

DR. CHEDDI JAGAN

NATIONAL ASSEMBLY SPEECHES

VOLUME 3

**The Legislative Council &
The Senate
February 1959 - July 1961**

Dr. Cheddi Jagan
National Assembly Speeches Volume 3
With a Preface by Dr. Roger Luncheon
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PREFACE

Dr. Jagan was first elected to the Legislature of British Guiana in 1947 and served until 1992, a span of almost fifty years in elected public office. During his period as a Legislator/Member of Parliament 1947 – 1953, Dr. Jagan served as an elected member; as a Head of Government 1957 – 1964 in the pre Independence period; and as a Leader of the Opposition Party in Parliament 1964 – 1992, until the PPP was returned to power in 1992. In 1997, he died in Office as Head of State and Head of the PPP/Civic Government.

Compiled in chronological order, these volumes contain Dr. Jagan's speeches made in Legislative Assembly/Parliament during his long career there. These speeches reflect his consummate attention to events that developed during the important periods in Guyana, the Caribbean region and the world.

Dr. Jagan was elected and entered the Legislative Assembly in the colonial era. The inequities and inhumanity of that period (the post World War II period) was the arena in which he started his life and career as a politician. With universal suffrage and the political party of his creation, the PPP, he entered the legislature and piloted the PPP that was poised to take British Guiana to Independence.

Betrayed by the Western powers, the PPP was removed from office in 1964 and led in Parliament as the Opposition Party for twenty-eight years. In 1992 his party regained power, removing the PNC after a free and fair election.

Dr. Jagan's speeches illustrate his humanism, his dedication to the working people, the poor and the powerless. He spoke as an Internationalist, joining his and Guyana's voice in the struggle for national liberation, independence and development. During the Cold War years, he argued for peaceful co-existence and non-alignment. His major contributions dealt with national issues impacting on socio-economic development in Guyana. He proposed initiatives that were well thought-out and carefully crafted, and which enjoyed the support of Guyanese. He emphasised good governance, economic planning and a tripartite economy. He exposed excesses and wrong-doings during the colonial regime and under the PNC Government and fought tirelessly in Parliament to succour the victims of colonialism and PNC misrule. For him, democratic Government needed to address issues of economic justice, for the sake of global security. The unnecessary and cruel wastage of human talent was his major concern. As he once declared, "Democracy can only prosper in an environment of economic, social and ecological development. Poverty atrophies the vigour and initiative of the individual and deprives the society of incalculable human re-

sources. If left unattended, the expansion of poverty with hunger and the hopelessness it engenders will undermine the fabric of our civilisation and the security of the democratic state, thus threatening world peace." He was equally passionate in the cause of environmental protection, recognising an intimate linkage with human economic development but also the human spiritual hunger for beauty. He put it memorably thus : "... the natural resources of our planet must be utilised for the benefit of mankind in such a way that they remain available for future generations, and that in the process of utilisation, fullest measures are taken to prevent environmental degradation. Sustainable development is an all embracing process which is centred on human development. There are two major needs which have to be satisfied. One is to use natural resources for the material and spiritual upliftment of all people. The other is to maintain the delicate balance in nature reflected in the various eco systems adorning our planet." Cheddi Jagan was, and is, the adornment of our country. His record of service is unsurpassable and the history of the party he led is intimately interwoven into the essence of things Guyanese.

Dr. Roger Luncheon
Head of the Presidential Secretariat

Biographical Summary of Dr. Cheddi Jagan

- Name:** Cheddi Berret Jagan
- Date of Birth:** March 22, 1918. Port Mourant, Corentyne, Berbice, Guyana
Died March 6, 1997
- Parents:** Son of indentured plantation workers; mother (Bachaoni) and father (Jagan) along with two grand mothers and an uncle came to the then British Guiana from Uttar Pradesh, India.
- Personal :** Married August 5, 1943, to Janet Rosenberg of Chicago, Illinois USA;
has two children: Cheddi (Joey) and Nadira
- Education:** 1933-1935: Queen's College, Georgetown
1936-1938: Howard University, Washington, D.C. USA
1938-1942: Northwestern University. Dental School, Chicago, USA, Doctor Dental Surgery (DDS)
1938-1942: Central YMCA College, USA. Bachelor of Science (B.Sc)

Trade Union and Political Career:

- 1946:** Organised and spearheaded the formation of the Political Affairs Committee and the PAC Bulletin.
- 1947-1953:** Elected Member of the Legislative Council
- 1950:** Founded the People's Progressive Party.
- 1952-1953:** President of the Rice Producers' Association.
- 1953:** From April to October, headed PPP elected government and was Minister of Agriculture
- 1954:** Spent 6 months in jail for breaking movement restrictions order.

- 1957-1961:** Headed second elected PPP government and was Minister of Trade and Industry.
- 1961 –1964:** Headed the third elected PPP government as Premier and Minister of Development and Planning.
- 1964-1973;**
- 1976-1992:** Leader of the Parliamentary Opposition.
- 1970-1997:** Honorary President, Guyana Agricultural General Worker's Union;
General Secretary of the People's Progressive Party.
- Oct 9, 1992-**
- Mar 6, 1997:** President of the Cooperative Republic of Guyana.

Contents:

Rice Marketing (Amendment) Bill: 6th February, 1959	1
Appropriation: 13th February, 1959	3
Appropriation Bill: February 17th, 1959	6
Appropriation Bill: 18th February, 1959	9
Appropriation Bill: 4th March, 1959	13
Appropriation Bill: 5th March, 1959	16
Customs (Amendment) Bill: 12th March, 1959	22
Disturbance in Nyasaland: Friday March 13th, 1959	24
Tax (Amendment) Bill: 13th March, 1959	26
Tax Amendment Bill (Loans and Taxation for Development): Tuesday March 17th, 1959	28
Death of Mr. Sydney Smith and Mr. N. N. Nethersole: Wednesday March 18th, 1959	39
Local Government (Valuation Of Property) Bill: Wednesday March 18th, 1959	40
Trade Mission To Venezuela: Wednesday March 25th, 1959	45
Government's Rice Milling Policy: Wednesday March 25th, 1959	46
British Guiana Rice Producers' Association (Special Provisions) Bill: Wednesday March 25th, 1959	48
Summary Jurisdiction (Procedure) (Amendment) Bill: Thursday May 14th, 1959	50
Customs (Amendment No.2) Bill: Thursday June 18th, 1959	51
Georgetown Electricity – Supply Failure: Wednesday September 23rd, 1959	55
Industrial Disputes Tribunal: Wednesday November 25th, 1959	59
Appropriation Bill – Budget Debate: January 22nd, 1960	61
Cinematograph Amendment Bill: January 26th, 1960	64
British Guiana Rice Producers' Association Amendment Bill: February 2nd, 1960	66
British West Indian Airways - Withdrawal of Preferential Treatment: February 3rd, 1960	69
British Guiana Rice Producers' Association Amendment Bill: February 11th, 1960	70
Freehold Title on Hire Purchase Basis: May 20th, 1960	72
Rice Marketing Amendment Bill: May 26th, 1960	75
Rice Marketing Amendment Bill: June 2nd, 1960	80
Employer-Employee Profit Sharing Bill: June 16th, 1960	84
Rice Marketing Board as a Cooperative: October 19th, 1960	87
Motion On Timber Concessions To Cuba: November 4th, 1960	92
Tax Holiday Concessions Bill: November 23rd, 1960	103
Drying and Storage of Rice: January 19th, 1961	108
Companies (Amendment) Ordinance: February 2nd, 1961	112

The Erection of a Statue of the Late Mr. H.N. Critchlow:	
April 27th, 1961	114
Minister's Report on Visits Abroad: May 24th, 1961	116
Kitty Railway Lands Bill: July 14th, 1961	120
Friendly Societies (Amendment) Bill: July 14th, 1961	124

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The Caribbean Press

Rice Marketing (Amendment) Bill: 6th February, 1959

Dr. Jagan: First of all, I would like to answer the Hon. Member for Georgetown North and say that the questionable action taken by the Board took place in 1957 and not 1958. This Bill would have been brought to this Council before, had it not been for the fact that it was thought best to bring both aspects together - the aspects under (a) and (b). At first the proposal was to put forward (a), but very shortly afterwards another suggestion was put up regarding the question of scholarships for research. It was felt that it would be better to bring one Bill instead of two Bills before the Council.

The Hon. Member referred to the question of building a house for a manager, but the two things are not on all fours. It is true that that was not in the interest of rice farmers, but certainly one cannot regard that on the same footing with what we are discussing today. Perhaps it was done because it was felt by those then in charge of the Board that a further stimulus was necessary to activate the manager into doing more work. I, myself, did not agree that such a stimulus was necessary. That was criticized by rice farmers, but this is a different matter before the Council today.

This is a laudable cause where the Board came to the rescue of the farmers when other funds were not available. The Hon. Member for Georgetown South referred to the fact that this was Government's responsibility, or rather the responsibility of the Credit Corporation which is a semi-Government organisation. It is known that the funds of the Credit Corporation are limited and that Government is making every effort to augment whatever funds are available to assist rice farmers at the moment.

Unfortunately, in the past because of the fact that so much money was allocated for use in the housing sector enough funds were not available for use in the agriculture sector. Consequently, because of the floods and the losses rising for one reason or another, the farmers were unable to make substantial repayments

Last year as a result of nearly one third loss of rice crop suffered in 1957 the Credit Corporation was not in a position to make advances as was done in previous years. That is why an approach was made by the Board in order to make advances for the spring crop. Therefore, the argument used by the Hon. Member for Georgetown South is certainly not very sound and valid. He mentioned that people are not serving properly and not giving adequate representation to the farmers, but time will tell. The Hon. Member, I understand, was trying to contest the last Elections, but I hope he will face the polls at the Rice Producer's Elections in the future. I notice that he withdrew at the last Elections.

I should like to say that the present Members of the Board, at least the Rice Producers' Members are anxious to see efficiency in the Rice Market-

ing Board; that modern practices are created, and everything is done in the interest of the producers.

The Hon. Member knows, perfectly well, that it was as a result of the instrumentality of the Rice Producers' Members that a Committee of Enquiry was set up. He was one of the Members of the Committee of Enquiry, but I regret to say that he attended only one or two meetings.

Despite the fact that he prattles on so very much about the interest of the rice producers, even when he had an opportunity to give them material assistance he would not make use of it. That is the type of cheap talk we get in this Council from time to time. I do not want a long wrangle.

So far as the criticism levelled by the Hon. Nominated Member (Mr. Tello) regarding the activities of the Board is concerned the Hon. Member for Georgetown North also referred to it, it is not that we were critical of the principle of a single seller. We were opposed to the way it was managed, with regard to the criticism about building a house and spending money here and there, everybody knows that those things are not done in the interest of the rice producers and agrees that an attempt should be made to correct those things.

When the Hon. Member for Georgetown South had the chance to correct those things he did nothing. Now that we are trying to correct those faults, he is criticizing us. I repeat that it is not a question of the principle of a single selling organisation; it is a question of utilizing the organisation in the interest of the rice producers. I think I have said enough on this Bill.

Appropriation: 13th February, 1959

Dr. Jagan: I am amused by the contradictions made in the speeches of Hon. Members. One can very well characterize the whole thing by the use of the slogan: "*A person wants to eat his cake and still have it.*" My friend the Hon. Member for Georgetown South and other Members of this Council are anxious to protect the farmers. He tells us that the farmers are suffering, but yesterday we listened to the Hon. Nominated Member, (Mr. Davis,) who praised the Government for taking what he considered to be a courageous step in imposing taxation on imported potatoes. He may not have praised the Government but at least, he said that the Government took a courageous step.

We will get the bouquets when the time comes. We know that when you have a sound policy things will turn out good in the end. This does not mean that when you solve one problem others will not crop up. We never had trouble in marketing rice before, because the West Indian market took care of what we produced. Quite recently we had an excess of certain produce and several problems have arisen.

What is the curse of most backward Colonial territories? Economic experts have stated that the curse of backward countries and backward peoples is that not only they do not produce the food which they eat, but they have no manufacturing industries and have a difficult time to get started as a result of the competition they have to face from outside.

We try to protect the farmers, as my Hon. Friend opposite says. On the other hand this Council is told that the Department is losing money. One Hon. Member says that we should subsidize the farmers, but he has forgotten that in the U.S.A. the national income per head is roughly \$1,500 to \$1,700, whereas in British Guiana it is around \$350 to \$400. In Africa it is about \$60 to \$100. Where does one get money from to run a country and to subsidize the farmers? The money has to be found either from taxation, or from savings generally for development.

It is quite obvious that in the U.S.A. where the economy is based on industries, that the country which has a national income of roughly \$1,500 per head is in a far better position to support the agricultural sector of the economy which is not basic to the whole economy. The position is entirely different in British Guiana where our national income is low and we have no industries to speak of. We know what has taken place in the bauxite industry and so on. This is predominantly an agricultural country and, therefore, the problem of subsidizing agriculture becomes more difficult in the sense that you are calling upon agriculture to subsidize agriculture. This is an economic fact, and the Hon. Members who have just spoken must be prepared to face facts.

With regard to the question of policy, we are saying that the Govern-

ment is determined as far as is practicable we are not saying that the cost will not be great to make this country self-sufficient so far as food is concerned. I think the Hon. Minister of Natural Resources has already given you the figures and I do not propose to reiterate them. You cannot have it both ways. Some people say that you cannot change eating habits. I am not saying that everybody should stop eating imported potatoes overnight. Before I went to the U.S.A., I ate rice twice a day, but in the U.S.A. the only time I ate rice was in pudding, as a dessert. I did not die; I got used to it.

If this country is to be developed, then our people must be prepared to change not only some of their eating and production habits, but their drinking habits as well. I should like to point out that Hon. Members on the opposite side of the Table who have spoken on these points have been contradicting themselves. They tell us to protect the farmers and then they criticize the Government for the losses at the Government Produce Depot. I am not saying that there has not been a certain amount of stealing and waste here and there, but facts speak for themselves.

In 1959 the Produce Depot paid...

I have not totalled up the figures I have here. The main point we would like to take a look at is that the production of bitter cassava increased simply because during the end of 1957 the Government raised the price of sweet cassava from 1 ½ c. per pound to 2 ½ c. per pound. That is a fact. Eventually a great deal of cassava was produced and obviously, there was a loss. Are you criticizing Government for that? You cannot have it both ways. If you want to subsidize the farmers and you want them to receive an economic price for their produce, you must be prepared to pay.

On the other hand, the Hon. Member on my left has said that the potato tax is not necessarily a protective tax - it has been introduced for two or three reasons. I am not saying that the people will consume less than the amount of Irish potatoes or English potatoes that they are consuming at the moment. If they continue to consume the same amount of imported potatoes, then Government will be in a position - looking at it from a revenue point of view - to carry on the policy of helping the farmers. I think that is what my Hon. Friend on the opposite side of the Table wants.

Let us give the farmers an economic price for their produce; give them a chance to produce more and, if they cannot get their produce sold, Government would have to find the money from somewhere to subsidize that loss. It seems to me that this is a clear policy which does not have contradictions. So far as the "Opposition" is concerned, one Member says one thing and another Member says something else. The Hon. Members are merely contradicting themselves.

So I think we have spent enough time on this, and I would suggest that Hon. Members opposite should look at the situation realistically and realize that Government is doing everything possible to stimulate production by a policy of minimum guaranteed prices which is, in my opinion, a sound policy to help farmers.

From time to time, these prices are reviewed. If there is a drop in price of sweet cassava and there is an increase in the price of other things, it is one of the features of agricultural production. Increase of price is one of the ways that is open to us and other ways are left open to the scientific people.

The Hon. Member has himself pointed out that Government should try to increase threefold or fourfold its agricultural production at the moment, acre for acre. Certainly that is very good and we should desire it, but it would have to be left to the scientific people to work out new breeds and make trials and so on to find out which is the shortest way of increasing rapidly the production of rice, plantains, eddoes and so on. Government's policy is clear. We want to make this country self-sufficient in foods. We want to keep in this country some \$20 million that is used at the moment for the importation of food. We would also like to help the farmers and give them incentives and we will try to stimulate production as much as possible.

Appropriation Bill: February 17th, 1959

Dr. Jagan: The Hon. Members want to know what is being done to take care of excess milk. I may tell them that we have made contact for equipment in this field - none other than Nestle's organization who are very prominent in the milk business. Through their local agents some contact have been made; I understand they have a factory in Jamaica and they are interested in setting up a factory in Trinidad.

Before one sets up a factory of this sort, one has to have a certain amount of data. I do not know if members want us to go blindfolded to set up an industry.

The Hon. Member referred to consumers in Georgetown. The need today is not overproduction but, under consumption. The fact is, the people of Georgetown continue to consume milk out of tins, and if they were to stop doing that, then there would be no problem of setting up either a condenser or for converting milk into other by-products.

Only yesterday we had discussions with the dairy who came here from New Zealand. They were asked whether they would be prepared to set up a condenser not only to take care of the excess of our milk here in British Guiana, but as a means of selling surpluses from their own country. Mr. Kennard, the Director of Agriculture is now trying to work out all the details which when available, can then be examined so that if it becomes necessary for Government to set up a factory, Government will have to approach manufacturers, whether in the United Kingdom or the United States, to see if they would be able to give financial backing on a cash or credit basis.

I want to tell the Hon. Members that we do not want to go into things without making proper preparations, because there is a danger of losing money that way, as we have been losing on certain concerns like the Rice Development Company or even the Milk Pasteurization Plant. Before that, they were recombining powdered milk. We have to ascertain whether there will be a constant supply of milk, and if there is not a regular supply of milk, whether powdered milk can be used to keep the condenser going when fresh milk is in short supply. It is all well and good to talk about setting up a condenser, but once a condenser is set up the Government begins to lose money. Those same Members will say that Government is wasting money. I would urge Members, especially those in Georgetown, to try to persuade their supporters to drink more pasteurized milk for in that way we would have less of a problem and less loss.

I pointed out to the Hon. Member that for long time milk was in short supply.

The Hon. Minister of Natural Resources and I went and begged the people to produce more milk. We had to resurrect the service which was sus

pended. The Hon. Member is living in a dream world and he does not know what is happening. I said before that one has to know precisely what type of factory one wants, the economic output, how much milk will be consumed and so on before one embarks on such a project.

The Hon. Member does not seem to understand the point about under consumption and overproduction. Milk is said to be overproduced because it is under consumed, but it is not really overproduced in this instance. If the people in the greater Georgetown area were buying milk from the Pasteurization Plant instead of drinking evaporated milk, tinned milk, or Banks beer for that matter, things would have been much better.

The Hon. Member referred to the price of milk. Milk is sold at 16 cents a pint but Banks beer is sold at 25 cents a bottle. I do not disagree with the Hon. Member's suggestion that a condenser should be set up, but the point is that everything must be properly planned beforehand. I have already said that if private enterprise fails to do certain things Government will have to consider doing them. I suppose we could find money by selling one of the estates of the Hon. Member for Georgetown South to establish a condenser.

We know from the tight Budget this year that it is virtually impossible to raise money to do things which should have been done long ago. We have \$4 million for the Boerasirie internal works. We need a lot of money to...

We have to pay interest on the money all the time. I would like to set up a lot of things.

Let us face facts. If we cannot get money from England, or elsewhere, we will have to do the best we can to help ourselves. We have tried to get money from the World Bank.

I have said that if private enterprises are willing to embark on some of these industries. Government will give them the data required. Private enterprise will not set up a factory merely because of hearsay. They want specific data whether it is Banks beer, Ply board or something else. These things take months of preparation, and we who are spending Government's money have to be very careful because of the failures of the past.

I can assure Hon. Members that there is no disagreement on this side of the table so far as the setting up of a secondary processing industry is concerned. The Agricultural Department is burdened with many of these commercial undertakings. Not so long ago, before the previous Director of Agriculture took up his new post, there was a conference to bring all these commercial undertakings outside of the sphere of the Agricultural Department, and put them into the hands of a commercial undertaking so that they would be run on a businesslike manner with businessmen at the head. We hope that will be done in the very near future. If they want to set up a condenser either jointly with private enterprise, or wholly as a Government venture it will be left to them. In the meanwhile we are carrying out these investigations in order to assist the people.

The Hon. Member for Georgetown South has said that the people in New Zealand are not interested in the development of British Guiana, and that they will not set up a factory here because they are interested in developing industries in their own country. He should know that today there is a great need to find markets outside, not only in New Zealand but in other countries. When they cannot sell their finished products outside, they do not mind selling their raw materials to a country which would give them an opportunity of disposing of them rather than having a surplus.

Hon. Members should not desire this Government to rush headlong into things and lose thousands of dollars, because many things that have been done before were not properly planned. I would be the last person to see this Government losing large sums of money as far as the tax payers are concerned.

As the Leader of the Opposition if the Hon. Member had not taken the stand he has, we would have got further.

The Hon. Member has taken opportunity to attack the Majority Party, but may I point out to him that what is done in the secret chamber of the Executive Council cannot be disclosed here. I would like to know that the Majority Party has no voice in the appointment of senior officials in the Government; neither does it have any say in the selection of personnel for the Civil Service. I want that to be clearly understood, so let him stop all this nonsense.

We have expressed strong views on this matter from time to time. I suggest that we complete this Head.

Appropriation Bill: 18th February, 1959

Dr. Jagan: I too would like to make a few observations because it seems to me that of all the people who have criticized the G.I.S. the Hon. Nominated Member. (Mr. Tello,) was the least competent so to do. What is the position with regard to the G.I.S.? We have been critical of the G.I.S. for a long time. If the Hon. Member takes up his Estimate he will note that in 1953 the expenditure on the G.I.S. was \$26,556, but it suddenly shot up in 1954 to \$142,000, and it has been steadily increasing from then until 1957 when it reached the sum of \$224,000. Perhaps he will tell us that this was not done deliberately so that the G.I.S. might be the mouthpiece of the Interim Government which he so faithfully served when the People's Representatives were thrown out.

He has the cheek to come here and say now that the G.I.S. is serving the Majority Party when it was created to divide the Party. We all know that the previous Information Officer was sacked because he dared to be neutral. I refer to the late Mr. Harewood. Why didn't the Hon. Member get up then and speak? He was then a Member of the Government. Is it because at that time Mr. Harewood was replaced by someone who was more amenable, I suppose, to the wishes of the Government, or rather I should put it the other way, was it because Mr. Harewood was not going to toe the line which was wanted, or possibly because he was neutral? I do not know what the reason was, but the facts are very clear.

We do not control the G.I.S. It is within the Portfolio of the Chief Secretary, and it is from the Chief Secretary that it gets its directions. The P.P.P. Ministers do not hire and fire. Incidentally, most of the officers of the G.I.S. were appointed during the period of the Interim Government, so that the Hon. Member should certainly have thought carefully before he accused those who praised him and the Interim Government in which he played a big part.

The Hon. Member referred to the BBC. and compared it with the G.I.S. That is the most puerile comparison one could ever listen to from a Member of this Council. The BBC. is not the Government Information Service of H.M. Government; it is a Broadcasting Corporation. It is true that it enjoys a Government monopoly, but it is not the mouthpiece of the British Government. In the same way as we have the G.I.S. the British Government has its own Information Service.

I do not wish to dwell at any length on this point. The Hon. Nominated Member has referred to the number of times the Ministers of the present Government are referred to and have their photographs appearing in the G.I.S. Bulletin. Surely he knows that this Government cut down the Bulletin from a weekly to a fortnightly publication. The Hon. Member knows that. If the photographs of the present Ministers adorn the Bulletin there

may be some journalistic reason for it, because when the Hon. Member's photograph and those of other Members of the Interim Government used to appear in the Bulletin, we know where most of those Bulletins went. Some of them were used for wrapping salt fish and others for more unsavoury purposes. There is a member of the journalistic profession here who publishes a magazine. Ask him, and he will tell you why he features the names of certain Members of the Majority Party in his magazine. He admits that they sell his magazine, and he is out to make money.

Maybe the G.I.S. has learnt that the photographs of the Ministers in the paper will encourage the masses to read it. I think the officers in this Department will no doubt ask the Hon. Member to restrict his field of activity to that in which he is most competent rather than to criticize in the field in which he knows very little.

I would be the last person to apologize for the G.I.S. There is no doubt that very much could be done for this country, if things are done in the proper manner. I am sure that useful information could be disseminated, and very much could be gained by way of aiding techniques and advertising know-how in order to explain to the people how things should be done. This service could be used for the benefit of the country as a whole.

I certainly do not think, and no one will agree, that it is the mouthpiece of the People's Progressive Party. I regret that the Hon. Member has taken an opportunity at this time to raise this criticism. I do not know whether he is personally peeved. I understand that he had a little fracas with the G.I.S., be that as it may, we should not allow our personal feelings to enter into a matter like this.

I have just heard a mass of contradiction. On the one hand we are told that we are using this organization for our benefit, and on the other hand it is intimated that we are cutting down the Estimates of the Department because it is not helping us. The Hon. Member is obviously contradicting himself. If he wants to use the G.I.S. he can go ahead and do so. When his time comes that will be all right. That kind of argument and reasoning certainly shows the intentions of the Hon. Member. We have said that this party is not using the G.I.S. as a vehicle for propaganda, but the Hon. Member for Georgetown North tells us to go ahead and use it and his Party will use it when it takes over. Nothing can be plainer than the intentions of the Hon. Member. He says that we are using it for our purpose and yet we are stabbing people in the back.

I mentioned before that we were cutting down the Bulletin from a weekly to a fortnightly Bulletin. Why have we done this? To follow the Hon. Member's argument, if the G.I.S. was used as the propaganda machine of the P.P.P. we would have made it into a daily. I do not think it is necessary for me to continue to waste time on this matter, in the light of the stupidity I have heard, except to say this: when we are out to run the Government in the most efficient and the most economical manner possible, if it is found necessary to wipe out certain sections of whatever Department it may be,

we will do so. When people were sacked...

Some other political Party will take our place some day, and that Party will also use the G.I.S. as its propaganda.

Perhaps that is one of the reasons why the P.N.C. has not found any fault with the G.I.S. and its propaganda value to the P.P.P. The P.P.P. and I have no quarrel over this matter. What is sauce for the goose will be sauce for the gander, and when the time comes we may do even better than using the G.I.S. as a propaganda machine.

I remember after the Second World War and the Labour Party had won the 1945 General Elections. Sir Winston Churchill said that the Labour Party was using the Ministry of Information as its propaganda machine. Mr. Atlee asked him what he was doing with it when he was in office. These things will happen from time to time.

I disagree with the view expressed by the Hon. Minister of Trade and Industry that the late Mr. Harewood was sacked because he appeared to be neutral. I did not understand that Mr. Harewood was sacked. If he held another post higher than the one in the G.I.S., I would not have called that being sacked. As a matter of fact Mr. Harewood held an office which hardly any other person could fill when he took over the job of preparing for the 1957 Elections. I cannot believe that it was a case of sacking.

Perhaps that is the view which the Hon. Minister of Trade and Industry held at the time. I thought the Minister would have referred to the sacking of somebody else. It was said that one of his familiar friends was sacked, and that would have been a more obvious case to which reference could have been made. I cannot agree with the Hon. Minister of Trade and industry when he says that Mr. Harewood's successor was someone....

The Bulletin is now being used to advantage by the Minister of Trade and Industry, and those remarks are not fair to the person in charge of the G.I.S. I do not think it is fair to that officer for the Minister to refer to him in such terms because he happens to be the successor of the late Mr. Harewood.

The Ministers admit that they have no control over the G.I.S. Therefore the publication of the Bulletin must be the result of the work of the man who succeeded the late Mr. Harewood and who has been referred to by the Minister of Trade and Industry as the stooge of somebody.

From my own knowledge I recollected that years ago the G.I.S. attacked the People's Progressive Party; it attacked their ideological faiths and persuasion. I, myself, have wondered at the sudden change in the G.I.S.'s approach to these problems. The department is no longer attacking the ideological faiths and persuasions of P.P.P., and it is no longer educating people along certain lines. Very seldom do you have the Department giving ideas about democracy nowadays. During the year 1957, just before the Elections, the G.I.S. spoke against certain ideologies and praised democracy, but we hear nothing about that today.

I am not quarrelling with the G.I.S. for bringing the work of the Ministers to the notice of the public, even though we understand from the Minis-

ter of Labour, Health and Housing that when she goes on official business she does her private Party business as well. She says that you can kill two birds with one stone. We have not complained about that, although some people say out the Ministers spend their time doing Party work when they should be doing Ministerial work. I am merely saying that the Minister of Trade and Industry should not use this House. In 1953 the Opposition walked out against the Government.

If the Hon. Member would refresh his memory he might recall that both his Leader and myself objected to this strenuously. Actually, the man was not sacked, but promoted technically, and I will not go into that. The gentleman who now edits "Booker News", Mr. R. B. O. Hart, wrote reams and reams of paper on this point. Of course, we were told that it was done in the best interest of the people. The Hon. Member should try to be consistent.

But I do hope he will not raise the question of race. We are not concerned with the racial identity of persons.

The Hon. Member asks what Government's policy is, and I am going to reply to him.

For the Hon. Member's information, it does not matter which Minister replies. We work as a team and the Ministers keep themselves informed of what each Minister is doing. If the Minister of Community Development and Education goes into the lobby for a moment, there is nothing wrong in another Minister replying for him. (The Hon. Minister has returned and I shall take my seat.)

Appropriation Bill: 4th March, 1959

Dr. Jagan: The Hon. Member gave us figures in an effort to show that we were not saving very much in this matter. He wanted to know how much work was involved other than that in the contract. I am sorry the Hon. The Chief Secretary was not in a position to give him the figures immediately, but from what I have been told by the Printing Advisor to the Governor it was about \$115,000 per annum. Let the Hon. Member consider that in relation to the cost which the Argosy Company submitted - not before but on the second round - because it was on the second round that the payments were made.

It should be noted that on the first occasion the figure which was given for both requirements, as the Hon. The Chief Secretary has pointed out, was given without any element of competition but collaboration. They tendered for separate items and gave a figure of \$185,000 above the figure for last year. It should be noted that even these figures which were there before were very lucrative ones.

Perhaps the Hon. Member has forgotten the days when he stood at street corners and shouted about the exorbitant sums we were paying for Government printing as compared with the rotten service we received for the money. Today times have changed and we are hearing a dialectical type of argument. It is unfortunate that the dialectical argument has not been taken a step further, because the Hon. Member talks about equated savings on a Government level by the introduction of the most technical means in the same way as private enterprise.

He has failed to point out as he should that, in case of private enterprise when technical means are used for doing work; the money saved is merely shown in the books of employers, whereas in the case of Government it is not a question of making profit. Any savings made by Government are used up in the implementation of the Development Programme and other spheres.

I remember that we had a terrible wrangle in Finance Committee when the Government was attempting to spend several thousand dollars more on minor industries in order to provide the employment Hon. Members are now talking about. Hon. Members are now saying that a printing contract for \$115,000 extra is not a lot of money.

It has been shown that the Government can get the job done at a much lower figure than that offered by the people who were doing the work. When we consider the history of this matter we find that the Company over the past two years has been doing lucrative business at the expense of the Government. In 1946, the Company was given a contract for \$280,000 and an advance of \$100,000 to purchase printing equipment.

Before the contract expired, the Company was given a total of \$70,000

extra. The Commissioner of Income Tax carried out an investigation before the Company was given the \$70,000. He reported that it was making 50 percent profit off the Government Printing Contract, and recommended that an additional 25 percent should be given to it. Since then, those of us who have been in previous Councils have been arguing that Government should set up its own printing press because of the large sums of money Government had paid out in the past.

An Hon. Member mentioned that we, on this side, are peeved because the newspapers have been attacking us. I do not allow such things to interfere with my politics. I do not hold any spite against the newspapers, because I have always been saying that Government should set up its own printery. I still hold the view that Government could do the job much cheaper than the present price which has been quoted. Anyway, this matter will be fully investigated.

The point is that the attitude I have taken is not due to spite. I have been consistent throughout the years; this is nothing new and it does not bother me. It seems to me that some of the Hon. Members opposite who used to quarrel about the cost of Government printing are now champions of these newspaper companies. We are out to run this Government as economically as possible in the overall interest of the people of this country. I do not see how any reasonable person can get up and criticize the Government for saving a substantial sum of money which can provide employment for a number of people in this country.

The figures I mentioned, the Chief Secretary and other advisers of Government can give as well. The Hon. Member was adding up the figures just now. He mentioned the fact that the Argosy Company was prepared to do it for \$360,000. The original estimate which was given, I understand, by the Argosy was \$470,000. There was certainly a big climb down just because somebody else came into the picture. I suppose Government should have taken the two tenders as they were and accepted them, and then Members would have been very happy. The Government has made a substantial saving in this matter. Whether it is \$60,000 or \$80,000, it is a lot of money.

I mentioned the other day that thousands of dollars were going to be used to expand minor industries scattered in Georgetown, and I do not see why we have to dot the "i"s and cross the "t"s. Everybody knows there is some dislocation of employment, but if provision is being made for employment in the whole economy, that will help. That is what we are concerned with, and any sensible person would be concerned with that. But to say that something must be done at once, that is not possible in any society.

If the Hon. Member will read his Budget Statement properly, he will see that it was put down there that Government does not want to start certain works yet because there is no money for those works.

The Hon. the Chief Secretary failed to mention one thing - the G.I.S. Bulletin. The G.I.S. Bulletin has not been reduced in number or in size. The frequency of its appearance was reduced since last year, and this still ap-

plies. Another point mentioned on this side of the Table was that several Legislators in the past complained about the lateness in the printing of Annual Reports of Government Departments and other reports and documents. This has been a bone of contention, aside from the actual costs, for a good many years, and we hope in the future we will have expeditious printing of Government work.

Appropriation Bill: 5th March, 1959

Dr. Jagan: I indicated previously in this Chamber that the whole question of the functions of the Control Board was under examination throughout last year, and indeed this year. We know that recently there has been a further liberalisation of trade in favour of dollar areas, and thus a great deal of the work which was formally done has been abolished. Many items have been taken off the quota lists and put on the Open General Licence list.

An examination has been carried out by the Organisation and Methods Division to see what savings can be made by way of integrating some of the work now done by the Control Board, with the functions of Customs Department especially in regard to the compilation of statistics relating to the entry of goods into this country.

In addition, the oil question is being examined, and it is hoped to bring a measure before this Council for the decontrol of crude oil throughout the countryside. That, too, should reduce the activity of the Control Board. Further, the Chief Secretary's Office is considering whether the Commodity Control can be integrated with the Ministry of Trade and Industry. We do not want to put people out of work, and we are seeking to expand its sphere of activities. I am hoping that one of the officers who has to deal with oil will also have something to do with marketing, minor industries and the Product Depot, so that we will have someone visiting shops not only in the city but country districts to organise buying groups, to purchase things like ground provisions.

In addition to this, we are hoping shortly to go into the question of compiling proper trade statistics; for instance, the import and export trade with the West Indian territories, so as to find out what they import by way of food and other things, especially the things we produce in this country, and to see how it is possible to further expand our trade in those products with those territories. So that in time, as soon as we can set up and introduce the necessary legislation, we can establish an Industrial Development Corporation with a Marketing and Research Division.

Hon. Members have criticized the Government's development programme, and one in particular mentioned the fact that this Government was merely following in the footsteps of the Interim Government. It should be noted again that no Government coming immediately after another can make a complete break with the past so far as economical matters are concerned. We can only do that when we have a revolution - a bloody one at that - and even revolutionists sometimes cannot produce a complete break with the past. Therefore, we admit that we have to continue in some of the footsteps of the Interim Government.

Not because we love to do so. Obviously there are many things which

the Interim Government did that were good: good in the sense that they provided houses for people who had no houses, and promised them other things.

But we must not only look like at the tree leaves - we must see the forest as a whole. It must be accepted that the Interim Government was not primarily concerned with the economic foundations of the country but with the political problems of the day. Therefore, if they made provisions for houses and made other promises, these were in keeping with the political circumstances of the day.

We should go back further, to 1952, when the International Bank for Reconstruction and Development clearly and unmistakably suggested that what was necessary in this country was development in the productive sector of the economy, even at the expense of the social sector. That was clear. But what do we find? A great deal of emphasis was place on the social sector, and also on public security.

The Police Force was nearly doubled in strength, the vote rising from \$1 ½ million to \$3 million, and we had an army on our backs for which the people of this country have to pay today. The P.P.P. did not start all this - all these seats were sown by the previous Government, which was in a fortunate position since money was no object.

I remember that when the International Bank Mission came here its members said that in the next 5 years to come the Programme would rise to about \$66 million in cost. After the P.P.P. was thrown out of office Mr. Lyttelton (now Lord Chandos) got up in the House of Commons and said that Her Majesty's Government was determined to do as much as possible as soon as possible, and worthwhile schemes of development would not be held up for lack of money.

However, when the P.P.P came into office the first time, Sir. Alfred Savage kept saying, "*Where are we going to find the money?*" The political situation became very hot, the P.P.P. Government was thrown out of office and we found that very soon \$44 million was found for the Development Programme which was later cost \$91 million spreading over 5 years.

Certainly, the Interim Government was in a position to throw money away lavishly on housing, super highways, rural central rice mills, Milk Pasteurisation Plant, etc. For the latter we have to pay \$140,000 a year to meet the deficit. Then there is a Cadillac-style Telecommunications building which has cost nearly a million dollars. We are not interested in the next 60 years; we are interested in solving the problem which the country is facing today.

Hon. Members have referred to the question of unemployment. Who does not know about this? It is not a new problem. I have told the British people on T.V. and on the radio of the unemployment problem in this country. It is not something new. In 1945 Dr. Giglioli wrote a report on the incidence on malaria and its likely eradication by D.D.T., and the necessity to plan a campaign among the people around the sugar plantations. Today

we are reaping the harvest – 5000 unemployed in the sugar industry within a period of 5 years. Members seem to be quarrelling over a bone.

The Minister of National Resources referred to the drainage and irrigation projects, and Members on the opposite side seem to think that he is claiming too much credit, and therefore they want to put it back into the lap of the Interim Government. But let us not forget that if the Hutchinson Schemes were put through, or an early start was made with some of them (Mr. Hutchinson submitted his first report in 1950) we would not have been faced with the serious unemployment problem we have today. Indeed, we may not have had to embark on a Black Bush scheme to which Mr. Hutchinson was opposed, because he felt, perhaps rightly, that it would create little islands and cause flooding in other areas, and that the quicker we got down to solving our major water control problems the better for all concerned.

I have said in this Council that in the old days we were the strongest champions of the Hutchinson drainage and irrigation schemes. Why now quarrel about the bone – the Black Bush Polder? Who started it, and who did it? Had the advice of Mr. Hutchinson and the P.P.P. been heeded in early days we would have gone a far way towards the solution of this unemployment problem which is hitting us today. On the question of unemployment Mr. McGale found that we had in 1956 an unemployment figure of 17.3 percent., and the Financial Secretary will tell you that I probably lost my temper and told the Secretary of State for the Colonies that this country's problems were his and the British Government's responsibility, and that if there were 17 percent unemployed in England he would not be occupying the position of a Minister, but they expected us to be sitting here with this growing problem and running the Government with our hands tied.

With an unemployment figure of 17.3 percent we have our population increasing, and between 6000 and 7000 children leaving school per year. We were told in the World Bank Mission's report in 1952 that the situation would become more acute after 1960 because we would then begin to reap the real harvest of the D.D.T. campaign which was started in 1945. A child normally leaves the primary school at the age of 15 years, and the natural increase in our population at the moment is 16,500 a year. The P.P.P. did not create those figures, nor did it create unemployment.

Members have spoken about housing. Mr. Higginbotham came here as a Housing Advisor to the Government in 1954 and told us in his report that for a 10-year period, 1954-1964, we needed 50,000 houses – 30,000 to take care of the backlog, and 2,000 houses per year to meet the needs of new people and also to replace houses which are decrepit or broken down. Certainly, the Interim Government spent a lot of money on housing. It spent between \$12 and \$14 million, and 4,000 houses were supposed to have been built. We are not opposed to the building of houses, or for that matter to rural electrification or the building of hospitals, but it has always been our

view that if you have a little money you have to spend it in the productive sector, and that is what we are now trying to do. We are trying to change the course of things a little. Obviously we cannot change it too rapidly because the gear has been set. When we stop spending money on housing in order to find the money for development work we are told we are creating unemployment. Our view is not that housing and hospitals are not necessary, but if we have a small sum of money we should at least spend it wisely, as the World Bank Mission advised in 1952 and that is what this Government is attempting to do at the moment – to spend it wisely.

People criticise us for making promises and using high-sounding phrases, but my friend was a Member of the Interim Government, and I am wondering who made more promises. The G.I.S. is being criticised as being the mouthpiece of the P.P.P. As far as I remember one Member of the Interim Government used the G.I.S. in such a manner that one would have thought he was Propaganda Minister instead of the Minister of Labour, Health and Housing. It was the Interim Government that promised a lot things – rural electrification, hospitals, etc. There was no provision in the Development Programme for the hospitals, yet a week or two before the last Election we saw in the newspapers a sketch of a wonderful structure. In fact, I understand that even the architect was given *carte blanche* to go ahead with a plan with another Cadillac-style structure.

We have not enough money to go ahead with the rural electrification scheme which is estimated to cost \$7 million and was dependent not only upon the purchase of the Demerara Electric Company's plant but upon the extension of the city's electricity supply, without which it cannot work. But what happened? We have not purchased, we have not extended the service, and the lampposts are still up. We are following in the footsteps of the Interim Government by all means. We cannot uproot the posts; we have to leave them there. One member remarked that this is a second Interim Government. Of course, the Colonial Office is still bossing the show. It is the second Interim Government.

We have a lot of things in the Development Programme including \$16 or \$17 million set aside for the construction of an East Coast highway. The Hon. Member for New Amsterdam is not here, but I supposed it would have been called the Kendall Highway. Nearly a million dollars have been spent on surveys and research, and we are now told that the highway will cost something in the vicinity of \$32 million. I can go on to elaborate many of these things. The rural electrification scheme cannot go through now – why? Because the British Government has refused to allow this Government to purchase the Demerara Electric Company's plant which it had agreed to before. How are we to do it – by magic? How are we to provide electricity for the people in the rural areas? If the Demerara Electric Company continues to operate it is most likely that it will not be economic to pursue the rural electrification scheme because it was anticipated that the profits from the Georgetown service would be utilised to be an uneconomic

undertaking, but realising the needs of the people in the rural areas one was prepared to make a package deal if the H.M. Government could be persuaded to change its mind.

It is possible for one to go on and on discussing these points. Suffice it to say that the Government is trying and taking hard political decisions. No one can deny that. One Hon. Member has suggested that we have taken a bold decision, especially in regard to the potato tax. We are prepared to take bold decisions even though they may not be politically palatable, because we need a lot of finance for the future improvement of this country.

Somebody has to do that sometimes. We are not only looking at votes as some people do. We feel that it is absolutely necessary at this time to take the decision which we have taken. We are carrying out examinations in the hope of making or effecting an economy in the programme.

In the Finance Committee we endeavour to cut down expenditure as much as possible. We hope to carry out investigations in the Department to see where economies can be made. It is hard to pull down a structure after it has been put up, but we will endeavour to do our best in this respect.

Some Members are not in favour with the taxation proposals, but Government has no other alternative. If we do not tax the people we will not be able to carry on the Development Programme. Out of the \$16 ½ million we expect to get \$2 ½ million from taxation. If there was no taxation we would not have money to spend this year.

Some people say that a country can be developed by borrowing money instead of resorting to taxation. Every school boy knows that when you borrow money you have to pay interest and sinking fund charges on it. So far as we are concerned we need a big Development Programme because we know that it is the only way in which we can solve not only the problem of unemployment but the problem of education and so on.

So far as the problem of education is concerned, the Nicol Committee submitted a report sometime ago on this matter. As time goes by our problems will become greater and greater. It was suggested that there should be a shift system introduced in the schools, but the Government has not adopted this system. Government is continuing with its school building programme and doing everything possible to accommodate the increasing number of children. Therefore I do not think, in the light of our difficult financial position, that Government has done badly.

Hon. Members know that this Government approached the Colonial Office in order to get a large loan. It is also known that a Bank was prepared to loan British Guiana a large sum of money but British Government refused to guarantee the loan. The World Bank was approached, and it was agreed that an expert would pay a visit to this colony and examined conditions relating to our Development Programme and so on.

The Delegation which left this colony also interviewed bankers in New York, and we found that it was not possible to raise a loan at the time. The

position was now changed and we are hoping that in the very near future we will have the wherewithal to help our people. However, it cannot be done even if we borrow money at a low rate of 2 percent or have a moratorium for 5 or 10 year. I remember when His Excellency came back from England and gave a radio talk. He said that if we had to borrow the money we would have to pay a great deal of interest. He was referring to the Swiss Bank Corporation's offer. We are aware of all the difficulties in which this Government has to work at the moment, and in spite of them we are doing whatever we can - not only to serve in the short-term but in the long-term - and to lay a foundation for the development of this country.

Customs (Amendment) Bill: 12th March, 1959

Dr. Jagan: It seems to me that the Hon. Member is misinformed on this occasion. As he rightly pointed out brushes are made in this country at the moment. For his information, I should like to state that there is no shortage, but rather a suspension of brush-making simply because a large amount of cheap substitutes have been imported and dumped into this country. Government is now trying to protect the industry from this sort of thing.

I should like to point out that Minor Industries Department was employing several people for the purpose of making brooms and brushes. It is true that in the early stages the brushes were crudely made, but as time went on the Department was able to turn out brushes of good quality. The price of the local brush was substantially lower than the imported item, but no sooner than the Department started producing these items the importers reduced the price of imported brushes and brooms. That has a very adverse effect on the Department and it was forced to reduce the number of people employed in the manufacture of brushes.

It is proposed to purchase a lathe for \$25,000, and this will enable the Department to produce brushes quicker and cheaper. I think more than half the price of a brush was spend on making the handle, because the handles had to be made one at a time. The efficient and skilful use of the lathe will solve this problem.

Hon. Members on the other side of the Table are always saying that Government is not doing anything to provide employment for the people. In this instance, Government is doing something to provide employment for a large number of people, but some Hon. Members are still against it.

It is not that I have lost my tongue. The fact is that brushes are made. Brooms will be made from coconut fibre; mops will be made from other fibre. The vote for the Department will be increased from time to time, and Government is trying to lay the foundation now. We were forced to send home some of the people who were employed for the purpose of making brushes because we had no legislation on our Statute Book to protect the industry. We do not want to put people out of work and give them compensation, etc. that is why we feel that certain industries should be given the necessary protection.

I wonder if Members had an opportunity of visiting the League of Coloured People fairs. At these fairs, in one of the booths, Government demonstrates the methods by which these things are made. Although the methods and processes are still primitive, these manufactures still provide a lot of employment for a lot of people. If the Hon. Member wants brooms, there are brooms and brooms to be had. I will even refer him to the coconut brooms. If our country is to be developed, let us use local products if necessary, because this will provide employment for Guianese people and they

will be using Guianese products.

Let me in simple language explain one detail of how a brush is made. They are turned out from a block of wood which is also used for the brush itself; it is split into two punches. Then an employee takes a bit of fibre, passes it through a staple and it is punched in one hole at a time. I hope the comprehension of the Hon. Members opposite has permitted them to understand this process.

The broom is made in the same way, with the exception the handle is longer and if we have the process duplicated then it would be done at a lower cost. Is that clear?

I did not say all Guianese must resort to using pointer brooms. Members must realize that in all backward countries handicraft industries cannot compete with manufactured articles coming from outside. This country is not excluded from the general rule that if the local product is not an attractive industry would never be able to prosper and grow.

I know the argument the Hon. Member is using. "*Where is the machine*"? He is asking. If we continue doing that, we will find ourselves in a vicious circle. Members are wasting a lot of time while the poor man is starving because there is a surplus of his produce on the market, becoming a glut. That is why we are trying to lay the foundation for the bigger trade now.

Disturbance in Nyasaland: Friday March 13th, 1959

Dr. Jagan: I, too, would wholeheartedly support the Motion moved by the Hon. Member. All over the world today you are getting disturbances of one kind or another, and we shall take them as a symptom of our age and not necessarily that people are getting out of hand because we are moving away from a system of colonialism and imperialism. I believe that several things are responsible for the race prejudice and race hatred we hear so much of nowadays. Some people say that Government and the Colonial Offices are the protectors of the natives of Africa.

I do not want to dwell on the term and whether that term means a black, brown or yellow person. Even in Africa today people of all races are championing the cause of freedom and democracy, and are fighting side by side with their brothers who are in the majority in Africa. We saw only recently where, among the hundreds of people who were arrested in South Africa and brought before the court, many were whites, Asians, and so forth.

We have to be very careful about that sort of thing in a country like ours where several races of people are found. I am one of those who will not condone looting, shooting or killing because it is done by one race or another. We are all shocked by the shooting which took place, and equally some of us by rioting, arson and so all of that is coming about because, as I have said, too little is done in most cases and what little is done is too late.

We have seen where in Cyprus today people's aspirations are not too late, but to a large extent after a great of unnecessary shooting and loss of lives simply because some leaders cannot think in new terms but are still thinking in the terms of the past. In this nuclear age, their thinking is still far behind. I do hope that the British Government will see its way in acceding, first and foremost, to the democratic wishes of her territories, whenever they may be living in Africa or elsewhere!

We are hearing nowadays that the Colonial Office and the British Government are solicitous of the wishes of the African people, and that is why they are not conceding Dominion status to Sir. Roy Welensky - or whatever his name is; that they are not conceding it because the Africans would get a raw deal. What they should tell us is that they are ready to restore full democracy to certain parts of Africa and give the people the right to vote. Then we would not have the situation where white officers and soldiers commanding native soldiers telling them to shoot Africans and others. Africans today are fighting for their political and other rights and the white people who support them often share their suffering. I would like to see the problem approached in terms of human values and human rights.

The Hon. Nominated Member, Mr. Tasker, referred to the hard work put in by the settlers and what they have done to build these countries, but

it cannot be denied that much of the hard work they have put in has been rewarded by a tremendous harvest of good results. It is, however, not necessarily by their own labours that they have received good results, but by the exploitation of people who have no political rights. Those are things that are causing disturbances today, and the quicker the British Government comes down to recognizing the basic fact that democracy must prevail and that white people who have economic interests in Africa must learn to live in a new democratic structure, the better for all concerned.

In the Motion which was moved it is sought that this Council should express concern over the situation, and request the intervention of Her Majesty's Government to secure the release of the detainees and to lift the ban on the African National Congress, as well as to ensure the just national aspirations of the people of Nyasaland. I feel we should go a little further.

We should ask that a Commission be sent out immediately to this territory. Not the usual whitewashing Commissions which we always have after these so-called disturbances. In view of the fact that we are living in a Commonwealth which is a partnership of the Metropolitan and other territories, and the idea of equal partnership has to be developed in every respect, I would suggest that a Commission made up of three members, one from the United Kingdom, one from Ghana and one from India, and possibly one from the United Nations, be appointed to investigate this issue as an independent body.

This is no longer an issue affecting Great Britain and Nyasaland. What is happening in Nyasaland today can have repercussions all over the Colonial Empire and all over the world. As it is no longer a partisan matter, affecting the British Government, let it be taken up at Commonwealth level, if the Commonwealth is to mean what we have been hearing it is meant to be. Let us see principles being put into practice now, and in that way we will find that all races in the Commonwealth will live in concord and amity, under true democratic procedures and practices. I would therefore suggest to the Mover that he agree to an Amendment of his Motion in the terms I have suggested.

The policy of apartheid has been in force for a good many years in one territory, and it has spread to others, causing a good deal of confusion and trouble. I feel that the Commonwealth can set an example for its own and other territories by resolving these racial difficulties. It is time that an end must be put to racial barriers and racial prejudices between peoples, and the British Government has taken a lead and can lead in that respect. The Cold War in terms of ideology, the Cold War in terms of racial prejudice, all these must go; and it is then and only then that countries like British Guiana and Nyasaland will be on the high road to prosperity and peace, and amity among all the races inhabiting those territories.

Tax (Amendment) Bill: 13th March, 1959

Dr. Jagan: Hon. Members have taken an opportunity to repeat what has been said on previous occasions. There has been so much repetition that I am considering the question of recommending that a recording machine be installed in this Council, so that in the future we could save the time and energy of Hon. Members who want to repeat they have said before. As a result of this repetition and unwarranted attacks on the Government, it will be necessary for me to go over certain points again.

Members of the Government constantly are asked in this Council, what is Government doing for the unemployed people in British Guiana? Quite recently Government agreed to increase the price of copra by \$20 in order to stimulate coconut production. Every year Government has to face deficits as a result of the importation of oil from overseas, and the taxpayers have to pay thousands of dollars to assist in keeping the cost of living down to a certain level. Nevertheless, Hon. Members on the other side of the Table are still saying that Government is not concerned about the people and the cost of living.

In order to keep the cost of living down, Government decided to subsidize coconuts which would have been increased by 2 cents per pound as a result of the \$20 per ton increase in copra. This will cost Government approximately \$111,000. It is a pity we do not have a school where Members could receive lectures in this country. Some Members who are leaders of Parties think that the first prerequisite in politics is for one to have a loud voice, that one needs not have any knowledge of economics and finance. The days of flamboyant politics are over. The names of Bustamante and Butler are no longer...

We have to deal with economic realities. I think I shall have to recommend to the I.C.A....

I am glad that you rightly anticipated the line of argument I was following. I mentioned one item, coconut oil, which is being subsidized by Government. There are also other items in the Development Budget which have been agreed to in this Council. Government proposes to build 114 schools; the vote for the expansion of the Pure Water Supply has been increased from \$25,000 to \$700,000 and so on. There is no magic formula by which money can be found. Some people try to get money by resorting to printing presses, but that system does not always bear fruit.

I should like, for the benefit of Hon. Members, just to make two relevant quotations which I think are pertinent to our present position. I will quote from a book called "*Economic Theory and Underdeveloped Regions*" which was written by a very famous Swedish economist of world recognition. In Chapter 7 of his book Dr. Myrdal states:

“There is no other road to economic development than a compulsory rise in the share of the national income which is withheld from consumption and devoted to investment. This implies a policy of the utmost austerity, quite independently of whether the increased savings are engendered by high levels of profits to be ploughed back in industrial expansion or by increased taxation.”

That is one quotation, Sir. There are others I would like to make from the same book. Members should take more time for reading.

Yes, Sir, but I would just like to say that Dr. Myrdal also made this point, that when a poor and backward nation starts on its own, it soon finds out that political independence most certainly does not mean that it is automatically on the road to economic development. It would be up against stagnation or regression, and so long as general development is low, forces will be working all the time against it, internally and outside.

Tax Amendment Bill (Loans and Taxation for Development): Tuesday March 17th, 1959

Dr. Jagan: At the adjournment on Friday evening I was making the point that in a country like ours it is necessary to channel savings as far as practicable in the right direction for development purposes. We are all aware of the position in our country today. Those members who have spoken on the Bills have referred to the serious unemployment problem which is facing our country.

Some of these members asked whether the Government had any sympathy for the people who are today suffering privations of one kind or another, but the question should be asked: why is it that the Government is imposing further taxation on the people of British Guiana at this very critical juncture? We are all aware of the fact that because of external factors there has been a serious drop in the revenues of this country, and not only the revenues of the Government but also in the wages of individuals who have been employed in industries – the bauxite industry and the timber industry, to name only two.

Last year the bauxite industry exported about one-third less than its normal exports from this country, and between 20 and 25 per cent of its labour force was laid off. The same thing happened in the timber industry. Obviously, the Government does not like to see unemployment in the country, and wishes to take steps to make more employment opportunities available, not only to those who are unemployed or who have been retrenched, but to those who are coming out of schools seeking employment. It is known that every effort was made by the delegation which went to the United Kingdom to seek an expanded Development Programme, realizing the problems which are confronting this country. If Your Honour will permit me I should like to read a statement which was made by Sir Jock Campbell during the time we were in the United Kingdom, immediately after the negotiations. He said, and I quote:

“This immediate loan clearly falls short of the urgent needs of the Government and people of British Guiana not only for development but to maintain the present low standard of living there, and to relieve the appalling unemployment. But taking into account the present unimaginative attitude of the United Kingdom towards developing and sharing the common wealth of the Commonwealth, I think Dr. Jagan did remarkably well to get as much as he has.”

I am not going to claim the credit for getting what we got, or for being the first country in the Commonwealth to get an Exchequer loan, but the clear implication, which is recognized not only by our side but by independent people like Sir Jock Campbell, is that our problems are many and

we need more money to solve some of those problems.

Some Members of the Opposition tell us that we must not tax the people. At the same time every effort that this Government makes to save money, to cut down expenditure, is being thwarted and being opposed. How can one get more money if one wants to throw it away at the same time? We have seen that this year the Government has to spend money in certain sectors for the benefit of the people.

On the last occasion I mentioned the subsidy in respect of coconut oil which amounts to over \$100,000. We have seen in the Development Programme an increase from roughly \$250, 000 to nearly \$700,000 for a rural pure water supply, for the extension of well pipes, the erection of overhead tanks and the sinking of new wells. We have also seen that some minor drainage and irrigation works are to be carried out. Those are not necessarily works intended to provide unemployment relief. However much they will provide relief, they are meant to meet the distinct social needs in our community.

Then again I must ask: where is the money to come from? We have not been able to get the money from United Kingdom Government. We have not been able to get U.K. Government to guarantee a loan which we were fortunate to negotiate from the Swiss Bank Corporation, a sum equivalent to £7 or £8 million. We were able to interest the World Bank to send an economic expert to British Guiana, and as a result of his investigation we are told that a Mission is to visit British Guiana, shortly. But we have not only to meet the deficit this year but we have also have to think in terms of the future. The Financial Secretary in his Budget Statement showed that if the loans which we are now raising are fully subscribed to us; we will only be able to get \$16 1/2 million for our Development Programme. In the original Plan nearly \$21 1/2 million was earmarked. Clearly there is right there a deficit which we are hoping to meet when the Government sends another Mission to London later.

How is the Government to meet this present problem at the moment except by measures of taxation? Not only do we want to solve the problem this year but we also want to think in terms of the future. Today this country is saddled with the heavy burden of finding \$5 million for the purpose of financing loans previously raised. Hon. Members will recall that on his return to the Colony His Excellency the Governor, referring to the Swiss Bank loan, pointed out that if we were to borrow sums of money amounting to £8 million or £10 million we have to provide additional sums of money to service such loans. On this point I wish to quote from His Excellency's broadcast interview —

"I think they offered £10 million at 5¾ or 6 percent, repayable over 18 years. That would cost B.G. about \$4.5 million a year. H.M.G. had no objection to British Guiana accepting such a loan if they wished to, on their own credit worthiness, but they pointed out that if H.M.G. guaranteed the loan, money would have to

be committed just as much as if H.M.G. had made the loan itself."

£10 million is equivalent to about \$50 million. We are all appreciative of the fact that to have a large Development Plan as this country needs we must provide the basis to raise the money from some source unless we can get it for nothing.

Hon. Members will recall when the Mission went to London I said that British Guiana should have an expanded programme, if it is to solve all its problems. I gave a rough figure of approximately \$200 million.

If we look at some of the items in this programme we will see that East Coast Road alone is estimated to cost nearly \$30 million; our drainage and irrigation scheme over a period of five years are estimated to cost nearly \$58 million. We have to build several roads and not only one. We have other sectors which are vitally necessary both for providing employment to people immediately, and also to increase our national income.

These taxes will certainly put this Government in a position to resolve two problems at the same time. Firstly to service deficit which we are faced with this year not because of something the Government has done, but of external factors over which it had no control. These taxes will help the Government to finance a larger Development Plan. I think this is something of which we must be most concerned. Is it too much to ask the people to pay a little more for beer or rum, so that this country will be in a position to raise a larger loan and be able to finance it?

\$2 million a year can provide us, over a period of five years, with sufficient money to meet the charges for a substantial loan. That is what the Government is at the moment trying to do. This Government does not want to be in a position, when dealing with this new Development Programme, to be told *"You want a big loan, but you are unable to meet the charges for it"*.

That was the implication of the Governor's statement when he returned from London. It is true that at the time we are not in a position to pay such interest. However, it must be said that we could have borrowed a part of the amount which was available if the British Government agreed to guarantee the loan. The clear implication is that unless you are in a position to pay your way, you are not going to be in a position to get loans even if the money is available.

At this point, perhaps, we should recall the words of the Secretary of State for the Colonies, because we are all aspiring to independence within the shortest possible time. He made the point that Colonies should have only those services which they can afford to maintain out of their own resources. At a subsequent stage the Secretary of State said that one of the prerequisites of self-government is that the Government can stand on its own feet economically and financially, conduct its own affairs, and be able to assume responsibility for its own defence and international relations.

I have referred to the Secretary of State's remarks, because this Govern-

ment should not put itself in a position where the Colonial Office or the British Government can say always that we are asking for charity. We have to assume responsibility for our own financial affairs, and the quicker we are able to do this the quicker we will be in a position to qualify for what the Secretary of State seems to think is one of the necessary qualifications for self-government.

With regard to the tax on Banks beer, some Hon. Members say that it is a breach of faith. The propaganda has been spread all over the country, but the issues have not been put very clearly to the people. Some Members talk about the Elected Members being bamboozled by the Hon. the Financial Secretary. We accept full responsibility for this, because we feel that it is the correct thing that should have been done in the circumstances.

Government has not gone back on its promise, regardless of what has been said by some Hon. Members. The Income Tax Holiday is still there, and it has not been withdrawn. However, some people have been given the impression that Government has fallen back on its promise.

Some of the Hon. Members who are talking about breach of faith should recall that they are the ones who were pressing Government to abrogate the agreement with Radio Demerara. I agree that today Radio Demerara is making a fabulous profit at the expense of the taxpayers of this country, but certain Hon. Members have been urging Government to commit a breach of faith by cancelling the subsidy which has been given to Radio Demerara by a previous Government which committed the country and this Legislature for three years.

There is certainly a vast difference between the two things. On the one hand a specific agreement was arrived at, and the Government committed itself for a period of three years. Nevertheless, some Hon. Members want us to abrogate that agreement.

On the other hand in the case of Bank Breweries, the Income Tax Holiday and the duty free concessions on raw materials are still there. This company has a great deal of money. Several other companies have not been getting duty-free concessions on raw materials imported into the country.

It is not true to say that all pioneer industries get them. The point to be noted is that this Government has not committed any breach of any agreement. It must also be noted that Bank Breweries have very little to complain about. The Hon. the Financial Secretary has spoken very fully on the fixation proposal and particularly on the taxation proposal and particularly the tax on beer, but I would like to re-emphasise the point which he has made. We are not out to break the Company. Some Members are giving people the impression that this Government is out to destroy local enterprise.

For the information of these Hon. Members who feel that way, I should like to refresh their memories regarding another local enterprise, the Plyboard Company; the Minister of Natural Resources and myself were invited to speak at the inaugural meeting at the Town Hall. I was advised

not to speak at that meeting because it was felt, possibly rightly, that if we appeared on the platform it might be taken as giving political support to the company, and that if the company failed that might cause political repercussions to ourselves. We were not mindful of that advice; we spoke at the meeting and we asked Guianese to support the local enterprise which was started by Guianese. I cannot see therefore how it can be said that we are out to destroy initiative and local enterprise.

This Government is saying that in the light of the large consumption of alcoholic beverages in British Guiana, the people should make a bigger contribution to the development of this country if they want to see it developed. If they have so much money to spare, then they should contribute a little more towards the development of the country.

British Guiana, like most undeveloped countries, has many drawbacks. The national income of the country is low. This is not only common to British Guiana; it is common in many backward countries. I have a book here called "*The Problems of Capital Formation In Underdeveloped Countries*" which is written by Professor Ragnar Nurske of the Columbia University. At page 63 he shows the distribution of national income in different countries. For instance, in the high-income countries it is roughly \$915 per head; in the middle-income countries about \$310 per head, and in the low-income \$54 per head.

We can put ourselves in the category of middle-income countries but what is alarming is the comment that, "*It appears that two thirds of the world's income goes to the top 18% of the world's population.*"

That is a very significant comment for it simply means that countries that have the largest population have the least amount of money for development. Professor Nurske has not only given the income per head but also the distribution of population. The lower-income countries have an income of \$54 per head and 67 per cent of the world's population, as against the upper income countries which have an income per head of \$915 and only 18 percent of the world's peoples.

It also means that the ability of those countries which fall into the categories of middle income and lower income to develop depends, first of all, on their capacity to save, and next, how they utilize their income, how they spend their income after the basic needs are met - food, clothing and shelter. We have to decide whether we want development either in the form of direct investment in this country or in the form of financing development loans or whether we will spend our income on alcoholic beverages, cigarettes and what have you.

I regret to say that in the case of Banks Beer a great amount of publicity has been given to the campaign against the increased tax, not only inside this country but, unfortunately, outside its shores. We are not against other people's politics and prejudices, but certainly there must be a reasonable campaign if there is to be one. We find that even journals and organizations outside British Guiana have been alleging that there has been a breach

of faith on the part of Government.

The Financial Secretary took great pains to give this Council the benefit of the doubt concerning all the stages of negotiations with Bank Breweries Ltd., and it is regrettable that in spite of that, the campaign still goes on all over this country, and outside.

Some Members were saying that the Government stated that although the increase in duty was a consumer tax, we are actually trying to penalize the company. If the facts, as I have put them in an article are studied carefully, one would see that there is no such intention. We have made the point that if this consumer tax is going to have the effect of a drop in sales, as the company has claimed, then the company is still in a position to absorb the taxation. Not only was there a margin for the drop in sales in the original prospectus of the company, but we have been fortunate to see the first financial statement of the company and from that document we feel that even if there is a drop in the sales it would not ruin the company. It was not originally expected that the concern would sell so much beer.

We see from the balance sheet that the company has made possibly over \$¾ million in one year. That is an equivalent, I understand, of about 60% return on capital invested. Nobody begrudges the company making profits, but what is indeed alarming is that the company intends to spend \$½ million outside this territory and, may I say, Sir, that this decision was not made because of the tax. That is the implication being bandied around but the proposed investment outside was part of the plan. The balance sheet was published since early December, and the plan to export capital that was made long before the tax was ever dreamed of; so that anyone who peddles the propaganda that Bank Breweries Ltd. would be taking money out of the country because of the taxation proposals should reconsider how and when that propaganda started.

This Government is giving protection to local capitalists, and we hope that local capitalists would not follow what has been the traditional pattern responsible for the backwardness of backward territories, that is, the exporting of capital from those territories. Whether it is in British Guiana, the Middle East, or Latin America, that is what accounts for the poverty of so many countries.

To illustrate my point, I would just like to make a quotation. To my mind it shows how certain factors operate to keep backward territories backward. Referring to capital taken out of countries, "*The Economic Journal*" (No. 267, September, 1957), at page 438, states:

"The classical view cannot, as we have seen, be applied to deficits of private enterprise economies. Looking at the matter from the point of view of the lending countries in the nineteenth century, Imlah's statistics show that Great Britain made no sustained real transfer on a significant scale on visible and invisible trading account after 1825. At that date her stock of foreign assets is put at less than £.100 million. The subsequent growth of this stock to £4000 million by 1913, re-

sulted from a partial reinvestment of interest and profits due to Britain and show, the power of compound interest. Keynes was, as usual, on the right track when he calculated that taking Drake's treasure at compound interest; it would accumulate to something close to £4,000 million by 1913."

We have other examples in other countries, like the Anglo-Iranian Oil Company putting a total of £.20 million in Iran and taking out a total of £.400 million in 50 years; and the fact that in Latin America in the period 1945-55, \$2 billion worth of capital was put in and \$7 billion taken out. That is the history of these territories where capital outflow was less than capital inflow, and we are hoping that in this country people would reinvest capital here.

If the reference in "*The Economic Journal*" is to a country where we find imperialists, then how unpatriotic it would be in British Guiana for local capitalists, whom this Government is trying to encourage, to take out substantial profits made here and to invest them outside. They not only take money out of the country but slander the good name of this country outside. No wonder that Governments sometimes get very harsh, and there is little wonder that they do such things because of sharp practices such as this. A campaign was organized in this country to collect signatures and what not. I think we should organize a campaign to see that the \$¾ million which was made as profits by this company is left right here and invested right here to provide employment for those thousands of Guianese who have contributed to those profits. We have to see to it that such a campaign is launched in British Guiana.

Our country has to be developed. We are on the threshold of a new era, and let us make no mistake about it certain things have to be done. All the economic experts, whether they are Marxists or non-Marxists, are agreed on one thing that in backward territories we have to do certain things, to save and to see that those savings are put in their right direction. On the last occasion I quoted from Dr. Myrdal, the Swedish economist, and I think the point needs to be re-emphasized. I quote:

"There is no other road to economic development than a compulsory rise in the share in the national income which is withheld from consumption and devoted to investment. This implies a policy of the utmost austerity quite independently of whether the increased savings are engendered by high levels of profits to be ploughed back in industrial expansion or by increased taxation".

To companies which are making lots profits I say "*Good luck to them*". They have, we hope, the patriotism to plough back those profits into the development of this country. About 80 per cent of our labour force is presently working while 20 per cent is starving, but even the 80 per cent do not work full time. Unlike most countries, we have the large proportion of our population youthful and in the non-working age group we have too many

people becoming prematurely old, who either cannot work or are unable to work. Therefore it is only just and right that those who are fortunate in finding employment should make some contribution so that those who cannot work may get a bite and that the young people who are coming up may get a proper education, so that tomorrow they would become useful and productive citizens of this country.

Not only have the experts said so, but other experts who have studied the problem have also decided in this way. In his book "*Development of free Asia*" Maurice Zinkin reiterates the same point. Referring to the backward countries in the Far East he says:

"These examples illustrate a very important side of Asia's problem. If Asia is to develop it must have investment, investment in things, and investment in people. It must have railways and factory hands, power stations and atomic scientists, packing machines and peasants who can read instructions on a promissory note. Before there can be this investment, somebody must do without his amenities, somebody must save, either actually in money or by giving up leisure. It is not however, enough for there to be saving; the saving must be properly directed. Much of Asia's swing today goes, directly or through a loan by the saver, to someone less provident, to unproductive purposes, to hoarding and jewellery, ceremonies and festivals, display and the buying of existing assets, especially land. If all Asia had a living tradition as austere as Japan's, the amount available for investment would double even in India; in Ceylon or Thailand, it might considerably more than double".

What applies to India, Ceylon and to Thailand applies with equal force to our country which has more or less the same problems. We see today that we are part and parcel of a world problem of underdevelopment. Capital is scarce outside. Some Members drag in the red herring of ideology, but so far as foreign investors are concerned they are more concerned with stability than with ideology. People from the World Bank and others have said so. That is not the reason why we do not have foreign investors in this country. The fact, that there is depression and underemployment are part and parcel of a world system under which we are only a small part.

We are attempting right now to lay the foundation for economic development. Members have noted the vast improvement which have made in certain countries, the U.S.A., Japan and Germany, but those countries have had a head start, and they are today in a much more fortunate position. We have not been so fortunate, and in my opinion we have to tread the hard road in the same way that some of those countries have had to do at the beginning. Referring to the early development of Japan which today is a highly developed country, this is what Professor Nurkse has to say, and I quote from page 148 of his book "*Problems of Capital Formation in Underdeveloped Countries*".

"Once more, look at Japan. In the initial period of development, especially in

the 1870s and 1880s, the State dominated the scene in providing capital for public works and industrial expansion. How was this financed? By stiff taxation, especially of the agricultural population; occasionally by forced loans imposed on the commercial middle-classes in the towns; and also by credit expansion, which was not inflationary in so far as it reflected an increase in the monetary sector of the economy. People who had not used money before performed saving in the very act of building up their cash balances. Japan achieved her industrial growth without much inflation. The outstanding instrument of forced saving in Japan was the traditional land tax, which was drastically tightened up and reassessed in the 1870s."

He goes on to say that it brought in about four-fifths of the Government revenue. That was the hard road which Japan, a country which is today highly industrialized, had to tread initially so as to become a highly developed country as we would like ours to become. Not only are we having financial difficulties but we also have political problems. As we in British Guiana are aspiring to independence we must show that we are able to stand on our own feet. We must be able to direct the little money we have into proper channels, so that we make the best use and secure the greatest return for the sums invested. Independent countries today have a hard enough task to solve their economic problems, and our problems are therefore graver in view of the political restrictions under which we are working today. We are a dependent country; we are not as free as India, Ghana, Ceylon and many other independent countries which can obtain loans and technical experts practically for nothing. We have seen that some of those countries have been able to negotiate loans at 2 per cent interest.

India, Afghanistan, Ceylon, Egypt have been able to go to the East and to the West, and have been able to negotiate loans at low rates of interest; they have been able to get agricultural and industrial machinery on credit, to be paid for over a long term period; and they have been able to dispose of their products on the basis of barter agreements. No such avenues are open to us. In the special circumstances we find ourselves left with no other alternative.

The Party that I represent is particularly aware of the difficult position in which it is placed today. It is aware that in a country such as this which has inherited so much backwardness, it is not possible immediately to resolve all of the difficulties with which it is confronted. It is aware that its hands are tied. This Government is not supposed to do certain things, but we cannot find the solution to our problems. One is told that one must provide employment. One is asked in this Council, *"Where is one's sympathy for the working class people and the masses?"*

When I was in the United Kingdom at a Press Conference which I held after the talks with the Colonial Office and the British Government, I was able to put forward for the consideration of the British people the serious problems which confront the people of British Guiana. The Members of

this Government are aware of these problems, but having been placed in this difficult position we have to act like responsible people. We are aware that if we took the irresponsible road, as suggested by some Members of the Opposition, then there will be no solution to the problems of this country. We realize that we are in a vortex at the moment. If we do not tax the people or agree to increased taxation we will not solve any of our problems, because the British Government says "*We have not got any money; we are not going to guarantee any loan*". This is one side of the vortex in which we are caught. On the other side if we agree to taxation – taxation which will provide necessary monies to give us a proper development programme which is in keeping with our needs then we are told that we are doing the wrong thing, and are taxing the people into starvation.

I realize that some of the working class people will have to pay a few more dollars, but there are large numbers of people who are above the minimum wage level. We know that a large number of people can very well afford to spend a little less on nonessentials, so that we can have our drainage schemes, public works schemes, schools and so on. We cannot have it both ways. We have been criticized every time we attempt to save money.

I should like to inform Hon. Members that Professor Nurske says this at page 151:

"We can readily concede that public finance has only too often been distinguished by waste in such forms as overstuffed services, ostentatious buildings and military establishment".

We know this is very true about British Guiana. We are trying to hold down expenditure. The Hon. the Financial Secretary said that ever since he has been here he has endeavoured to hold down public expenditure, and we will continue to do so regardless of what the Opposition says, because we feel that, putting political opportunism aside, which is good for the next elections, we should be concerned with economic factors. Like private enterprise, which is said to be efficiently run, Government wants to know that all of its undertakings are carried out efficiently.

There must be some dislocation. Anyone who does not want dislocation is reactionary, because if you have no dislocation in British Guiana, today you will have a *status quo*. Everyone in this Council knows that a *status quo* will never solve our problems and headaches.

We tried to cut down over Government Departments. In my Department and the Cooperative Department we have been able to cut the staff by four officers, who have gone back to the Department of Education from which they were seconded. We are now carrying out an investigation to see whether Departments such as the Social Welfare, Cooperative, Community Organisers, School Attendance Officers, and Government Information Officers and so on can be integrated so that we may have one or two

officers doing the job more efficiently. As soon as we try to do these things, we are told that we are creating unemployment. We do not want to create unemployment; we want to have efficiency - efficiency sometimes means dislocation. Other jobs will have to be found for the people who are retrenched.

I would like to close my remarks by making an appeal to Hon. Members. We are at a critical juncture in the history of the country. I have always taken the line that British Guiana, at this stage, cannot afford partisan politics. That is why I have always taken the line that a united front is in the best interest of this country in the present phase of our history. What may be good enough for England at her stages of development might not be exactly good enough for British Guiana.

The U.S.A. and the U.K. may be champions of free trade, and it may be a good thing for them. When England was mistress of the seas she was advocating free trade because nobody else could compete against her. Today, when the U.S.A. can almost outsell anybody when it comes to products produced in industries in the U.S.A. or industries planted in any other country, the U.S.A. is the champion of free trade. We will have to find methods to suit the peculiar conditions in which we find ourselves. We will use protection if necessary.

A great deal has been said when we were discussing conditions in connection with the Tax Bill, and something was said about losing our goodwill with Canada. On this point I think that Professor Myrdal's statement is very apt. Speaking on the backward countries' need to protect their industries and to put up tariff walls, if necessary, he says:

"The underdeveloped countries have rational grounds for asking the developed countries to liberalise their trade unilaterally. They need to be staunch free-traders, and even preserve for themselves the right to give export subsidies, so far as advanced countries' imports from them are concerned, but restrictions in respect of their own imports. And they have valid arguments against anyone who would call their attitude logically inconsistent".

We have to adopt means and methods where applicable and suitable to our peculiar conditions. I appeal to Hon. Members that, in the interest of the people of this country, we should not be playing partisan politics at the moment. Regardless of who sits here in these seats, what we are trying to do today will have to be done. The quicker the Opposition realizes this, the better.

I am therefore hoping that in the future we would not have endless repetition but rather we would have Members of the Opposition getting up and praising the Government for the courage it has demonstrated in taking the bull by the horns, so that this country's future can be assured in the shortest possible time.

Death of Mr. Sydney Smith and Mr. N. N. Nethersole: Wednesday March 18th, 1959

Dr. Jagan: Mr. Speaker, I crave your indulgence and the consent of Council in terms of Standing Order No. 24, to move the following Motion:

“Be It Resolved that this Council records its profound regret at the death of Mr. Sydney Smith, Minister of External Affairs, Canada, and Mr. Nethersole, Minister of Finance, Jamaica, and directs that an expression of its sympathy be conveyed to the respective Parliaments and to the relatives.”

(Agreed to.)

It has come to the notice of Members of this Council and to the country as a whole that Mr. Sydney Smith, Minister of External Affairs, Canada, has recently passed away. I had the good fortune to meet Mr. Smith some months ago in Trinidad, and he seemed to be a highly esteemed Member of the Canadian Government.

Mr. Nethersole, Minister of Finance, Jamaica, has from the very inception been a staunch member of the People's National Party in Jamaica, and has done a great deal for his country. I understand that through his untiring efforts Jamaica was recently able to raise a loan in the United States of America. I think Jamaica owes a great deal of gratitude to Mr. Nethersole, both as a politician and as Minister of Finance. It is a privilege to be able to move this Motion and to request that an expression of this Council's sympathy be conveyed to the respective Parliaments and to the relatives of the deceased gentlemen.

Local Government (Valuation Of Property) Bill: Wednesday March 18th, 1959

Dr. Jagan: On the last occasion when the Hon. Member spoke, I referred to the fact that we must not confuse valuation with rating, it was quite obvious that there must be an inherent difference in the value of land which is given irrigation, whether put in by the proprietor or by somebody else, and land which has clay soil or pegasse soil. One cannot compare land on the East Coast under cultivation with foreshore land inundated with salt water. There must be a difference in the value of the land because of the inherent fertility of the soil. You cannot compare clay soil with sandy soil. On the Essequibo Coast there are areas with clay soil and others with sandy soil. I can remember when we gave the Kellar Corporation a big lease for a certain amount of land; they told us that the land was almost valueless because a portion of it was virgin sand. This is a question of value, and it must not be confused with taxes or rating. We are dealing with the type of soil which determines fertility, and the availability of drainage and water must have something to do with the land.

Whether valuation is for rating or not, it is known that when dealing with large areas you are bound to have different types of soil in the areas. Whether it is 2%, 1% or 6% one has, first of all, to establish the value of the soil in the area. The rate will obviously have to be uniform for the whole area, and the value of a plot of land will have to be made on a certain basis.

Does the fact that a man has to pay more in rates preclude him from improving his property? If that argument was correct, then nobody would improve his house or land; but obviously the benefits to be derived from improving agricultural land cannot be compared with improvements, say, to one's home.

The Hon. Member is saying that because you improve you will have to pay more rates. That is very illogical. Obviously the Hon. Member is arguing against it because people will have to pay more rates, and he feels there will be no incentives.

However much we would like to cooperate with the Hon. Members on the other side, it is obvious that this Bill seeks to do one thing – to set in motion the machinery for valuation. Obviously the purpose of valuation is for rates, and we cannot fix the percentage of rates unless we know the value of the different properties, and that is going to take a long time.

If that is not done now and we wait until the other Bill is brought forward and it is passed simultaneously with this Bill, all the time necessary to do the preliminary work will have been lost entirely. I am appealing to Hon. Members not to delay this Bill any longer. The urgency of this Bill is to get the machinery going for the purpose of getting the valuation of properties fixed properly.

I was making the point in reply to the remarks of the Hon. Nominated Member, Mr. Gajraj, who said that there is a difference in fertility according to the types of soil, that if there is a difference in fertility obviously there must be a difference in value. Nobody is going to buy sandy soil at the same price as clay soil. There is a difference in value according to the type of soil, and that is what we are trying to establish – what is to be the yardstick in determining value. Soil fertility and the different types of soil must be used as a measure for determining the value of land. I therefore cannot see how paragraph (vii) can be deleted.

On the question of irrigation water, we have had the point made that we are taxing initiative, but the Hon. Nominated Member, Mr. Gajraj, should know that anyone who spends money to improve his building pays more rates because he has improved the value of his property. But simply because he has to pay a little more in rates is no argument that he would not want to improve the appearance of the building in which he is living. In the same way I say that a person would put in irrigation works because of the additional benefit he would get from the land. A farmer uses fertilizer because of the greater yield he would get from his land.

Even if one argues, as Members are arguing, that the purpose of valuation is rating, there is no reason why these yardsticks should not be inserted for the purpose of determining the value of property. We know that Government is expending millions of dollars all over this country on irrigation works, and in due course the whole Colony will be served by irrigation schemes. We have Blocks I, II and III schemes on the Corentyne. We have spent a large sum of money on the Torani Canal because we want to put more fresh water into the Canje River. We have also spent a large sum on the Boerasirie scheme, and investigations are being carried out in the Tapacooma and in the Mahaicony–Abary area.

All the people have to do is to provide connecting canals to these major works on which Government is spending large sums of money. But let it be noted that in spite of the fact that Government is spending large sums of money there are certain areas which will get no irrigation water at all. Even in the case of the Tapacooma scheme the experts have told us that when it is finished certain areas are not expected to get water. Mr. Hutchinson has also told us that in the case of the Boerasirie scheme certain areas will not be provided with drainage and irrigation water. Obviously, then the values of certain lands will be lower than others, depending on the irrigation water which is available to those lands. We cannot dispute that. Whether it is considered for the purpose of rating or otherwise, the inherent value of land will be taken into consideration.

This business of valuation does not necessarily mean that a proprietor will have to pay more even if his property is valued at a higher figure. If the Local Authority wants a certain amount of money to do a job – let us say that it charges 2% of the value of a property which is worth \$4,000. If the value is raised to \$8,000 the income that the Local Authority wants is a

fixed figure and it could reduce the rates to 1%. The rates can be varied according to the needs of the Authority. If the Local Authority does not want to spend more money than it is spending now, then it will not be necessary to levy higher rates. It is possible that it might consider reducing the rates.

Let us take Georgetown as an example. If the properties of Georgetown are reassessed and the values become higher as many of them should be; if the Town Council wants \$X and it has \$X it could reduce the rates. It does not mean that because the value of the property is raised that *ipso facto* the rates will be raised.

The point I want to make is that there may be several lots of land which are served with irrigation water and the value will therefore be higher. The Hon. Member himself knows that if an area is devoid of water and another area is provided with drainage and irrigation facilities there will be a big difference in the value of the two areas.

The point raised by the Hon. Nominated Member, Mr. Tasker, is that it is through personal initiative or enterprise a person has put in internal works and the value of the property was raised the man would be penalized. In time most of the external works will be done by the Government so far as drainage and irrigation schemes are concerned. The internal works will be abutting the external works, and that is what people will be asked to pay for.

So far as rating is concerned there will be differential rates. Sugar estates may not have to pay for irrigation works if they have provided internal works. If the Local Authority does not have to maintain canals the sugar estates may be excluded from rating. The valuation of property is based on two factors and this Bill is merely setting out what the factors should be.

I think the Hon. Member's contribution has answered the point which we have been making all along. This is a Valuation Bill and, if the vast areas to which he refers are not included in any Local Authority, there would be no Authority to levy rates and taxes. This Bill will come into operation fully after all of the areas have been valued and when the Marshall Plan comes into effect throughout the Colony and the new Bill on Rating is passed. At the moment, as far as the areas are concerned, we need not think of how many Local Authorities there will be. This Bill provides for Valuation and not Rating.

I would not seriously oppose that. As I said earlier, there are different soil types, and inherent fertility of the soil should be factor for consideration when dealing with the land. One can argue that the application of fertilizer will improve the fertility of the soil, and therefore it can be compared with improvement of property of another type, say, the improvement of a home or modernizing a building. I can see the point being made that the application of fertilizers to land is an improvement of it, therefore, I have no serious objection to the Amendment proposed by the Hon. Member.

I am sorry to say that Government will not be able to accept this Amendment. Again the old question of rating has been introduced into this debate, but as Hon. Members have said, this Bill dealing with valuation has the purpose ultimately of rating and, I suppose, inevitably the question of rating comes into the picture. But I think Government has already gone a far way in meeting the points made by the sugar industry or by people who are industrialists, who have machinery and who are contributing a great deal to the economy of this country, because if we look at the classification of properties we will note that instead of accepting the true value of machinery, all that is being done is to accept in the case of heavy industrials, a rate of 20 per cent of the value of the property. In the case of light industrials the rate is 10 per cent, and workshops and similar premises 5 per cent. This is certainly a large concession, because we know that in many cases machinery costs much more than the building itself. In most cases, the machines sometimes costs 200, 300 or 500 per cent of the actual value of the money. Therefore, I would say that Government has gone a far way in meeting the criticisms of the sugar industry and others, because by doing so it would actually be not valuing the property as it really should be valued for the purpose of rating.

What is the argument used for taking factories out of this class? It is that the sugar industry is already contributing a great deal to the economy of this country, and that is providing housing and other services. What is wrong about an industry in an area where there are not many other industries making profit, contributing not only to the revenue of the country but to the welfare of the people in that area? In fact, in certain countries, where factories are owned by the State, the first charge on the profits of such factories is for welfare in the locality in which the factory is sited, before income tax and other taxes are paid. Included in the distribution of profits is a 10 percent charge, or whatever it may be, for the purpose of helping to administer and giving to the area certain services.

Let us take the Mackenzie area. We have there particularly one industry. Where else is the money to come from if we are to have amenities in that area? Because we have in our country one or two industries only is all the more reason why they should contribute something. For the purpose of rating, Government has been very generous in the scale suggested in this Bill, which is not the true value of the machinery.

Having aside a question of income tax, even if the industry is called upon to pay a little more when rating comes along it will pay less income tax. Rating will be the first charge, and income tax will come second when the net profits are assessed.

If we deal with this matter theoretically like the capitalist, we will realize that the moment several machines are put into an industry less money is paid to labour. In the sugar estate mechanization takes place and hundreds of people are unemployed. The law of the capitalist accumulation states that the greater the amount of money being put in fixed assets the

greater the relative impoverishment in the industry. I speak in terms of the people employed in the industry, and not the money which goes to the people who run the industry. Most of these industries mechanize because it pays to mechanize, and not because they have to keep their heads above water. When they mechanize the industry they can make a greater accumulation of profits.

If the people are not working they will not be able to pay rates. Nevertheless the community must have its amenities and services. I would say that the Government has been most generous in trying to value properties or industries by way of the formula which is being suggested in this Clause—for the housing of heavy industry only 20 percent of the cost of the building. The machines cost more than the value of the building. Some people are using ply board to erect certain buildings. To say that the machinery and equipment in a factory should be rated at 20 percent of the total value of the building is really being very generous.

I repeat that Hon. Members should not confuse this Bill with the Bill which deals with rating. When the Rating Bill comes before this Council for consideration, then the arguments put forward by Dr. Hill can be brought up. If the Government is convinced that Dr. Hill is correct, it will decide whether it should be a different rate or a uniform rate. This is merely the formula which we are trying to establish for a rating of properties.

I wish to correct the Hon. Member. He said that the valuation of machinery was such that there would be a bigger surplus. Obviously that depends on what the Local Authorities decide to do, whether they want to rate machinery or not. It is a question of principle, and all I am saying is, that in the valuation of property one must take equipment into account. That is all I am saying. Government is being generous in accepting in the case of heavy industry not the actual value but only 20 per cent of the value of the buildings. I am saying that the Government considers that you have a certain set up at the moment. Tomorrow somebody decides to modernize a factory completely: that person will then be rated according to 20 per cent of the value of the building. Speaking in relative and not absolute terms, by the introduction of new technology, the position of the capitalists will be better and that of the worker worse. For people who can afford it there is no harm asking them to pay a little more. They will pay on the basis of a formula, and that formula taxes 20 percent of the actual value of the building itself.

I am sorry I was drawn into this argument. It is only because the Hon. Member kept referring to rating that I interjected. As I have said, we are only trying to adopt a formula. That is more generous than if Government had said, "*We are going to value everything*". If we had said that, we would have had more howls from the people running the show at the moment. But Government is being generous, and we are trying to evaluate what the value of a property may be, by way of a formula.

Trade Mission To Venezuela: Wednesday March 25th, 1959

Dr. Jagan: I wish to make two announcements. On the 5th of November 1958, this Council passed unanimously a Motion moved by the Member for Demerara River (Mr. Bowman) which read as follows:

“Be it resolved: That this Council recommends to Government that a mission be sent immediately to Brazil to ascertain whether the Brazilian Government is interested in establishing a road through British Guiana, and to discuss the question of trade between the two countries:”

“And be it further resolved: That the said Mission be sent also to Venezuela to explore the possibility of trade with the Colony.”

I wish to announce that Government intends on sending a Trade and Goodwill Mission to Venezuela on April 7 for a five-day visit to that country. The Mission will comprise 10 persons, including myself as Leader of the Mission.

The other persons will be R. B. Gajraj, M.L.C., Vice- President of the Georgetown Chamber of Commerce and Chairman of the British Guiana Rice Marketing Board; Messrs. H.P. Bayley, Manager of the B.G. Rice Marketing Board, John Fernandes, and D. Ramlakan, members of the B.G Rice Marketing Board; Gavin Kennard, Director of Agriculture; P.H. Gibbings, Vice-Chairman of the British Guiana Sugar Producers' Association; W.A. Fraser, a Director of B.G. Sugar Producers' Association; V.J. Willems, President of the B.G. Forest Products' Association and Managing-Director of Willems Timber and Trading Company; and R.J. Brewer, Mill Manager, Government's Central Timber Manufacturing Plant.

Government's Rice Milling Policy: Wednesday March 25th, 1959

Dr. Jagan: I also wish to take this opportunity to present a statement on the Government's rice milling policy.

On the 22nd December, 1958, there was tabled in this Legislative Council a Report of the Rice Committee which was presided over by His Excellency the Governor. The recommendation for rationalization of Rice Milling contained in paragraph 19 of the Report of the Rice Committee has been considered by Government. The paragraph is as follows:

"Milling:

1. *The Committee found the present organization of the milling processes of the Industry unsatisfactory and set themselves the vital task of trying to find a practicable solution for the rationalization of milling. Without efficient milling there cannot be an efficient industry. Unless the industry is efficient it will not be able to hold its market in the face of efficient modern competition from larger producers in other countries. The Committee held very full discussions on milling at a large number of its meetings. At the onset all members unanimously agreed that while single-stage huller-type had played their part in the development of the industry they were now out of date and unsuited to any area which was producing rice as a market crop. The immediate objective of the industry must be to replace single-stage milling throughout the country. It was generally agreed that multi-stage mills, with efficient storage and drying facilities, producing as little as ½ a ton of rice an hour, if they were well run could be as efficient as larger central mills such as those at Anna Regina and Mahaicony-Abary (about 3 ½ tons an hour), whose efficient milling was acknowledged by the management of the Rice Marketing Board even if their economy depended on a larger throughput of paddy that they had at present secured. But the Committee was impressed by the need for standardization of export grades and it was appreciated that it was very much more difficult for a number of small mills, however efficiently run, to go on producing the same standardized qualities of rice for bulk export. The Committee held the view that the Industry and the country could not afford to waste capital of over \$5 million invested into the two existing central mills. A reasonable throughput of paddy must be secured to them at the expense of the outdated single-stage hullers in order that the industry could quickly pay off the capital cost and interest and depreciation charges and secure permanently the better prices for farmers which could then result. The Committee looks forward to the day when the industry, that is the farmers themselves, own the central mills free of debt and fully maintained turning out high quality standardized grades for export.*

2. *In the view of the Committee's recommendation, Government has decided*

that in the operational zones of the two central mills at Mahaicony-Abary and Anna Regina, permission should not be given for the erection of new mills; but that existing single-stage huller-type mills individually or collectively should be allowed to convert into multi-stage mills, provided that the capacity of the converted mills was not more than at present. In free zones permission would not be given for the erection of multi-stage mills as well as for converting existing single-stage mills into multi-stage mills.

3. A recent statement of the Rice Millers Association disclosed that because of under-milling and inefficient milling generally by the single-stage huller-type mills, the industry was losing over a million dollars a year. As a result, a period of three years will be given for the conversion of single-stage mills into multi-stage mills in both the operational zones of the two central mills and the free zones, and thereafter, the mills that have not been converted will be required without compensation to stop using single-stage hullers.

4. Government also decided to prepare legislation to give effect to the decisions in paragraphs 2 and 3 above and to confer on the Director of Agriculture the responsibility and power to control the erection of new multi-stage mills and to require the conversion of single-stage hullers to existing capacity in the operational zones."

British Guiana Rice Producers' Association (Special Provisions) Bill: Wednesday March 25th, 1959

Dr. Jagan: I beg to move Second Reading of a Bill entitled:

"An Ordinance to provide that Members of a Committee of a District Association and of the Council of the British Guiana Rice Producers Association shall continue in office as such for certain specified periods and for matters connected therewith."

The purpose of this Bill, as stated in the Objects and Reasons, is simply to postpone the elections of the Rice Producers' Association for a period of one year. Executive Council has already considered certain proposals put forward by the Association relating to the election of members to the Rice Producers Association Council. The new proposals are now with the Legal Department and will be ready very shortly for introduction in this Council.

I should like to point out that although permission is sought in this Bill to defer the elections for one year, it is hoped that the Bill will be ready by August for introduction and debate in this Council so that the elections can take place before a year has gone by.

The proposals are quite clear, and I need not deal with them at great length. Provision has been made for the election of 24 rice producers to the Council, two to be chosen from each district. At the present time there is provision in the Ordinance to permit the holding of elections for District Associations every year, whereas members of the Council are only elected every two years. That appears to be an anomaly because it is possible for a man who may be defeated at the elections at the local level to hold a seat on the Rice Producers' Council, by virtue of the election the previous year.

In view of a number of anomalies in the Ordinance, the Rice Producers' Association feels that Amendments should be introduced to correct them. That is why the Government has agreed to the proposals put forward by the Association and to postpone the elections for a maximum period of one year. It is possible that the period may be shorter than one year.

I move the insertion of a new Clause 6 which reads:

"6. This Ordinance shall be deemed to have come into force on the 15th of February, 1959".

I beg to report the Bill has been considered in Committee and amended by the insertion of a new Clause 6. I now move that it be read for a third time and passed.

(Question put, and agreed to.)

Summary Jurisdiction (Procedure) (Amendment)

Bill: Thursday May 14th, 1959

Dr. Jagan: I was glad to hear the Hon. the Attorney-General give the assurance that if the police were found to be abusing their power, then the Government will take the necessary steps to remedy what needs to be remedied, if necessary, by legislation. I can assure the Hon. Members that there is no intention on the part of Members of this side of the Council to take away the liberty of the people in this country.

I am, therefore, very much pleased that the Hon. the Attorney-General has given that undertaking. I can also assure Hon. Members that everything will be done in a manner that will satisfy the wishes of the people and allay the fears of members on the other side who have spoken on the matter.

Customs (Amendment No.2) Bill: Thursday June 18th, 1959

Dr. Jagan: I think we have heard enough on this Tax Bill, therefore, I do not intend to be too long with my comments. I would like to say, however, that in my opinion this Tax Bill could not be regarded as a discriminatory one, rather, it should be termed as a restorative one - restorative in the sense that it is putting back something which was there before.

The Hon. Nominated Member, (Mr. Tasker) in referring to this Tax said that it was imposed as a measure of subsidizing food stuff at that time. It must be remembered that in British Guiana today the Government is not directly subsidizing many goods in the same way as they did in days gone by, nevertheless there are still several fields in which Government is contributing a very great deal of money. Only this year the Government agreed to subsidize cooking oil to the extent of two cents per pint, and this will amount to a subsidy of over \$100,000. We know that the Government is subsidizing the farmers by giving them a guaranteed price for their products which in turn also helps to subsidize the cost of living and to keep it relatively low. We must appreciate that if the farmers do not get a fair price for their products it is likely that they may go out of production. It must also be realized that in the case of the Transport and Harbour Department, the Government has to meet with a very heavy subsidy annually. In this case one can safely say either reduce expenditure or increase revenues. But if revenues are to be increased this means a greater burden on the travelling public by way of increased freights. Therefore, in these circumstances, it cannot be said that Government is still not continuing the policy of subsidisation. If the Government should go in for a policy not to subsidize either directly or indirectly, it would mean a tremendous increase; to the people of the lower income group, so there is the need to continue the policy of keeping down the cost-of-living.

Prior to 1952 there were three taxes imposed on the sugar industry: the Acreage Tax, the Distillery Tax and a Sugar Production Tax.

It is true that the Venn Commission recommended that these Taxes be abolished. I argued in this very Council during 1952 when it was proposed to abolish these Taxes that there was no necessity to abolish them. I remember that in those days the Government had a proposal to introduce the shift system in schools, something which was opposed to at that time. Even up to this time we have a serious shortage of school accommodation for primary school children. So that, taking all those factors into consideration. Government has every justification in recommending these Taxes in place of those which were abolished since 1952. I shall like to read from the statement of the Hon. the Financial Secretary, in his Budget Speech of 1953 in which he said:

“Accordingly, it is only right that I should give a warning that the sugar duty may have to be reviewed if it becomes essential to raise additional revenue for these purposes and the circumstances of the industry justify a direct contribution from sugar producers. This admittedly implies in effect a conditional suspension rather than a final abolition of the sugar duty. The Government also considers it right that the controlled price of sugar for the local consumption (which is below the UK contract export price) should be maintained at its present level.”

Therefore, it is not that the Government is trying to be discriminatory, but rather to restore what was there before. If the original Tax was reimposed then it could be argued that the sugar industry would have had to pay a bit more. Then again it can also be argued that the local sugar price has not been raised, and therefore the sugar planters should not be allowed to pay a Production Tax on sugar which is sold locally. Having given this some consideration the Government decided not to reimpose the original Tax but rather to impose an Export Duty Tax.

The Hon. Nominated Member, Mr. Tasker, also made references to rice and sugar in support of his case on the Taxes; but certainly one cannot compare the rice industry with the sugar industry. It is true that we would like to bring up the efficiency of the rice industry to the same measure as that of the sugar industry. But regardless of that, the rice industry is today a very marginal crop, and had it not been for the fact that the farmers have been putting in their own labour much of which was not calculated the rice industry would not have been up to its present level.

A few years ago Dr. C. O. Laughlin pointed out that the average cost of production of a bag of paddy was \$7, and the rice farmers were paid a sum of \$6.80 per bag of paddy, so it was quite clear that the two were not on all fours with each other. Therefore if the Government is trying to help the rice industry it is for the rice farmers to keep all those things in view. And it must not be forgotten that if some benefits are given to the rice industry that the sugar industry must also be benefited in the same respect.

It is a known fact that the Government is spending millions of dollars on drainage and irrigation schemes. A great bulk of money on the Development Programme – not only now but in the past – has been spent in this sector of economy. We will recall the Bonasika Scheme it was intended to supply the sugar estates, particularly with an adequate and constant supply of irrigation water, but millions of dollars of the taxpayers' money went down the drain on this Scheme. This Scheme was further extended and we now have the Boerasirie Extension. The Project Torani Scheme was also intended to supply water to the rice farmers and the sugar producers on their estates. It's true that that part of the Scheme was meant to supply water to the rice fields but there was no doubt about it that a large part of the extension was then made to augment the irrigation in the sugar estates. Mr. Hutchinson suggested that there should be a preferential rate in drainage and irrigation schemes, particularly for irrigation. It is suggested that

\$5 be paid per acre for sugar which was already in cultivation, and \$8 per acre for lands which came under sugar, \$4 for rice and a flat charge of \$1 per acre for drainage.

Up to now those charges have not been implemented. So it can not be said that the sugar industry is not receiving benefits from the Government. Government is spending a tremendous amount of money in this sector, and is glad that there is an efficient sugar sector and that Government is contributing towards its development.

So it cannot be said that Government is only doing what needs to be done for the rice industry. It is true that because of the marginal nature of the rice industry it is necessary, perhaps, to more often come to the rescue of the rice farmers because they cannot help themselves as much as the sugar producers can. The sugar industry has more facilities and indeed, as a Member said, it has greater political influence, and as such it is placed in a more fortunate position than the rice industry.

We know what is happening now in the Mahaica area. Pumps are being installed to pump water into the conservancy as a result of which the sugar sector is able to get preference to the available water supply as farmers, some of whom have to convey water by boat for domestic consumption. Therefore it cannot be that Government is not assisting the sugar industry directly or indirectly. In the circumstances, if Government is trying to get a small share of the profits from a viable industry there should be no charge of discrimination, especially since a similar Tax was there before. So far as the P.P.P. is concerned, it had long given notice of its view that this Tax should not have been abolished, and that as soon as it got the opportunity it would be reimposed. In 1953, unfortunately, there was not enough time to reimpose it, but we felt that it was justified and should have been reimposed.

I do not think it can be argued, as one Member did, that the sugar producers are now losing money. Where are they losing money? One may compare this year with last year, or perhaps 1958 with 1957 and say that the profits have gone down, but let us look at the long term period, from the end of the war. Certainly profit trends have been upward since the war.

The Hon. Member referred to the unemployment in the sugar industry and said that a wrong picture had been created by Government; that in fact only a little over 2000 persons became unemployed. When we spoke about 5,000 people becoming unemployed we were not referring to the two-year period but the five year period. I hope that the matter will be cleared up; because I do not say that we are infallible, but when we quote figures we endeavour to have them verified before we quote them. Those figures were taken from the Labour Department Statistics, and showed that during the last five-year period nearly 5000 people became unemployed in the sugar industry.

If profits over that period have been on the upward grade we feel that the sugar industry should bear its share of responsibility for settling its

workers, finding employment for them or giving them a dole. Government has to find money somewhere, and if it has to get it from the sugar producers I think they should not quarrel too much about it.

As an aside I would like to point out that the sugar industry is in a more favourable position. For instance, in regard to lands on the East Coast which are now being sold for housing purposes, the sugar estates are now realizing sums ranging between \$2,000 and \$5,000 per acre for some of those lands - quite a substantial sum of money. I recall the terrific howl I made in this Chamber when Campbellville was bought for \$480,000, because I saw that only a few years previously a far larger area was valued at only \$60,000. There is no doubt that those lands were purchased for little or nothing. Those are all unearned increments which the sugar industry has not sweated for.

The increased value of these lands has come about because of the general population increase and the pressure for housing in the City of Georgetown. However, I am glad to see that these lands are now being released, but a tremendous amount of money will be going into the pockets of the sugar producers as unearned increments, which they should share with the Government, and if they have to share it in this form for the general good of the community I do not think they should feel hurt about it.

Comparing rice with sugar, the average rice farmer has to pay, apart from drainage and irrigation charges and Local Authority charges, a basic rental for his land of \$10 per acre. The sugar estates are fortunate in that for all the years they have been paying the equivalent of 20 stivers, or somewhere around five per cent per an acre. Obviously the sugar industry is in a far better position to pay than the rice industry, even with the lower world price. Many farmers would like to plant sugar cane but they are not allowed to do so because it is being said that there is limitation of the Commonwealth market and the limitation of the International Sugar Agreement. If the rice industry can afford to pay \$10 per acre as the average rental for lands, certainly Government is contributing a great deal to the sugar industry by providing lands at between 3 cents and 20 cents per acre. In fact, at one time, Government proposed that there should be an exchange of front lands, on which it desired to build houses, for the back lands which the sugar estates were utilizing for production. Not only that but the sugar industry itself, in 1945, promised this particularly with regard to four estates. This was included in the 1945 Development Programme, They had agreed then to hand over some of those lands at \$ 1 per acre in the housing areas. So that there need not be any quarrel at this moment.

My Friend, the Hon. Member for Georgetown Central (Mr. Burnham) injected something new into the old argument but, as usual, his facts were wrong. I would therefore refer him to the Venn Report to see exactly what is said there, so that he will not come to wrong conclusions. I do not think it is necessary to dwell any longer on this Tax, except to say that, on all grounds, it is a justifiable Tax and one that is absolutely necessary.

Georgetown Electricity – Supply Failure: Wednesday September 23rd, 1959

Dr. Jagan: It is a great pity that on this serious occasion certain statements of a sordid character which one hears at the street corners and which one is bombarded in the editorials of certain newspapers have been made in this Council today. One Member declared that if this electricity failure had to do with constituency, possibly it would have been remedied already. He mentioned that because it pertained to a certain section of the community.

I took it down. If I am wrong, then Hansard will tell. The accusation was levelled that it was probably meant as a punishment. Another Member said that Government was not interested in rural electrification. The last speaker ranted so much that I did not know whether he was for or against the Government.

Let us examine the situation as it came about and see where the blame should be cast if, indeed, blame is to be cast. Let us also see what can be done to remedy the situation as quickly as possible and that is what we are concerned with at the moment. The Hon. Member for New Amsterdam took us back into the history of this question. He told us that the previous Government had decided to buy it, but that it is because of the constant indecision of this Government to purchase the Demerara Electric Company (D.E.C.) that we are in the present position. I reiterate that accusation: that it is because of the constant indecision of the present Government to purchase the D.E.C. . . .

What are the facts? The facts are that certain Members of the Majority Party were very critical of the idea of purchasing, not because of the purchase itself, but because of the tremendous price which the taxpayers and the Government were called upon to pay. There was no doubt about the fact that this plant was a heap of junk, and anybody who has examined it will tell you that it is not worth what Government had agreed previously to pay, that is, the previous Government, and which the experts had advised should be paid. There was, I understand, some condition in the old agreement whereby replacement value had to be taken into account.

The Majority Party was opposed to the price, but it is certainly wrong to say that it is because of this Government's indecision on the question of purchasing that we find ourselves in this impasse.

Immediately after the General Elections in 1957 the proposal was brought forward to the Ministers that we should order a diesel generating set of 2.5 megawatts - this proposal was to buy one, but the idea was to buy two ultimately. This was a carry over from the previous Government and it was tied up with the intention to purchase and the advice given by the Consultants, Messrs. Preece, Cardew & Ryder. At least this Government bought the diesel generating set, acting on the advice of the consultants, so that in time the timetable laid down by the previous Government for the supply

of electricity would be observed. I do not see how "*indecision*" has anything to do with it.

What happened later? When the plant was more than halfway completed and we were facing difficulties in this matter, the D.E.C. flatly refused to take over and install the diesel generating set. That brought us up to the latter part of last year; but before that time some of us may recall that the Delegation which went up to London and had talks with the British Government took up the question of the purchasing of the D.E.C. That was in June, last year. Again, how can it be said that it was because of indecision on the part of this Government that we are faced with this situation today?

Last year this Government took up with the British Government the question of providing money for the takeover of the company. Although the Interim Government had agreed to provide funds for the takeover, the British Government suddenly said that it was a disinvestment and they were not prepared to give the money. The Colonial Development Cooperation was also consulted, and this concern said that the C.D.C. was not interested because its Charter precluded it from purchasing an undertaking under the circumstances, but it would be prepared to consider the expansion of the undertaking. We draw to their attention the fact that in this country the C.D.C. has paid handsome sums of money to Sills, Ltd. in purchase of some concessions and to Bookers who buy some sawmills, and it was the same principle that we were asking to be applied in this instance. Unfortunately they raised the matter of their Charter again, and pointed out that no argument we could put forward could convince them. Therefore, it could be argued that the present situation is the result of our indecision.

We were critical over the price asked for the plant; and anyone who visits the plant would certainly question having to pay \$7.5 million, or whatever it was. It is a legal matter, and it will have to be decided some time or the other. Sometime last year, as Hon. Members know, the company did not agree to install the diesel set we ordered on advice of the company and came up with a new position that the Government must agree upon a new franchise. Our consultants came down from London, and a chartered accountant from a very reputable firm in the United Kingdom was invited to come too. We discussed the questions involved. One Member referred to a rumour that rates would be increased. I do not want to disclose everything at this time, but I would mention that we were concerned over the fact that rates were likely to go up under new franchise, and the company was demanding it. Because of that, we referred consideration, particularly when we heard of the possibility of getting the money to purchase the undertaking on a "*package-deal*" basis.

I was rather surprised to hear the last speaker (Mr. Beharry) blame the Government for not purchasing the company's plant. He felt we should go ahead and do so. He was one who was strongly against Government signing any agreement with the company, and urged instead that we should

invest in a nuclear power plant.

This is not a question for rogues, those are the facts! We had to give serious consideration to the question of raising money by other means to purchase the company, because we were not satisfied with the reputation of this company in regard to meeting the demand of electricity, and the fact that under a new franchise, rates were likely to go up. When the C.D.C., the British Government, the Export-Import Bank and others were approached; it was all the time with the view that Government should purchase the company's plant. I was surprised that the Hon. Member for New Amsterdam should be casting the blame on Government, for political purposes, and not casting it where it should be. This is a question with which we are all deeply concerned and we would settle it as quickly as possible.

I said in the statement which I gave at the Council earlier on this afternoon that the Government has had discussions with several concerns including the big electrical companies of the United Kingdom. We have also had discussions with the "Big Two" in America and we also have an agreement now reached with the British Government for the British Guiana Government to purchase the undertaking. The monies are to be raised through companies, as I said, on a package-deal basis, or through our own funds.

Let us examine a little more, this question from another angle that is not, to debate it on the point raised of the Government's indecision to purchase, because that is wrong. It is clear that the company had every obligation when the Government had agreed to buy, to make enough plant available to supply the people of Georgetown and environs. This is part of the agreement; and as the Hon. Nominated member Mr. Gajraj, had said, if after putting in additional plant the Government did not want to buy they would have been forced to pay for it. Therefore, it is rather shocking to find that while power demands has been increasing all the time - from 1954 up to the present time - very little has been done by the company to install new equipment to increase the capacity. I am told that there are five plants which are operating - one has a capacity of 5 megawatts, another 3.5 megawatts and three at 1.25 megawatts each. It is clear from this total of 12.25 megawatts that it was necessary to have some stand-by equipment to cater for the full needs of the country. The peak load was 7.5 to 8 megawatts as long ago as 1955, which meant that the company, long before, should have provided additional plant so that if the largest plant of 5 megawatts went out of commission there would have been enough to meet the peak load of the company.

It was said that this had not been done. But let me say this, because some may argue that because the Government did not sign the agreement we have landed ourselves in this position: Considering the refusal by the company to install the plant, the fact that the present plants had to be overhauled at some time and that they did not want to bring new plant until the Government had given them the new franchise and permitted them to increase rates to the consumers, let me say that even if the franchise were

given to them we could not have avoided the breakdown which is here today because the company would not have yet been able to install the new steam plant which they had always been talking about. That would have taken at least two-and-a-half to three years.

In other words, what we have landed ourselves in today is certainly not to be put at the doorsteps of the Government. Maybe, there are reasons for putting so many things at the doorstep of Government, but certainly this is not a case because the company was dilatory by not providing additional plant - whether steam or diesel - to provide the necessary stand-by equipment for the additional demands of consumers all over the place. I do not think we need go into the question again of who is wrong and who is right, but to conduct an immediate enquiry and find out what caused the breakdown and what can be done.

As I said, we are still exploring the possibility of introducing the diesel plant which the company refused to put in. The position is that the diesel would be put in immediately; by that I mean within a short space of time. Maybe shortly after that we might enquire whether to buy a steam, nuclear or hydroelectric plant. Our consultants have advised us on the merits of the three. Suffice it to say, so long as the company is in operation in full control of operations, they are determined not to have any diesel plant; therefore it is this Government's intention to purchase the undertaking as quickly as possible and, indeed, to set up a diesel plant which we are told that this can be put in within a year.

Information has just reached me that there are available small sized package plants of 1.65 megawatts, which are a little bigger than the three small plants in the company's possession at the moment. We are investigating this to find out whether they will be suitable and if they can be put in as an interim measure so that supply can be restored between now and the time the diesel plant is installed. We are not sleeping. We realize the position and are doing everything possible to expedite the installation of new machinery so that Georgetown would not be put in the terrible position which faces it at the moment. I decry the remarks made by the Hon. Member for New Amsterdam, agitation slogans and statements which are likely to sow more seeds of confusion in this country not only about electricity, but also about other things.

Industrial Disputes Tribunal: Wednesday November 25th, 1959

Dr. Jagan: I would like to add merely a few words to what was just said by the last speaker; and I do so, Sir, not with any object of criticizing the Hon. Mover of this Motion, but merely of advising him because I feel that in trying to get something on the Statute Books we must not only think of what may be the immediate gains, but what will be in the long term interest of the working people.

Compulsory arbitration can be regarded as a double-edged weapon. If the working-class, the trade union movement, is weak and they cannot fight then there will be the temptation to demand compulsory arbitration; but the history of the working-class movement has shown and proved that with the militancy of the working-class, with the development of strong trade unions, it is the employers who demand compulsory arbitration because they want to remove the workers' right to bargain and their ultimate right to strike.

The Hon. Member is a very close friend of the Steel Workers of America, sent back to work under the very Taft-Hartley legislation for years - legislation which brought in the "*cooling off*" period when the workers were militant - yet we saw, recently, where the steel workers were sent back to work under the very Taft-Hartley law. What are the employers saying in the United States of America where the trade unions are strong?

"That the employees have too much power." They are saying: *"Let us introduce more legislation to curb them"*, and right now, if it has not already been passed. I think there is before Congress legislation which is aiming at the same thing - compulsory arbitration which the unions are opposing. Let the Hon. Member tell us that is not so.

In a weakened position there is always the temptation for unions to say *"Let us go to arbitration because we cannot fight"*. If the Hon. Member accepts that thesis then he cannot, by any stretch of imagination, oppose a Wages Council as he has been doing because Wages Council originated from the same weakened position of the trade union situation. Where there is weakness one cannot blow hot and cold at the same time. If you admit that the trade union movement is weak and want compulsory arbitration to protect it, I am saying that you cannot come along when the Government is attempting to introduce a Wages Council and oppose it vehemently. I know the Member for Demerara River has been caught between two fires here.

He wants a Wages Council. We also say that there must be Wages Councils, but Wages Councils can be set up by the Government when the latter sees it is convenient. In Jamaica, the B.I.T.U. and the National Workers Union had the sugar workers in a prolonged strike. Eventually, the Government set up a Commission of Inquiry into the whole sugar industry. There is nothing to prevent this Government from setting up a Commission of In-

quiry into an industry. A Commission of Inquiry can make recommendations. If the Government finds that the unions cannot stand up and fight or the leaders are not directing them to stand up and fight - the only people they fight against is the Government; the militancy of the trade union is directed against the Government which is sympathetic to the workers - if the Commission if Inquiry discloses that the industry is able to pay- remember this is only a recommendation - surely that strengthens the hand of the workers to take action. If the workers cannot take action or their leaders are refusing to do so, then the Government can always come back and introduce compulsory wages. The Government can do so, as it has done so in many fields.

I do not want to elaborate. A great deal has been said about the Manifesto, but Members should remember that when this Manifesto was written the entire atmosphere in British Guiana was entirely different. Workers were given trespass notices; there was no trade union democracy. But I would again appeal to the Hon. Member to remember that in seeking a compulsory Arbitration Tribunal, he is ultimately placing in the hands of the state machine, a weapon which is generally used against the working-class people. This is so in the United States of America and in other countries and that is why the working class in the developed countries have been opposing any attempt to have compulsory arbitration.

Appropriation Bill – Budget Debate: January 22nd, 1960

Dr. Jagan: The Hon. Member for Georgetown South referred to the silting of a section of the drainage canal from the road to the seashore, and he is quite right in saying that there has been a great deal of silting. Now, I want him to be assured that the Government is fully aware of this position. Indeed, when this matter was brought to our attention several months ago before the bridge was constructed, I personally, took this matter up with the Director of Drainage and Irrigation. He told me that this matter was brought to the attention of the consultants and the consultants felt that in due course, when the whole scheme was functioning, this thing would function adequately and everything would be alright. In addition, this fact was also disclosed: if what was requested was done early – that is, a koker on the seashore – it would involve additional expenditure. In other words, a koker would have to be built on the seashore and a bridge would have to be built across the road – a first class bridge. And so it was felt, on the consultant's advice, that the bridge on the roadside and the koker should be combined, and if the worse came to the worse, then possibly at the end another koker would be built by the seashore.

So I want to assure the Hon. Member that this matter was taken up personally by me months ago, before the present Minister of Natural Resources took over, and on the complaint of the farmers in the area who felt, from their local knowledge and experience, that it was not going to work. However, we were assured that it would work, and let us hope it will. Even if it does not work, my information is that it would not have cost a tremendous lot more to put that structure on the roadside. The alternative was to build one bridge just as strong as the one there now, and a koker at the seashore, which would have cost a quarter of a million dollars. That is why it was done.

With regard to the observation made by the Hon. Nominated Member, Mr. Tello, about our rice markets in the West Indies, it is not true to say that West Indians are going to eat less rice in the future. There is every indication that the consumption of rice in the West Indies can be increased to a tremendous extent. In fact, when one compares the consumption of rice in the West Indies with that in the Far East, one finds that the average *per capita* consumption is very small indeed, and that there is much room for expansion.

This may involve a sales campaign, but it must be remembered that for many years British Guiana could not meet the requirements of the West Indies, and for that reason the Rice Marketing Board did not engage in any campaign to increase sales of rice in the West Indies market. In fact the Board did not explore possible markets like the French West Indies,

Martinique and Guadeloupe, the Dutch West Indies, Curacao and Aruba, and indeed the Venezuelan market. This year we were not in a position to sell or to offer rice or paddy to Venezuela because we did not have enough to offer. The Board took the line that it would prefer to wait until the spring crop.

So that the Hon. Member need not be afraid of the position of rice in the markets of the world. Our information is that with the increasing population throughout the world, economists and food experts all over are becoming tremendously worried about the rate of population growth. The Hon. Member himself must know this: that food reserves are not growing as fast as the world population is increasing. Certain countries have large surpluses, like the United States, but that does not mean that there is going to be a surplus of food throughout the world. Consumption standards are very low, particularly in Asian and African countries, and many people will die from famine. So that we need not be too worried. Rice is a staple crop which is consumed by millions of people all over the world. The question is whether they have the money to buy it.

With regards to prices I feel sure that British Guiana will be able to sell its rice. It may be that in trying to sell our rice we will have to drop our prices because we may have to go further afield. And that is why the Rice Producers' Association has been calling on the farmers to improve their methods of cultivation; to use fertilizers and improved techniques, improved strain and so on. The point which we are trying to get established – the provision of better drainage and irrigation facilities and more lands – will help to improve the economic position of the farmer, so that he will be able to offer his rice at a little less. At the moment, because he is subject to floods and drought, the farmer's return is very small, therefore he has to get as much as possible for his rice. If he was getting twice as much or 1½ times from the same acreage he could afford to sell his rice at a lower price. If he had a larger acreage of land, which we are aiming at, instead of scratching five acres with his hands and oxen; if he was able to sit on a tractor and plough 25 or 50 acres of land, his cost of production would be reduced and he would be in a better competitive position with other producers of rice.

The Hon. Member need not be worried about our trying to bring more land under cultivation. The mere fact of trying to increase production is an assurance that the rice farmer will be able to compete with other producers. We must not forget that the people who are producing rice in the Far East will not be content to work for 36 and 48 cents per day. They are also aspiring to a higher standard of living, and they will use their products to get better prices. Let us not be too worried about the future. Government is attempting to diversify the economy of this country. We are offering crop bonuses for cocoa with the sole aim of diverting some of these lands to those projects which the farmers do not want to take up because they are long term crops which do not bring immediate returns. But if provision is made for long-term loans and crop bonuses the farmers will find it profit-

able to go in for those other crops.

I want to assure the Hon. Member that we are quite aware of the fact that we do not want our agricultural economy to be confined principally to two crops – sugar and rice. I also want to assure him that British Guiana's rice production is infinitesimal compared with world production and we should not be too worried about rice markets. Right here in Latin America we can sell more rice.

Cinematograph Amendment Bill: January 26th, 1960

Dr. Jagan: I think some of the Members who have spoken have suggested that this Bill should go to a Committee because of inadequate discussion with the people concerned. As far as I remember, this matter has been under consideration for some years, and many discussions were held with the Church authorities. It is not true to say that even among the Christian Churches there is opposition to the measure.

Let us look at another aspect of the question. The last speaker said that there is sufficient opportunity for people to go to cinema shows. One finds that the advent of double programmes negates that, for sometimes those shows go beyond midnight. I recall going to see the film "*Richard III*", and when it was over I was astonished to find that it was nearly 1.30 a.m. So that many people would prefer to go to the matinee shows. I personally prefer them because I can go to bed earlier. Apart from that, the weekend is the time when people have more time, and we must not take seriously the suggestion made by one Member that we should close the doors to everything else simply because some people want to go to church on Sunday. In other words, if the churches are not filled on Sunday we must close the doors to entertainment. Freedom of religion implies the right not only to go to church but the right not to go to church. If people do not want to go to church they must not be prevented from exercising their right not to do so. If they want to go to the seaside to have a bath, or to go to the cinema, they must not be prevented.

The Hon. Member referred to the opportunity for people to attend Sunday evening cinema shows. Let us look at the situation so far as people in the country are concerned. There are vast areas where there are no cinemas, and driving along the countryside I have seen people walking along the road, in some cases for miles, going to their homes after midnight from cinema shows, because of lack of transportation. Afternoon shows on Sunday will enable such people to go to the cinema and return home early in the evening. Nobody desires to close the churches or intends that children should not go to Sunday school. There has been sufficient consultation with the church authorities in this matter; I know of it personally.

So that it is not necessary to suggest now that the Bill should be referred to a Select Committee. A compromise of 4.30 p.m. will satisfy all interested parties. Children who want to go to Sunday school will be able to go to the cinema at five o'clock. The doors of the cinemas will be opened at 4.30 p.m. for the sale of tickets, but the shows will not commence before five o'clock. The last speaker referred to other shows during the week. We know that the best pictures are shown at weekends, therefore it is not fair to say that people should take their turn during the week.

The point the Hon. Member made was that there was sufficient showing time at cinemas. In the United Kingdom a picture is shown for weeks, but in this country a programme lasts only a few days, therefore people should be given an opportunity to attend either on Saturday or Sunday. If children want to go to Sunday school they can go to matinee on Saturday afternoon.

British Guiana Rice Producers' Association Amendment Bill: February 2nd, 1960

Dr. Jagan: I think that certain points need to be clarified because there is, apparently, quite a great deal of confusion about this matter. There are two principles which are sought to be established in this Bill. Firstly, there is the question of representation. In the existing Ordinance provision is made for elections in districts from which 26 electors are chosen, who then go to a central point to elect a Council of 24 members. The Council of 24 members is not chosen in keeping with the democratic wishes of the people in a particular district or with the idea of giving any area representation. Therefore this Bill seeks first of all to allow each District Committee to appoint its own member who will then become a member of the Council. In other words, each one of the 12 districts will have a direct voice in the Council. I think it will be agreed that this is an improvement on the present practice.

I think Members have raised some doubt as to the position of the District Committees. The Hon. Nominated Member, Mr. Davis, who has considerable experience in this matter, raised some doubt about the District Clerk, now to be known as a Field Representative, having a direct voice on the Committee, not only in the matter of speaking but also in the matter of voting. I think the Minister has already indicated that an amendment is to be made to the Bill to delete the provision whereby a Field Representative would have the right to vote in a District Committee. The Hon. Member knows that there have been deadlocks resulting from the fact that there are only six members on each District Committee. As a result the General Secretary had to intervene on many occasions to resolve those deadlocks. Whenever there was a tie in the voting – three on each side – the General Secretary had to be called to make a decision, and this obviously led to a great deal of dissatisfaction and charges that the General Secretary was being partial in casting his vote one way or the other.

That is the reason why an amendment is being sought to provide for the election of an additional member to the District Committees, so that there will be seven instead of six members. I feel that in future this change is likely to work much more satisfactorily, and I am sure the Hon. Nominated Member, Mr. Davis, will agree with the proposal of the Minister.

As I see it, the fundamental criticism which has been raised is the one dealing with the exclusion of landlords and millers from the provisions in the Ordinance. The others are criticisms dealing with the mechanics – how the organization will work. Let me deal with the criticisms by the Hon. Member for Georgetown North. He referred to the modern practice in industry of cooperation between management and labour, and the tendency to allow workers to have a bigger say in the management of industrial enterprises. That is certainly something which we who champion the work-

ing-class have always agitated for, but it has not yet been fully recognized and accepted by the employers.

We know that in this country, for instance, if you make mention of a Management Council, whether in an advisory or an executive capacity, you will no doubt be thrown out of the window. Be that as it may, however, the point is that it is a practice to which employers are slowly coming around to accept, but we are far away from making it a recognized principle.

In any case it is a far different story from saying that workers should participate in the management of industry, and on the other side of the coin suggesting that landlords should have a big or perhaps an equal say in the affairs of the rice industry. In industrial concerns the bosses have the whip in hand. The Hon. Member is supposed to be fighting for the working-class, therefore it is quite reasonable to expect that he will fight for workers' representation in an industrial setup, but here we are dealing with an entirely different situation. We know that this is a producers' organization, and we know that there have been conflicts between landlords and tenants. We read about them every day in the newspapers, and in some cases Magistrates have had to decide one way or the other. That is one of the main reasons why it was felt that it should be strictly a farmers' association, as in that way we can remove the conflict of interests between landlords and tenants.

Hon. Members may not agree, but what happens in the case of a tenant having difficulties with his landlord? He goes to the General Secretary of the Association, the District Clerk, the District Committee or to the General Council of the Association. Whose side is the Association to champion? Is it to sit on the fence and be neutral? That is the problem which has faced this organization for many years. In fact, in the early days of the Association when members were appointed, and later when they were even democratically elected, we found that the weight of representation was very much on the landlords and millers' side. But today, when provision has been made for democratic elections, the farmers have a big say in the elections, and the Rice Producers' Association has become, to all intents and purposes, a Farmers' Association. So much so that the landlords and millers' representatives on that body have more or less taken the line that they have no voice in the Association.

So we say: let us remove the conflict of interests, evidence of which we see every day in the Courts. There is now a Millers and Landlords' Association. Whether it is a statutory body or not does not matter. What is important is the recognition which that body gets from the Government. The Hon. Nominated Member, Mr. Davis, knows as a fact that for many years, previous Administrations never gave due regard or recognition to the Millers and Landlords' Association. It was the present Administration which for the first time gave that Association recognition and it is a known fact that it has one or two representatives on the Governor's Rice Committee. What we want are virile organisations. Let the millers and landlords have

their own organization and be as virile as possible. On the other hand, let the farmers have their own organization to protect their interests. In that way we would not have the stalemates we have had for many years in the District Committees and in the headquarters of the Rice Producers' Association. The representatives of millers and landlords who are members of the Council of the Association have said that to all intents and purposes the Rice Producers' Association has become a farmers' association. Therefore, this Bill merely seeks to make *de jure* what exists *de facto* at the moment. It does not take away rights, but puts the Association on a basis where it can work properly, for the purpose for which it was created.

British West Indian Airways - Withdrawal of Preferential Treatment: February 3rd, 1960

Dr. Jagan: I would like to join with Hon. Members in expressing grave dissatisfaction with the present services which are being offered to inhabitants of this country who may wish to travel and also visitors to British Guiana. Recalling the last four or five times I have had to travel out of this country, my experience has been that on every single occasion - and I emphasize the word "*every*" - there was a tremendous delay, due to the fact that either they did not have enough spare parts available, or because one or two of the planes were out of order. It seems to me that the criticisms levelled by Members on the opposite side are really of grave import and ought to be given due attention and weight by the carriers, the British West Indian Airways.

To return to my experience on the last four or five occasions: I found that for one reason or another, the planes which were supposed to leave sometimes in the morning left in the evening. When I was returning from the United Kingdom a plane that was supposed to leave at nine o'clock in the morning did not leave until six o'clock in the evening. Recently, on returning from Jamaica, I found that a plane was scheduled to leave at 11.30 a.m., but it did not leave until about 5.30 p.m. Appointments which I had in Trinidad based on my time of arrival could not be kept because I arrived in Trinidad about three o'clock in the morning. The people were naturally disappointed. Only a few days ago, a plane with which I was to depart, I believe, at ten o'clock in the morning did not leave until six o'clock in the evening. I was fortunate to be told in advance of the delay, but when I got up to the airport in the afternoon I found that people were stranded there having gone up in the morning. I complained about this, and I found that although the information of the delay was received the people were not informed.

Many people had to be sitting around, in very inconvenient circumstances, from nine o'clock in the morning. There was sufficient time to tell them. It was most unsatisfactory, and I agree with Hon. Members. I myself am directing a letter to the Management of the Board of the B.W.I.A. I have already discussed the matter with the Minister of Communications and Works because I consider it a very grave issue. I feel that Members should support the Amendment moved by the last speaker.

British Guiana Rice Producers' Association Amendment Bill: February 11th, 1960

Dr. Jagan: I think there is a great deal of confusion about the purpose of these Amendments. As I said previously, the purpose of this Amendment is, firstly, to give representation to persons in certain districts and, secondly, to make the Council of the Rice Producers' Association representative of the views of the people in the districts. In the Amendments proposed today Government does not insist that the Association should become a rice "farmers" organization as such, because one can very well appreciate the point that the rice farmers themselves may want a benevolent landlord or miller to represent them.

I think Members are confusing the Rice Producers' Association with the Rice Marketing Board, because they talk about representation. It is on the Rice Marketing Board where millers' interests are really in dispute, if one may so describe it, because one can appreciate that the Board fixes not only prices for rice which it purchases but also the minimum price for paddy. In fixing the minimum price for paddy the Board allows for what is called the miller's margin. So that one can appreciate the point of view of the millers that they should have representation on the Rice Marketing Board. But one can argue that even on the Rice Marketing Board the millers may not be represented, because the minimum price fixed for paddy is only a guide.

We are dealing here only with a producers' organization; what is in the interest of rice producers as such. We are not dealing with marketing at all. We want to get into the Council people who are representative of the farmers, or technical persons like the Director of Agriculture whom the farmers may want, but here Members are seeking to impose on the Council landlords or manufacturers. Of course there is this difficulty which I do not think Members have looked into. They say that six persons, four of whom shall be landlords or manufacturers of rice, shall be members of a District Association, but there is no guarantee that those persons will be members of a District Association, because they need not be elected. So that that proposition is fallacious and cannot work.

One Member suggested that if we allowed two members here it would permit two Ministers getting on the Board. I can assure him that we do not intend in future to have Ministers sitting on the Rice Marketing Board, so that the Hon. Member can remove that from his mind if that is what is worrying him.

I would also like to assure Members that in the Bill to amend the Rice Marketing Ordinance, which will come before the Council shortly, it is being proposed by Government that provision should be made for three millers to be members of the Board, one from the Rice Development Company and two others who, it is hoped, will come from the Rice Millers' Associa-

tion. There is no provision in the existing Ordinance for any miller to be on the Board, so that what Government is proposing is something far better than what exists at the present time. In other words, we are trying to make the Rice Producers' Association a producers' body concerned with the production of rice. If millers and landlords are elected to the Association by the farmers they will sit there by right, chosen directly or indirectly by the farmers.

On the other hand, I can see that argument being put forward that millers should be represented on the Rice Marketing Board. There is no such provision in the Ordinance, and Government is providing legislation which will permit millers to be represented on the Board. So there should be no fear that the Government, in introducing this Amendment, is trying to take away rights from landlords and millers.

Freehold Title on Hire Purchase Basis: May 20th, 1960

Dr. Jagan: Sir, two references were made, one by the Hon. Member for Georgetown South and the other by the Hon. Mover of the Motion in connection with harsh conditions imposed by Government in renting land. The Member for Georgetown South referred to the fact that the Government has raised the rental and has now charged people exorbitant sums for the rental of rice land, sums higher than those people paid for the rental of rice land in other parts of the country. Then the Hon. Member went on to regale us with the fact that Government was losing money and that, judging from the Estimates, Government was in a sense subsidizing farmers.

We must have constructive criticism and consistency of criticism. Let us examine the criticism of charging \$15 per acre in relation to the Rice Farmers (Security of Tenure) Ordinance. The average basic rental laid down in that law is \$10 per acre; but there are a host of other charges – for drainage and irrigation, maintenance, Local Authority charges and what not – and when these are added we find in that many or most cases the rental exceeds \$15 per acre.

If Government is a rapacious landlord, then why is it that people in land settlement estates today are resisting the move which the Government has made to move out completely and hand over the lands to them in order that they should run them? If Government was being rapacious it would demand that every penny spent on a land settlement scheme should be recovered. A private landlord would have closed down long ago estates which were losing money. But the fact is, Government is endeavouring to help the settlers. If the rental and other fees are considered too high, then Government would be quite prepared to hand over to the settlers; but I can tell you now, Sir: the people do not want to accept the responsibility.

Now for the criticism of the Hon. Member who moved the Motion. He said that the people would be called upon to pay perpetual rental. As the Hon. Minister of Natural Resources indicated a moment ago, land rental at land settlement schemes takes into account the clay soil existing and the average figure is \$10 per acre. There is an equivalent in the Rice Farmers (Security of Tenure) Ordinance in the basic figure of \$9.75. How did this figure of \$9.75 come into being? Because we want to approximate what Government was charging with what landlords were charging. But I would like to say that the services offered in these land settlement schemes are far better than what is being offered by the landlord in most cases for a basic rental.

Let us take Black Bush Polder, where the average capital cost of developing this land is around \$500 per acre. What are we asking farmers to pay? Interest charges alone on the figure of \$500 per acre at 6% is \$30 per

acre. The Government is only calling on farmers to pay a development charge of \$9.75 per acre. If the land is pegasse, it will be reduced accordingly, but \$9.75 is the maximum. Assuming that the cost of development of one acre was \$500, a farmer renting from a private landlord would have had to pay the full \$30 as well as charges for drainage and irrigation and maintenance. In addition, if the area was being run as a village he would have had to pay rates.

Government is helping out the farmer who is indigent; he is given seed paddy, money to buy machinery and loans through the cooperative societies. My Hon. Friend says that he would be paying for those things perpetually, but all he is paying is 25c. per annum. How many years would it take him to pay \$500? Nobody can say, having regard to the facts I have given, that these are harsh conditions. One can say, as someone argued, "let the farmer pay it." But where is he going to get the money from? Twenty-five cents? One Member a little while ago criticized the Government for its land policy. Land is an asset to the community and it should be used properly. If farmers are willing to work the land they will get security. Government is prepared to give a farmer security for 21 or 25 years at a time as long as he is a good farmer.

The Hon. Nominated Member, Mr. Tasker, has given us the correct picture of the situation. Everyone has agreed that we cannot have unrestricted freehold. Add restrictions to freehold, and you will arrive at approximately the same thing. I noticed that the Hon. Member for Eastern Demerara is laughing, however, in the days when he was administering this matter, he used the same words Mr. Tasker used today. He used the word "psychological". We do not want to fool the people all the time; we want to give them something to hold on to.

The Hon. Member for Georgetown North said that collective ownership is fraught with danger. In Africa the natives are saying that "*when the white man came to Africa he had the Bible and the Africans the land. Today the Africans have the Bible and the white man the land.*" It is a known fact that in the past the holding of land in Africa was on a communal basis, but with the introduction of the new system all sorts of trouble arose. Go to Kenya and find out what is happening there.

We are prepared to give the farmers security for their land, but we do not see any reason for changing our policy. Despite what has been said in this Council, the Minister is receiving applications day after day from people who want land – no mention is made about freehold in the applications from the people. The agitation in this Council is for political purposes only. Go outside and ask the farmers what they want. They want land, financial assistance and machinery to help them develop the land. I taught a lot of people, but some of them do not seem to have taken in their lessons well. Perhaps some of the seeds fell by the wayside and some fell on stony ground.

I think Hon. Members will agree that the Government is pursuing an intelligent policy in this respect. Do not let us make this a political forum.

There is no justification whatsoever for referring to this Government as a rapacious landlord. At one time it was said that Government was spending far too much money in this sector, but Government regards it as vital to the development of this country that land should be made available to the people.

Despite the fact that Members have spoken about the vast areas of land in British Guiana, it is true that there is still land-hunger at the moment. Exorbitant prices are being charged for land, and that is causing a lot of trouble. I hope that Members will keep these facts in mind, and let us get on with the business of developing the Colony.

Rice Marketing Amendment Bill: May 26th, 1960

Dr. Jagan: I beg to move the Second Reading of the Bill entitled:

“An Ordinance further to amend the Rice Marketing Ordinance and to make a minor consequential amendment to the British Guiana Rice Producers Association Ordinance.”

The main purpose of this Bill is to give greater representation to the rice farmers of this country on the Rice Marketing Board. A great deal of controversy has raged in the past concerning the activities of the Rice Marketing Board. In fact, on today's Order Paper we see Item 11 – a Motion by the Hon. Member for Georgetown South requesting this Council to recommend to Government the introduction of legislation to provide for the Rice Marketing Board to be converted into a cooperative organization of rice producers of this Colony. There has been a great deal of controversy as to the activities and, indeed, the composition of the Rice Marketing Board, and from time to time representations have been made to Government either to make the Board a cooperative marketing organization or to democratize it to such an extent that the rice farmers would have preponderance in the conduct of its activities. I hope it will be possible for the Hon. Members to keep in mind the remarks made by Members of the Government on this Bill in view of the Motion by the Hon. Member for Georgetown South – Item 11 on today's Order Paper – because the two measures aim at democratizing the organization or making it a cooperative marketing organization.

First of all, as Hon. Members should know, the Board at the moment comprises eight members who are nominated by the Governor and eight members who are nominated by the Governor on the recommendation of the Rice Producers Association. In addition to these, there is the Chairman, who is also appointed by His Excellency the Governor.

In the past farmers have claimed that either the Board should become a cooperative marketing organization or that farmers should have a larger representation on the Board itself. I recall putting this matter to Mr. Gordon, an expert who came here, who was later Head of the Cooperative Department and who sometime ago left for a higher post in Jamaica. Both Mr. Gordon and an individual who is also supposed to be an expert in cooperatives advised that for an organization such as this it would be far better to add more farmers' representatives, taking all the circumstances into consideration. By placing the Board in the hands of the majority of people who belong to a farmers' organizations such as the Rice Producers Association this purpose would be achieved. In other words, the people who

produced the rice would have a big say in the marketing of it.

What is the fundamental difference between a cooperative set up and what is happening at the moment? One of the principal objectives of the cooperative organization is that the members should control the organization by their own delegation of authority. Another cardinal principle of cooperative organization is that whatever profits are made should be returned to the members of that organization. In other words, it should not be given to anyone as a dividend or as a profit, as in the case of private corporations, in which people have invested money. Many cooperative organizations take their profits and put it back into reserves. In other cases money is spent on new buildings, new machinery and any further balance of profit would sometimes go to the members in the form of a bonus on the basis of their patronage if it is, say, a consumer store. If it is a producers or marketing cooperative, this "*dividend*" is given according to what is contributed.

For instance, if one man sends in 100 bags of rice and another individual sends in 1000 bags of rice to the Board, the profits made by the Board and the "*dividends*" shared would be in accordance with the amount of rice supplied. That is the way a true cooperative operates. This is not being done by the Rice Marketing Board at the moment. The individual who sends rice to the Board is paid for his rice. He is not given a "*dividend*" in the same year if the Board makes a profit; however, the profit, if it is made, is added to the pool of the organization and as such it is passed on in the following year, when it determines what the purchase price of his rice is going to be. If there is a drop in the export price, as happened in 1956, the Board can maintain the old price paid to the producer through profits held in reserve.

So that one can say that the Board, as at present constituted, does not put profits into the pockets of any private individual or in the pockets of any shareholders who have invested money – there are no shareholders. Therefore, the only difference between the Board and a cooperative as far as profit-sharing is concerned, is that the Board does not give out profits in the same year but they are held back for later "*distribution.*" This is reflected in the price paid for rice in subsequent years.

While it is true that the Board passes on its profits made in one year to the rice producer in subsequent years, there is nevertheless grave dissatisfaction over the way the Board is operated and managed, and this, I would submit, is due to the fact that it is felt that the Board is not democratically constituted. There is not enough producer representation on the Board and indeed in a certain period members of the Rice Producers Association were not directly elected by the people but nominated members were serving and no elections were held. Then there is the manner of appointment of members of the Board, to which I referred earlier.

It is felt by this Government that if the Board were democratically constituted other matters would fall into their proper places. This is what is sought in this Bill.

I am sorry that the Hon. Member for Georgetown South is not here. Anyway, let me continue. Some years ago when the People's Progressive Party was in the Government it agitated that the Rice Marketing Board should be made into a cooperative organization. It was not done because there was no hope of changing the composition of the Rice Marketing Board in order to make it a body chosen directly by the producers in majority control. We saw no hope although promises were made when this Board was constituted. We found that nothing was done and, so far as we were concerned, we did not see that there would have been any changes in the Rice Marketing Board.

Since we are now in a position to introduce legislation the position has changed and, therefore, it is no longer necessary, as far as we are concerned, to change the Board into what may be termed a fully fledged cooperative organization. If the Board or the management wants to operate as a cooperative it can give dividends in the same year as the other cooperatives. There is nothing to prevent it from doing so. At the end of each year, by balancing its books, it can decide to give, as cooperative, dividends to those who have sent rice to the Rice Marketing Board. By an administrative decision the Board can function as a cooperative. The only difference will be that in a true cooperative all the members on the Board would be elected by the Rice Producers of the country.

Hon. Members will recall that when the Rice Producers (Amendment) Bill was discussed not so long ago, Members opposite pointed out that it was necessary to have producer members who were manufacturers in this organization; that the landlords were the people to rule in the rice industry and so on. Members will notice that in this new legislation provision is made, as I had promised when the other Bill was being debated, not only for rice producers, but for rice millers and people who have experience in the industry. That is the only difference between what is before us now and what can be regarded as a true cooperative. I have already said that in a true cooperative the farmers would elect all of their representatives to the board; they will manage it, and when the present statutory powers are placed in their hands they could give dividends to members the same year rather than holding them over for a subsequent year.

I think I've said enough on the general principle of the Bill, and I do not think there is any other point in dispute as far as the principle of the Bill is concerned. I will now deal with some of the points in the various Clauses.

Clause 2 seeks to place in the hands of the Minister powers which were formerly held by the Governor. The Minister of Trade and Industry will be the person responsible for the affairs of the Rice Marketing Board.

Incidentally, in Clause 12 you will see a minor amendment to the Rice Producers Association which is also proposed. In that Ordinance provision is made for the Minister in charge of agriculture to make recommendations to the Governor for appointments to the Board. In other words, when members are selected for the Rice Producers Council their names are

submitted to the person in charge of agriculture. In order to make it a tidy operation, it is felt that one Minister should be responsible. That is why a consequential amendment to the Rice Producers Association Ordinance is proposed. The Minister of Trade and Industry will now be substituted for the Minister in charge of agriculture.

Clause 3 seeks a change in the composition of the Board. At present the composition of the Board is: eight producer members recommended by the Rice Producers Council; eight nominated by the Governor who has the power to appoint a chairman. The new proposal will be as follows: The Minister shall appoint two officers in the public service. The Bill originally provided for 12 rice producers. I assume that Hon. Members have seen the proposed amendments to this Clause which have been circulated. It is now proposed to substitute in Clause 3, line 8, the word "person" for the words "rice producers" between the words "twelve" and "appointed". The reason for this is that in Clause 3 (3) (iii) it is stated "one rice producer nominated by the British Guiana Rice Development Company, Limited". Instead of one rice producer we are proposing one person, because in the past the Manager of the Rice Development Company represented the Company on the Rice Development Board. In addition to that there will be nine rice producers elected by the Rice Producers Council who are manufactures; one member appointed by the Rice Development Company, and two persons who have commercial experience so that the Board will have the benefit of their commercial knowledge.

Slight consequential amendments will have to be made to other Clauses. One Clause deals with the removal of paddy, and others deal with deductions for impurities such as straw, mud and foreign matter found in rice. We find that at the moment people are removing rice from mills without the permission of the Board, and that is contrary to the law.

On rare occasions when there is a shortage of rice in the country, for one reason or another, we find that people move rice from one place to another and sell it without the Board's permission. Under the law the only persons entitled to remove rice are those who are shipping it to the Board, or taking it home for consumption. A miller or farmer can take home a reasonable quantity of rice for his family. It is known that several people are moving rice contrary to law. However, the law states that a man must be caught more or less moving the rice without proper permission, and that is a very difficult task for the Board to handle. The Supervisors employed by the Board are not always in a position to catch people red-handed, so provision has been made to amend the Ordinance to enable such offenders to be prosecuted in future.

There is another Clause dealing with the removal of paddy. We find that on many occasions, farmers lodge paddy in mills for the purpose of milling, and sometimes it is either milled, sold, or sent somewhere else without their permission. The farmers are therefore made to suffer great losses from time to time. Provision has now been made whereby permis-

sion to remove paddy must be granted by the Manager, the Assistant Manager, the Secretary, or persons authorized in writing by the Board.

Clause 9 deals with impurities. At the moment deductions are made for rice when it is infected with pest, fungi or possesses an objectionable odour. The Board has made representations that it should be permitted to make deductions for rice which contains impurities such as straw and mud. Clause 9 permits the Board to do so.

In Clause 10 there is a minor amendment authorizing the Minister to approve the Board's recommendation to suspend the purchasing of rice. You will see, therefore, that provision has been made in this Bill to democratize the Rice Marketing Board by giving farmers greater representation on the Board, to ensure that millers will be represented, that businessmen with commercial experience will sit and help to guide some of the farmers, if such guidance is necessary, and so on. I commend this Bill to Members of this Council, and I beg to move that the Bill be read a Second time.

Rice Marketing Amendment Bill: June 2nd, 1960

Dr. Jagan: Having listened to Hon. Members speaking on this Motion, I note that certain points of criticism have been raised. The Hon. Nominated Member, Mr. Davis, was particularly concerned about the millers' representation on the Rice Marketing Board and the danger that their interest will not be adequately provided for. The same type of criticism was levelled by him not so long ago when this Council was debating the Rice Producers (Amendment) Bill.

What is the position as things stand at the moment? What is contemplated in this Ordinance? First of all, we find that although provision was made in the Rice Producers Ordinance that a certain number of millers be elected to the Rice Producers Council - I cannot remember what the number is - nevertheless there was no provision in the Rice Marketing Board Ordinance that any of these millers in the Council shall, *ipso facto*, become members of the Board. We find that in the past although the number was five or six - I do not recall the exact number - yet there was only one miller on the Rice Marketing Board. At the present time I think there is only one member on the Board who is a miller.

Mr. Mahabir was subsequently appointed when a vacancy occurred on the Board. When the original panel of names was put up as a result of the Rice Producers Elections three years ago, only one miller was elected to represent the millers on the Rice Marketing Board. Subsequently, as a result of a vacancy, this Government appointed another miller to fill the vacancy. This alone shows that the millers have no reason to fear that their interests will not be protected. We now find that the fear expressed cannot materialize. The Rice Producers Elections have brought forth four persons who are either directly millers, or are associated with milling in the Rice Producers Council. In addition to this, provision will be made for two millers to be appointed to the Board, so that in fact we will have possibly six millers speaking on behalf of the rice industry being represented either on the Council or on the Board. Although provision is made for at least two, it does not preclude the Council from nominating others - one of these four or more than one of these four - to the Board. It is left to the producers to do what they want. Therefore I need not spend more time on this matter, because I think the fears of Hon. Members are not really justified in the light of the course of events.

Since it is true that only one miller was on the last Board and the rights of the millers were not jeopardized, then there is no reason to fear that with two or more millers on the Board the rights of millers will be jeopardized. There is also other protection, because whatever is done by the Rice Marketing Board with respect to the fixing of price must finally be approved by the Governor.

The Hon. Member is concerned about the miller's margin. There is what is regarded as a miller's margin in determining the price of rice which the Board has purchased from the farmers. The ultimate price is based on what it costs for a bag of paddy, how many bags or how many pounds of paddy are required to make one bag of rice; the cost of converting the paddy into rice, milling fees, and what remains is allowed as miller's margin. In ultimately deciding what the price will be to the rice industry, the Board has to take into consideration the miller's margin. Before the price of rice is made law, it has to be approved by the Governor. If the millers are dissatisfied with the margin allocated to them, they can make representation to the Governor who will look into the matter. There is no justifiable fear that the miller's rights will not be protected.

If we follow the advice of the Hon. Member and increase the number of millers on the Board from two to three or four, there is no guarantee that the miller's right or fear will be resolved because there will still be a small minority in the Rice Marketing Board where there will be a total of sixteen members. Taking all of these facts into consideration, I hope that the Hon. Member will now concede that he has nothing to fear with respect to the new composition which is proposed for the membership of the Rice Marketing Board.

The Hon. Member for Georgetown North has expressed another fear, consumer interest. He would like representatives of the consumers to sit on the Rice Marketing Board. If we go on like that, we will eventually go back to the days of Grecian democracy where we will have everybody sitting in all assemblies.

While it may be regarded that the rice producers, millers or landlords have a vested interest and are likely to fix a price for rice which will penalize the consumer, it must be remembered that the Governor has the last word in deciding what price consumers must pay for rice. There, again, we do not see any reason for fear. In fact if you were to examine the history of the Board you will find that, generally speaking, the consumer's price of rice in this country is more or less similar to, or in some cases lower than, the price in the West Indian Islands. I repeat that the final authority is in the hands of the Governor, and, if by some chance, the Board were to recommend an increase in the price to the consumer, the final decision will have to be made by him. The interests of the consumer are therefore protected.

On the other hand, if it were decided to have consumers on the Board, who would say how many should be elected? Who will choose the consumers? Even if three, four or five were put on the Board they would still be in the minority and would not be able to make a final decision or recommendation to the Board. One need not sit on a Board to see what is being done and to object to certain things, because we know that several bodies outside of the Board are capable of making a tremendous noise when the need arises for so doing. I am sure that if the interests of consumers were

jeopardized, it would not be long before certain people outside of the Board made strong representations to His Excellency the Governor with a view to putting things right.

Mr. Tello again raised the question of converting the Board into a consumer organization. From the way he was speaking, he wants to give the impression that the Party is turning its head and has completely reversed what it said and believed before.

I notice that my Hon. Friend, the Member for Demerara River is smiling. He is also an exponent of this line of thinking.

Some people do not understand the science of dialectics. It may be necessary to change because conditions have changed.

As I said before, when we were advocating the setting up of a cooperative we were outside of the Government. There was no reason to believe that the Board would ever be changed; that the Amendments which we are now proposing would ever be made to the Rice Marketing Ordinance, therefore we conducted our agitation outside to convert the Board into a cooperative. That was very justifiable agitation. Therefore, I need not worry too much about the argument for a cooperative. I should like my friends who advocate a cooperative, to tell us the mechanics of it; how it is to be organised. If they can put up a proposal which is sound I can assure them that we will give it very serious consideration, and if it is worthwhile we would be prepared to amend the Ordinance or, indeed, to repeal it. I give them that assurance. If the organization of the Rice Marketing Board into a cooperative will be in the greater interest of the farmers I can assure them that this Government will seek either an amendment of the Ordinance or its repeal to make provision for that.

Some criticism was also raised to the proposal that members of the Board shall hold office for one year instead of two. I think the Hon. Member who raised the objection was slightly confused. It is true that so far as the Rice Producers' Association is concerned, provision has been made for elections every two years. Annual elections have been abolished in the case of the Rice Producers' Association, because we found that although the Council of the Association was elected for two years, elections were held annually, so that on some occasions we found that people who were still sitting on the Council of the Rice Producers' Association were defeated in the second year. We are seeking to correct that by having elections once every two years.

In the case of the Board we say that Members shall hold office for one year only, because there may be reasons for changing certain members of the Board. If the Council of the Association wants the same people who have been nominated to represent them on the Rice Marketing Board they will continue to make the same nominations, and the Minister would appoint them. But for some reason we find sometimes that people say they represent one thing and when they get in they say something else. We have had experience of that kind of thing, and provision is being made so that if

at any time after the end of one year the council of the Rice Producers' Association are not satisfied with the representation given by anyone or more of their colleagues on the Rice Marketing Board, they could at the end of the first year elect other representatives to take their places.

Another criticism was raised by the Hon. Nominated Member, Mr. Davis, with regard to the provision relating to foreign matter or impurities in rice. I think the suggestion he made was that the Board should blow out the foreign matter. However it is done, whether by blowing out or separating the foreign matter by the use of a vibrator, such foreign matter must be regarded as impurities, for which a deduction will be made by the Board from the price to be paid for the rice. That is all that is provided in this simple Amendment, therefore I do not see any reason for fear.

The Hon. Member also referred to the case of persons being found in possession of rice which they are not legally authorized to have. He said that in time to come there will be more rice produced in this country, so that there will be a surplus and no likelihood of a shortage, with the result that the practice of black-marketing is not likely to continue. Aside from the question of black-marketing, one finds that because of the price structure, the price at which the Rice Marketing Board buys rice and the price at which it sells it, some people may take advantage of the differential by causing an internal circulation of rice. To prevent that, this Amendment has been introduced so that anyone found in possession of rice who has not been legally authorized to have it, can be charged and brought before the Board, and the onus will be on that person to prove how he came into possession of the rice.

Those were the main criticisms raised against the Bill, but I do not think they are fundamental to the principles of the Bill. I formally move that the Bill be read a Second time.

Employer-Employee Profit Sharing Bill: June 16th, 1960

Dr. Jagan: Sir, as the Hon. Nominated Member, Mr. Hubbard, said a moment ago, the topic under discussion is one which has been looked upon in various places with a good deal of hesitation and in some cases doubt, for while it may appear to be good on face value that workers must share the profits, nevertheless, in some countries workers themselves have opposed this principle of profit-sharing.

Looking at it superficially one can see that such a thing is very good, very laudable, but it depends on what the workers are looking for. There are some workers who believe, for instance, in socialism and who are not merely interested in sharing profits but who want to see the end of the profit system as such; and consequently these workers who are class conscious, do not want at all to meddle in this business of profit-sharing.

In the early days when socialism was becoming a force in Germany, Bismarck, who was no friend of socialism, told the capitalists that they must treat their workers better. Bismarck indeed introduced what was the beginning of social security. In other words, here were workers developing a class consciousness to end the whole question of profits. Chancellor Bismarck comes along and very wisely says that unless the capitalist is prepared to give something to the worker it is likely that the socialist movement would become stronger and stronger and eventually the profit system would be removed. He was in fact the initiator of what we call social security measures.

This does not mean to say that social security measures and profit-sharing might not be a good thing living under the system as we do, but we must be careful that while agitating for profit-sharing the workers must be educated about what is good about socialism, about socialist theory and the necessity for bringing about an end to the surplus value which is extracted from the working people.

It has been said in some quarters that profit-sharing was something invented by capitalists to influence the workers not to agitate and struggle for better wages and working conditions. Some capitalists have taken the lead in this. "*People's Capitalism*" is another form of profit-sharing, whereby the employees are allowed to take shares in the enterprise, often without having to put their hand into their pocket to do so.

As long as the working-class movement knows where it is going and what it wants, by all means, let us discuss this question of profit-sharing. But it must be appreciated that this can be regarded as a double-edged weapon, in that you can get the working-class becoming petty capitalists on their own, preserving the old order. Let us accept the fact that if the trade union movement is struggling as it should for better working condi-

tion and better wages, this is done with success at the expense of the profits. But you may develop such a system that the workers would be told, *"Please do not engage in any struggle, because this may affect the profits which you may share later on."*

We were told time and time again in this country that the workers are the ones who suffer most from strikes. Whereas we know that the strike weapon is a weapon which the working class people have to resort to if, in the struggle, it becomes necessary.

We have always supported the strike weapon, but it depends on what people are striking for. We had the T.U.C. striking against Government for a minimum wage of \$4.00 or \$4.50 a day, but they did not strike against the private capitalists against whom they should be striking. That is the contradiction of the labour leaders in this country. They are striking against Government, but not against private industries. The private employers who are paying \$4.00 a day:

(An Hon. Member: Which one?)

Dr. Jagan: Perhaps the bauxite industry. Can the same labour leaders tell us what the aluminium workers are getting in Canada? We are dealing here with one integrated industry and yet there is a differential in wages. Here, perhaps, we get about \$1.00 per hour or less as against \$3.00 per hour in Canada. I merely mention this to show that we have to examine this matter in the context of what our perspectives are.

Two labour leaders have spoken on this matter and we have not yet arrived at a proper analysis. They have been dealing with the question of whether profit-sharing should be voluntary or compulsory. By all means we want to have negotiation and bargaining in the trade union movement. If Government has embarked on legislation for minimum wages, it was due to the fact that in many instances the unions were either not willing to fight, or not capable of fighting for the workers. That is the reason why we would appreciate the trade unions taking on the task of carrying on the fight in order to improve the conditions of the working class.

I feel that the suggestion put forward by the Hon. Minister of Labour, Health and Housing is a sound one in the sense that this matter should be examined in all its ramifications in a Committee where the working class and other persons could be represented. The Committee could go into legislation applicable in other countries in order to find out the mechanics of the operation of a profit-sharing scheme, and after such examination something tangible could be worked out. I may say that several objections were made against the introduction of profit-sharing schemes in various countries.

For instance, it was felt in some places that profit sharing would result in the prevention of strikes and improve the morale of the workers. That assumption has not really borne much fruit. Then there was the feeling

that profit-sharing would give an effective incentive to greater efficiency and increase in output. This also, was of very temporary value. There was also the question of achieving a measure of flexibility in the total payroll enabling an automatic adjustment to the total remuneration of the workers in order to avoid frustration.

We know that sometimes when a business is not paying its way, some employers take the opportunity to lay off workers, so it was felt that if there was a scheme of profit-sharing it would assuage some of the difficulties which were generally met. This provision also has a doubtful interest in an economy which is falling. Taken as a whole, wherever this scheme has been introduced, it has not worked well. Even though, as I have said before, it has been introduced in many cases at the behest not necessarily of the working class, but by the capitalist class, it has not been successful in many countries.

I suggest that the Hon. Mover of the Motion should agree that this matter should go to a Committee rather than a Select Committee so that everybody concerned in this matter can be represented and the matter examined in great detail.

Rice Marketing Board as a Cooperative: October 19th, 1960

Dr. Jagan: As I pointed out on the previous occasion, this Motion, whilst having a great deal of merit, does not take into consideration the effect of recent changes which were made in the Rice Marketing Board with the object of democratizing that organization. What is the purpose of a cooperative organization? The purpose of a cooperative organization is, firstly, to put power in the hands of its members. In other words, the people who comprise the cooperative organization, and by democratic vote - one man vote - decide how their affairs should be administered. I would like the Hon. Mover of the Motion to keep that principle in mind - one man one vote - that the people in the organization determine their own affairs. It is a cardinal principle of the cooperative movement.

Secondly, a cardinal principle of a cooperative organization, is that in those societies which carry on business the profits earned by the business should be shared by the members according to their contributions. If it is a producer cooperative, a group of people may get together in an agricultural society the profits of which are apportioned according to the labour which each member has contributed to the working of the society. In a consumer cooperative society or a business society in which profits are earned, those profits are generally shared on the basis of patronage. For instance, if a retail store is established, at the end of the year whatever profits are made are allocated according to the purchases made by each individual member.

So that in looking at the affairs of the Rice Marketing Board we want two things- (1) that the organization must be democratically run; that the rice farmers should run the undertaking; and (2) that any profits made should go back to the farmers. What is the position in regard to the Rice Marketing Board? Up to last year the structure of the Rice Marketing Board was such that it could not be truly said that the administration of the Board was completely in the hands of the rice farmers, but Hon. Members are aware that as a result of new proposals which were debated and accepted by this Legislature, the composition of the Rice Marketing Board has completely changed. It has changed to the point where today it can be said that virtual control of the Rice Marketing Board is in the hands of the rice producers of the country. During the debate on the Bill to amend the Rice Marketing Ordinance a few months ago Hon. Members suggested certain changes in the category of producers, and the fact is the rice producers, be they millers or farmers, are today controlling the destinies of the Rice Marketing Board.

Therefore, the Rice Marketing (Amendment) Ordinance has by a change in the composition and structure of the Rice Marketing Board, provided what the Hon. Mover of this Motion is seeking to give to the farmers by

converting the Board into a rice producers' cooperative marketing organization. Had his Motion been debated prior to the acceptance by this Legislature of those amendments to the Ordinance, one could very well say that this is an admirable proposition, but now that the Ordinance has been amended to provide a structure for the control of the Board by rice producers, it is no longer necessary to talk about a cooperative so far as democratic control of the organization is concerned.

That is one aspect of the question. It is true that in the composition of the Rice Marketing Board there is provision for a few officers of the Government. There is the Director of Agriculture, or a person named by him. There is also a representative of the Ministry of Trade and Industry, and there is also provision for two business men whom the Minister of Trade and Industry can appoint. But those are only four of a total of 16 members of the Board. In other words, although it can be argued that if it were a cooperative all the members of the Board would be rice producers, nevertheless one can say that in spite of the fact that there are four persons, the producers, by an overwhelming majority, have more or less absolute control of the organization.

Let me deal with the question of what is regarded as profits by any commercial undertaking. Any commercial undertaking which makes profits pays dividends to its shareholders. The Rice Marketing Board year after year can make profits or can incur losses, but it has no shareholders in the ordinary sense of a private or public company. The Rice Marketing Board does not share profits to shareholders as an ordinary company does. What happens to the profits, if any, earned by the Rice Marketing Board? The profits are entered into a pool which goes forward into the operations of the Board during the next year. In other words, if there is a surplus in one year it is added to the revenue in the following year which, after expenditure is deducted, is apportioned to the farmers. If the profits made in the previous year are large then the Board is in a position to award higher prices to the producers for rice which is purchased by the Board. So that any profits made by the Board go back to the producers either in the following year or perhaps a little later as the members decide...

(An Hon. Member: If there is a loss?)

Dr. Jagan: If there is a loss, naturally people do not share losses whether it is a cooperative or private company. So the question does not arise.

I am dealing with the advantages of a cooperative organization *vis-à-vis* the organization we have at the moment. One can say that a cooperative generally shares its profits in the form of a dividend at the end of a year's operation. In other words, if there is a small cooperative store and at the end of a year's operation a profit is made that profit is apportioned to the members of a cooperative society by way of a dividend on the basis of the purchases made by individual members. If the Rice marketing Board makes

a profit in one year of say \$1 million, the members of the Board can decide to carry forward that profit and pay a higher price to the producers of rice in the following year, or it can just as easily pay a higher price to the people who have sold rice to the Board during the same year. If Mr. X has sold 10 bags of rice and Mr. Y 20 bags, the profits made by the Board can be apportioned on the current year's operations, or can be shared in the following year by giving an increased price to the farmers. That is a decision which could be made by members of the Board. The members, as I have said, since the amendment to the Ordinance, are in effect rice producers. Therefore I do not see that it is any longer necessary to convert the Rice Marketing Board into a cooperative.

One can democratize the Rice Marketing Board further by taking out the two commercial men and the two official members. The business men were appointed by the Minister of Trade and Industry. In that case the Board would then have not only 12 producer members but 16. As I have said before the majority, that is to say 12 out of 16 members, certainly gives the producer members good control of the organization, and the official and commercial men have been put there to guide them. If it is the view of this Council that these people should not be there and their guidance is no longer necessary, then you can be assured that Government will take the necessary steps to convert the Rice Marketing Board into an organization in which all members will be producer members.

Let us assume that we convert it into a cooperative organization in keeping with the Hon. Mover's suggestion. What would be the mechanics? How would this cooperative organization work? That is what the Hon. Member for Georgetown South should have told us today. How different would the mechanics be from what exist at the moment? How would you elect members to the Committee of Management on the cooperative? At the moment they are democratically elected, and every rice producer in the country can vote for his representatives...

(**Mr. Jai Narine Singh:** That is not true! Some are not registered...)

Dr. Jagan: There is nothing to prevent a rice producer from being registered. One may say that 1/- - the registration fee - prevents a rice producer from being registered, but that would not be presenting a very strong case. Therefore there is really nothing to prevent a rice producer from registering as a member of the Rice Producers' Association. The fact is that rice producers have no bar, except the 1/- qualification, from becoming a member of the Rice Producers' Association. As such he votes for members in his district committee.

There are twelve district committees all over the country. These committees are elected directly by the producers, and then the Council of the Rice Producers' Association is indirectly elected. In other words, one member from each of the twelve districts selects four others and they make up the

Rice Producers' Council. It is this Council out of its membership that selects the members who are to serve on the Rice Marketing Board. It is necessary to have direct and indirect election to get on the Rice Marketing Board.

Will the Hon. Mover of the Motion tell us whether it will not be necessary to set up machinery for the election of people to manage things, if the Board were converted into a cooperative marketing organization? If he can suggest any improvement in the existing machinery Government would welcome it. It will be recalled that a change in the composition of the Rice Producers' Association was debated in this Council and accepted. It was done not, as some people always allege, by hammering things down people's throats - it was done by way of a compromise and the acceptance of suggestions, etc., from the "*Opposition*".

I am sorry that the Mover of the Motion did not tell us clearly what would be the difference between a cooperative marketing organization and the existing Rice Marketing Board. I was most dissatisfied with the previous composition of the Board, because full control was not in the hands of the producers. Let us not draw red herrings across the trail and talk about complaints that people's rice may not be properly graded and so on. Whether you have a cooperative organization registered under the Cooperative Societies Ordinance or under a separate Ordinance, you will still hear complaints about the management. We must keep the cardinal principle in mind: effective democratic control. I submit that at the moment you have, if not 100 per cent democratic control, at least a 2/3 democratic control of the organization.

I can assure Hon. Members that it is the Government's intention to put complete powers into the hands of the producers when they ask for it. This is not an imposition, and we are not withholding any powers from rice producers. While I appreciate the intention of the Hon. Mover of the Motion, and while I recognize that he has a genuine and sincere interest in seeing that the rice producers get a square deal, I must say that the present Rice Marketing Board, constituted as it is today, gives the producers no less than they will be given if it were converted into a cooperative marketing organization.

About three years ago I took up this matter with an adviser who came to this country to advise on the cooperative movement generally. He was also of the view that no practical advantages would be gained. Indeed it would be very difficult to set up a cooperative organization for the whole country because we know how difficult it is to have small cooperative bodies functioning properly without elaborate rules to guide them. The Rules are laid down elaborately in two Ordinances which have many ramifying clauses. There is no point in scrapping things and duplicating them somewhere else merely to get the same practical results.

I would like to say that while I appreciate the motive of the Hon. Member in bringing forward this Motion, I can assure him that the Rice Market-

ing Board Ordinance can achieve the same results. It may be necessary to see that more interest is taken in the machinery for controlling the elections and, instead of a few people voting, everybody who produces should vote. I repeat that there is no bar other than the 1/- qualification to prevent a producer from being registered. We must generate more interest in the R.P.A. and R.M.B. This cannot be done by converting the Rice Marketing Board into a cooperative organization. I hope that, as a result of my explanation, the Hon. Member will withdraw his Motion.

Motion On Timber Concessions To Cuba: November 4th, 1960

Dr. Jagan: We have before us a Motion which seeks to limit the activities of this country at what I regard as a very critical time, not only in the history of British Guiana but indeed generally in the history of the world. For when we look around us we find all around shouts for more employment, for more land and for more social assistance, and the very champions of this Motion who get up and criticize the Government for not doing enough are today saying that we must restrict our trade relations with certain countries because those countries are subversive, or because they do not enjoy freedom.

I do not want to speak in defence of the Cuban revolution, but because so much nonsense has been said here, and because we have been told that "*Time Magazine*" is now the authority, I think it is only right and fair that I should read from some other authoritative journals so that we can get a true picture of what is happening in that country today. I will proceed in a moment to deal with the economic questions, but because there is the view that we should not trade or have any commercial relations with that country it is better that we clear the air and understand precisely what this Government represents, because while today we may be discussing the matter of a timed concession, tomorrow it may very well be the question of the acceptance of a loan which has been offered to this country. So I think opportunities should be taken at this time to clear the air to see precisely what is happening.

The Hon. Member for Georgetown South (Mr. Jai Narine Singh) and the Hon. Nominated Member, Mr. Hubbard, referred to the tremendous upheaval in the world today, and it is well that we should note the economic forces which are behind these upheavals. Certain people are determined to hold back the tide of history. Speaking on behalf of vested interests as they do, I feel certain that their efforts will fail, but those efforts can do a great deal of harm in misinforming the public, because those people unfortunately have on their side mass means of communication, and they are able to spread their propaganda far and wide.

As we know, "*Time Magazine*" certainly has a very wide circulation, but speaking from personal experience I know that when anything is written in that magazine about British Guiana it is more often than not a distortion of the facts. One tends to accept news published about other countries as gospel truth, but if one were to judge from experience here then one could certainly say that a lot of what is published in that journal is not necessary gospel truth. What about the Cuban revolution? I have with me a magazine called the "*New Statesman*", an English publication. My friend, Mr. Tello, probably does not read this journal, but it is a highly recognized

journal in the United Kingdom. It is not communist. In the issue of July 9, 1960, we read the following on page 43:

*“In short, the Cuban revolution is a genuine one, and this, ironically enough, is a rarity in Latin America. Most Latin American revolutions, even of extreme left-wing complexion, involve little more than a change of personnel at the top. The overthrow of Peron in Argentina and Jimenez in Venezuela, and the subsequent election of left-wing governments there, have led to few structural changes; both these regimes govern under the watchful eye of the armed forces. In Bolivia, where widespread expropriation has been carried out, an immense gulf still separates rich and poor. Even in Mexico, which has had 50 years of ‘revolutionary’ government, it was recently claimed that there are still over 1000 *latifundia*, including one of over 500,000 acres. But in Cuba, the wheels of revolution have really begun to bite, and for one very simple reason. Unlike almost every other revolutionary in Latin American history, Castro did not come to power with the support, active or passive, of the armed forces, but in the teeth of their resistance. In fact, in order to come to power he had to destroy the Cuban military establishment, and this he did totally and forever. Hence, there is not built-in institutionalized restraint of his policies, not the remotest change of a counter-revolutionary coup. On the contrary, the revolutionary army is an integral part of the regime and its leaders are the most fanatical proponents of change. Castro, like Mao Tse-tung, was carried to power on the backs of the armed peasants, and they will keep him there.”*

This article then goes on to state that one of the first things done by the revolution was to carry out a system of land reform. My Hon. Friend who quotes from *“Time Magazine”* should enlighten us about certain other things, because only a few weeks ago *“Time”* carried an article regarding the need for land reform. In Latin America there is a cry for a basic system of land reform. The people want to change the system of land tenure under which millions of people have very little land whilst a few hold tremendous holdings.

In Cuba, as I have said, one of the first things done was to carry out a drastic system of land reform. This magazine goes on to state:

“...‘Most of the Latin-American economists to whom I talked, however, were convinced that the reform is working. One of them – viewing Cuba from the relative objectivity of the F.A.O – told me emphatically: ‘The Cuban land reform is the first in Latin American history to have raised production during the first year of its operation’.”

One can go on quoting and, perhaps, it is well to do so because of the misinformation of the Members in this Council and elsewhere about what authorities have to say about the things taking place in Cuba today.

Mr. Ernest Hemingway, an author who is well-known for writing good

novels, who has won a number of prizes for his works, and who has taken part in revolutions in Spain and elsewhere said this to a representative of "Fair Play" magazine – a magazine published in the United States of America. I quote:

"I was disposed to join the guerillas of Fidel Castro in the Sierra Maestra, but I suffered an accident in Africa which prevented me from making any rough movements. I regretted it very much, truthfully.

"I would have had a great theme for a good story. Perhaps I will do something with the moments we are living now in Cuba, but I haven't thought about it.

"I am not theorist, I cannot give specific reasons, but I can say that I am totally in accord with Cuba and its revolution."

(Mr. Campbell: When was this written?)

Dr. Jagan: On September 9, 1960. Then there is Jean Paul Sartre, another respected individual in the literary field. He is a French man. After visiting Cuba recently with a group of prominent writers, authors and artists from the United States he had this to say:

"The full realization of the Cuban Revolution implies a complete solidarity of all of the Latin American peoples. This is not to say that each nation must not seek its own road. It does mean that Cuba is the point of departure, and that for the first time an effort is being made for the total solidarity of all of the Latin American peoples against the imperialism of the United States.

"Cuba represents the first attempt of a Latin-American nation to reach total independence, without the tutelage of anyone. In order that the Cuban Revolution assume full significance, it will be necessary for Latin America to consider the Cuban course as if it were its own".

I mention this because it is necessary to put the other side of the picture before the Council. Today Latin America, of which we are a part, is in great turmoil. Those of us who have read the Reports of the Economic Commission on Latin America are worried, because we see that the recession, depression, and so on in the United States are having a deleterious effect on the economies of these countries. We have seen studies after studies being undertaken in Latin America in order to overcome the ills of their lopsided economies: a dependence on one crop or one mineral, a dependence generally of a colonial economy.

Some people say that Cuba is now making a break - a break in the economic sense. Let us be concerned in this matter. We cannot live in isolation

in this country. Some Members of the "Opposition" will say that this is a small country, and we must not worry with what is happening outside. But we must worry because we are part and parcel of the world. Everyone knows that not too long ago, in 1958, we suffered in this country as a result of the recession in the United States. Right now we are being told that things are not very rosy in the United States. In that country there is grave concern over the state of its economy. In an editorial in "*The New York Times*" of the 18th October, 1960, I see:

"... Industrial production last month declined to the lowest point of the year, falling back to the lowest level since last year's strike. Retail sales fell appreciably. Wage and salary incomes declined, but personal incomes reached a new high, primarily because Government transfer payments such as unemployment insurance, veterans' benefits, and Social Security payments rose. Unemployment dropped somewhat, but at 5.7 per cent of the labour force it was still too high."

Any setback in economic activity in the United States can have dire consequences in Latin America; hence the statement: "*When America sneezes Latin America catches a cold*". This equally applies to British Guiana because, generally speaking, we in this part of the world, in Latin America and South America, are still relatively underdeveloped. We still have a relatively low *per capita* income. Therefore we must be concerned about what is taking place around us, and endeavour to grasp economic opportunities as long as they are in our interest. That is why I have taken time to debunk some of the propaganda by the Hon. Mover of the Motion and those who have supported him. I see no reason why we should not embark on a normal commercial transaction.

I was rather surprised to see a recent article about Cuba in the "*Guiana Sunday Graphic*". In spite of the daily doses of propaganda against the Cuban people, the Cuban revolution and the Cuban leader, we see a glimmer of truth. I do not know how the article passed the censors and managing directors. Mr. Herbert Williams, a subeditor of the "*Graphic*", has recently returned from Cuba and he has given us the benefit of what he saw there, in an article written on October 9, 1960. What a strange picture he paints! I do not see my Hon. Friends, the Members of the "Opposition", reading from Mr. Williams' statement, but they read all of the propaganda which is dished out by the reactionaries all over the world. I will read what Mr. Williams has written. He states:

"I was somewhat surprised by the situation in the island as I found it. Of course, there were very "definite" ideas in my mind of what was happening there. There was the impression - created by some reports - of turbulent times - of a people tottering on the edge of a precipice, facing inevitable catastrophe."

"This is, to say the least, far from the truth if what I saw in my short stay is any real indication of the situation as a whole. Admittedly, in four days, any observation of the situation in the sugar-rich republic cannot be but somewhat superficial. But again the real position cannot best be determined from anywhere else but in Cuba.

"The Cubans emphatically deny that there is any real opposition movement to threaten the Revolutionary Government. It is claimed that two months ago, when the last popularity census was held, 87 per cent supported Castro. There are still some people whose sympathy is with the Batista regime; and another set who are more or less fluid.

"Although there are these three sides to the Cuban make-up, basically they express equal love for their country. The sort of nationalism I encountered there was truly amazing (it is entirely nonexistent in British Guiana), and one wondered whether it was peculiar to the Cuban nation or characteristic of Latin American countries in general

Sir, here are the words of a Guianese who had gone there and seen.

We have heard a lot of nonsense that the people are forced to pay 4 percent of their wages towards an industrialization programme. How is it that these workers are forced to pay 4 percent of their wages and these are the same workers to whom Castro has given guns to defend their revolution? How is it? As the author said in the *"New Statesman"*, the regular army has been disbanded, and in its place there is a People's Militia. Every worker, every farmer, every schoolteacher, every clerk has a gun. It is all well and good to talk about democracy. Dr. Castro is criticized for not being democratic, but has shouted back to those who accuse him and said: Put guns in the hands of the workers and we will see how long so-called freedom and democracy will last; when oppressors talk about freedom, they mean their right to exploit the workers.

There is a great scare that because Castro has seized properties; that because there were some shootings, imprisonment and so forth, that everyone inevitably everywhere will do the same. The last speaker who spoke a few moments ago said that we must recognize the fact that there is a revolutionary upsurge all over the world. Let us accept it as a fact that a revolution has its own timetable, that a revolution has its own justice and that revolutions are not formed only because a few people shout; because if a revolution could have come about by a few persons shouting, then we would have had a revolution long ago in British Guiana. The owner of the Motion himself, was fighting fire with fire a few years ago; and another Member of the *"Opposition"* had not very long ago told us how *"over my dead body they will come to our shores."*

(Mr. Speaker: I do not know to whom you refer.)

Dr. Jagan: The Hon. Member for Georgetown Central. Revolutions do not come because a few leaders get up and preach revolutionary slogans. They are not imported or exported. Revolutions come from the people when they are fed up, when they are so dissatisfied that they will rather die than continue living, and this was the stage reached in Cuba, as was reached in the United States of America, in France, in Russia. Today, all over the world, we see demonstrations led particularly by the youthful revolutionary intelligentsia. So-called democratic regimes are toppling everywhere. Menderes of France and Syngman Rhee of Korea were all great democrats of the world. But lest it be said that Cuba alone is a banditti country and that Castro is a dictator who is out to get blood, let us just go back.

Let us just refer to the American War of Independence because I feel we have many historical parallels. We are a Colony and the 13 American territories were colonies too, the only difference is that they were freed. They fought for independence in 1775 and we are still trying to get ours here at the present time. There are some who tell us that the American War of Independence was based on idealism, was fought merely on the issue of freedom - freedom of the Press, freedom of assembly and religion and so forth. Certainly wrapped up in all revolutionary wars is the question of basic freedom. But more than that: revolutions have an economic basis. In this book, which is a textbook on "*American Politics*" by Odegard and Helms we read at page 13:

"The American Revolution was in many ways one phase of the struggle of small farmers, free laborers and the rising merchant class, against the merchantilist-landed aristocratic system of entailed rights and privileges."

"The American Revolution," wrote Millen Chamberlain, *"was not a quarrel between two peoples... it was a strife between two Parties, the Conservatives in both countries in one party, and the Liberals in both countries as the other Party."*

In these days epithets are hurled all around. Nowadays one hears all sorts of derogatory remarks and abuses about who is a communist or who is a Marxist, but when the American War of Independence was being fought there was no Fidel Castro who was said to be sympathizing with the communists or setting up a communist base in Cuba. In those days what were the revolutionary leaders called? - *"wretched banditti"*. One lawyer said: *"When the pot boils the scum will arise."* Who were the people? Professor Van Tyne says:

"In one sense the American Revolution was a social and economic rebellion of the lower classes against the domination of the colonial aristocracy... The lists of refugees, banished loyalists, and persons sent to places of detention during the war

read often like bead-rolls of the finest and oldest colonial families. The culture, the dignity, the official ranks, the inheritors of wealth tended to support the old order."

Wherever you go, whether to the French Revolution or the American Revolution or, indeed, the silent revolution which is taking place all over the world today, it is the same old story. And as to the seizing of properties, it was not only Fidel Castro or the Russians who have seized properties. I would like my Hon. Friends to know this because this is very important.

As I said, a revolution has its own timetable and its own system of justice. At page 20 of this book, "*American Politics*", we read:

"Equally significant were the social and economic consequences of the war. Royal restrictions on the acquisition and use of land and forests were wiped out. Crown lands fell into the possession of the states, and quit-rents were abolished. More important still was the abolition of those rules of law entail and primogeniture, which had been designed to establish and perpetuate a landed aristocracy. Moreover, the vast estates held by Tories and their sympathizers were, with a few exceptions, confiscated and broken up into smaller holdings. The land seized was sold to ready purchasers. The De Lancey estate in New York went to 275 persons, Roger Morris's to 250, New Hampshire confiscated twenty-eight estates, and 'in Massachusetts a sweeping act confiscated at one blow all the property of all who had fought against the United States, or had even retired into places under British authority without permission from the American Government.' New York sold confiscated lands to the amount of \$3,000,000, Maryland realized over £450,000 from the same source, Pennsylvania nearly £ 1,000,000 and other states lesser amounts. No compensation was paid to the owners and it was left to the British government to reimburse the loyalists to the tune of over £ 3,000,000 although their claims were as high as £ 8,000,000. American manufacturing and trade were released from the imperial restrictions imposed before the war. . . ."

Let us remember that the value of money in those days was far more than it is today and what is happening in Cuba to the billions is no exception in a revolution. And let those who suppress and keep down the masses remember these acts because justice will be meted out measure for measure. As you treat others, so treatment will be meted out unto you. The British Government reimbursed those whose properties were confiscated in the same way as slave owners, when slavery was abolished, had been compensated by the British Government.

I think I have given enough to show that today, whether in Cuba or elsewhere, there is a world situation in which the masses are not content to live as they now do and where the economic order must change.

A United Nations survey disclosed in 1950 that 18 per cent of the world's population, less than 1/5th, in the highly- developed countries - the rich

countries owned a little over 2/3rds of the world's income. On the other hand, nearly 2/3rds of the people living in Asia, Africa and Latin America had less than 1/5th of the world's income. This does not come about as a result of the laws of God. This came about because of the economic order under which we are caught up by the forces of imperialism. Capitalism is dying, and in its death throes it is carrying along some of us. We owe a duty to ourselves to see how changes can come about; to see how we can free ourselves from the tentacles of imperialism.

What is the position in our timber industry? British Guiana is exporting roughly \$2 million worth of timber per year. The Cuban Government is importing about \$23 million worth of timber in various forms - boards, poles, etc. The Party which I have the honour to lead has been saying time and again that foreign capital is not going to be the salvation of this country. Only last night we were told by an expert, who works with the Economic Commission for Latin America, that in Latin America today the people are generally wary of foreign capitalists and foreign capital. In some cases they restrict them; they can only come in under certain conditions, and in some places they cannot come in at all. In Brazil, for instance, there is a big fight as to whether the oil industry should be open to capitalists from outside. In Venezuela right now the Government is under heavy pressure because it was preparing to give Reynolds the right to establish an aluminium smelting plant there. They have a large hydroelectric development at Coroni, but the people feel, in view of their experience in the past, that they would not benefit, hence there is this tremendous opposition.

We have said that foreign capital alone is not going to be the salvation of this country. We must plan and make a proper assessment of our resources and try to develop those resources. But it is the "*Opposition*" which has been telling us that foreign capital will be the salvation of this country. It has not proved so in other parts of the world - in Asia, Africa or Latin America. I do not wish to tire the Council with all the facts and statistics, but Latin America's experience is that when a few dollars come in more fly out. Between 1945 and 1955 foreign investments yielded \$7 billion, of which \$1 1/2 billion was reinvested. In the same period \$2 billion of new capital came in, thus leaving a net outflow of \$3 1/2 billion. That is the balance-sheet of imperialism. Our friends have been saying; "*Let capital come in.*" Government says "*In this period of underdevelopment and stagnation, let us have our timber industry developed.*" In Latin America they do not have any tax concessions. The point to note is that these are the people who have been telling us to open our doors.

We are accused by the Hon. Member for Georgetown Central (Mr. Burnham) of being imperialist-minded, of perpetuating Cuban imperialism; that while we are opposed to imperialism we do not mind encouraging Cuban imperialism. I wonder whether the Hon. Member has forgotten his textbooks and all his readings about socialism. Socialists have a different creed; they live on principles; they do not live only on the philosophy

of "dog eat dog." They believe not only that there should be justice inside a country but also justice between one country and another. Some people cannot understand this, but they will learn in due course.

Whether the Cubans accept a concession or not, if it is taken it is going to be granted on strictly commercial lines, as we do with anyone else. We give concessions to all and sundry. There are certain laws laid down. If the Cubans come here and accept concessions they will have to abide by the laws of the country. We are told that they will come here and probably bring guns and tanks instead of bulldozers. That is puerile nonsense. Revolutions cannot be exported or imported. I think we should grasp this opportunity which has presented itself. Members should be happy.

I have not heard the Hon. Nominated Member, Mr. Davis, on this question. I refer to him because we will soon have to be thinking in terms of a market for rice. We have been told that if we do not join the West Indies Federation where are we going to sell our rice? We were told just now that 200,000 tons of rice was imported into Cuba, and no doubt with the increased economic tempo and a rise in the standard of living of the people they will be in a position to purchase much more rice. Let us not forget that 18 per cent of Cuba's population was unemployed and land hungry, but very soon the position will be changed. I have just had a letter from a company offering to establish 18 factories in Cuba as a Government enterprise which, incidentally, will pay for themselves out of profits, like the electricity undertaking which Government has recently acquired.

Look at the list of the timbers in which the Cubans are interested:

Aromata	Baromalli
Crabwood	Dalli
Brown Silverballi	Determa
Dukali	Kanakudiballi
Kereti Silverbali	Locust
Manni	Mora
Purpleheart	Tatabu
Tauroniro	Wallaba

This country has been spending thousands of dollars year after year trying to encourage the use of these secondary species, but what do we find? Government has to subsidize these timbers to encourage the utilization of these species, the extraction of which our timber people are not concerned about. They extract what timbers the people will buy and what is most profitable to them. We are told that there are limited quantities of greenheart in our forests, and that selective logging is a very expensive proposition. The Cubans are not bound by prejudices; they know what they want and they know the physical characteristics of our timber, and they are prepared to buy them. If they want to set up a wood grant and to

extract the secondary species they want we have to see that we get royalty and impose conditions so that this country gets the best out of the deal. If we could capture even half of the Cuban market we may be able to multiply possible by six times our present production of timber.

Some of us have shed crocodile tears about our unemployed. If they were really concerned I think that instead of attacking the Government, the Hon. Mover of the Motion and those who have supported him should praise the Government for taking these steps. Other countries are doing these things, going hither and thither trying to find means whereby they can solve their present-day economic problems. I agree with the Hon. Member for Georgetown Central that we must take care that in any deal we get the best bargain for this country; that before we accept loans at low rates of interest which are tied up with the purchase of equipment, we should make sure that we are given competitive prices. There is no need for fear about that. We have seen that prices in some of these territories are generally lower.

In Italy, Switzerland and Eastern Europe, you will find that in many cases prices are cheaper in certain fields. The same people who are objecting to Government making trade deals are making money by trading with Czechoslovakia and other places. This trade will be in the interest of the country. If the Government were to make a deal on terms which were not advantageous, by all means criticize us. But what we find in this Motion is not merely a question of giving a concession.

The Cubans have said that they are not interested in a concession. They are prepared to loan this Government money and give technical advice and assistance when we need them, so that we can establish our own undertaking. Even if they were prepared merely to take a concession, I would say give it to them because I feel that we would get a better deal when we are able to utilize certain species of timber which would never have been sold in the open market.

When the C.D.C. came here we were told that they would make plywood veneers and so on. But they are still restricted to greenheart and purpleheart, perhaps, through no fault of their own, because they have to deal with the jungle of the capitalist market. We have to sell what the customers will buy. Only greenheart is known abroad, and big undertakings like C.D.C. have to limit their undertaking mainly to the extraction of greenheart.

Here is a concern which would be prepared to set up its own undertaking and utilize practically all of the timbers in our forest, because it has a planned economy. I went to a factory in Cuba where they were producing paper from bagasse. They are producing 60 per cent of their requirements and were importing the balance from abroad. They told me that if they had wood pulp to mix with bagasse they could produce cheaper newsprint. There is unlimited demand for other industries in that country.

It is one thing to produce rice; experts will tell us that it is not a difficult thing to produce. The last expert who came here told us that we have the best conditions for manufacturing glass. He said that in 1947 he advised Bookers on the subject, but up to now a glass factory has not been constructed in this country. We can produce glass, but it will be difficult to sell it abroad. So far as timber is concerned, we do not have to worry about selling it. If the Cubans set up their own undertaking here they will have to extract the species they are interested in, and it will be their hard luck if they fail to get the desired results. After they enter into a contract with us, having loaned us money and told us what species they want, we will supply them with what they have contracted to buy. They will be repaid in terms of the products which they have contracted to buy. What can we lose? These opportunities do not come everyday.

Here we have people either from prejudice, bigotry or, perhaps, ignorance, objecting to this proposed arrangement, because there is a great deal of ignorance about what is going on today in Cuba. If I could spend the taxpayers' money, I would charter a Dakota and take the whole Council for a tour of Cuba. The Hon. Member for Georgetown South, a Reporter from British Guiana, and Dr. Nicholson have seen what Cuba looks like. Let us get rid of these prejudices; the world is moving on and we have to move with it.

It is surprising how people turn when they leave us. In this last minute I will deal with the Hon. Mover of the Motion. In June 18, 1953, when he was a Member of the House of Assembly and the People's Progressive Party he said, and I quote:

"Another complaint is that we are sick to death of the restraints being placed upon us by the British. Today we cannot even make friends of our own choice. We cannot sell our produce in the world's markets; we are being told who must be our friends and where we must sell our goods. We intend to use every possible effort to get rid of these restrictions. The Americans, in the first paragraph of their Declaration of Independence say:

'When in the course of human events, it becomes necessary for one's people to dissolve the politician bands...'"

Even the Hon. Nominated Member, Mr. Fredericks, is now accustomed to quoting this same revolutionary statement. Some people seem to forget what they have fought for, but this is no time to forget. If you forget, perhaps, history and the people of British Guiana will certainly forget you.

Tax Holiday Concessions Bill: November 23rd, 1960

Dr. Jagan: I am as much concerned about industrialization as Hon. Members are on the other side, so that we may solve not only the problem of unemployment, but that we can have the necessary wherewithal to have real development in British Guiana. We are concerned not only with providing a few jobs but to see to it that the necessary foundation is laid in this country, so that 10, 15 or 20 years from now we will have the basis for real independence for British Guiana. The Hon. Member for Georgetown Central (Mr. Burnham) is not here today. I remember when he accompanied me to India in 1953-54 he made this - I think - very enlightening observation which, of course, he does not follow today, but I would like to quote it. He was speaking in India and he said:

“Political freedom unaccompanied by economic independence is elusive. Political independence which you win at the expense of so much blood and suffering may be in jeopardy if foreign economic strangulation continues.”

As great an authority on this subject as Mr. John Strachey, in his book *“End of Empire”*, tells us:

“It is possible to carry on the imperialist control and exploitation in an undeveloped country without retaining it as, or making it into, a direct formal colony.”

We are concerned not only with political independence but with economic independence. It is not enough merely to say that we have unemployment in British Guiana. What we must ask ourselves is: why is it that there is unemployment here? And when we begin to ask ourselves why, we see why some of us try to project ourselves into the future to see what is likely to be the position, having regard to what has happened in the past. One Hon. Member said *“forget about the past, because those were the bad old days,”* but we know that what is happening today is merely a change in form, and that in many cases exploitation continues in a new guise.

I do not want to debate this question fully today, but let it be known that today capital is moving not necessarily towards areas such as British Guiana. We are trying to find a panacea for our ills, but all the experts have told us that merely entering into a competitive race to grant tax holidays is not going to solve our problems; indeed it may make our position worse. Even in the West Indies today they are alarmed about the competition in granting tax holidays. Of the 10 West Indian territories seven of them do not have 10 per cent of the national income of the area, and the wealthy ones, particularly Jamaica, say they must be free to grant more tax concessions and tax holidays. What happens? As a result of this we will find, in a few

years time, that the poorer ones, like the Leeward and Windward Islands, will in fact get poorer. That is the problem we are dealing with, and the reality of the situation.

All over the world today experts will tell you almost the same thing. Mr. Cumar Myrdal, a world famous economist, and others tell us that capital is moving to the developed areas of the world rather than to the underdeveloped areas. Are there any tax concessions in those areas? There are no tax concessions in Europe. As the Hon. Nominated Member, Mr. Hubbard, rightly pointed out, in those areas you have a higher rate of taxation, yet capital is flowing to the developed rather than the underdeveloped regions today. There are two reasons for this.

The Hon. Member refers to the insecurity of capital in British Guiana, but it is not a situation pertaining only to British Guiana. You will hear capitalists saying today that there is far more security in British Guiana than the whole of Latin America, although the Latin American Governments are not faced with the ideology of this Party. The fact is that those countries have realized that merely depending on foreign capital is not the road to economic salvation.

I generally like to refer to things in general, because I feel that in order to solve a number of problems we must look at things in general. Mr. Essex and previous Financial Secretaries have told us time and again that our conditions are so tied up with external enterprise that we cannot help being involved in the cycle of recessions which takes place from time to time outside of this country.

In Latin America we have seen that they have not resorted to the expediency of granting tax holidays, but at the same time far more capital has gone into those areas. Today Latin American politicians - I am not talking of socialists or communists; I am speaking of nationalist politicians - are apprehensive about the unrestricted flow of foreign capital and what it is doing to their economies.

Professor Hosue De Castro in his book called "*Geography of Hunger*" states: "*There is not a single country in South America in which the population is free from hunger*". I refer to this because I feel it is important for people to know what can happen to a country if we go along in a certain direction.

A statement has been made quite recently in the "*Colonial Freedom News*" to the effect that in the three—year period (1955-1957) there was a net outflow of \$80 million out of those territories. I should just like to read one relevant quotation from this magazine. It states:

"Latin America is a classic example of how foreign capital investment drags an area into a swamp of debts. We have seen that \$3,470 million was the net inflow of capital for the 3 years 1955-1957; during those 3 years net remittance of profits and interest (excluding reinvestment of profits) were \$3,550 million, or \$80 million more than the net capital inflow; Venezuelan oil alone provided more than half these profits..."

“These were private profits, but foreign Governments did not do too badly out of Latin America, either. In the 10 years 1947-1956 Latin America received \$2,750 million of official loans, but it paid \$1,829 million back on principal and interest. At the end of the period Latin American was in that classic predicament of the debtor having to borrow in order to meet loan payments: in 1956 Latin America received \$450 million in loans; however in that same year, she paid out exactly \$450 million in principal and interest on previous loans.”

I cited this merely to show our friends on the opposite side who are depending on foreign capital only to develop British Guiana. The question of providing jobs is not the only problem, we have to keep in mind what is going to be the net outflow from a country like this. We have to learn from the experience not only of Asia and Africa, but of countries very near to us.

The Hon. Nominated Member (Mr. Tello) says that the situation has changed and things are no longer as they were. But today foreign investors want even more tribute than they received previously, because of the so-called risks which they face in these underdeveloped territories. A United Nations Survey disclosed that U.S. investments in Latin America yielded in 1949 a profit of 14.9%; in 1950, 16.8%; in 1951 20.5%. That is the way things go, and in four, five or six years the investment which is made is recouped, after which there is a perpetual flow of money out of the countries.

The Hon. Member also referred to the high wages paid by the bauxite industry, but let him tell us what the same bauxite companies pay their workers in Canada and the United States of America where the industry is integrated with ours. Without our bauxite Reynolds Metals Company cannot survive, because they have to combine our ore with that of Arkansas's. Do they pay the same wages here as in Arkansas?

There is no point in comparing the wages paid by Government with that paid by the bauxite company, because Government is not a capitalist concern. Government has to meet all the responsibilities of the country, and, indeed, when many people are broken down by the capitalist system, when they are thrown on the scrap-heap of unemployment by mechanization, it is the Government that has to accept the social responsibility of taking care of them.

We were told in the Venn Report that in the absence of an insurance scheme and pensions for sugar workers that Government has to provide one-third of the pensions paid to ex-sugar workers. There is no point in comparing the wages of Government with what an industry can afford to pay. If industries can pay they should do so. Government is not a concern that is out to exploit the workers and, therefore it need not measure up in every case with an industry that can afford to pay better wages.

An Hon. Member asked how the Government would find all the money

for development. If we follow the line taken by the Mover of the Motion, obviously we agree that it is not possible to find all the money. Let us assume that we accepted the Motion and increased the period to 7 Years, what is to prevent Trinidad, Jamaica and Puerto Rico from offering 10 years? As soon as we increased it to 12 years they would increase it to 15 years and so on. Why industries do not come here? It is not basically because of the Government of British Guiana.

An Hon. Member referred to the case of an industry being established in Trinidad, a fertilizer plant, but he did not tell us that the fertilizer plant was going to use the waste product from the oil industry as its raw material. That is a major factor which he did not mention. That is responsible for the industry being sited in Trinidad. It is proposed to use the by-product or waste from the existing oil industry

Let me remind Hon. Members of Brazil. Brazil is more highly industrialized than the West Indies, but they do not offer any tax incentives. In Brazil there is a limitation of the amount of profit which can be taken out of the country. Certain enterprises are owned by the Government such as the oil industry, yet Brazil has become greater industrialized than other territories in this area. Brazil gives no tax holidays. The reason is that Brazil has a large home market, and the present tendency is for local capital to establish industries. In establishing these industries they set up tariff walls. As soon as an industry begins to develop and markets are restricted, the investors will come in. That is what is happening to Brazil, because Brazil has a large home market.

What is our position? We have a tiny home market; if capitalists are to come here they will come first for extractive industries, because they need our raw materials for their own industries which are established outside of British Guiana. That is the first stage. Why should they want to come to British Guiana? They would come if they feel that the conditions are such that they can make handsome profits. That is the reason why certain Members keep referring to Jamaica and Puerto Rico. One can cite Bermuda and the Bahamas. I understand that there is no taxation in Bermuda at all. If the capitalists are not interested in establishing industries as they do in Puerto Rico for export to the United States of America, what is to compel them to come to British Guiana? Seven years tax holiday is not going to force them to come here. Let us face realities. Many of the capitalists are clearing out to Puerto Rico from the United States of America. They are running for Puerto Rico because of competition and because of the tendency for big businesses to become bigger, takeover bids and so forth. The manufactures of Puerto Rico enter the United States of America duty-free. Some of the capitalists who had tax concessions in Puerto Rico, now that that period is over, are going to Jamaica, and from Jamaica, after a little while, they will be attracted to other places. And the West Indians are realizing this. They are seeing that capitalists are free to move from one territory to another and defeat the purpose of enhancing Government revenue. That is the great-

est danger. If we have no export markets - let us realize this - we are definitely in a disadvantageous position as compared with the Bahamas, Bermuda and other places.

Jamaica has a larger population than British Guiana. In some cases they have a larger population and in other cases, they have certain built-in facilities. I would like to point out to the Mover, who tells us that we are not moving rapidly, we have to look at the reasons why. One is that we are a Colony; and secondly, we are a small country. I am saying: merely giving tax holidays will not increase the economic position. We need money to develop our roads, for our Development Programme; and if we give away our right to tax, the time will come when we will be having less.

The Hon. Nominated Member, Mr. Tello, asked how we are going to establish all these industries. The short answer to that is this: that it is far easier today to get loans in the form of capital equipment than it is to get loans to build roads, etc., because we know that the capitalists' countries are competing among themselves for markets. The United States of America, today, is producing at around 70% of gross capacity. Other countries are going ahead, industrially, and competing amongst themselves. It is possible, now, to raise money by way of getting credit on factory equipment of all kinds. That is because we are able to go and talk all over the world as other countries are doing. But as long as we have not the necessary freedom, it would be difficult to industrialize British Guiana. Merely giving incentives is not the solution to our long term problem. It is a short-sighted policy and it is not going to solve our long-term or short-term problems.

I, therefore, suggest to the Mover that in looking at this question, he should look at it broadly and, indeed, not allow irrelevancies to be brought into the debate. If he wants to attack the Party, he can do so at the street corners, but let the debate here centre on the real issues for the benefit of the people of British Guiana.

Drying and Storage of Rice: January 19th, 1961

Dr. Jagan: I think that the Hon. Member who has moved this Motion should be congratulated, at least, for his idea of thinking in the interest of the rice producers and the rice industry; but, unfortunately, while he should be congratulated for the idea, he has not studied the problem very carefully, with the result that he has come up with what we regard as an impractical solution to this big problem.

We know that paddy reaped, particularly by mechanical means, has high moisture content, reaching sometimes from 18 % to 30 %, and if paddy is stored with this content, say, at an average figure of 25 %, then one finds that destruction of this paddy takes place very quickly. We were told by the experts that paddy should be stored with about 14 ½% moisture content and, therefore, it should be the aim of the industry to achieve this figure of 14 ½ % before referring to storage either in bins, bonds or rice mills.

The Hon. Member has proposed that the Government should embark on establishing dryers at different points in the country - one in the De Hoop-Vygeval area (Mahaica); one at Britannia, West Coast, Berbice; one at Warren, Corentyne; one at Bush Lot, Corentyne; and one at No. 64, Corentyne. But, Sir, if we were to look at this situation more closely, we will find that to set up these dryers will be quite an expensive proposition, for not only does one have to set up drying equipment; one has to set up cleaning equipment also, because we know that paddy reaped mechanically is not only paddy, but has rice stalks and bits of mud and other impurities along with it.

And generally one finds that the impurities - mud and stuff - are of a higher moisture content. It is necessary to set up cleaning equipment as well as drying equipment. It is also necessary to construct storage bonds, which will entail the provision of elevators and conveyors. It is not an easy or simple matter to set up equipment to take care of adequate drying.

I have been told by the Manager of the Rice Development Company, who should know what he is talking about, that to handle about 5,000 bags of paddy a day and store about 100,000 bags of rice at any one of these centres will require equipment which I have already mentioned at a value of about \$300,000. If one were to consider the depreciation and interest charges on this sum of \$300,000, one will find that the average cost per bag will be about 18 cents after providing for depreciation and interest. One also has to consider operating costs.

The Rice Development Company, which has done some of this work and has experience with mechanical dryers, has found that the average cost per bag is in the vicinity of 19 ½ cents. Therefore there will be 18 cents for depreciation and interest plus 19 ½ cents for operating costs. If we are operating on a small scale as we probably will do, at one of these points, or

even if we are operating on a large scale of 100,000 bags, we will have to bear in mind that we are dealing not with one producer, as in the case of the Rice Development Company at Mahaicony-Abary, but with several small producers whose production may range from yields from 2 acres to 50 acres. In other words, there will not be a continuous flow of paddy, and it will be necessary to deal with each farmer separately. There will be interrupted operation, and it is likely that the cost of 19 1/2 cents which was given by the Rice Development Company as its own operation cost, will be increased.

In addition to this there will be the factor of additional handling, because the mills will not be sited in those places. We assume that these are merely to be drying and storage centres. After the paddy has been stored and dried, it will have to be transported to some other place for milling. That will mean additional costs for handling which is very expensive.

While the motive of the Hon. Member who moved the Motion is laudable, in practice, if this proposal were to be implemented and drying facilities were set up at various points in the country, it would result in an increase in the cost of production. In the end the farmers would get less than they are receiving at the moment.

What, therefore, is the solution? It is not in the interest of the farmers to have paddy stored with moisture ranging from 18 % to 30 %. Therefore the paddy must be dried. If the suggestion made by the Hon. Member is not practical, then we will have to find other means. Both the Manager of the Rice Development Company and the Director of Agriculture has been consulted on this matter, and they have both indicated that these proposals are impracticable. They have expressed the view that a better solution would be for the private millers to embark on additional drying facilities, and for the farmers themselves to form cooperative groups in order to establish small drying units.

We know that in this country, traditionally, drying has been done on what is called a "concrete floor", utilizing the sun. As long as there is good weather, this is the cheapest form of drying today. The farmer utilizes his own labour when working on the concrete floor; he lays out the paddy, moves it about, and bags it himself.

Quite recently attempts have been made on the East Coast of Demerara to hold meetings among the farmers in order to encourage them to establish, jointly, certain drying floors near the area of cultivation. Some of the big farmers who cultivate large holdings were able to provide their own drying

What about the millers? We know that this country is studded with many small mills dotted throughout the length and breadth of the country. Over 200 of these are concentrated in various parts of British Guiana. Quite recently a meeting was held with all the millers on the East Coast of Demerara. They were told that both the Government and the Rice Marketing Board will be prepared to give them credit and other facilities so that they can extend their drying facilities. Many of these people have already em-

barked on increasing their concrete drying floors. I have seen one myself in the Mahaicony area.

Others have been told that they will be provided with loans, so that they can embark on establishing drying facilities plus the expansion of their concrete floors. I understand that several of them have already received loans from the Credit Corporation.

I may mention that discussions with the World Bank centred primarily on the provision of loans for agricultural equipment of this nature. From what the experts say, it appears that the most economic way of going about this matter is for either the millers themselves to go in for increased drying operations, or for the farmers themselves to embark on cleaning and drying equipment, after which they can either sell the paddy, as they do in certain areas, or mill the paddy in cooperative mills. On the other hand, they can mill it in privately-owned mills on their own account.

The Government is at the moment encouraging the farmers to establish cooperative mills. There is a proposal to set up one at Cane Grove. There is another proposal to set up one at Leguan. Four mills cooperatively-owned are to be established in the Black Bush Polder. We do not want to isolate the drying operation from the milling operation, if possible. On the other hand, we do not want to add to the farmer the increased cost of production when he can undertake this activity himself.

Some Hon. Members may not know this, but on the Corentyne Coast and other areas the farmers take their paddy to the mill; soak it in the soaking-tanks themselves; dry it and mill it themselves, providing their own labour. Why is this done? Because we are told by the experts that rice is a seasonable crop and provides employment for a farmer who owns an acre of paddy for about 20 man-days. In other words, during a certain period of the year the farmer finds himself unoccupied and earning very little because he has a small holding and he must obtain other employment. The more the farmer can do for himself with respect to drying, milling and so on, the better it will be for him because his income becomes greater.

Dr. O'Loughlin, who made a very close study of the rice industry, pointed out that the net income of the farmer on a bag of paddy is very negligible in rice cultivation, and she suggested that everything should be done to assist the farmer in reducing the cost of production.

Economists have told us that in countries like British Guiana where we have a great deal of underemployment and disguised unemployment, attempts should be made to mobilize the idle labour time of the people and not perpetually depend on machines to do what can, in many cases, be done by hand. In a country with full employment, it may be wise to employ more machinery so that productivity may be increased and the return to the individual may become greater. But in this country we have to adopt ways and means which will be in the interest of the producer. It is laudable to have dried paddy, but it can be done in other ways than as suggested by the Mover of the Motion. The method he suggests will only put a further

burden on the producers, therefore, however laudable his motive may be Government cannot agree to the implementation of his proposal.

The last speaker referred to the poor quality of our paddy, hence the poor quality of our rice and limited exports to the West Indies. I think he is mistaken. It is not a question of poor quality of our rice that limits exports to the West Indies. Indeed we find that in the small islands, because of the poverty of the people, they are not interested at all in rice of a high quality. They want the lowest quality rice we can offer them, so that they can purchase rice at a price within their means. In some of the larger islands they require rice of high quality. It all depends upon the income of the people. Jamaica, for instance, buys the highest grade, and so does Trinidad, but the smaller islands buy the lowest quality of rice that we produce.

It is not because of the poor quality of our paddy or the poor milling into rice, that we are not selling more rice to the West Indies. Consumption of rice in the West Indies is limited not only by the income *per capita* in the area but also by the fact that some of those territories have other commodities which they produce at some periods in surplus, and which they have to utilize.

I would suggest to the Hon. Member that the Government is very conscious of this problem of increasing our drying facilities, particularly in certain parts of the country where mechanical harvesting is now being used. The Rice Development Company has put up a proposition for the purchase of \$2 million worth of additional equipment for the Mahaicony and the Anna Regina rice mills, cleaning and drying equipment and so forth. So that I can assure the Hon. Member that we have this matter fully before us. Government is now considering how it could procure this equipment, and in addition to this the Credit Corporation is prepared at all times to consider sympathetically any requests for loans both by cooperative societies and by millers, for the extension or establishment of drying facilities on a proper basis.

Companies (Amendment) Ordinance: February 2nd, 1961

Dr. Jagan: Sir, this Bill before Council can be said to be long overdue. The Companies Ordinance, Chapter 328, is based on the Companies Ordinance, 1908, of the United Kingdom. I understand that since the 1908 enactment, there have been three revisions, finally culminating in the Companies, Act of 1948 in the United Kingdom. Unfortunately, our law has not been brought up-to-date.

From time to time representations have been made and, indeed, it was thought that every effort should, be made to have a comprehensive law along the lines of the 1948 Act in the United Kingdom, but it was felt that since it is necessary to have certain amendments which will bring the law up-to-date, it is proposed, at this time, to introduce such amendments. These have been gone into very carefully both by the Law Reform Committee and by the Sub-Committee of the Industrial Development Advisory Committee on the Coordination and Promotion of Industrial Activity in British Guiana. It is felt now that there is a general spirit of development in the air, that we should bring, up-to-date, our Companies Ordinance to assist and safeguard those who wish to embark upon and take interest in industrial and commercial ventures.

Clause 2 of the Bill seeks to permit the alteration or the .objects of a company. In the original Ordinance, Section 10 says that the alteration of the objects of a company could only take effect after confirmation by the Supreme Court. This, certainly, is a time-consuming exercise and, therefore, provision is made now, in Clause 2 of this Bill, to permit of such alteration to take place at a meeting; and for this alteration to become part of the objects of a company, within the specified time. However, within that time, provision is made for appeal to the Supreme Court by shareholders or debenture-holders of the company.

Clause 3 seeks to provide for conditions contained in a company's memorandum to be altered by special resolution, if any of those conditions could lawfully have been contained in the articles of association of the company.

Clause 4 seeks to make provision for the establishment of a share premium account. It also seeks to make provision for shares to be issued at a discount and for redeemable preference shares to be issued by a company limited by shares, if authorized by its articles of association.

Clauses 5 and 8 provide for the holding of the annual general meeting of a company and the filing of particulars with the Registrar. Variations are proposed here because it is found, from experience, that, particularly in the first year after incorporation or soon thereafter, sometimes it is very difficult to have this general meeting and to file the relevant material with the Registrar; so provision is made here, now, to extend the time so that the company and the officials of the company can have ample time to call such

a general meeting and to file such particulars.

Clause 11 of the Bill makes provision whereby the Supreme Court may order the calling of a meeting of a company either on its own motion or on the application of a director, or of a member entitled to vote, where it is impracticable to call or conduct a meeting of the company in the manner prescribed, and the Supreme Court may give any directions it may think expedient.

Cause 16 of the Bill seeks to make provision for the registration with the Registrar of the Supreme Court, of mortgages or charges existing on property which has been acquired by a company registered in British Guiana.

As I said, these amendments are merely meant to streamline the Ordinance and to take advantage of some of the most favourable aspects of the United Kingdom Act of 1948. As I pointed out at the beginning, these measures are long overdue; therefore, I have great pleasure, now, in moving the Second Reading of the Bill instituted an Ordinance to amend the Companies Ordinance.

The Erection of a Statue of the Late Mr. H.N. Critchlow: April 27th, 1961

Dr. Jagan: Sir, I did not think it was necessary for me to speak on this occasion, but because certain speakers gave the impression that we who represent the Majority Party were opposed to the idea of giving recognition, I think that it is my duty to say a few words on this Motion.

I rise, Sir, particularly because the late Hubert Nathaniel Critchlow was associated with trade unionism or was the founder of trade unionism, and because it is being said both in this country and outside, day in and day out, that the People's Progressive Party is out to destroy the Trade Union Movement. Insinuations, therefore, are floating high and wide that because we are opposed to the Trade Union Movement we do not want to give recognition to this son of Guiana - this patriot who was the founder of trade unionism in our country.

Then we hear, also, that because Mr. Critchlow was not a member of the P.P.P. we are refusing to honour him by erecting his statue. In fact, when one listens to the speeches, one gets the impression that we are being charged with sabotaging this Motion. Let me say here and now that we had always recognized the great work which was done by this great leader of the working class. We continue to do so, and in our writings and speeches at the street corners, we continue to make reference to his contribution to the working class struggles in this country.

It is surprising, therefore, to hear suggestions that we want to sabotage this effort to do something to commemorate his memory. It is even more surprising because some people who today proclaim his name and pretend to be labour leaders - these so-called champions - would, I am afraid if Mr. Critchlow were to return and to take on the same role which he started, be afraid to join him and march with him. Such is the situation in our country today - those who collaborate with the enemies of the working class dare accuse us and, instead, say that we do not want to do honour to this famous son of Guiana.

Critchlow was a rebel and a revolutionary in his time. He was persecuted; he was hounded and all sorts of things were meted out to him. It is all well and good, as I said, Sir, for people to sing his praise. We sing it, too, but it is a tragedy that those who sing his praise today do not follow in his footsteps but, instead, do everything to hold back the movement for political independence and social and economic emancipation for this country.

Only yesterday I was asked about the United Nations' petition which was forwarded on the question of independence. I refused to answer. How dare some of those same people who sabotaged the effort of this country to get independence come out and ask us about the petition to the United Nations for independence? What right do they have when everything they

did contributed to the fact that British Guiana will not be free in August when every country, hither and thither, is going to be independent?

(**Mr. Speaker:** Are we not going out of the realm of the particular motion?)

Dr. Jagan: I noticed the newspapers made mention of it today, so I thought of giving an explanation to it. However, Sir, I will take your advice and say that we would like those who shout today for Mr. Critchlow's praise not only to build statues to him but to really live up to the ideals which he represented and for which he fought.

And indeed, he to fight as hard and as courageously as he fought for them. Whether it should be a monument, a tabloid or trade union hall, such matters should be decided later.

The Minister of Labour, Health and Housing has already indicated in her speech that Government has given recognition to Mr. Critchlow. I understand that a street was named after him, and a Government boat was named after him. Why do we have to follow the imperialist tradition by building statues?

I think the Amendment which is proposed by the Hon. Nominated Member, Mr. Hubbard, should be supported because it will give the Government a wide choice when this matter is examined fully. What we are interested in is something which is going to be a memorial, something good and substantial. As I have already said we need some form of memorial.

Yesterday the Minister of Labour, Health and Housing pointed out that a memorial in the form of a plaque has been put up in St. George's Grenada in honour of the memory of the late Mr. T. A. Marryshow who, as we all know, is an old stalwart in the trade union and political fields and is regarded by many as the father of the West Indies Federation. If the Grenadian as well as West Indians think that a plaque is a suitable memorial for an illustrious son as Mr. Marryshow, why is it that we have to say that it must necessarily be a statue for Mr. Critchlow?

I understand that because we have voiced some criticism about this matter, arguments have been adduced to the effect that we are opposed to the idea of doing honour to the memory of this great man. I do not think that this is an occasion on which we should quarrel. If we cannot unite on anything else, at least, we should unite on doing honour to the memory of this great Guianese. What form it should take should be decided after a detailed examination is made, and I can assure you that if Government finds that a statue is the best thing it will certainly go ahead and implement whatever has been decided as the best thing.

Minister's Report on Visits Abroad: May 24th, 1961

Dr. Jagan: Sir, the Hon. Member who has moved this Motion is requesting Government to report fully to this Council on the various visits which were made by Ministers within the last twelve months to the United Kingdom, India, East Germany, Cuba, and the United States of America as official visits. I think what is being sought is that the Council should be kept informed at all times of what is taking place. But I do not think the Hon. Member wants Government, at this stage, to account for visits beyond the last twelve months. To give a detailed account, it would have to take the form of a White Paper in respect of all those visits which have been made.

A White Paper is reserved for very important and epoch-making events. I think we should be abusing the privilege of issuing White Papers on trips that may be important but not epoch-making. I agree that the Council should be kept informed, and Government will certainly agree that in future, opportunity should be taken, whether orally or in the form of a report, to keep the Council informed

I know that the Hon. Member wishes to be told of some of these visits. Perhaps, I can recount those that I undertook and say briefly what resulted from some of them; my first visit took place in 1958 - July and August. On that occasion the Hon. the Financial Secretary was also present in London when opportunity was taken to review certain matters.

(**Mr. Speaker:** I just want to get it clear, whether each of the Ministers concerned is going to attempt to give a report. I do not know. At the present time, strictly speaking, it is a Motion that is before the Council. I am not stopping the Hon. Minister from speaking on the Motion. I believe, as the Hon. Minister said he was going to give a report and was proceeding to do so, if he gives a report on these visits it may take up much time. The question really is whether the Motion is to be accepted or rejected. That is the question at the moment. Every Minister, some of whom are not here, should be allowed the opportunity to report on his or her visits also, if the Motion is accepted.)

Dr. Jagan: I merely want to say that the Government does not think it desirable, at this time, to present a White Paper, or several White Papers, on all of these visits which took place within the last twelve months. I know that a Motion was tabled some time ago. In fact that Motion sought a report for the period preceding the last twelve months. I say, first of all, it will not at this time be proper to give a detailed report on all of these visits, because a lot of what transpired on those visits is already generally known and has become public knowledge. I was merely, for the benefit of certain members, giving briefly an account of my visits. However, if Your Honour

feels it is going to take too long a time I would desist from doing so.

(Mr. Speaker: I do not want to be misunderstood. I just want to know the Hon. Minister's intention. He was proceeding to give a report for a period over twelve months. There are also other ministers who went to visit, and who are not present and may wish to give a report themselves. Those who are not present should be allowed an opportunity to do so if they so wish. I am merely pointing out that the question before the council is the Motion which should either be accepted, rejected, or withdrawn. I do not wish to stop the Hon. Minister, if it is not going to be an extensive report.)

Dr. Jagan: I do not intend to be too long, since I prefaced my remarks by saying that Government does not intend to issue White Papers on these visits which have been made by Ministers within the last twelve months, the results of which in many cases are already public knowledge. But I, however, thought it fit to give just a brief account of some of the visits; to say that Government sees the necessity of keeping the Council informed, and that in future Government will report to the Council.

Hon. Members will realize that there are certain discussions which take place from time to time about which it is not necessary to give premature information for the reason that some organizations do not want it to be known that discussions are being held. I may cite the World Bank. The World Bank generally demands that if informal talks are being held on loan applications, they must not be publicized until a definite decision is arrived at on the application - whether it was granting or rejecting the application.

As far as is possible, so far as visits are concerned, we will certainly give an undertaking that Government will report to the Council on these missions. But so far as the request in this Motion is concerned, I do not think we can adhere to what the Hon. Member requests, and that is a report in the form of a White Paper or documentary report.

That is why I am going to take this opportunity to refer to some of the most important visits I have made. I will not be long. The first visit was in 1958 to the United Kingdom.

(Mr. Burnham: The motion has nothing to do with 1958. It was tabled on December 20th, 1960. Anything previous to that is irrelevant)

Dr. Jagan: I wonder how far the Hon. Member wants me to go back?

(Mr. Speaker: The Motion says "*their various visits within the last twelve months to the United Kingdom, India, East Germany, Cuba and the United States on official business.*")

Dr. Jagan: As far as I am aware, within the last twelve months some visits were made to the United Kingdom, none was made to India, and no visit to East Germany. Within the last twelve months one visit was made to Cuba. This was on the last occasion of my visit to the United Kingdom for the Electricity Talks. On returning home, I paid a visit to Cuba which resulted in the Government of Cuba agreeing to buy the surplus rice that British Guiana was producing, and to pay a higher price for it than that obtained from the West Indies

My last visit to the United Kingdom was in July or August last for the Electricity Talks, on which occasion the Hon. the Financial Secretary accompanied me. A White Paper was tabled in this Council, and all the information relative to that conference was fully discussed. As I said, no visit was made to East Germany within the last twelve months and none to India.

Last December I visited the United States of America on some private business. At the same time I took the opportunity to discuss with United States Government officials matters dealing with technical assistance, both in terms of small and large schemes. I had also discussed at United Nations Headquarters the question of individual experts and grants with respect to the Special Fund. We know that we have at the moment two Special Fund Schemes which are now under investigation. One is the siltation study of the Georgetown harbour, and the other the soil survey of the country

At the same time, I took the opportunity of visiting Washington where talks were held with one of the bauxite companies and the World Bank. These were the more important discussions which were held during the last twelve months. I cannot think of any other at the moment. As I said, some were made previous to that, but the Hon. Member said that said he did not want information about those.

The Minister who went to India and to East Germany, unfortunately, is not in his seat. I, however, would like to say that the Hon. Minister went to India soon after the conclusion of the London Constitutional Talks; and it was decided while he was in the United Kingdom that, on his way to India - a trip which had been arranged previously with the Indian Government - he should stop over in East Germany and in Italy for two purposes. In East Germany he was to see rice mills, also integrated mills and factories which were dealing with timber - the utilization of timber in various ways - the making of wood pulp, paper and chemicals. In Italy, he was to discuss with the F.A.O. officials the project dealing with forest survey.

On the way to the United Kingdom I had talks in New York relative to this Special Fund application on a forestry survey with F.A.O. and, since the F.A.O. headquarters are at Rome, it was suggested to me by the F.A.O. individual at the United Nations Headquarters in New York that discussions should be held, if possible, in Rome; and so it was that the Minister visited Rome and had important discussions there which resulted in some information being given to him as to the way Government should proceed

in putting up an application for this Forestry Inventory Survey. This has since been done and I would like to say, for the information of the Council that a special application to the Special Fund of the United Nations is to be considered at the December meeting with respect to the Forestry Inventory Survey.

As regards India, the Hon. Minister was able to examine projects which were arranged by the Indian Government - some community projects and small-scale rural industries. Unfortunately, he had to cut short his visit because of ill health. As I said, these were the more important visits that were made during that period, and I can assure Hon. Members that a great deal of benefits has accrued as a result of these important visits.

We already know that we had in British Guiana consultants of one type or another both from the United Nations and from the World Bank. We had, first of all, an economist, Mr. Adler, who came from the World Bank. Following that, we had two survey missions which came and carried out detailed examinations of the Credit Corporation. We had from the United Nations, Mr. Snethlage who has made a preliminary study into our hydro-electric potential; Mr. Emmerich, who came and carried out a survey as to what was required in the field of administration, both in terms of training and in terms of efficiency in the Public Service - that is, the need for training civil servants and for instituting some scheme or methods and organizational management.

I have already referred to the two applications which have been successful, that is, the one dealing with the soil survey and the other dealing with the siltation study. Other applications have been put to the United Nations-for instance, the Forestry Inventory Survey and the Canje Project. These are also likely to be successful. There is the necessity for other specialists in the field of banking, for instance, and in the field of mining.

I would conclude by saying that a great deal of this information was already public knowledge and some of those reports have been made to the Council - the more important ones - and the public generally has been kept informed of the achievements of these trips. I, therefore, do not see the need, at this time, to make a formal report on paper either by way of a Ministerial Document or a White Paper. As I said, a Report will be prepared in future, to give, as far as practicable, a full report on the more important visits which have been made abroad.

Kitty Railway Lands Bill: July 14th, 1961

(Mr. Jackson: As I said yesterday, there was hardly anyone on this side of the Council Chamber who will oppose this Bill, the provisions of which are for the granting of transport to the people who occupy the Kitty area of the railway line. But I pointed out that the Government did not take the opportunity to put before this Legislature its plans and price for the selling of the land to the people concerned. I said this Council ought to have been, in the first place, notified that the lands were to be sold, and of the price Government proposed to ask for the lands.

I quoted from *Hansard* of the 29th March, 1951, to show where the Hon. the Minister of Trade and Industry (Dr. Jagan), then a Member of the Legislature, regretted that Government did not appoint a Land Valuation Committee in respect of its purchase of lands at Campbellville.

I also said that he had laid down a kind of measuring rod, and I think that measuring rod is the one which is used at all times and which can be used now. That is, the cost of the land at the time of purchase, the cost of development up to the moment and some other factors which may be involved. I read from the *Hansard*, and I intend to read more from Column 2026, where Dr. Jagan said at that time:

"I point out these facts to show why it is absolutely necessary that a Land Development Committee be set up with competent individuals to go into the question of the price paid for lands when they were originally purchased, the amount of money which might have been spent on the development of those lands, the profits or losses which might have been made during the occupation of those lands, and on consideration of all those factors, to determine a fair and just price to be paid now for them."

What I am seeking now is exactly what Dr. Jagan, who is now Minister of Trade and Industry, sought for the people of Campbellville, who were plot holders at the time; and I cannot see why there can be any objection to this Council making the request, when the time comes for the land to be sold, that the price which is to be paid for the land must be fair, just and reasonable, taking into consideration the original price paid, the cost of development and rents paid by the people who are occupants. I am sure the Minister of Trade and Industry, who is here today, would not deny that the land had been developed and that the cost of the development had been met by the people themselves.

I said yesterday that the land at Campbellville was sold or purchased at 7 1/2 cents per square foot; and if, as we understand the newspaper report, the price now asked for the land involved is 17 cents, the Government, for the 82 acres, would be taking as much money as that paid for the land

purchased at Campbellville, which was sold for \$480,000 - \$18,000 more than the price paid for the land at Campbellville. I hold the view that this Council should, in its last effort at legislation, do one last just thing by placing on record that its final act has been to decide that the people who are going to purchase this land would purchase it at a price which is fair, reasonable and just.

I pointed out that the Transport and Harbour Department pays \$1,550 by way of subsidy for this land. I am not aware of the extent of the rents paid, but I understand that the Kitty and Alexanderville Village Council charges 4 ½ per cent as taxes to the people who own land there, and if we assume that each lot is sold for \$200, at 4 ½ per cent. The people would pay far more in taxation than the Transport and Harbour Department has been paying by way of subsidy. Without making any unfavourable comments or statement which would irk anyone; without trying to upset anyone in this Council, I say this would be an effort to do justice to all the people concerned. I propose, in Committee stage, to move an Amendment to the Bill to see whether we can reach an agreement.)

Dr. Jagan: The Hon. Member who spoke last has raised some very interesting points to which I should like to refer. Briefly, mention was made of having a Land Authority or a Land Valuation Committee which can establish what a fair price should be. The Hon. Member did not make any distinction as to Government purchasing land: in one case from private individuals and Government either leasing or selling lands in another case. Obviously, there are fundamental differences between the two. What he was reading just now referred to the sale or, rather, the purchase by Government of lands which were held privately.

The view which was held by some of us was that the price demanded was far too much in relation to the price paid - I used the word "*paid*" - by the same company, and that is why I had suggested, when the matter was debated several years ago, that a yardstick should be used to assess any purchasing from private individuals so that they do not profiteer.

How should the value be determined? In some countries the rental values are taken over a number of years, in other cases the present day values are determined by what was paid, and so on. Obviously, in the case of the Government these same yardsticks cannot be used. Government did not purchase this land from anyone else. Indeed, Government was leasing the land at a very normal peppercorn rental. It was merely a facility which was given to the persons occupying the land, pending removal at any time the Government desires to utilize this land. Therefore, the rental value which was put on this land cannot be said to be the true rental value for land of an equivalent kind.

I want to make it quite clear to the Hon. Member and other Members that Government did not rush into this matter blindly, but had considered

expert advice given by people who know this job of planning, who know this job of valuation; and I understand that the Planning Officer and, indeed, the technical officers of the Housing Department were asked to give their views as to the value of the land which is now to be sold. My information is that the Government was advised by these competent and technical people that the value of the land should be 80 cents per square foot for ordinary land and \$1 per square foot for business land. The Government did not accept this advice and, instead, used the figure of 17 cents per square foot, which is approximately 21 per cent of the value which was assessed by these experts.

We can take another yardstick of present-day values. For instance, lands in the Housing Scheme were sold to persons who were desirous of constructing their houses at the rate of 33 3/4 cents per square foot; so that the price which is being asked of the settlers along the railway line is exactly half of what others have been asked to pay for similar types of land. Now, considering that the people have expended some amount of time and energy in building up this land, one can fairly say that the figure of approximately 50 % of the sale price of land in the Housing Scheme is certainly a fair value.

I cannot see that if we had taken the advice of the Hon. Member and appointed a Valuation Committee which would have examined the situation objectively as it is today, that the Committee would have come to any conclusion which would have been as fair as what the Government has done in the case of these people. Indeed, one would not have thought that Hon. Members would have got up here and charged the Government with giving out the land as an electioneering stunt. And so it is rather surprising to hear criticisms at this time, when the Government went, more or less, out of its way in the face of cold facts which I have already related and which I do not want to reiterate. Therefore, I do not feel that the Hon. Member should be worried because we cannot get anyone, under present circumstances, who is more competent than the Valuation Officer himself.

Incidentally, it should be noted that the price which will be paid by those people who are on the lots will amount to about seven hundred dollars. Immediately after the sale of the lands, the people can turn around and sell the lots for five or, possibly, ten times the amount they have paid for them. We know that the value of land in Georgetown and the suburbs today are extraordinarily high. We know that values have been going up very rapidly.

For instance, lands which were sold only a few years ago to Bank Breweries Limited and others for \$4,000 were recently sold to the Government for \$12,000 per acre, so, considering all of the factors objectively and taking into consideration the situation as it is, I do not think the charge levied by the Hon. Member is justified. He says that Government is charging the people too much for the land and, possibly, a Committee should be set up to arrive at the true value of the land. I am certain that if a Land Valuation

Committee were to be appointed to go into the question, the price of the land would be much higher.

I am glad that the Government is not charged with giving away land for electioneering purposes. This shows that Government is anxious for people to own their own house lots and holdings contrary to the views which are expressed both in this Council and at the street corners. For many years these people have been trying very hard to purchase these lands. Government, in keeping with its declared policy, is going ahead with the sale of these lands at a reasonable price so that the individuals who are on the land will have a sense of security which, I am sure, Hon. Members desire to see.

Sir, those are the main criticisms which have been levelled against the Bill. I am grateful for the support Hon. Members have given to the Bill. I am sure that we are all glad to see this question, which has been pending for a very long time, finally settled.

Friendly Societies (Amendment) Bill: July 14th, 1961

Dr. Jagan: Sir, Hon. Members will recall that for some time now proposals have been put forward for Amendments to the Friendly Societies Ordinance. We have had discussions with various parties concerned, and, in trying to meet the wishes of these Societies, we have had fairly long discussions on the various points which are listed in this Bill.

The points raised are not controversial. I am sorry that these Amendments were not proposed and introduced in this Council before, but we are happy to see that even at this late hour Council is prepared to consider them and give them an easy passage. The Amendments are in keeping with the recommendations made.

I should like to say that the Friendly Societies Movement is not being run as satisfactorily as we would like. There are several snags. In many cases we find that their books are not properly audited because of a shortage of staff in the Cooperative Department. We are now attempting to reorganize the Department by putting officers there, who not necessarily are competent in all the fields of the Cooperative Movement, but who know the rudiments and essentials of bookkeeping and accountancy, so that they can give a great deal of assistance in the routine work of the very highly skilled and technical officers of that Department.

Very soon the Government intends to appoint four such officers. An investigation is being made in the Department to find out how many more additional junior officers will be required to staff adequately the Cooperative Department so that they can give proper service, not only to the Cooperative Societies but also to the Friendly Societies. At the present moment, as I have said, some of the books of the Friendly Societies are not properly audited. I hope that the backlog of work will soon be wiped off and the Department will be able to do more work.

Clause 6 of this Bill provides that no member of a registered Friendly Society should have a claim or interest exceeding \$1,000 in the funds of that Society other than a Building Society or Cooperative Society. In the case of a registered Building Society or a Cooperative Society the limitation is fixed at \$2,000. An amendment is being proposed so that section 36 (1) of the Friendly Societies Ordinance will prescribe the limitation.

Clause 4 seeks to exempt Societies which do not declare bonus, from the obligation to establish a Reserve Fund in accordance with the Friendly Societies Ordinance. These amendments which are being proposed are simple and very straightforward, and do not require much argument and debate. The question of the holding of shares in a Society only arises in the case of a Building Society and a Cooperative Society. Clauses 5, 8, 11 and 12 seek to delete all reference to the holding of shares under the Ordinance.

Clause 12 also seeks to delete all references to a company in section 49 of the Friendly Societies Ordinance, as companies are dealt with under the Companies Ordinance, Chapter 328. These are the principal Amendments which are being proposed. I now move that the Bill be read a Second time.

