

SECOND LEGISLATIVE COUNCIL

(Constituted under the British Guiana (Constitution) (Temporary Provisions) Orders in Council, 1953 and 1956).

Wednesday, 25th January, 1961

The Council met at 2 p.m.

PRESENT:

Speaker, His Honour Sir Donald Jackson	
Chief Secretary, Hon. D. M. Hedges	
Attorney-General, Hon. A. M. I. Austin, Q.C.	} <i>ex officio</i>
Financial Secretary, Hon. W. P. D'Andrade.	
The Honourable Dr. C. B. Jagan	— <i>Member for Eastern Berbice</i> (Minister of Trade and Industry)
„ „ B. H. Benn	— <i>Member for Essequibo River</i> (Minister of Natural Resources)
„ „ Janet Jagan	— <i>Member for Western Essequibo</i> (Minister of Labour, Health and Housing)
„ „ Karrau	— <i>Member for Demerara-Essequibo</i> (Minister of Communications and Works)
„ „ B. S. Rai	— <i>Member for Central Demerara</i> (Minister of Community Development and Education).
Mr. R. B. Girij	— <i>Nominated Member</i>
„ W. O. R. Kendal	— <i>Member for New Amsterdam</i>
„ R. C. Tello	— <i>Nominated Member</i>
F. Bowman	— <i>Member for Demerara River</i>
„ A. L. Jackson	— <i>Member for Georgetown North</i>
S. M. Safiee	— <i>Member for Western Berbice</i>
„ Ajodha Singh	— <i>Member for Berbice River</i>
„ Jai Narine Singh	— <i>Member for Georgetown South</i>
R. E. Davis	— <i>Nominated Member</i>
„ H. J. Hubbard	— <i>Nominated Member</i>
„ A. G. Tasker, O.B.E.	— <i>Nominated Member.</i>
Mr. I. Crum Ewing	—Clerk of the Legislature
Mr. E. V. Viapree	—Assistant Clerk of the Legislature.

ABSENT:

Mr. L. F. S. Burnham, Q.C. — Member for Georgetown Central—on leave.
Mr. S. Campbell—Member for North Western District—on leave
Mr. E. B. Beharry—Member for Eastern Demerara
Mr. A. M. Fredericks—Nominated Member—on leave.

The Clerk read prayers.

MINUTES

MR. HUBBARD CHALLENGES ACCURACY
OF MINUTES

The Minutes of the meeting of the Council held on Thursday, 19th January, 1961, as printed and circulated were put to the Council for confirmation.

Mr. Hubbard: Mr. Speaker, I would like to challenge the accuracy of the Minutes, on page 3, where under Motions it is stated that item 4 was deferred. I have no recollection of any Motion having been put to defer item 4.

Mr. Speaker: I think the Minutes are accurate. The only question that was put was a Motion in relation to item 5, and it was put because the Attorney-General had mentioned that the matter had not been dealt with before, and I said I was under the impression that what was said about item 4 referred to both. The Attorney-General said there was no statement in relation to item 5, and I passed on to item 6. Therefore, only item 5 was dealt with in a Motion and not item 4.

Mr. Hubbard: Your Honour knows what he did, and so do I. I shall vote against the Minutes.

Mr. Speaker: What did you say?

Mr. Hubbard: Your Honour knows what he did.

Mr. Speaker: You can only vote on what I put to the Council; and I had put to the Council a Motion in relation to item 5 because item 4 was already passed, and I took it that you had known what had happened to item 4. If I am Speaker and I put a Motion to the Council, I should know what I put.

Mr. Hubbard: I was not questioning the fact that you had put item 5. I was questioning the fact that you had put a Motion —

Mr. Speaker: Then you voted under a misapprehension. If I put a Motion or an Amendment and you voted on something else, then it is your fault. Is there any other objection to the Minutes? [Pause.] If there is no other objection, I shall declare the Minutes duly confirmed.

Agreed to.

ANNOUNCEMENTS

LEAVE TO MEMBERS

Mr. Speaker: I have to announce that the hon. Nominated Member, Mr. Fredericks, stated in a letter that he is unable to attend today's sitting and would be grateful if he might be excused.

There is another letter from the hon. Member for North Western District, Mr. Campbell, applying for leave from Tuesday 24th January, to 16th February.

There is a letter, also, from the Member for Georgetown Central, Mr. Burnham, addressed to the Clerk of the Legislature asking for leave for the rest of the week owing to indisposition.

MOTIONS

DRYING AND STORAGE FACILITIES FOR RICE

Mr. Speaker: Council will resume consideration of the following Motion:

"Whereas it is known that all padi harvested mechanically is reaped before the grain has become completely matured and contains at least 24% moisture and which, if so stored, commences to deteriorate within seventy-two hours;

And whereas it has been proved that such moisture-laden padi could be successfully treated prior to storage by reducing the excess moisture through mechanical aeration or hot air drying;

And whereas there are at present only two plants for extracting moisture from padi reaped which are both installed in the valley of the Mahaicony River;

And whereas moisture extracting plants are of vital necessity in an expanding rice industry;

Be it resolved: That this Council recommends to Government early installation of drying and storage facilities as follows:

- (1) One dryer and bond in the De Hoop-Vygeval area (Mahaica).
- (2) One dryer and bond at Britannia, West Coast, Berbice.
- (3) One dryer and bond at Warren, Corentyne.
- (4) One dryer and bond at Bush Lot, Corentyne.
- (5) One dryer and bond at No. 64, Corentyne.

When this Motion was being debated on the last occasion, the Mover was replying. He may continue, now, if he so desires.

Mr. Jackson: Mr. Speaker, during the course of my remarks in reply to the comments on this Motion, I pointed out that the implementation of the proposition is not as impracticable as was pointed out by the Minister of Trade and Industry. I pointed out also that inasmuch as the Rice Development Company had agreed to the expenditure of \$2 million for the erection of bonds and the installation of dryers at Burma, that was enough evidence that his premise was quite unfounded, for whatever is practicable in one respect should, by the same breath, be practicable in another respect with another person.

I said that, using his own figures, if the bond and dryer to be installed in each area were going to cost \$300,000, then it was a correct assessment on the part of the Mover of the Motion to call for the erection and installation of bonds and dryers in five places and, also, to increase the number by one bond and one dryer on the Essequibo Coast, which would make the total cost of the erection and installation of bonds and dryers \$1,800,000.

It was stated that the Government could not accept the Motion. But I

shall endeavour, during the course of my remarks in reply to their comments, to see whether they would not change their attitude to the Motion in the interest of the industry as a whole.

If the Rice Development Company is going to install one large bond and dryer for the purpose of extracting the moisture from padi which is reaped by mechanical means, then it is going to impose greater hardship than the one the hon. Members have referred to. The farmers who have to dry padi by mechanical means will have to transport the padi from various parts of the Colony to Burma.

It must be admitted that the farmer is not ignorant of the fact that when padi is reaped with a certain amount of moisture, deterioration sets in within 74 hours. He is not ignorant of the fact that by that standard he does not get the best result from the grain when it is milled. He is aware of the fact that rice milled under these conditions produces brown grains, and when the rice is sent to the Rice Marketing Board it is said to be not the quality demanded by the Board.

Not one of the Members, who have opposed this Motion on the ground of impracticability, can deny the statement that when rice goes to the Rice Marketing Board several people are dissatisfied with the results of the grading. It is not the grading that is so much at fault; the fault lies with the grain which is sent to the Rice Marketing Board by the millers.

An hon. Member suggested that this Motion has a political bearing. The hon. Minister of Natural Resources said that while I had good motives I was deluded, and he hoped that my interest in this matter would continue after the Elections are over. I want to show those who hold that view that my interest in this matter has not sprung from the motives they suggest, but that the

[MR. JACKSON]

points in this Motion would have been brought forward if the Government had not changed its policy with respect to the closing down of small rice mills.

When the Report was handed in and Government had prepared its own version of what it was prepared to do, the rice millers had taken certain action to prevent the closing down of their mills. While I do not claim to have a good many friends in the rice milling industry, I claim to have one or two such friends who have approached me on this problem of discoloured rice which results in a loss to either the producer or the rice miller who takes care of the final product.

I have in my possession a copy of the International Rice Year Book for 1958, which would have been used to support the case the rice millers were going to put up against the closing down of their small rice mills. I have also several documents which can nail the lie to the accusation or thought that this Motion springs from a desire to play politics.

I made the point just now that no one who opposed the Motion can deny that when rice is milled with a certain percentage of moisture content the grain or final produce is always to the disadvantage of the grower, producer, or rice miller. Very often the rice miller has to request the Board to grant him permission to convert what he thought to be good grain into stock feed.

I shall seek your permission, Sir, to refer to a letter which indicates that it is imperative that the Government accepts my Motion for the benefit of the industry as a whole. We are all agreed on the point that the grain is cut and reaped with at least 24 per cent. of moisture content. Here is a letter dated 25th June, 1958, addressed to the Manager of the Rice Marketing Board in Water Street —

Mr. Speaker: How does that come in?

Mr. Jackson: It will indicate that it is imperative that bonds and dryers be established in various areas to prevent losses to the farmers.

Mr. Speaker: What I have been endeavouring to point out time and again is that a reply does not advance any new argument. A reply merely deals with the points raised by Members during the discussion on the Motion. You are referring to documents which are extant and were so before the debate began. The time for the production of those documents would be at the time when Members taking part in the debate would have been aware of them.

Unless a Member can show that by a reasonable amount of diligence on his part, such a document could not have been discovered, he would not be allowed to introduce it at this stage. I do not favour people having documents which relate to a question under debate, or reasonably could have had them, waiting until the debate is closed and then referring to such documents.

Mr. Jackson: I am not going to deny having had the documents before, Sir. The letter was in my possession long before the Motion was debated. I made the point that if the padi is reaped with such a great degree of moisture content, then deterioration will set in and either the farmer or the producer loses because of the fact that the padi is milled with that moisture content and brown grains are found in the rice.

The Minister of Trade and Industry in his reply pointed out that while it is true my point is accurate, implementation of the Motion would be impracticable. All I shall try to do is to urge upon the Government the necessity of getting away from the question of impracticability, and to accept the Motion in the interest of the farmers.

Mr. Speaker: You can make your point without referring to documents now.

Mr. Jackson: There are several millers who, because of having milled padi with heavy moisture content, have had to get the rice down-graded. Sometimes they have to request that the padi be not milled but sold by them as stock feed. That means that the padi is sold at a loss. It cannot be contended, therefore, that the proposal by the Rice Development Company to undertake to install these dryers would meet the needs of the entire industry. What is going to happen to those people who are not within easy reach of the plant at Burma? Doesn't it mean a further threat to the small rice mills in the country? If the Rice Development Company is going to install this dryer at Burma; if it is true that the farmer is aware of the danger to his end product by reaping with mechanical means, then it is also clear that such a farmer would want to take advantage of the installation of such a dryer at Burma to secure the best result for his crop. In this respect he would have to ignore the small rice millers in his area. The ultimate result would be a virtual closing down of the small rice mills throughout the country.

We have been told that the farmers themselves should provide these facilities. That point was made both by the Minister of Trade and Industry and the hon. Nominated Member, Mr. Gajraj. We want to be practical and realistic. If it is going to cost \$300,000 to erect and install facilities which this Motion seeks to implement, can we find rice farmers individually or collectively being able to undertake such a huge proposition?

We know that it is already difficult for them to pay for the machines they hire or buy on the hire-purchase system. We know that the Government itself is undertaking a policy of co-operative development. We know also that in these co-operatives the people are find-

ing it difficult to get money to borrow. We know it has been said that money can be had from the Credit Corporation, but how many of those people who have formed themselves into co-operatives have not had the experience of not being able to get money from the Credit Corporation for the purpose required? It is known that money is not so easily obtained from the Credit Corporation, as some people are inclined to believe, and there are several schemes held up now because of the delay in dealing with applications.

So that it is very obvious to me that it is hardly likely that any one, two or three persons in the rice industry can provide such a facility for the industry in any one of those areas named in the Motion. On that point may I ask whether the R.D.C. has \$2 million to spend on the project which it has agreed to operate. If it has not got the money it is clear it will have to borrow, but from whom? We know that Government has lent the Company money before, and if this policy is to be implemented it is likely that the Company will have to approach Government for a loan to purchase equipment to erect the bond. Even if the Company should approach the Credit Corporation for a loan, the Corporation gets its money through the Government, therefore the problem will be the same. It is therefore submitted that the better course would be to take the bonds and dryers to the areas of the people rather than have the farmers take their padi to the spot where this \$2 million project is proposed to be erected.

It is submitted that the cost of transportation would be far greater than the cost of using the facility. A farmer at Ithaca, on the West Bank of Berbice, who reaps his padi by mechanical means and in order to get the best results from his crop, takes his entire crop to Burma, will find that his cost of production will be increased by the

[Mr. JACKSON]

cost of transportation to Burma. Whereas, if a bond and drying facilities were installed on the West Coast of Berbice at a point nearer Ithaca, the cost of transportation would not be as great, and would balance out the expense which was referred to by the hon. Nominated Member, Mr. Gajraj, and the Minister of Trade and Industry. It would appear to me that even if the added cost at the point of reaping were to be taken into consideration the result of the finished product, which would be of A1 quality, would bring greater returns to the farmer, and so the situation would be to his advantage and not to his disadvantage if a bond and dryer were installed in his own area.

I have been told that a concrete floor is the cheapest means of drying farmers' padi. That point need not have been made, because in my introduction of the Motion I laid stress upon the fact that the farmers have been accustomed to drying their padi on a concrete floor, and I tried to be descriptive of what transpires then. All of us who were born in the country will be familiar with the method of drying padi on a concrete floor.

The hon. Nominated Member, Mr. Gajraj, tried to get away from my point about the difficult weather conditions through which we pass sometimes, by saying that we only get that type of rainfall once in seven years. Is that any reason why we should not offer protection to the farmer, because his padi can only be spoiled once in seven years? Can we say that because we did not have a fire once we should not insure our houses? The question is offering protection to the farmer in every direction, and I am surprised that my friend, who is a businessman, should make that reply to my points in favour of this Motion. I think all will agree that he has very fine business acumen, and it was surprising to hear him make that comment.

This is the other point. Is it a very sound policy to tie two opposing methods together? It is true that we have in this Council a hybrid companionship, but I do not think it is the best thing to advocate that while we should plant and reap by mechanical means we should take care of the drying of padi by the old fashioned method.

Can anyone who has a thousand bags of padi use a concrete drying floor as the best method for drying it? It is difficult to see how the Minister of Trade and Industry can advocate at this stage an extension of the concrete floor with improved methods of cultivation and reaping by mechanical means. It is going to mean that where money should be turned over quickly the farmer would have a longer time to wait if he used the method suggested when he has a very large crop on his hand.

I also heard from Mr. Gajraj that if dryers were installed they would only be operated for brief periods. He said they would not be used if there is good weather, but anyone who studies the development of anything will agree that wherever there are efficient methods of production those methods would be used at all times to bring continuous benefits to the producers. I therefore cannot agree with the argument that if dryers were installed, as the Motion suggests, they would be used only in wet weather, for dryers are not intended as a protection for the farmers against rainfall but to absorb or reduce the moisture content on the grains. As long as there is moisture content, and as long as padi is reaped by mechanical means moisture will be there, and the dryers would be used every day in the year to the advantage of the farmer.

I hold the view that if the point about impracticability has been disposed of Government would have nothing to fear as to the co-operation which it will receive from the farmer or the miller. I am sure that there are farmers who are

quite willing and ready to accept Government's policy in this respect. I am sure that bonds and dryers need not be erected at many points far away from the mills, for there are mills in every area mentioned in the Motion. It would therefore be easy for Government to secure land for the purpose of erecting these facilities so that those who cultivate padi could get the best results.

I hope I have been able to show that it is better to spend \$2 million in six areas than to spend it in one area where the farmers would not get the best results from the facilities provided, and when the rice produced would suffer from some of the faults of which we have knowledge for a long time, and with which some of us are so very familiar. We would still get brown grains, bad odour and other reprehensible features in our rice, of which we have been complaining for so long a time. The people who are concerned, the Ministers, have not been paying any attention to what has been said. They are occupying their minds with other thoughts. I had hoped that the points I have made this afternoon would have been listened to so that they would have been able to reconsider their stand and help the rice industry one stage further in order that the farmers might benefit and the industry might rise to greater heights, bringing greater satisfaction and contentment to those who take part in it and those who are also making their contribution by consuming it and helping the export of rice which is produced in this country.

I wish to say, Sir, that the situation in Essequibo is one which calls for this consideration and, at least, if the Government is not going to accept the Motion in its entirety, then it should consider, out of the recent experience of the people in Essequibo, to agree to the installation of one bond for the people on the Essequibo Coast.

Question put, Council divided and voted as follows:

<i>For</i>	<i>Against</i>
Mr. Bowman	Mr. Tasker
Mr. Tello	Mr. Hubbard
Mr. Jackson	Mr. Gajraj
Mr. Kendall	—4. Mr. Ajodha Singh
	Mr. Saffee
	Mr. Rai
	Mr. Ram Karran
	Mrs. Jagan
	Mr. Benn
	Dr. Jagan
	The Financial Secretary
	The Attorney-General
	The Chief Secretary
	—13.

Motion negatived.

MR. BURNHAM'S MOTIONS DEFERRED

Mr. Speaker: Hon Members, having regard to the application for the granting of leave by the hon. Member for Georgetown Central for the remaining days of this week, on account of illness, as indicated in the letter sent by him, we will have to proceed, now, to item No. 5.

CENTRAL RICE MILLS AS PRODUCERS' CO-OPERATIVES

Mr. Speaker: The hon. Member for Demerara River, Mr. Bowman, is to move the following Motion:

"Be it resolved: That at this Council recommends that the Central Rice Mills situated at Mahaicony and Anna Regina be sold (as in the case of the Vergenoegen Rice Mill) to the rice millers and rice farmers in those areas for conversion into Producers Co-operatives.

And be it further resolved: That the mills be sold at their present assessed value on the basis of an initial down payment of not more than ten per cent. of the assessed value and the balance by equal annual instalments."

Mr. Bowman: Mr. Speaker, this Motion has been brought before this Council, as a result of representations made to me by rice farmers and millers—farmers living in Essequibo, Demerara as well as in Berbice. Their representations stem from the fact that they

[MR. BOWMAN]

were alarmed by the Bill which was produced by Government — the Bill known as the "Rice Mills (Development) Bill, 1959".

Farmers and millers throughout the country were alarmed. We know that as a result of the alarm which went back to the ears of the Government — I should say, the Members of the Majority Party — they, also, became alarmed and withdrew that Bill. The Minister of Trade and Industry circulated a paper announcing the withdrawal of the Bill. Nevertheless, in spite of the fact that the Bill was withdrawn, members of the rice industry — many of them — still came to me and complained, and urged me to move a Motion which they believe would be in their interest — hence this Motion.

I want to remind this Council what the Government's Rice Mills Bill actually called for when it was introduced in this Council. I shall read from Clause 3(1) to Clause 6.

"3. (1) No person shall operate or cause to be operated any single-stage mill . . ."

Mr. Speaker: What are you reading from?

Mr. Bowman: I am reading from the Government's "Rice Mills (Development) Bill, 1959" which was withdrawn. I am reading from Clause 3(1). There is need for some sort of amplifier in this Council because I have to shout all the time. I am a nervous man, and shouting makes me more nervous. [*Laughter.*] There is need for an amplifier, here.

Mr. Speaker: What is the point of telling me. I have no power to supply one. The matter is one for the Council and members of the Finance Committee.

Mr. Bowman: However, Sir, I will read. I do not know if you are hearing me.

3 (1) No person shall operate or cause to be operated any single-stage mill after the expiration of the prescribed period and any licence in force in respect of such mill shall cease to have effect after the expiration of the prescribed period.

(2) No compensation shall be payable to any person in respect to any single-stage mill which ceases to operate in pursuance of the provisions of subsection (1) of this section.

(3) Subject to the provisions of subsection (4) of this section the owner of any existing single-stage mill may replace such mill by a multi-stage mill.

(4) The owner of a single-stage mill may with one or more owners of other single-stage mills combine to replace their existing single-stage mills with one or more multi-stage mills.

4. (1) The Governor in Council may, by order, declare any area in British Guiana to be a central mill zone.

(2) Any Order made under this section may be varied or revoked by any subsequent Order.

5. (1) No mill shall be erected within a central mill zone.

(2) The provisions of sub-section (1) of this section shall not apply to the erection, prior to the expiration of the prescribed period, of a multi-stage mill in place of a single-stage mill or mills:

Provided that no person shall erect any such mill within a central mill zone without the consent in writing of the Director who may refuse such consent where in his opinion the capacity of the multi-stage mill will exceed the total milling capacity of the single-stage mill or mills which it is replacing.

(3) Any person aggrieved by the decision of the Director may within one month from the date of such decision appeal to the Governor in Council whose decision shall be final.

6. (1) No person shall operate a mill unless he is the holder of a licence issued by the Commission.

(2) A licence to operate a mill shall be in the form prescribed in the schedule hereto and shall expire on the 31st December each year.

(3) There shall be paid in respect to every licence a fee of twenty-five dollars."

I would like to read the **Objects and Reasons for introducing this Bill.** It is stated here:

"This Bill seeks to implement the decisions of the Government after considering the Report of the Rice Committee which found the present organisation of the milling processes of the Industry unsatisfactory and recommended the conversion of single-stage huller-type mills to multi-stage mills in order that the Industry could produce standardised qualities of rice and hold its own in the face of the competition from producers in other countries.

2. Broadly speaking, the Bill prohibits the operation of single-stage huller-type mills in any part of British Guiana and confers on the Director of Agriculture the responsibility and power to control the erection of multi-stage mills.

3. Existing single-stage mills may continue to operate for a period of three years after the commencement of the Ordinance but at the end of that time licences in respect of such mills cease to have effect without right of compensation.

4. Clauses 4 and 5 set up operational zones within which no new mill may be erected while multi-stage mills in replacement of existing single-stage mills may only be established within the zone after the Director of Agriculture certifies that the capacity of the replacement does not exceed the capacity of the single-stage mill or mills which it is replacing. Replacements in zones must be completed within three years after the commencement of the Ordinance.

5. Applicants for a licence to operate a rice mill are required to obtain in addition to a certificate from the health authority a certificate from the Director of Agriculture that a licence may be granted. The licence shall be annual and the fee therefor fixed at twenty-five dollars.

6. A more serious view is taken of the offence of operating a rice mill without a licence: The penalty being increased to \$1,000 or 12 months imprisonment.

7. Provision is made for the Ordinance to come into operation on such day as the Governor may by Proclamation appoint and for the repeal of the Rice Factories Ordinance.

B. H. BENN,
Minister of Natural Resources.

The point I would like to make is that what terrorized the millers, is what is mentioned in Clause 3(1) of the Rice Mills (Development) Bill. It states:

"No person shall operate or cause to be operated any single-stage mill after the expiration of the prescribed period and any licence in force in respect of such mill shall cease to have effect after the expiration of the prescribed period.

Clause 5(3) states:

"Any person aggrieved by the decision of the Director may within one month from the date of such decision appeal to the Governor in Council whose decision shall be final."

The people will have to appeal to the very Government that has introduced this Measure. Going to the Governor in Council would be appeal from Caesar to Caesar. The Minister of Natural Resources and other Ministers have decided to introduce this Measure which would affect the rice millers. If any individual who is aggrieved appeals to the Governor in Council, the Governor in Council's decision will be final. In spite of the fact that they would affect certain people when they appealed to them it would make no difference. That is what has terrorized the minds of the rice millers.

Sir, you have warned me a few times that I must not refer to the P.P.P., but there are times when I must say certain things about them in order to give substance to my argument. I have been a member of that Party, and I know that members of the Party stood at street corners and advocated that the central rice mills should be converted into producers' co-operatives.

I see from the Governor's Rice Committee— should like you to permit me to read from para. 26 of the Governor's Rice Committee. The Committee was set up by Sir Patrick Renison before he left the shores of British Guiana, and I propose to read from that report.

Mr. Speaker: What are you referring to? I am asking that because the Official Reporters claim that they do not know sometimes from what documents hon. Members are quoting.

Mr. Bowman: I am reading from the Governor's Rice Committee.

Mr. Speaker: You cannot read from the Governor's Rice Committee.

Mr. Bowman: I should have said the Report of the Governor's Rice Committee, Sir, but such things are understood. I propose to read from para. 26 of the Report. It states:

"The Committee fully appreciated that the rationalization of milling would not produce the hope for results unless the producers realised that central mills existed for their benefit. It was recognised that maximum efficiency including the highest possible price to the farmer would not be attained unless the farmers had confidence in the running of these mills, and that confidence would not come unless the producers were more directly associated with the administration of the mills than at present. Some members urged that the mills should immediately be converted into co-operatives owned and operated by the producers themselves; the Committee agreed that the ultimate objective should be to bring the mills under co-operative ownership and direction but that for the present this would not be feasible in view of the large sums of capital owed by the Company to the Colonial Development Corporation and the terms on which the Corporation had lent the money. In the statement of the Chairman of the Rice Development Company made at the Company's Fifth Annual General meeting held on 5th May, 1958, it was announced that the Company would be converted into a non-profit organization with reduction of the existing share capital to a nominal total and acceptance of debenture loans or other forms of borrowing as the means by which the Company would finance its capital requirements. Any surplus of revenue over expenditure would be returned to the producers either in the form of higher prices paid for paddy or as a direct bonus corresponding to the patronage dividend of co-operative trading organizations."

I would like to read extracts from the Director of Audit's Report on the Accounts of the Colony for the years 1957, 1958 and 1959 in support of my argument. With your permission, Sir, I shall read from the Report for 1957. I refer to para. 99 which states:

"The accumulated operating deficit on rice cultivation at the 31st August, 1957, was \$389,990 and in the Directors' Report on the accounts for the period it is stated that this amount is to be claimed from Government. Further information has been requested in this matter, and also with the disposal of Directors' fees paid to Government officers on the Board. There was also a contingent liability of \$5,001,600 in respect of Government guaranteed Capital Loans and Working Capital Advances made to the Company by the Colonial Development Corporation at the 31st December, 1957."

I will read a paragraph from the 1958 Report. Para. 190 states.

"The accumulated loss, at the 31st August, 1958, after adding the net loss for the year 1957/1958, of \$382,669.86, was \$1,041,938.23 being the agreed value of Assets transferred to the Land Settlement and Drainage and Irrigation Departments, have been included in the Company's accounts as Assets, but the liability of Government is not reflected in the Colony accounts at the 31st December, 1958. No information is available as to the acceptance by Government of responsibility for these liabilities. Debentures in favour of the Colonial Development Corporation, totalling \$5,001,600, fall due for repayment in the years 1959 to 1962."

I will now turn to the latest Report and read from page 18, paragraph 126 which states:

"With reference to paragraph 119 of the 1958 Report, the Governor-in-Council's approval has been given for the inclusion, in the accounts, as a debt due by Government, of \$293,076.00 of the deficit ----"

Mr. Speaker: I am sorry to interrupt you, but we do not have a quorum.

[At this stage several hon. Members returned to the Chamber and took their seats].

Mr. Speaker: We have a quorum now, please proceed.

Mr. Bowman: I do not know whether I should read over this paragraph, because I cannot remember where I stopped. I do not know whether the notetaker can remind me as to where I have left off.

Mr. Speaker : As you wish.

Mr. Bowman : I will read the paragraph:

99. With reference to paragraph 119 of the 1958 Report, the Governor-in-Council's approval has been given for the inclusion, in the accounts, as a debt due by Government, of \$293,076.00 of the deficit (\$467,461.84) on rice cultivation to 31st August, 1958. Settlement is to depend on the future progress of the company. Capital reorganisation awaits the consent of the Colonial Development Corporation, who held debentures in the Company of \$5,001,600 as at 31st August, 1959. Advances for working capital by Government amounted to \$1,750,000 at 31st December; this sum has since been repaid."

We find that the Government advanced \$1,750,000 as working capital and the Company was able to scrape and pay back that amount during 1959, but we find that the money borrowed from C.D. & W. funds to set up this Company has not been paid back at all, as the Company was just marking time; it was not paying its way. We have further evidence from the report of the Directors of the B.G. Rice Development Company, and I would like to read a lot of it, because I want to paint a picture which would make it clear that it is a waste of time for the Government, or even the Company, to continue to carry on, and that it would be far better if these mills were handed over to people who make their living directly from rice cultivation. I would like to quote from the speech of the Chairman, Sir Frank McDavid, at the Seventh Annual General Meeting of the Company held on the 22nd April, 1960. He said:

"In presenting the Directors' Report and appended financial statements relating to the Company's accounting year ended 31st August, 1959, I shall confine my observations to the general situation and an expression of my personal view on the urgent and important questions of policy with regard to the future of this undertaking that require consideration and decision by the Government and the Rice Marketing Board.

The question of the closure of small rice mills no longer has any relevance to the operations of the Mahaicony and Anna Regina central factories. In any case, the disappearance of outmoded and inefficient small mills (through which the industry loses so much) whether it is brought about by compulsion, inducement, or economic pressures, is certain.

An adequate supply of paddy for the economic operation of the Mahaicony factory is now assured. In fact, early consideration must be given to expanding and improving the capacity of the ancillary equipment to ensure that the still increasing production of farmers' paddy in the riverain area can be effectively dealt with. The factory should become still more profitable as its operations expand and become continuous.

There has been a substantial increase in the paddy intake of the Anna Regina factory but it is still well below the minimum necessary for economic operation. Nevertheless, the existence of this factory, now in its third year, is a most important element in the rice production of the Essequibo's Coast, and it will be vital when the Tapacuma water control project comes into being. As I said last year, my view is that the Anna Regina factory should be regarded as being still in its 'fructification' stage, and that any loss during this initial period should be treated as development expenditure.

Both factories already make a great contribution to the economy of the rice industry. They can play an increasingly valuable part in preserving existing and extending export markets through uniformity and quality of bulk production.

The 1959 crop return of the Mahaicony-Abary Rice Cultivation resulted in a profit and prospects for this year appear promising.

I should like to digress for a moment to say a few words about grading. Volume of paddy intake is, of course, the essential requirement for profitable milling operation, but the quality of the paddy is of the utmost importance. It does not seem to be generally appreciated how great is the influence of the grading of both the paddy and rice on the results obtained.

This undertaking is subjected to severe strains and pressures at both ends. The factory management, particularly at Anna Regina, is harried and bullied to pay more for farmers' paddy than is reasonable or proper having regard to its quality or rather lack of quality. At the

[MR. BOWMAN]

same time, at the other extreme, the rice produced when delivered to the Rice Marketing Board, appears to be valued with an inflexible determination to pay the Company as little as possible.

The factory cost accounts for last month (March) provide a good illustration of the unfavourable results of poor quality paddy and unbalanced grading. Cost of production was about the same at both Mahaicony and Anna Regina. The cost of paddy milled was however greater at Anna Regina than at Mahaicony. Yet the value of the rice produced was \$17.95 per bag at Mahaicony and only \$16.88 at Anna Regina. The difference in results between the two factories was due almost wholly to the poor quality of the paddy purchased at Anna Regina in relation to the price paid and to the quality of rice produced, as graded by the Rice Marketing Board.

There have been many suggestions, recommendations and proposals with respect to the institution of an authoritative system and procedure for grading paddy and rice. I hope that action will be taken in the near future to set up a grading authority, not only because it will assist the operations at Mahaicony and Anna Regina and improve relations between the factory managements and farmers, but because it will be for the good of the industry as a whole.

I referred a moment or two ago to the attitude of the management of the Rice Marketing Board to the Company with respect to payments. This is well illustrated by the episode of the requisition on the Company to supply paddy to the Board for export. As I said at the last general meeting, although the arrangement by the Rice Marketing Board to sell and export to Venezuela a large quantity of paddy was in the circumstances a justifiable step in the interest of the rice industry as a whole, its disadvantageous reactions fell almost wholly on this undertaking. Let me repeat part of what I said:

".....Of the 142,857 bags shipped to Venezuela, 116,998 bags, i.e. 82% came from the Mahaicony factory. This paddy was supplied by the Company at the request of the Rice Marketing Board to whom our Board of Directors and Management had pledged full co-operation in carrying out the transaction, and without which the contract of sale to Venezuela could not have been fulfilled.

".....As regards price, the basic purchase price of \$9.00 per bag offered by the Rice Marketing Board to farmers

and small millers is just sufficient to cover the purchase cost of the paddy and bare milling profit at the rate which was being earned by the Mahaicony factory but not the return from by-products. The Rice Marketing Board very properly undertook, as a condition of the transaction, to make good the difference to the Company together with expenses incurred on its behalf in skipping into new bags and on transport. On the whole, therefore, the financial results of these developments are not likely to be detrimental to the Company."

The Company's account for reimbursement has however been disputed by the management of the Rice Marketing Board, with the result that an amount of \$74,998 remains unpaid and stands in the Balance Sheet as a debt due by the Rice Marketing Board. One of several spurious arguments used in challenging the Company's account is that the Company is entitled to recover only the bare purchase price on about one-quarter of the paddy delivered to the Board because (so it is claimed) the Mahaicony factory would not have been able to complete milling the whole of its intake before the new crop came in! It is not clear how or by what means payment of this debt can be enforced against the Board."

We have been told in the Rice Marketing Board's Report that the Board lost about \$65,000 as a result of the deal with Venezuela, but I find that if we add \$74,998 to that sum the loss would be bigger. The Rice Marketing Board will not pay the Rice Development Company although it undertook to do so. In the circumstances I submit that the Company is wasting time in trying to carry on.

There are certain vital figures which have not been supplied to me concerning the cost of the individual mills and the sum lost last year. I have quoted from the statement by the Chairman of the R.D.C., but in the Report of the Directors of the Company there is a statement of costs which I would like to read in support of my argument that the Company should not continue to operate. Rather than wasting time and wasting Government's money, it should hand them over to the producers, millers as well as the farmers,

The Report of the Directors and Statement of Accounts of the British Guiana Rice Development Company, Limited, for the year ended 31st August, 1959, showed:

Balance Sheet: 31st August, 1959

The issued share capital remained at \$2,000,000 and the Capital Debentures issued in favour of the Colonial Development Corporation at \$5,001,600 (£1,042,000).

Capital expenditure incurred during the year amounted to \$147,310 and the cost of assets retired amounted to \$116,830 making the net capital expenditure for the year \$30,480. \$174,151 was credited to the depreciation reserve during the year and after deducting \$89,719 in respect of depreciation in assets retired, the net increase was \$84,432 bringing the total reserve to \$1,259,993.

The book value of the fixed assets now stands at \$4,114,701. Details of the fixed assets and depreciation reserve are given in Appendix D."

Operating Results for Year

Mahaicony Rice Factory

The factory accounts showed a gross operating profit of \$211,132 for the year. After writing off a loss of \$736 on the sale of fixed assets, \$5,500 contributed to the Paddy and Rice Storage Investigations, and providing \$68,258 for depreciation, a net profit of \$136,638 remained.

Anna Regina Rice Factory

A gross profit of \$43,039 was realised on the operation of the factory for the year. After writing off a loss of \$4,562 on the sale of fixed assets, \$5,500 contributed to the Paddy and Rice Storage Investigations and charging \$69,326 for depreciation, a net operating loss of \$36,349 resulted."

Whilst one factory made a profit of \$136,638, the other factory, on the other hand, had a loss of \$36,349. Therefore, I think if these mills were to continue to be run by the Company, it will never see its way, because in one

instance a Director said that only with the Tapakuma lake project — or I should say, until the lands which the Tapakuma lake project would make available come into production — would that mill be able to pay its way. By that time, he surmises, there will be a greater intake of padi.

I said that this Company has been losing money for a considerable time. It has not been paying its way. It owes the Colonial Development Corporation a lot of money, and I feel just as how Government had undertaken the responsibility for the Ministers in the same way Government can undertake its own responsibility so that the Company would not be responsible for paying this money back to the Corporation. Government can continue to fulfil its obligation.

One of the things that, no doubt, is responsible for the failure of the Company to see its way, is the high administrative cost. I feel if this Company's mills were to be handed over to the millers they will be able to run them at less cost. I know it would be necessary to retain some of the same men who are working there at present but, perhaps, they would find men capable of running the mills at a reduced cost, both at the managerial and technical levels. My contention is that Government has created a precedent.

I would now refer to the once owned Government mill at Vergenoegen. In 1956, the Vergenoegen Mill was built at a cost of \$91,961. It was valued in 1960 or 1959 at \$56,750. — a great depreciation. It was sold, I have been informed, for \$25,000 to millers and producers in that area. That is the precedent I am talking about, that has been created by Government; and I feel that in spite of the fact that the Company owes the C.D.C. this huge sum of money, Government could still take over the full responsibility of \$5,001,600 which it owes the Corpora-

MR. BOWMAN]

tion and, as a result, sell these mills; of course, after taking into account the depreciation of the two mills, just as how the depreciation of the Vergenoegen Mill was considered. Government can sell these mills at their present assessed values to the producers and millers in the areas.

I know, now, that it is the ardent desire of the millers and farmers on the Essequibo Coast to purchase the Anna Regina Factory. Not so very long ago, we have been reading in the newspapers of the many complaints of farmers' padi lying on the dams exposed to the atmosphere on account of bad conditions and so forth. I am quite sure that Government is aware of what goes on there and, because of these conditions — I know, because I have been told — the farmers would prefer to know that the mill is handed over to them so that they can run it, perhaps, more efficiently and economically, in their own interest.

I know there are millers on that very Coast who had been doing such work for many years, and they are capable. Deeroop Maraj is quite capable, and I am sure if this man is considered, he would be able to run the mill. Similarly, the men in the industry, who have years of experience in the running of rice mills in all their aspects, would be quite ready to take on the responsibility.

If this Government really has the people's interests at heart — and it has been claiming since 1950 that the rice industry should be made into a rice co-operative — I do not think it would be so bare faced to turn down the recommendation offered in this Motion. Of course, it has been the practice of this Government not to allow any proposal, apart from that made by its members, to pass in this Council. It is like a bulldozer. The members do not listen to reason, but they must remember

that the rice producers and farmers are the people to whom their Party owes its strength and support and for them to turn down this offer, although it only covers a certain section, it would be almost for the entire Mahaicony and Anna Regina areas.

I know that the people would subscribe to what I am advocating, and I hope that Government will allow its good judgment to act upon its decision in this matter. I will take my seat and, perhaps, I will have something more to say after I have heard what the Members of the Government have to say.

Mr. Telle: Mr. Speaker, I beg to second the Motion. I feel that this Motion should recommend itself to this honourable Council. I agree with its advocacy for a tremendous experiment in co-operatives. It is a big measure, but it is fortunate that it is free from the hurdles of inexperience and lack of knowledge. I am sure that every Member in this Council will agree that milling padi into rice is nothing new in British Guiana to the peasant class or the small producer. The rice millers and peasants have already shown their ability to take care of this end of the rice industry. I feel that the Motion recommends the principle of working towards an ideal — the ideal of rationalizing the industry in the interest of the majority. This sort of thing has been sounded in and out of this Council throughout the recent political history of British Guiana.

Today the hon. Mover of this Motion is inviting this Council to recommend that, after a period of experimentation, these two central mills be turned into co-operatives. If my information is correct, and I have no reason to doubt that it is so, the Mahaicony-Abary rice mills were the first to be put up for two reasons: (i) to find a ready, efficient milling opportunity for the farmers living in that area as well as a quick market for their padi; and (ii) to experiment with multi-stage milling.

It is true that the mills were never operated at their full capacity, and there was never a true experiment of what the mills could do. But suffice it to say that the result of the experiment was sufficiently gratifying to allow Government to embark on converting the mill at Anna Regina into a multi-stage mill. In carrying out this experiment one must allow for certain disadvantages with regard to the financial aspect of the division, because many new experiences must be gained and new ventures of expense must be embarked upon.

However, after this period of experimentation, the Government saw it fit to embark on a smaller venture at Esse-qui-bo. Having listened to the hon. Minister of Trade and Industry in this Council, I am impressed that, so satisfied is Government with this experiment, it is now encouraging the erection of a rice mill on the Corentyne to be owned and operated co-operatively. That is sufficient evidence to indicate that there is faith in the multi-stage system of milling rice and, secondly, out of the experiments on the Vergenoegen mills, Government feels sufficiently confident to embark on such a large milling venture on the Corentyne Coast and put it in the hands of a co-operative.

Of course, there is a snag—the snag is the financing of the co-operative as well as meeting the debt due to the Colonial Development Corporation—but that is not such a mountainous problem when one thinks of the part rice is playing in the national economy of British Guiana. I know that in the sugar industry in Barbados there was a little factory called Searles Factory which was on the way to being closed down. It was converted into the Searles Co-operative Sugar Factory, and today it is one of the biggest sugar factories in that little Island. The interest that would be shown in a co-operatively owned mill and the co-operation that would ensure between

the producer of padi and the miller, would not be generated otherwise. The people would be on the same body, and that would bring about co-operation almost evolving a new relation in the milling and production of padi.

I am not an accountant, but I feel this may be a very profitable way for Government to cut its losses; assess the true value of the necessary depreciation of the two mills and turn them over to the farmers. Let them take over the two mills owning them co-operatively and, possibly, we can ask the Government out of its experience to decide which of the two mills should first embark on the venture. Out of Government's experience it could probably turn both mills over. Perhaps the Government has already received enough information from the workings of the Vergenoegen Co-operative, and can courageously turn the two mills into co-operatives without much delay.

We have always heard that one of the great hurdles in the development of the small man's economy in British Guiana is the third man who collects a profit where he does not invest enough energy. The third man is collecting the major part of the profit, because he has the wherewithal to invest. The small peasant does not have money to purchase his own mill. It is a fact that if the peasant or rice farmers had the capital to invest, the next step they would take after cultivating certain areas of land would be to manufacture their own rice. They are prevented from doing so not from a lack of will or desire, but because they have no money to purchase the equipment.

More recently peasants have been interested in co-operatives. We are happy to know that this Government is encouraging the development of co-operatives in British Guiana. I say that this is ample opportunity of really allowing the rice industry to embark on a tremendous experiment in co-operatives, and I feel certain that it would result in a complete success.

(MR. TELLO)

As I have said before, it is an experiment limited to the size of the project; it is not an experiment in a venture unknown to us. Already the peasants and farmers in the Mahaicony area are sufficiently familiar with the workings of the Mahaicony multi-stage mill. Prior to the erection of that mill most of them have been associated with the milling of rice, and it did not take the advent of the multi-stage mill to give them an incentive for producing a high-grade quality of rice in British Guiana.

In the very early history of the production of rice in this Colony, the millers have been producing super rice and a very high percentage of padi which is evidence of a proper knowledge of milling. It is true that when the volume increased it necessitated further experiments in milling. I am saying that we have gone through that phase, and the management of the mills by co-operatives will be nothing new; it would not be a fearful type of experiment that one should shrink from.

I feel that this Council should accept this Motion. I am certain that with the Department of Agriculture examining all the necessary details and with the Co-operative Department watching the development of the co-operative section of the matter, the recommendation could be implemented without unnecessary risks in regard to the venture Government would be embarking upon. I also feel that if the taxpayers' money was to be used not only as a loan to the co-operatives, but as a subsidy to the people engaged in the second largest agricultural venture in the Colony as well as an industry which has been playing such an important part in the economy of the country, we will be doing this country a great service by removing the obstacle of financing this great project. We could use the taxpayers' money to provide capital not only as a loan, but as a loan and grant. I repeat that we will be doing a great service to the Colony

and to the Colony's economy. Sir, I have great pleasure in seconding the Motion.

The Minister of Trade and Industry (Dr. Jagan): Government has over and over stated that it is in favour of the principle of co-operation. Indeed it has given encouragement from time to time to the development of the Co-operative Movement, and during the debate on the Estimates I mentioned the fact that increasing attention and emphasis was being given not merely to the system of co-operation which has existed in this country for many years in the form of credit banks, credit unions and thrift and credit societies, but greater emphasis was being put on the question of producers' co-operatives. We have the producer sector in which rice is produced in the field. Then we have the milling sector and finally the marketing sector. In the producer sector we have seen where many land producer societies have been established. Government has been giving more and more assistance to those societies by way of loans through the Credit Corporation for the purchase of draglines, bulldozers and other agricultural equipment.

We know that in the marketing sector amendments were recently made by this Council in the Rice Marketing Ordinance which placed almost effective control into the hands of the rice producers. Formerly there were eight producer members of the Rice Marketing Board and eight nominated members, one of whom was the Chairman, but the recent amendments provided that 12 of the 16 members should come from the ranks of rice producers. As I said recently, Government would be prepared to give sympathetic consideration to any requests from the farmers to convert the Rice Marketing Board into a fully-co-operative organization. By that I mean that not only would 12 members of the Board come from the ranks of the producers but indeed all the members would be producers. At present there are 12 producer members, and there are four others, two of whom are Government officials, one be-

ing the Director of Agriculture, and two other members who are men with commercial experience.

In the field of rice milling thus far we have one co-operative registered and operating. That is the Vergenoegen Co-operative Rice Mill. From reports received it appears that this organization is functioning quite well. Efforts are now being made to establish other co-operative mills—one at Cane Grove, another in Leguan and three in the Black Bush Polder where Government is establishing a land settlement scheme. It is clear from what I have said that it is Government's intention to move more and more in the direction of putting control of production into the hands of the workers and producers themselves.

As regards the two rice mills with which this Motion is immediately concerned, Government has also enunciated its policy. Indeed, the Mover of the Motion himself read from the Report of the Governor's Rice Committee wherein it is stated that it is the eventual aim of the Government to establish, or it should be the eventual aim of the Government to organize those two mills in the form of rice producer co-operative milling organizations. As both the Mover and the Seconder have pointed out, there are many difficulties to be overcome before these two mills can be established as producer co-operative milling organizations. Firstly, they are not small undertakings; they are very large. As we know, the Mahaicony-Abary mill did not for many years get its economic through-put. Only last year we were able to get what is regarded as the economic through-put for this mill. The Anna Regina mill up to today is not in a position to get its economic through-put. It is estimated that these mills require a minimum of 300,000 bags of padi for economic operation.

So that first of all we have the question of size. These mills are not small undertakings, as in the case of the Vergenoegen mill which is a much smaller enterprise, or indeed mills as are planned for Cane Grove, Leguan or for the Black Bush Polder. Those are not such small mills. Indeed, at one stage the consultants to the Rice Development Company had suggested that one giant rice mill should be established in the Black Bush Polder, but after the matter was looked into by experts and other advisers and rice millers, it was decided that instead of having one large mill there should be established three such mills of similar size to be run on a co-operative basis.

So, first of all, we have the question of size. With such a large undertaking one has to look carefully into the question of organization. The Rice Development Company has recently changed its management. The new management has recommended changes which will make the mills more efficient, and the reorganization, it is hoped, will make for proper operation; if not a profitable operation at least a break-even operation. We know that for many years the rice mills have been losing money, and indeed large sums of money. Not only are they losing money but, as the Mover of the Motion himself said, large sums are owing to the C.D.C. To be exact, about \$5 million will be due to the C.D.C. at the end of 1962. So there we have it — large sums of money are owing, the mills are at the present moment losing money, recommendations have been put up for the reorganization of the mills to make them more efficient and fully integrated, so that we can have cleaning and drying facilities which will cope with the milling capacity of these large mills.

All of these new proposals which have been put forward for reorganization also require large sums of money. We are told that they require a sum of

[DR. JAGAN]

over \$2 million. On our part let me say again that we are prepared at any time to hand over these mills to a co-operative organization so long as guarantees can be given that the money will be repaid, and as long as the Colonial Development Corporation is consulted and agrees to such a proposition. If we were in a position whereby we could find \$5 million immediately to pay the C.D.C. then, possibly, there would be no need to consult them, but \$2 million and over would have to be found for the rehabilitation of these mills. Therefore, however much we may desire that these mills should be owned and operated co-operatively, there are all these financial and organizational hurdles which have to be surmounted, and until there is a definite body with whom Government can discuss the matter it is no use coming to this Legislature with a bare proposition which, in effect, is merely a declaration of principle, because Government has already agreed to the question in principle.

We have said that the Rice Committee which the Governor set up has recommended that the objective should be that the mills should be owned and controlled by co-operatives. Since the publication of the Committee's Report Government has declared that it will be its policy to make greater efforts to see that the losses are progressively reduced, and that if any profits are made, those profits should go back to the producers.

Government has declared that it does not want to make profits out of the running of these mills for general revenue purposes to be put in the Treasury for other uses. It has declared that its intention is to reduce the losses progressively to reach not only a breakeven point, but to take the profits and redistribute them to the producers or the people who are selling padi at the moment. Having said that about the redistribution of profits — having enun-

ciated clearly that it is Government's intention to convert these mills, as soon as possible, into co-operatives — I do not see that the Government will be in any better position, today, in accepting this Motion. This is mere redundancy — indeed, a waste of time of the Council to debate such a Motion.

What we would have liked the hon. Member to say is that the group of people that he suggested had come to him, had agreed to a proposal; that they had so much money in their hands; that they had consulted the farmers and the farmers themselves had agreed to take over the mills; that they had held discussion with the Rice Development Company; that the Rice Development Company had consulted the Colonial Development Corporation, and so on; then there would have been a definite proposition that would have been brought before the Council, from which proposition the Legislature could have made recommendations to the Government. But what is the proposition here? Merely a pious wish which the Government has already accepted.

I cannot see that we will be in any better position by acceptance this Motion at this stage. If the Government had made no declaration before-hand about increasing the efficiency of these mills; about diverting the profits to the producers or the people who are selling the padi to the mills; about further re-organizing, later on, these mills and having them converted into co-operatives; then this Motion would have been in order. The farmers, themselves, at this stage may be reluctant to take over an organization which is losing money. Therefore, I cannot see that the form in which the Motion has been presented, can be accepted by Government.

If hon. Members are serious about any proposition which they want Government to adopt, then the proposition must be worked out in full detail. There is nothing to prevent the hon. Mover of the Motion getting the people

whom he said had approached him and further discuss, first of all, with the Company, which is a statutory body, all the financial ramifications involved; and having done that, then approach the Government to see whether Government would be prepared, as a matter of policy, to do so. In view of this, I am afraid that the Government cannot support the Motion as it stands, but I will like it not to be misunderstood that the Government is not in favour of co-operative milling.

Government has shown that it is in favour of this, by converting the small mill at Vergenoegen into a rice farmers' co-operative, owned and controlled by the farmers—not by millers—in the area, the producers who bring their own padi to the mill. I do not know what the hon. Member means by “Co-operatives” because he says here “... be sold to the rice millers and rice farmers in those areas for conversion into Producers Co-operatives.” The hon. Member is very confused — [Mr. Bowman: “That is what you think,”] — because, unfortunately, he does not understand what a co-operative means. A co-operative does not mean a private capitalist concern. He may not be aware of this.

The difference between a private business concern in which people have shares and a co-operative is that in one concern — a private company of what is called a public company—persons hold shares and dividends or profits are paid according to the shares held; in a producers' co-operative, on the other hand, as we are envisaging here or as is operating at Vergenoegen, any profits made by the mills are distributed not according to the shares held, but according to the patronage. In other words, according to the business which is brought in—according to the amount of padi which the producers bring in to the mill to be milled. That is how a producer co-operative differs from a capitalist co-operative. Therefore, I cannot see how rice farmers and rice millers can be brought into producer co-operatives.

Of course, there is nothing to prevent a miller, who is a rice producer, from becoming like any other producer, a member of this; but I do not think that is the Member's intention. I believe what he means is that rice millers and producer members should raise the money themselves and buy out these concerns. If that is the point, then they would not be truly the type of co-operative to which he is referring.

Mr. Speaker: It looks as though he has taken that as a fact.

Dr. Jagan: I am merely pointing out that the Vergenoegen rice mill has only farmers participating. Further, as I said, there is nothing to prevent a miller who is also a rice producer, from joining a rice millers' co-operative; but I merely bring this to his attention because there appears to be some contradiction. I do not want it to be understood, if we propose this Motion, that the Government is against the principle of converting the Anna Regina and Mahaicony/Abary rice mills into producer co-operatives. The Government is willing and ready to do so at any time.

At one stage, the Rice Producers' Association was consulted, the District Committees in the areas were consulted and they themselves said they did not think, at the present stage of the organization, with the experience and the financial ramifications involved, they will be prepared to take on these two organizations as producer co-operative organizations. Further, if at any time any group of farmers are prepared to come together and approach Government, Government will be prepared to have discussion with them with a view to converting these mills into producer co-operative organizations.

Mr. Davis: Mr. Speaker, I rise to say that I am unable to accept the Motion in its present form, and I hope, during the latter stages of my discourse,

[MR. DAVIS]

to be able, perhaps, to move an Amendment which I hope Government would not anticipate.

Let me commend the hon. Member for Demerara River for moving the Motion because we have been able to hear from the Government today, for the first time, a very important factor that concerns the industry. The factor to which I make reference is: that it has now been decided that there will be three small multi-stage modern mills in the Black Bush Polder area; that there should be a small mill at Cane Grove and another at Leguan. May I here and now compliment the Government on having at long last taken that decision. I, for one, have been always urging here that something be done and a firm decision taken in the matter.

I am extremely pleased, delighted — as a matter of fact I am enthused — at the thought that this decision has now been taken and it is likely to be put into effect within a reasonable period. We have had many discussions on co-operatives in this hon. Council. I think a few weeks ago the hon. Member for Georgetown South moved that the Rice Marketing Board be taken over by producers on a co-operative basis. That is the ultimate goal to which we are working. It has been promised by successive Governments and I hope to see it become a *fait accompli* perhaps, during my life time. But the proposition of taking over, as the Motion says here, the "Mahaicony and Anna Regina" mills, and "that the mills be sold at their present assessed value on the basis of an initial down payment of not more than ten per cent of the assessed value" etc., is, to me, not worthy of very serious consideration.

We know that these mills have been operating at a loss. It is the Minister of Trade and Industry who said a few minutes ago that for the first time in its history the Mahaicony mill has been able to secure a "through put" that will give

it a reasonable chance of showing a profit in 1960. The size of the mill needs expansion, because it has now been proved that with the additional areas taken up in the Mahaicony-Abary district, even with its present capacity of between 350,000 bags to 400,000 bags it is insufficient to meet the needs of the district.

Has the hon. Member given thought to what things would be if 400,000 bags of padi were to be milled there on a co-operative basis? Let us think of the confusion, the impracticability, and the unreasonable likeliness of such a proposition, particularly when it is known that the producers at the moment have not had much training or schooling, if any, in things co-operative. It has been stressed over and over again that the basis on which co-operatives are founded and the premise on which co-operatives are expanded are that they should start on a small scale and then enlarge to desired capacity. The people I am thinking of at the moment at the Mahaicony-Abary area have never had such an opportunity — as a matter of fact they behave as any confirmed individualist would, as it will take many months or even years for them to be trained along co-operative lines. I am of the opinion that, apart from any other considerations, this would be a distinct deterrent to the proposition at the moment.

On the other hand, the hon. Member for Demerara River must know that there are other fundamental considerations with regard to the C.D.C. that are inescapable. They hold debentures which have been guaranteed by the Government, and these are for very sizable amounts. It would seem to me that, unless the Mover of the Motion goes further and works out some scheme whereby he could provide the money for paying off the C.D.C., we cannot do any business. He will have to do all of that before Government can enter into a proposition such as this.

From the information which has been made available to the Legislature, any such proposition to be financed from Colony Funds would appear, at the moment, to be highly impractical. Let us think for a moment of the Anna Regina rice mills. Those rice mills have never made money, as far as I know. The chief reason is that the capacity of the mill — irrespective of how efficiently it may be run — has never had a sufficient “through put” to enable it to have a chance of making a reasonable margin of profit. The Directors of that Company have tried to buy padi from the Essequibo Islands in order to bolster up this short fall of padi through the mill. They have failed because of the tremendous cost in securing enough padi, together with the fact that padi, removed from one area to another over a specific period as well as a distance which involves long haulage and extra handling, becomes an impractical proposition. It is too costly for it to be operated successfully. It is felt that the only reasonable chance of success is if the Tapakuma project comes into force early, and they would then be able to get an additional amount of padi for passing through the mill at Anna Regina.

It appears that the hon. Member feels that it is a simple matter for padi to be harvested, and that it is just merely necessary to show it to the mill and rice would flow as the result. Allow me to assure him that it takes a certain amount of “know-how” and knowledge—knowledge gained by actual experience to take rice and pass it through a mill. The predominant and operative reasons must always be that you must get the best results from that padi. If it is A grade padi, you will expect to get super and extra super; if it is B grade, you will expect to get nothing less than No. 1 and perhaps extra No. 1; if it is third quality padi, you will get, perhaps, below No. 1 and so on. The fact is that with each soaking the good rice miller

has to satisfy himself that he is getting the very best return from each operation. We cannot take people — contrary to what the hon. Mover of the Motion thinks — off the road and expect them to get good results in rice-milling.

Mention has been made quite recently that the same thing is taking place at Vergenoegen. I agree with that, but they are doing exactly what I am suggesting should be done: that a mill should be taken on a small basis, and experience should be obtained through that channel to qualify the people for the bigger operations. There is another aspect of the matter. Having both mills in mind, I am aware that there are very many farmers who plant rice and prefer to sell their padi outright in order to obtain money to meet their commitments or day to day living.

Should these mills be taken over on a co-operative basis, I cannot visualize, at the moment, that there would be sufficient capital provided to enable the co-operative to do this and also undertake such a mammoth operation. I believe that 400,000 bags of padi at a figure of about \$7.00 would involve a large amount of money. Perhaps it may not be necessary to get the full amount initially, but it will be necessary to have a substantial portion of that money to be able to operate the mills successfully.

It is with these things in mind that I now propose to move an Amendment to the hon. Member's Motion. The Amendment reads as follows:

“Be it resolved: That this Council recommends that the Central Rice Mills situated at Mahaicony and Anna Regina be sold (as in the case of the Vengenoegen Rice Mill) to the rice producers in those areas for conversion into a Co-operative Rice Mill, as soon as it is practicable to do so.”

I hope that the hon. Mover of the Motion will find it convenient to accept my Amendment. I feel certain, after

[Mr. DAVIS]

having heard the hon. Minister of Trade and Industry, that it will be exactly what the Government feels ought to be done.

The Amendment would give the Government, the rice producers and millers an opportunity to see the goal towards which they are advancing. In view of the present commitments of the two companies I think it would be foolhardy and unbusinesslike, even for politicians, to rush into such a project. I feel that this Amendment would give both sides of the Council a chance to have second thoughts on the Motion and its intention, and for that reason I commend it to the Council.

Mr. Gajraj: I beg to second the Amendment moved by the hon. Member.

Mr. Speaker: This Amendment was not handed in before, and Members may not appreciate what is its effect. It proposes the deletion of all the words after the word "rice" in the third and fourth lines of the first resolve clause, and the substitution therefor of the words "producers in those areas for conversion into a Co-operative Rice Mill, as soon as it is practicable to do so." So that the Motion, as amended, will read as follows.

"That this Council recommends that the Central Rice Mills situated at Mahacony and Anna Regina be sold (as in the case of the Vergenoegen Rice Mill) to the rice producers in those areas for conversion into a Co-operative Rice Mill, as soon as it is practicable to do so."

Mr. Davis: May I add to my Amendment that the second resolve clause of the Motion be deleted.

Mr. Speaker: Does any Member wish to speak on the Amendment? Those who have spoken before the Amendment was moved are entitled to speak again. If no one wishes to speak at all, then the Mover may close the debate. I hope Members understand the position.

Mr. Bowman (replying): It seems to me that of late the Mover of the Motion, Mr. Davis, has become a true follower of this Government's cant-do-this and cant-do-that, and in general. He said a while ago that the farmers would prefer to sell their padi outright to those two mills. I assume also that co-operatives would not be in a financial position to buy 400,000 bags of padi. I do not know if some Members are not thinking properly, but I know that the Rice Development Company borrowed \$1,750,000 for its working capital, and I feel that if those two mills were converted into co-operatives the organizations would be in a position, if not to borrow from the Government or the Credit Corporation, to borrow from the Banks sufficient money for their working capital. The Company is doing it, and if the farmers themselves were given an opportunity I cannot see why they should not be able to borrow money to run the mills.

The hon. Member said that the rice farmers have not been schooled into running co-operatives, and that the Motion is not worthy of consideration. I want to ask him: now that we are talking about independence, are we in general schooled for independence? Is the taking over of two rice mills to be run as co-operatives a more responsible undertaking than the taking over of the Government of this country? Which do we think the people are more capable of doing — running the Government or running a co-operative? Are we sufficiently schooled to run our own affairs? I feel that we are not. But if it is argued that we are capable of running a Government I do not see why the rice producers would not be able to run a co-operative. Apart from that, we have co-operative officers who would advise them, and there are capable men in the field of book-keeping.

The hon. Member actually said that I do not know anything about a rice mill. I was born in the country and I

have done rice planting. I can teach some of the things he talked about just now. Some people assume too much. I allowed myself to appear to be stupid, but I am not stupid. In the same way as the Rice Development Company employs qualified book-keepers to keep its books, a co-operative would be able to do so. To say that the rice farmers would not be capable of running a rice mill on a co-operative basis is sheer nonsense. I say that they are the pioneers of the rice industry, and the time has come when they should be given an opportunity to run their own affairs. We want action.

I do not know of any instance where this Government has given any indication that these mills would be handed over to the producers. The Committee which recommended that the mills should eventually be co-operatively run cannot be considered as the Government. The Minister of Trade and Industry spoke a lot about capitalists. I am thinking of Government handing over these two mills and the lands at Burma to farmers to plant rice. It is claimed that only last year the Mahaicony mill was able to operate at its through-put. Only recently a new rice mill was erected at Mahaicony, and farmers who previously did not take their padi to the old mill began to take it to the new mill. Many farmers who live near to the new mill will not leave that mill to take their padi to the Burma mill. Therefore, the supply of padi which the Burma mill received last year, and which apparently enabled it to be run at an economic level, will not be guaranteed any longer.

Apart from that it must be remembered that the real object in introducing the Bill which was withdrawn, was to force the hands of the owners of small mills to acquire multi-stage mills so as to benefit the central mills by making them an economic proposition. It was suggested that within three years the small mills should be converted into multi-stage mills.

These are the things which must be considered; and in spite of the fact that the Company owes the C.D.C. \$5,001,600, I feel it is the Government's function. That is exactly what my Motion is asking Government to do: that Government negotiates the transfer of the mills; and, that it undertakes to pay the moneys back to the C.D.C. I know we have a lot of special sinking funds available for such purposes. Government undertook the purchase of the Demerara Electric Company. I think if Government has these people's interests at heart, it would be a good thing to approach the C.D.C.'s Chairman right away on the issue and sound him out on what terms the Corporation may be prepared — [Interruption.]

Mr. Speaker: Order, please! I have had to stop the Member when he tried to interrupt the Minister of Trade and Industry.

Mr. Bowman: I am quite sure that the Chairman would be inclined — I think if the C.D.C. is approached, it may be inclined to give a greater concession for the repayment of the loan or may be inclined to lengthen the time in which the instalments are to be paid. It is for the Government to take the initiative and approach the gentleman when he comes, and sound him out. I think it is Government's function to approach the Corporation after taking into consideration the request which is sought in this Motion.

I challenge the Minister of Trade and Industry to tell this Council that Government had given an undertaking that these mills would be handed over. Let him show me a piece of paper on that. I know that the Rice Development Company has given that undertaking, but I challenge the Minister that the Government had given that undertaking.

[Mr. BOWMAN]

Mr. Davis has suggested that it would become practicable. When would it become practicable? I am not doubting that the time is coming, but we may have to wait a long time. I have said that if the Government has the people's interests at heart, it could negotiate now with the C.D.C.'s Chairman who is coming here, and also ask the C.D.C. to stay its hand, because this amount would have to be paid by 1962; then we can negotiate with the local Company for the handing over of the mills to the producers. Government was the guarantor for the money borrowed from the C.D.C., therefore, Government can bring to an end, if it wishes, that transaction. I do not see any difficulty in that. To say it cannot do so is to throw dust in people's eyes. I am asking the Government to think carefully. The Minister of Trade and Industry says that he is going to Essequibo — I will be going to Essequibo, too.

Mr. Speaker: Please stick to the Motion.

Mr. Bowman: Personally, I cannot accept the Amendment. I am voting against the Amendment, and I feel that Government should accept my Motion. Let Government give me a specific time limit. When would Government be prepared to hand over? That is what I want to know. I want Government to give me a specific undertaking as to when it would be prepared to hand over the rice mills to the producers. If Government will amend my Motion to indicate a time limit, I will accept such an Amendment, otherwise my Motion must remain.

Mr. Speaker: Hon. Members, I will put the Amendment first. It reads:

"That this Council recommends that the Central Rice Mills situated at Mahacony and Anna Regina be sold (as in the case of the Vengenoegen Rice Mill) to the rice producers in those areas for conversion into a Co-operative Rice Mill, as soon as it is practicable to do so."

Secondly, that the further resolve clause be deleted. I shall put them singly, so that hon. Members will not be in any doubt. The last Amendment is that the further resolve clause be deleted.

Question put; the Council divided and voted as follows:

<i>For</i>	<i>Against</i>	
Mr. Hubbard	Mr. Bowman	—1.
Mr. Davis		
Mr. Gajraj		
Mr. Ajodha Singh		
Mr. Saffee		
Mr. Rai		
Mr. Ram Karran		
Mrs. Jagan		
Mr. Benn		
Dr. Jagan		
The Financial Secretary		
The Attorney-General		
The Chief Secretary		
		—13.

Mr. Speaker: The Amendment is carried, and the resolve clause will be deleted.

I will now put the other Amendment proposed by Mr. Davis. I will read it again:

"That this Council recommends that the Central Rice Mills situated at Mahacony and Anna Regina be sold (as in the case of the Vengenoegen Rice Mill) to the rice producers in those areas for conversion into a Co-operative Rice Mill, as soon as it is practicable to do so."

Question put; the Council divided and voted as follows:

<i>For</i>	<i>Against</i>	
Mr. Hubbard	Mr. Bowman	— 1
Mr. Gajraj		
Mr. Ajodha Singh		
Mr. Saffee		
Mr. Rai		
Mr. Ram Karran		
Mrs. Jagan		
Mr. Benn		
Dr. Jagan		
Mr. Davis		
The Financial Secretary		
The Attorney-General		
The Chief Secretary		
		—13

Mr. Speaker : The Amendment is carried, and the Motion is lost.

ADJOURNMENT

The Chief Secretary (Mr. Hedges):
I beg to move that this Council adjourn until tomorrow at 2 p.m.

Mr. Speaker : Council is now adjourned until 2 p.m. on Thursday, 26th January, 1961.

Council adjourned accordingly, at 5.15 p.m.