Minute to the Prime Minister from the Minister of Agriculture*. 28<sup>th</sup> January 1974. Foreign and Colonial Office 30/2292.



European Economic Community. Text of Speech by Mr. Lordinois Commissioner.' Sugar Negotiations between the Ministers of A.C.P. Cane Sugar Producing Countries and Members of the Commission of the European Communities. Brussels, 14th December 1974.

European Economic Community. *The Lomé Convention between the European Economic Community and the African, Caribbean and Pacific States*. Brussels, February 1975. p 3.

Frank Rampersad. Fundamental Structural Change in the Organization of the Sugar Industry: A Programme for the Survival of Caroni. 6<sup>th</sup> July 1983. p 1.

Government of the United Kingdom. G.E. Meyers Office of the United Kingdom Permanent Representative to the European Communities to D.B. Hayes M.A.F.F." 18<sup>th</sup> July, 1975. Foreign and Colonial Office 30/2845.

George L Beckford. *Persistent Poverty: Underdevelopment in Plantation Economies of the Third World. United States of America*. Oxford University Press: London, 1972. pp 128-129, 137-138, 226.

Government of the United Kingdom. *Georges Spénale President of the European Parliament to Rt. Hon. Lord Elwyn-Jones Lord Chancellor*. Foreign and Colonial Office 30/2664.

Government of Trinidad and Tobago. *The Finances of the Sugar Industry. Report of the Board of Inquiry into a Labour Disturbance in the Sugar Industry*. Government Printery: Port of Spain, 1960. pp 5- 11.

Government of Trinidad and Tobago, Ministry of Finance. *Trinidad and Tobago Review of the Economy 1974*. Government Printery: Port of Spain, 1975. p 6. Government of the United Kingdom, Foreign and Colonial Office 20/26.

Government of the United Kingdom, Foreign and Colonial Office. A Report Prepared after Independent Discussion between Officials: Revised Draft of the Report to Minsters on Sugar." 30th January 1974.

Government of the United Kingdom, Foreign and Colonial Office. *Ministry of Agriculture*, *Fisheries and Food Sugar Division Bi-Lateral Discussions with A.C.P. Countries: Trinidad and Tobago*. 30<sup>th</sup> July 1975.

Government of the United Kingdom, Colonial Office. "Visit of Dr Williams of Trinidad to the United Kingdom April 1964. *Colonial Office 1031/5044*.



Government of the United Kingdom, Ministry of Agriculture, Fisheries and Food. Commonwealth Sugar Agreement 1951 Text. M.A.F.F: London, December 1951.

Government of the United Kingdom, Ministry of Agriculture, Fisheries and Food. Second Report From the Select Committee on Overseas Development Session 1975-76: The Relationship between U.K. Investment and Trading Patterns and Development with Reference to the Specific Problems of Small Developing Economies Memorandum by the Minister for Overseas Development. April 1977.

Government of the United Kingdom, Monopolies and Merger Commission. *Tate and Lyle P.L.C. and British Sugar P.L.C.: A Report on the Proposed Merger*. February 1991.

Kari Levitt and Lloyd Best. "Character of the Caribbean Economy." *Caribbean Freedom: Economy and Society from Emancipation to the Presen*t. Edited by Hilary Beckles and Verene Shepherd. Ian Randle: Kingston, 1996. p 417.

Kusha Haraksingh. Personal Interview. 10th April 2007. p 3.

Phillip Chalmin. *The Making of a Sugar Giant: Tate and Lyle 1859-1989*. Harwood Academic Publishers: New Jersey, 1990. p 115.

Government of the United Kingdom. *Protocol 22 Sugar Protocol Negotiating Meeting at Expert Level between Commission and A.C.P. Sugar Exporting Countries*. Foreign and Colonial Office 30/2841. 1975.

Republic of Trinidad and Tobago, Ministry of Finance. *Budget Speech 1982 of the Honourable George M. Chambers Prime Minister and Minister of Finance and Planning*. Government Printery: Port of Spain 1983. p 15.

Republic of Trinidad and Tobago. *Central Bank of Trinidad and Tobago Annual Economic Survey 2003*. Central Bank: Port of Spain. p 24

Republic of Trinidad and Tobago, Ministry of Finance. Budget Speech of the Honourable E.E. Williams, Prime Minister and Minister of Finance to the House of Representatives of Trinidad and Tobago. Government Printery: Port of Spain, 1976. p 45.

Republic of Trinidad and Tobago, Ministry of Finance. *Review of the Economy 1985*. Government Printery: Port of Spain, 1986. p 9.

Republic of Trinidad and Tobago. Report of the Committee Appointed by Cabinet to Undertake an Independent Investigation into the Financial Affairs and Management Practices of Caroni (1975) Limited. Government Printery: Port of Spain, June 1991. p 10.



Republic of Trinidad and Tobago, *Report of the Committee to Consider the Rationalization of the Sugar Industry Volumes I and II.* Government Printery: Port of Spain, 1978. pp 16-18. Republic of Trinidad and Tobago. *Vision 2020 Report of the Energy Sub-Committee*. Government Printery: Port of Spain, 2004. pp 5-6.

Roger D. Hart to R.Q. Braithwaite. *Implications of Renegotiating the C.S.A. Price under the Commonwealth Sugar Agreement 1974*. Government of the United Kingdom. Foreign and Colonial Office 30/2292

S. Norman Girwar. *The Future of Commonwealth Sugar in an Enlarged E.E.C.* September 2<sup>nd</sup> 1972. p 4.

Government of the United Kingdom. *Sugar and the E.E.C.* Foreign and Colonial Office 62/6. 1967.

Government of the United Kingdom. Sugar Imports from A.C.P. Countries: Protocol 22 Sugar Protocol Negotiating Meeting at Expert Level Between Commission and A.C.P. Sugar Exporting Countries. 1975. Foreign and Colonial Office 30/2841.

Government of the United Kingdom. *The Lomé Convention Between the European Economic Community and the African, Caribbean and Pacific States. Brussels. February 1975.* Foreign and Colonial Office 30/2664.