

# LEGISLATIVE COUNCIL

(Constituted under the British Guiana  
(Constitution) (Temporary Provisions)  
Order in Council, 1953.)

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WEDNESDAY, 19TH DECEMBER, 1956.

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The Council met at 2 p.m.

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## PRESENT:

His Honour the Speaker,  
Sir Eustace Gordon Woolford,  
O.B.E., Q.C.

### *Ex-Officio Members:*

The Hon. the Chief Secretary,  
Mr. F. D. Jakeway, C.M.G., O.B.E.

The Hon. the Attorney General,  
Mr. G. M. Farnum (Ag.)

The Hon. the Financial Secretary,  
Mr. F. W. Essex.

### *Nominated Members of Executive Council:*

The Hon. Sir Frank McDavid,  
C.M.G., C.B.E. (Member for Agri-  
culture, Forests, Lands and Mines).

The Hon. P. A. Cummings (Mem-  
ber for Labour, Health and Housing).

The Hon. W. O. R. Kendall (Mem-  
ber for Communications and Works).

The Hon. G. A. C. Farnum, O.B.E.  
(Member for Local Government,  
Social Welfare and Co-operative De-  
velopment).

The Hon. R. B. Gajraj

### *Nominated Official:*

Mr. J. I. Ramphal

### *Nominated Unofficials:*

Mr. L. A. Luckhoo, Q.C.

Mr. C. A. Carter

Mr. E. F. Correia

Rev. D. C. J. Bobb

Mr. H. Rahaman

Miss Gertie H. Collins

Mrs. Esther E. Dey

Dr. H. A. Fraser

Mr. R. B. Jailal

Mr. Sugrim Singh

Mr. W. T. Lord, I.S.O.

### *Clerk of the Legislature*

Mr. I. Crum Ewing.

### *Assistant Clerk of the Legislature*

Mr. B. M. Viapree (Ag.)

### *Absent:*

The Hon. R. C. Tello—on leave.

Mr. T. Lee —on leave.

Mr. W. A. Phang—on leave.

The Speaker read prayers.

The Minutes of the meeting of the Council held on Wednesday, 13th December, 1956, as printed and circulated, were taken as read and confirmed.

## ANNOUNCEMENTS

### SPEAKER'S 80TH BIRTHDAY

**Mr. Speaker:** Mr. Lee has asked to be excused from today's meeting as he is out of town. Mr. Phang is ill at home.

I received a Christmas greeting card from the Trade Commissioner in the United Kingdom for the British West Indies, British Guiana and British Honduras.

I also received from Members of this Council very happy anniversary greetings on my reaching the age of 80 years. It is indeed comforting and stimulating to me to know I enjoy the goodwill of Members of this Council to such an extent as to have transmitted to me such greetings at a time when I most needed those greetings. In reciprocating, I would like to express my feeling of gratitude: I cannot recall a single gift that I have ever received which was so dear to me. (*Hear, hear*).

### PAPERS LAID

**The Financial Secretary (Mr. Essex):** I beg to lay on the table:

Report of the Finance Committee of the Legislative Council on its examination of the 1957 Draft Recurrent and Development Estimates laid by the Honourable the Financial Secretary on 30th November 1956 in connection with the Appropriation Bill.

**Sir Frank McDavid (Member for Agriculture, Forests, Lands and Mines):** I beg to lay on the table:

Report of the Forest Department for the year 1955,

## MOTION—DEVELOPMENT ESTIMATES, 1957

**The Financial Secretary:** I beg to give notice of the motion standing in my name on the Supplementary Order Paper, as follows:

"Be it resolved: That this Council approves of the Development Estimates of Expenditure for the year 1957 which have been laid on the table, with the amendments set out in the Report of the Finance Committee of the Legislative Council dated 19th December, 1956 totalling NINETEEN MILLION NINE HUNDRED AND NINETY - NINE THOUSAND THREE HUNDRED AND EIGHTY-SEVEN DOLLARS as detailed by Heads in the under-mentioned schedule and of the projects therein being financed from the Development Fund in accordance with the provisions of the Development Fund Ordinance, 1954.

### SCHEDULE

Head No.	Head of Estimate	Estimate 1957
I	Agriculture	\$ 934,615
II	Interior Airstrips & Trails	67,980
III	Drainage and Irrigation	3,421,255
IV	Education	413,000
V	Finance	1,123,577
VI	Forest	113,967
VII	Geological Department	449,584
VIII	Health	587,000
IX	Housing	3,890,911
X	Lands and Mines	22,000
XI	Land Settlement	240,750
XII	Post Office	1,511,325
XIII	Public Works	3,834,743
XIV	Rural Self Help	120,000
XV	Social Welfare	15,100
XVI	Transport & Harbours	2,445,180
XVII	Local Government	50,000
XVIII	Miscellaneous	233,000
XIX	Amerindian Development	25,000
XX	Rural Electrification	500,000
		\$ 19,993,387

### CONTINUANCE OF RENT RESTRICTION ORDINANCE

**Mr. Cummings (Member for Labour, Health and Housing):** I beg

to give notice of the two motions standing in my name on the Supplementary Order Paper, as follows:

"Whereas the Rent Restriction Ordinance, 1941 (No. 23 of 1941) came into operation on the 8th day of November, 1941; and

Whereas section 16 of the said Ordinance, as amended by section 17 of the Rent Restriction (Amendment) Ordinance, 1947, (No. 13 of 1947), provides that the Ordinance shall continue in force up to and including the 31st day of December, 1951, but that, prior to the expiration thereof, the Legislative Council may, by Resolution published in the Gazette, declare that the said Ordinance shall continue in operation for a further period of one year; and

Whereas by annual Resolutions the said Ordinance was continued in operation during the years 1952 and 1953; and

Whereas by the Rent Restriction (Continuance) Ordinance, 1954, (No. 1 of 1954), the Rent Restriction Ordinance, 1941, (No. 23 of 1941), was continued in force and deemed always to have continued in force as though that Ordinance as amended had been continued in force by Resolution of the Legislative Council in accordance with the provisions of section 16 of that Ordinance for the period commencing on the 1st day of January, 1954, and ending on the 31st day of December, 1954; and

Whereas the Legislative Council on the 17th day of December, 1954, by Resolution No. XXIX published in the Gazette on the 18th day of December, 1954, declared that the said Ordinance should continue in force for a further period of one year to the 31st day of December, 1955; and

Whereas the Legislative Council on the 9th day of December, 1955, by Resolution No. XXXVII published in the Gazette on the 17th day of December, 1955, declared that the said Ordinance should continue in force for a further period of one year to the 31st day of December, 1956; and

Whereas it is expedient that the said Ordinance be continued in operation for a further period of one year:

Now, therefore, be it resolved that the Rent Restriction Ordinance, (Chapter 186) shall continue in force for a further period of one year up to and including the 31st day of December, 1957."

## MEDICAL PRACTITIONERS (TEMPORARY REGISTRATION) ORDINANCE

"Whereas the Medical Practitioners (Temporary Registration) Ordinance, 1947 (No. 24) came into operation on the 26th of July, 1947; and

Whereas section 5 of the said Ordinance provides that the Ordinance shall continue in force, up to and including the thirty-first day of December, nineteen hundred and fifty-one, but that the Legislative Council may, prior to the expiration of this Ordinance, by resolution (which resolution shall be published in the Gazette) declare that it shall continue in force for a further period of one year from the date of that expiration and may from time to time, prior to the expiration of that or any further continued operation, similarly declare that it shall continue for a further period of one year; and

Whereas by the Medical Practitioners (Temporary Registration) (Extension) Ordinance, 1954 (No. 6), the Medical Practitioners (Temporary Registration) Ordinance, 1947, has been continued in force as though that Ordinance had been continued in force by resolution of the Legislative Council in accordance with the provisions of section 5 thereof for the period commencing the 1st January, 1954, and ending on the 31st December, 1954; and

Whereas the Legislative Council on the 17th day of December, 1954, declared that the said Ordinance should continue in force for a further period of one year from the 1st of January, 1955; and

Whereas the Legislative Council on the 9th day of December, 1955, declared that the said Ordinance should continue in force for a further period of one year from the 1st of January, 1956; and

Whereas it is desirable that the Medical Practitioners (Temporary Registration) Ordinance, (Chapter 135) should continue in operation for a further period:

Now, therefore, be it resolved that the Medical Practitioners (Temporary Registration) Ordinance (Chapter 135), shall continue in force for a further period of one year from the 1st January, 1957."

I propose at a later stage to move the suspension of the relevant Standing Orders in order to enable me to deal

[Mr. Cummings]

with these motions of which I have just given notice, I hope I will be allowed to do so.

**Mr. Speaker:** I hope you will get an opportunity, when we get to the Order of the Day.

## ORDER OF THE DAY

### CONTINUANCE OF RENT RESTRICTION ORDINANCE

**Mr. Cummings:** May I at this stage move the suspension of the relevant Standing Orders in order that I may move the motion of which I gave notice earlier this afternoon.

**Sir Frank McDavid:** I beg to second the motion.

Question put, and agreed to.

Relevant Standing Orders suspended.

**Mr. Cummings:** In moving the motion for the continuance of the Rent Restriction Ordinance, Chapter 186, for another year, I think Members will agree that this measure is most necessary, and as they all know the reasons for it I will not dilate upon them. I need only emphasize that this is a wartime measure and circumstances have not reached the stage where we can dispense with it.

However, I wish to make one observation. Early in 1954 I recommended that a committee be appointed to examine this question. A committee was appointed and it reported some time in 1955; and there was a recommendation by one of the Members that we ought not even to consider implementing the majority recommenda-

tions with regard to the manner in which assessment should be done without first engaging in sample cases. We wrote to the Chairman, the late Mr. Sharples, about it and he was in full agreement. That sample actually did commence.

The committee wrote about 25 people living in various wards of the city asking for information. Those persons have not replied to us, and consequently we have not been able to get further. We have, however, recently discussed it with the Landlords Association and this body promised to assist us in getting replies, and I hope in a very short time to be able to table recommendations in this Council on the matter. I thought Members would like to know the position.

**Sir Frank McDavid:** I beg to second the motion.

Question put, and agreed to.

Resolved, that the Rent Restriction Ordinance (Chapter 186) shall continue in force for a further period of one year up to and including the 31st day of December, 1956.

**Mr. Speaker:** There is comparative legislation under consideration in England.

**Mr. Cummings:** I am grateful to you, Sir, for your observation.

### CONTINUANCE OF MEDICAL PRACTITIONERS (TEMPORARY REGISTRATION) ORDINANCE

**Mr. Cummings:** I beg to move the suspension of the relevant Standing Orders again so that I may be able to take the other motion today.

**Sir Frank McDavid:** I beg to second the motion.

Question put, and agreed to.

Relevant Standing Orders suspended.

**Mr. Cummings:** The reason for seeking a resolution of this Council for the further extension of time for the operation of the Medical Practitioners Ordinance as amended is that we still have on the roll of medical practitioners in this country a few doctors who are not registered in accordance with the provisions and it is necessary to have the temporary provisions continued. I formally beg to move the motion.

**Sir Frank McDavid:** I beg to second the motion.

**Mr. Speaker:** Would any Member like to speak on it?

Question put, and agreed to.

Resolved, that the Medical Practitioners (Temporary Registration) Ordinance (Chapter 135), shall continue in force for a further period of one year from the 1st January, 1957.

### Exemption Of Chlordane From Import Duty

ORDER IN COUNCIL NO. 82 OF 1956

**The Financial Secretary:** I beg to move the motion:

"Resolved: That this Council in terms of section 9 of the Customs Ordinance, Chapter 309 confirms Order in Council No. 82 of 1956, which was made on the 29th day of November, 1956, and published in the Gazette on the 8th of December 1956."

This is a simple Order, the purpose of which is to exempt from import duty the insecticide called chlordane. This preparation is useful particularly in the control of acoushi ants. The duty is reasonably small and the impact on revenue will be small—the loss of just a few hundred dollars. It has been proving rather expensive for those who have to buy this chemical with the duty at 5 per cent.

**Sir Frank McDavid:** I beg to second the motion.

**Mr. Correia:** I must compliment Government on removing the duty on this important insecticide as it was impossible for farmers, especially those living in rural areas where acoushi ants are pests, to buy it. I think Government can go further and subsidize the farmer in the purchase of chlordane, especially those farmers in the smaller areas; and the Member for Agriculture should look into it.

**Mr. Speaker:** By controlling the price?

**Mr. Correia:** Government should buy it and then sell it at a lower price, Sir. That is what I mean.

**Mr. Lee:** I want to support this motion also. Chlordane has been very welcome for use in the control of acoushi ants in the river areas on crown lands which are infested with these insects, and I think it would be a good gesture to invite approval of the suggestion of Mr. Correia to sell chlordane at a slightly reduced cost to the farmer because it is very expensive and it is hard for some farmers to buy it. Also, adequate supplies should be sent to the riverain areas where people have to use it.

**Mr. Speaker:** I take it that the insecticide referred to is a poison. I do not know how its subsidization could be done.

**The Financial Secretary:** I am not sure that it ought to be done.

**Sir Frank McDavid:** I have exhausted most of my influence with the hon. the Financial Secretary to get him to agree to remove the duty. As hon. Members have said, this pest is one which has been with this country for a very long time, and if the Department of Agriculture can put up a scheme for some concerted effort which would include the Local Authorities, perhaps something might be done over a period of time to cheapen this insecticide and even, in some cases, having it free. But I would plead that all Local Authorities should join in the campaign. I have taken a note of what hon. Members have said, and I will refer it to the Department of Agriculture.

**Rev. Mr. Bobb:** If encouragement were needed I could surely give the hon. Member the assurance that as far as the Local Authorities are concerned they would be very pleased indeed to join in any such campaign. For a very long time they have been asking for some effort in this direction, and it is very refreshing to hear that something is being done. I remember that in 1951 a cable was sent from the Village Chairmen's Conference to Mr. T. T. Thompson in England, endeavouring to find out whether there was a real insecticide to counter the ravages of this pest. I do not know whether his efforts bore fruit. Maybe that is one of the things that has now resulted in this insecticide being made available to farmers, and I am very pleased that it has come within their reach. I repeat that the Local Authorities would be very willing to co-operate in any step to help in the extermination of the pest.

**Mr. Luckhoo:** Just one comment. This acoushi ant is a type of pest

which is found not so much in the villages but on riverain lands and in the Canals Polder, and the contention raised is that these ants breed on Crown lands and move onto the cleared areas. (Laughter). That is really true, and I assure the hon. Member that if he would investigate it he would find that it is so. I am not attempting to set up the doctrine of Rylands and Fletcher, but these acoushi ants do move from forest areas to cleared areas, and if Government would look after those areas which are under its control, and prevent the growth and flow of those ants, the farmers would not require any subsidization which my friend, Mr. Correia, has suggested. I know they would be very happy in the thought that Government would be really in control of this pest.

**Mr. Farnum:** I think the hon. Member, Mr. Luckhoo, has been misinformed when he says that acoushi ants are only found on Crown Lands. I would like him to visit the Canals Polder, especially the areas where the farmers live, there he will find the farms infested with the pest.

Efforts have been made to get the Local Authorities to tackle the problem as a community effort, because in the past it was found that while a farmer who is careful has been able to destroy the pest in his area, his neighbour did nothing whatever, with the result that the ants re-appeared on the land where clearing had been done. It was therefore suggested that the Local Authorities should undertake the clearing of the whole area as one of its services. That is the only way we will be able to tackle the pest successfully.

**Mr. Correia:** The Canals Polder are adjacent to forest lands.

**The Financial Secretary:** The loss of revenue to Government by giv-

ing up the import duty would be very small, but the cost of the insecticide is something like \$73 per 5-gallon drum.

Question put, and agreed to.

Motion carried.

#### ALUMINA PROJECT IN BRITISH GUIANA

**The Financial Secretary:** I beg to move the motion standing in my name at Item 2 on the Order Paper, which reads:

"Be it resolved: That with reference to Sessional Paper No. 14/1956, this Council records approval of the action taken by the Government in reaching agreement with the Demerara Bauxite Company, Limited, for the establishment of an alumina project in British Guiana, and undertakes to pass the necessary amending legislation with respect to customs import and export duties indicated in paragraphs 6 and 7 of the Appendix to Sessional Paper No. 14/1956."

I feel that I am very lucky that it has fallen to my lot to introduce this motion which is designed to foster the establishment of an industry here which I understand has been the dream of many people in this country for many years. The announcement of this staggeringly large capital expenditure proposed by the Demerara Bauxite Company has been received, as far as I can see, with very great enthusiasm by the public and the Press. It would indeed be a big step forward in the industrialization of British Guiana. There will also be, I feel, a very great psychological benefit to the country with the realization that here is a company, established outside British Guiana, which is willing to invest in British Guiana and has sufficient faith in the future of British Guiana to risk this very large sum of money which is two-thirds as large as the total sum we as a Government propose to spend in the Five-Year Development Programme.

As has so often been said in this Council, it is this sort of large-scale industrial development in mining or the processing of minerals particularly which this country needs if its public revenues and its national income are to have any chance of keeping pace with the tremendous problem of its growing population. It is no use thinking in terms of half a million dollars a year more in public revenue; we have to think in terms of five, six, seven or ten millions in the comparatively near future. That is quite obvious. As is stated in the Sessional Paper, once this alumina plant begins to pay income tax after the income tax "holiday" there should be a substantial increase in the income tax payable by the Company as a whole.

This, of course, depends to a large extent on the world demand for the product increasing. Income tax would increase substantially if the world requirement of aluminium does not substantially fall, but it should be noted here—I am filling in the gaps in the Sessional Paper — that even if the world demand for aluminium should fall British Guiana would be in a much more vulnerable position as a primary producer of the basic raw material bauxite than she would be as a manufacturer of alumina. That is a very important point in considering this project.

It is not the least contribution of this alumina development that it is in some sense an insurance against the vicissitudes of the future. The present plan is tied in with the extension of the smelting capacity in Canada as a result of which more alumina will be required. The proposed plant here will provide a portion about 220,000 tons annually of what is required. The existing alumina plants in Canada which take our raw bauxite will continue to be in existence at their present capacity, and there is therefore every reason to hope that our ex-

[Financial Secretary]

ports of dried bauxite will be retained at their present level even when we are producing alumina. The exports of bauxite might of course fall below their present level but it is obvious that this should be for reasons other than that alumina was being produced here. We have in fact got the Company to agree on certain safeguards to ensure that the present level of income tax revenue from bauxite exports is maintained as far as possible. The arrangement is rather complicated, but in effect it means that if the tonnage of bauxite exported in any particular year during the "tax holiday" period falls below the average annual export of the three years before the "tax holiday" period — if for any reason it falls below that base figure, the value of bauxite used in the alumina plant to the extent of its shortfall in tonnage value including the profit which could have been made on the bauxite would be credited to the income of the bauxite undertaking.

The second safeguard we have been able to achieve for the existing level of income tax is that in the sixth year, that is the year after the "tax holiday", if the profits from the alumina part of the undertaking are not sufficient to absorb the whole of the large initial allowances, the allowances would not be offset against the income of the bauxite part of the undertaking which, as the law stands, the Company could do. Let us take a simple example. If the initial allowance is \$2 million and the alumina profit is only \$1 million, as the law stands the extra million dollars could be offset against the income of the bauxite undertaking. The Company has agreed, however, that if that happens it will prepay without interest the amount of the diminution of the income tax on bauxite so caused. So that there are those two safeguards to preserve our current

revenue from bauxite. After the "tax holiday", of course, our revenue should be increased to such an extent as to have a very significant impact on the economy of the country.

It is vitally important to the future of this country that substantial new sources of income should be found, and though the largest tax benefits from this project are comparatively long-term—they are bound to be if a tax holiday is given — we must not overlook the fact that there will be appreciable short-term financial benefits of this country. The incomes generated by the employment of local men on the construction period will be considerable. More money will be circulated, and local production in other fields is bound to be stimulated. All these financial benefits and the socio-economic ones, relief of unemployment, training in skills are obvious, and have been seized on by the Press and public here since the announcements were made last week.

The decision of the Company to set up an alumina plant here must have been a difficult one. We must always remember that there were several alternative steps which the Company might have preferred to take. The plant might have been put somewhere else; the existing plants in Canada might have been extended further, new plants like the one just announced for French Guiana might have been made larger from the outset. There are natural disadvantages in British Guiana in the export of bulky products, and one of the biggest difficulties in shipping. As hon. Members know, at present bauxite exported from this Colony has to be transhipped at Trinidad; because of the bar and the difficulties of river navigation it is not possible to take very large ships up to Mackenzie. All this adds to the cost of production. Jamaica is more favourably placed



geographically. There were other difficulties, less concrete but none the less real, which I do not wish to stress, not being a politician. It was against this background that the Company had to decide the conditions under which it would be worth its while to make this large capital investment here, and it was against this background that Government has had to decide what encouragement it could reasonably offer to the Company. I may say that the *sine qua non* is the "tax holiday." This stems from our existing legislation, and without this legislation I am quite sure this development would never have been made.

The next encouragement we felt we could offer was the remission of Customs import duties on all capital building materials, plant, machinery, appliances and other items necessary for the construction and equipment of the alumina plant and the housing of the workers. It is estimated that 700 persons would be employed in the operation of the plant when constructed, and housing accommodation would have to be provided for them in a part of the country where the only houses are already occupied by people working on the production of bauxite and those who support them with services and trade. Government has been thinking for some time that it would have to give this concession to any large industry which would have to set up a virtually new township, and it is proposed to introduce an amendment of the Ordinance to make this concession of general application. The existing legislation already provides for plant and machinery to be exempted from Customs duty.

The next concession, as will be seen from the Sessional Paper, was that certain main chemicals and fuel oil which are required for processing bauxite into alumina should be allowed to be imported free of Customs duty.

It was agreed that this should be for a definitive period of eight years. There is nothing strange in this; a similar provision appears in the Jamaica Ordinance dealing with encouragement to the bauxite industry in that island, and indeed such concessions have already been granted here with respect to the importation of materials needed for the uplift of primary products such as coconut oil and rubber, or wood into matches.

Another thing which is being asked in this Resolution to agree to, is that there should be no export duty on alumina. This again is consistent with our policy. It is reasonable to levy export duty on basic primary products which are going to be processed overseas, but when they are to be processed locally the equitable way to gain revenue is by way of royalty for the existing asset plus Income Tax. I am sure that this Council will agree with the Government's view that no export tax should be levied on alumina—a policy which, I say, is followed in Jamaica, and indeed is inherent in our existing tariff which exempts manufactured articles from export duty.

The last item which the Government desires this Council to approve, is the reduction of the export duty on calcined bauxite from \$1.00 per ton to 45 cents per ton. The higher rate was introduced purely as a revenue measure and the Company has always regarded it as unfair and irksome for on dried bauxite the export duty is less, at 45 cents per ton. They questioned that the export duty on the calcined bauxite, an uplifted product should be more than twice as much as that on the basic product. If the export tax is reduced there will of course be a drop in existing revenue from that particular tax, though the real drop is not so much as it appears as 45% of the difference is made up in income tax, the export tax being an allowance against income. The

[Financial Secretary]

Income tax derived from calcined bauxite is very much higher than that from dried bauxite and very much more than the difference between \$1.00 and 45 cents per ton, and the potential benefits of widening the market for calcined bauxite and increasing the volume of exports lead one to hope that we shall soon make up the shortfall. The revenue justification which was originally there for the discrimination between dried and calcined bauxite has been much weakened in view of the large increase in calcined exports from 50,000 to 300,000 tons a year. This proposed reduction in the export duty only will also be offset further because the Company has agreed that the royalty on bauxite processed into alumina specified under the Bauxite Mining Regulations at the rate of 2 cents per ton should be increased to 20 cents per ton, which is a much more realistic figure than 2 cents per ton and corresponds with rates elsewhere.

As I have said, the real large concession granted the Company in all this is the "tax holiday," and on that the whole matter turns. There is no doubt that without this "tax holiday" there would be very little chance of bringing on alumina industry to this country. I also feel that if this particular boat were missed British Guiana would as far as the bauxite industry is concerned, have stayed in a "back water" while others sailed by. As it is, once the new industry is started there is every reason to hope that it will increase in size. The important thing is to get it started and then, we hope, watch it grow, just as for example has Jamaica's.

In all this we must face the fact that we need to give substantial encouragement to this sort of industry to establish itself; the world is com-

petitive. And it must be remembered that the major concessions are the giving up of revenue which we would never have if the plant had not come. I do therefore commend this Resolution to this Council in order that we may get on with the establishment of the industry and bring nearer the day when we shall feel the full benefits of its impact on our economy. May it be the forerunner of further large scale investment.

**Sir Frank McDavid:** I beg to second the motion, and I reserve the right to speak later on, if necessary.

**Mr. Luckhoo:** Every pioneer knows that Nature does not yield her bounties readily and easily. She is a very relentless taskmistress, but rarely does she refuse her resources to those who are ready to put all their efforts and toil and energy into the subject from which they hope to obtain reward. Over the past 40 years the Demerara Bauxite Co. Ltd., have earned a fair measure of returns from Nature, and no one will begrudge them that. We are happy to find private enterprise being able to succeed in our country.

The Demerara Bauxite Co. Ltd have had a successful past. One must assume they have an encouraging present that now they are taking a gigantic step forward, a step which will need a matter of some \$60 million being put into a fresh project to process bauxite into alumina. They are going one step forward; they are not contented merely with taking the ore from the earth and shipping it away, but will be carrying on the process further within the country from which they have won the ore. No one can deny that this is progress, and it is most welcome. The points I would wish to urge before hon. Members or

to remind them are those pertaining to what it means for a Company of that type to take such action, and in what manner and form the action reflects on this country of British Guiana.

The first point, Sir, is that undoubtedly it shows great faith in the country, I refer to that in the first sense physically that though experts feel that this country is capable of producing bauxite for years and years to come in such quantities and abundance that it will be worth their while to undertake a project of such dimensions.

The second point is faith in the people of the country. Faith in the people of the country to select a government which would be a responsible government and a government which ensures stability and permits the healthy growth of enterprise. They have not demonstrated this fact merely by words but in a most tangible form by means of the positive action which they have taken.

The third point is, faith in the labour situation in the Colony, because they must necessarily have faith that labour will not be unconscionable but will be reasonable, and there will not be pointless and unnecessary strikes which can only provide obstacles to progress. I would like to take this opportunity to commend our Labour Department in this Colony—the Commissioner of Labour and his staff—that over a period of years we have certainly enjoyed a certain amount of industrial peace and an absence of the bewildering strikes which we have had the misfortune some years ago to encounter. It does reflect creditably on the Commissioner of Labour and his entire staff and on the working of the entire Labour Department that we have been

so fortunate in enjoying that state. I wish to have that recorded.

There is yet another faith. That is the faith of the parent Company, the Aluminum Company of Canada, in their Managing Director, Mr. Jim Campbell, as Head of the Demerara Bauxite Co. Ltd. They must have taken his advice and must have been considerably influenced by his particular point of view. I feel, Sir, that all Members would wish to express some measure of thanks to him as one of the principal partners responsible for bringing this particular blessing to our country. Although I am very critical of the Government and its Executive, yet I do feel that one should record this as faith in the Executive of Government. I feel that they do have something with which they may proudly go to the country and say "We have been able to achieve this for you."

What does this all mean? It means faith in the land to produce; faith in the people that they will choose wisely and well a responsible government so that private enterprise will not have the Sword of Damocles hanging over its head; faith in the labour force of this country; faith in the present Government which is endeavouring to assist private enterprise. Where to are we led by all this—the question of \$60 million over a reasonable period of years being invested in this country and providing regular employment for 700 persons? Not only that much, but there are 700 families that will benefit. It means that 700 persons will be in a position to live better; trade will get the benefit of it, and all the services will benefit from it. It means there will be greater circulation of money in our country. The large sums of money paid out will not be confined to one area but will go around the whole country. Sir, Mr. Campbell is reported

in the "Daily Chronicle" of December 13 as saying this — I quote from that report:

"The investment in British Guiana of such large additional amount of risk capital by the shareholders of our parent company is based on the inherent belief that the people of British Guiana are anxious to create and to ensure the convenience of conditions which will foster the healthy growth of private enterprise to the benefit of the country as a whole."

That belief is one I also share. Sir, it means yet more than that. It will mean to the country that instead of being a country which is known merely by the notoriety of 1953 it will be a country known by the reputation of a country wherein people are investing capital sums of \$60 million in one project. It means that like other countries blessed with an inflow of capital we will be able to hold up to the world that this is a country into which capital is flowing. That is very important, because nothing succeeds like success. Where there is capital, there is greater tendency for yet more capital to flow. We had that shown in the case of Puerto Rico where there is still yet more capital seeking to enter that country. A few years ago, perhaps, that country was in comparative obscurity. What we are doing here, or what is sought to be done here by means of this Resolution—the legislation which the hon. the Financial Secretary has so clearly enunciated—is to provide the type of legislation which will be a beacon call to the world that British Guiana welcomes capital and that the Government is prepared to go out of its way to see that private enterprise receives every assistance. It is only in this manner and form that this country can progress to that stage that where formerly you had 12 chimneys you will have 600 to 1,200 chimneys. In that way and that way only we will have industrialisation of this country.

We welcome indeed that the Demerara Bauxite Co., Ltd. have seen fit to bring this large sum of money to our shores. I am happy to hear—and I am sure all Members too—that after the Tax Holiday period this country can be assured of a tangible source of Income Tax revenue coming from this new project. That is very welcomed news indeed. The hon. the Financial Secretary has not condescended to give details, and in his wisdom he has not given us any indication — knowing his conservative approach and choice of language—that we are likely to be benefited by a very large sum each year being added to our revenue after this Tax Holiday period. I think, Sir, that is not only a healthy sign but also a very welcomed fact. In furtherance of the project one hears also of the proposed systematic training for draughtsmen and technicians which will be undertaken by the Demerara Bauxite Co., Ltd. I think that is again a very welcomed undertaking which this country as a whole will also approve.

With your permission, Sir, I would like to read for the purposes of record from the "Mackenzie Miner" of 17th December, 1956, under the heading of "New Trade School for Mackenzie"

#### "And now—a Trade School"

Now we (the Demerara Bauxite Co.) propose to erect a fully-equipped Trade School at Mackenzie as a further step in Demba's steady programme to create greater opportunity, to build up better standards of skill, and to create the new skills required in our new alumina project.

For the first three years the boys will be pupils of the Trade School. In their fourth year, those who wish to, may be apprenticed to the Company and obtain practical experience in the plant workshops as well as at the School. On leaving the School the apprentices will continue their training in the plant for a required number of years. Those who do not wish to train with Demba further than the Trade School course will be given a

suitable certificate of training after taking an approved examination."

Then it goes on to add that the School will be filling a real need in British Guiana. I think that the School itself will be a welcome adjunct to the alumina project.

Let me confess that this news has come as the most pleasant shock this country has received in many years. And let me say that so far as the ordinary lay member of the public is concerned it was entirely unexpected. If I may quote from page 8 of the International Bank Report on British Guiana, 1953:

"The Demerara Bauxite Company expects that its production will remain fairly stable for the next five years, though there may be an increase in the proportion of ore calcined in the colony. It is unlikely that further stages in the processing of bauxite into alumina will be undertaken in the colony."

The Report goes on to say, at page 70:

"It is unlikely that stages in the processing of bauxite beyond all those of drying and calcining will be undertaken in the colony. The aluminum industry is highly intergerated vertically. All the major producers have their own sources of bauxite, their own alumina plants and their own aluminum smelters. The question of where best to produce alumina and aluminum must therefore be considered by each company in relation to the alternatives open to it. In the case of the Aluminum Company of Canada, the very cheap electric power available now in Quebec and British Columbia is an important factor.

Although further processing is not an immediate likelihood, it is expected that calcined ore will form a somewhat higher proportion of total production in the future, but so far as the mission is aware there are no plans for increasing the general level of production of bauxite above the 1952 output level."

So, even to this distinguished mission the news must certainly have come as a welcome surprise. Hope springs eternal! Great expectations must arise

from the spending of the money and launching of the project. One looks further and further ahead and hopes that the further stage of alumina into aluminum will yet be reached in our lifetime. With the recent passing of the hydro-electric power bill, it is not now too much to say, "put 2 and 2 together and you will get 22". We are not hoping that it will happen overnight, but it is a development to which we look forward with great anticipation.

But we must be realistic. I feel I should mention that one prays and hopes that nothing will be done in this country to dissuade the promoters from implementing this project. It is a duty of every member of the community to see that nothing is done by us to throw away the faith that has been reposed in us, in the people of this country—and I use the word "country" in its widest possible sense. I refer to the labour force, the politicians and the mass of the people. Here is private enterprise, hoping to plunge into something which can benefit the country immensely. Let us show our good sense and do nothing which will savour of instability or which will give rise to suspicion, distrust or mistrust.

Before I take my seat I wish to say once again, with every respect and deference, that this country has always owed a great deal to pioneers of the type and kind as the Demerara Bauxite Company. We are deeply appreciative of what is about to be done for this our land. This is the most significant piece of news for the future of this country in very many years. Let us hope that this future will assume new proportions and become attractive, glowing instead of being dismal and sparkless. Let us hope that the country is aware of the obligations cast upon it and that it will play its part in this project which starts very soon and might well be the making of our country of Guiana.

**Rev. Mr. Bobb :** I would like to say in as few words as possible that I welcome this motion whose terms the hon. mover has so clearly put before us. I would congratulate Government on taking this necessary action and for all the labour involved in bringing the matter to this stage. Every Member surely would like to record his appreciation also of the step taken by the Demerara Bauxite Company in this matter. We judge men, as a rule, by what they have done and in this respect we will judge this Company by its past performance. For 40 years it has been operating in this country and we know that it employs about 2,000 people, which means an annual pay roll of \$2½ million. Apart from the opportunity to earn salaries our own people in the employ of this Company benefit in the technical sphere from the courses of training offered.

I am sure we are all looking forward with hope and confidence that this industry will prosper as much as possible, but this is something that will depend not only on the Company. The Company has shown its reliance on the people of British Guiana. Beyond that I will say no more. I trust our leaders will put some faith in the people's common sense. All the risk is on the Company's side. We are like sleeping partners. It must be great confidence in the future and in the people of this country that caused this project to be proceeded with even when the events of the future are not foreseeable. I am sure that the opportunities which will flow from the establishment of this industry will be so great that at the present time we can hardly spend time speculating, but one can very well say that the impact of that industry will mean betterment for the people in every possible respect; especially, I hope for those in the rural areas who have been working in this industry

for a long time that they would enjoy such opportunities as they would not be able to enjoy in any other field of industry.

May I close with the hope that the other industries operating in this country will continue to have faith in our people and will not be deterred by the events of an unpleasant nature which belong to the past, and we now look forward to the better things which will be to the benefit of British Guiana.

**Mr. Sugrim Singh and Mr. Cummings** rose—

**Mr. Cummings:** I intended to be—

**Mr. Speaker :** Mr. Sugrim Singh.

**Mr. Sugrim Singh:** Your Honour, if my hon. friend has something urgent to say and would like to leave the Chamber afterwards, I will give way to him.

**Mr. Cummings:** I have already given way to the hon. Member, Sir.

**Mr. Sugrim Singh:** This measure before this Council marks, shall I say, the turning-point perhaps from agricultural British Guiana to industrial British Guiana on a large scale. Way back in history colonies were looked upon as sources of supply of raw material, which was processed and then turned back into the colonies in the form of finished articles. That idea has now changed in the world. World public opinion is against perpetuating what is sometimes described as colonialism, and I think I can say so without fear of contradiction that this project to erect and run a factory here, taken from the point of view of the money to be invested, is the largest project that ever was visualized in this country.

I wish to endorse the points made by my hon. Friend, Mr. Luckhoo, and to add that the decision of this Com-

pany to put into British Guiana this, comparatively speaking, enormous amount of money on a project of this kind will *ipso facto* remove any doubts about insecurity or instability in the minds of other concerns—and I do know there are other companies interested in this country—and will cause them in the very near future to follow suit and break open this vast country and its resources for its inhabitants and for the entire world.

It is a bit embarrassing to speak of one's own achievements, but I am certain we would like others to know that in British Guiana we already have some additional factories making soap and margarine, and a beer brewery; and we top the West Indies in ship-building and quite a few other things. We are slowly moving towards greater industrialization in this country. We hope to have on a scale large enough for export purposes, factories producing things like plywood or condensed milk. We hope that dairying will be turned into a commercial activity in this country, providing lucrative employment for a large number of people. We also hope that we would be able to do something to develop our tourist trade. For years we have not been getting a square deal in this because all sorts of things have been said about this country. But, surprisingly, more and more people who come to this place express their appreciation of the sights of the interior and other parts. We hope that the prejudice will be removed and people who matter and are interested in this country will be able to do something for it.

Some people have been saying "Why should we have capital? Why should we have foreigners? Let us do all this ourselves." That

is the communist stand-point — a dog-in-the-manger policy. I have heard people who claim to have the interest of this country at heart express the wish to see the day when all the chimneys in this country will be pulled down, and as Providence would have it, a few chimneys have been pulled down, and we have seen practical proof of the significance of those chimneys being pulled down. I would like to see more chimneys going up in this country — not only sugar factory chimneys and bauxite factory chimneys but chimneys of all kinds, as they would in no small way help to bring happiness to the people of this country.

With the launching of this alumina project I hope Government will give early consideration to the construction of a road from Atkinson Field to Mackenzie. I wish to join in the congratulations to Government on the achievement of this agreement with the Demerara Bauxite Company. I am sure that posterity will sing praises to the Government of this time for its encouragement to this project. I wish also to congratulate the officials of the Company who have demonstrated their interest in this country in such a tangible way.

I must end by referring to a point which has already been made very forcefully. It seems to be regarded as healthy political recreation in this country, whenever anything calculated to benefit this country is projected, to find even supposedly intelligent people endeavouring to throw cold water on it. I have heard statements like "Well, they are going to hand over this country to the Demerara Bauxite Company; they have handed it to Boskers who will now share it with the Bauxite Company." Silly as such statements may appear, they

[Mr. Sugrim Singh]

gather momentum in certain quarters. I wish to say here and now that the people of this country, whether they are politicians, Party officials, trade unionists or civil servants, should regard this as a challenge to the inhabitants of this country to justify the decision of the Bauxite Company to invest this large sum of money in a project which will in no small way assist the economic advancement of this country. It would be a criminal act if any group or individual should try to "throw a spanner in the works" in any form or shape. This admirable project by the Demerara Bauxite Company will in no small way help to solve the burning problem of unemployment and under-employment in this country, and open the door for other concerns to come to this country and invest capital in a similar manner.

Mr. Cummings (Member for Labour, Health and Housing): I do not propose to be very long. As a matter of fact it is not usual for a Member of the Government not charged with responsibility for the particular measure before the Council, to get up to speak in circumstances of this nature, but I feel very happy to be identified with a Government which has brought off this magnificent achievement. I am happy not only because of the obvious benefits which will accrue to this country from this project, but it is one of the things I have myself been advocating for a number of years. With your permission, Sir, I would like to refer to the manifesto of a certain politician in 1953 in putting forward his programme for interior development of this country. Among the things he proposed — and I may say that they have been almost all implemented — was, under item (h) the policy of

processing our bauxite ore into refined products in the Colony.

I was very happy to hear Mr. Sugrim Singh congratulate Government on the success of the negotiations, because I read with a certain amount of amusement the last paragraph of an editorial in one of our leading newspapers which remarked that it is perhaps coincidental that this has happened during the life span of this Government. Well, to a certain extent that may well be so, but I do feel that this Council, and I personally, wish to record our congratulations to His Excellency the Governor who, at his level, took some part in the negotiations; to the hon. the Financial Secretary, and to Sir Frank McDavid. I feel that a splendid agreement has been drawn up and I think they should be publicly congratulated on the achievement.

The politician I refer to went on in his manifesto to say that he visualized a crisis, and in order to stem that crisis and move onwards and upwards to full self-government we must ensure that our key positions are manned by men of courage, tenacity, integrity and ability, and, in a nutshell, filled by British Guianese. That feeling has been injected into the Demerara Bauxite Company, and despite the admonition of the World Bank Mission, this Government has succeeded in getting the Demerara Bauxite Company to decide to put this alumina plant up at Mackenzie. I therefore feel that those who have taken part in bringing this about deserve the congratulations not only of the present generation in British Guiana but of posterity. It is an achievement.

Mr. Lord: I also desire to give whole-hearted support to the motion with respect to the concessions to be



granted to the Demerara Bauxite Company under the Income Tax (In Aid of Industry) Ordinance, and under the Industries Aid and Encouragement Ordinance. I have had the opportunity of following the progress of the Company from its very small beginning when I think its output was only about 2,000 tons of bauxite per year, until 1944 when it reached about 2,000,000 tons. So far as I know that level of production has been maintained up to the present time.

The investment of \$60 million in any project is a big undertaking, but knowing the efficiency of the organization I am satisfied that they went into the matter most carefully and are satisfied that the processing of bauxite into alumina in this Colony is an economic project. For that reason we are very happy to see that Government has entered into an agreement with the Company to grant them certain concessions which are mentioned in the Sessional Paper.

With regard to the actual terms of the mining leases, which I take it have been fully considered and examined from every point of view by advisers of the Government, I note that the period of the leases has been enlarged from 25 to 50 years, with the right of renewal for another 25 years.

With regard to the "minimum royalty" provisions of the Bauxite Mining Regulations which are to be applied to the new Mining Leases, I think the statement in the Appendix to the Sessional Paper should have been supplemented by some information as to the "minimum royalty" requirements under the existing Regulations, so that Members might have been better able to follow it.

There is no royalty charged on bauxite mined on private lands owned by the Company, and I think the ques-

tion of alumina processed from bauxite mined from such lands owned by the Company has been taken into consideration. This Colony will get no royalty on alumina processed from bauxite mined on the Company's private property. Those are matters which are not mentioned in the Sessional Paper, and I think Members would like to have some information on that point.

So far as I am aware the Demerara Bauxite Company has reached its limit in electrical power, and I think the question of additional power which will be needed for the processing of bauxite into alumina is one which Government would be wise at this time to consider along with the Company in view of the possibility of making use of hydro-electric power for that purpose.

I note that, if necessary, Government proposes to assist the Company to acquire title to land required for the alumina plant and for access roads thereto. I consider that a very important matter. I do not know what form such assistance will take, but I have known of cases in which exorbitant prices have been charged for land which was of little value to the owners. I commend the motion to the Council.

**Dr. Fraser:** I wish to join previous speakers in offering my congratulation to Government on the action taken with the Bauxite Company with regard to its decision to set up a plant for the processing of bauxite into alumina. I think it must be extremely gratifying to Government to have this project for the investment of a large sum of money which will have quite an impact on the economy of this country. I think the hon. the Financial Secretary and the hon. Member for Agriculture, under whose portfolio the project comes, must be very pleased to have this large investment which has come to the Colony

[Dr Fraser]

after so many years of Government effort to attract capital.

The Demerara Bauxite Company is no newcomer to this Colony. It has been in operation for a long number of years. It knows the country and the people of the country. Its decision to invest this huge amount of money on this project is, I think, an expression of confidence in the future of this country, and may I hope that the people of this country, and in particular those who are employed by the Company will show their confidence in the Company. I have very much pleasure in supporting the motion.

Mrs. Dey: I rise to add my quota to all that has been said. I feel honoured to be numbered among my colleagues in this Chamber this afternoon, and to record my approval of this motion, my congratulations to Government and my thanks to the Demerara Bauxite Company. I feel this afternoon that I am no longer a "Floor" Member of this Council but I am one of the little waggon wheels that helped the big waggon wheels up yonder to turn towards economic development in this Colony.

One speaker before me referred to the capabilities of the Demerara Bauxite Co. Ltd., in terms of dollars and cents, but on the other hand I feel that in my thanks I should include whatever labour was expended by the hon. Financial Secretary in preparing this Sessional Paper before it could have come before us. It must have entailed much thought on his part, new as he is in our midst, and I feel very happy to be here to offer my congratulations to him for whatever part he took in the matter before the Sessional Paper came to be laid on the table of this Council.

But, Mr. Speaker, when I consider the youth of our country I am very happy over their future and, but for the fact that I would like to see this project an accomplished fact, I might be tempted to say like Simeon and Rebecca of old "Lord, now lettest Thou Thy servant depart in peace". But I want to see it come to fruition, and so will not use those words with the meaning attached thereto. I feel that at midnight on the 31st December, 1956, all the women of British Guiana, like the shepherds of old who were looking at the Star in the East, should be looking in the south for that star which will be over the Demerara Bauxite Co. Ltd. at Mackenzie for the economic step up of our country. The first step from that—when we know what we are all looking forward to in 1957—may I be bold to say, is political stability. Our people by then, as a result of that economic step up, will not be running willy-nilly trying to find out whom they must trust at that crucial moment next year; they will be owners of better homes, and, in that industrial school, they will see, like myself, the future of their youths stepping upwards, and as a result they will be better able to think for the future of their country in terms of whom they will have to represent them within this Council Chamber.

For my own part I shall from now on pray and ask God to instil in the minds of the workers of my country, faith in their employers, for without that faith we may kill the goose that lays the golden egg, and it would mean going forward one foot and slipping backwards ten feet. If that should happen, our last state shall be worse than the first. British Guiana today is like Cinderella of old. She

may have lost her glass slippers in 1953, but I am quite sure that Prince Charming in the form of Federation will be coming to take her away. I am quite sure that whatever our people may earn out of this \$60 million a very decent percentage of it will be put by and, as a result of that, the question of doles, the question of charity for this and for that will be greatly lessened. That also is making me a very happy woman. May we be spared to see many more gestures such as this one, which all within and without this Council Chamber surely welcomed. May we all support it with brain and brawn. May I be allowed in concluding to borrow from the hon. the Member for Agriculture (Sir Frank McDavid) these words, "British Guiana is turning the corner."

**Mr. Correia:** I rise to support this motion. I can give praise today for it marks a new page in the history of British Guiana. We are on the eve of great development. I think every person in British Guiana should rejoice today that in such a short time after Government has put forward its \$90 million Development Programme the Demerara Bauxite Co., Ltd., should match us with two-thirds in the establishment of this great alumina plant. It shows the Company's confidence in this Government, in the people and the labour force of British Guiana. Sir, it is a sign of better things to come. The next item on the Order Paper—the Bill to raise \$42 million by loan—is just as important as this motion we are discussing at the moment. I join my hon. friend on my right (Mr. Luckhoo) in what he said, and I heartily support the Resolution moved by the hon. the Financial Secretary.

**Mr. Jailal:** Mr. Speaker, I wish to join the speakers before me in congratulating first the Demerara Bauxite Co., Ltd., which has disclosed a policy that is going to benefit British Guiana in the large scale development of

industry here. I want to congratulate the officials of that Company because it is a crucial step they have taken. They have shown that they have great faith in the possibilities of this country. Some time back we were somewhat diffident about the future of this particular company, but within a year we have seen a new dawn, and I want to congratulate every official of that company on this good work. I also want to congratulate the Government team that did all the spade work. I know that prior to this there were other officials who were connected with the movement in this direction and were working solidly behind the scenes. To those officials of the past years and those of the present I say, the thanks of this country are due. I convey the gratitude of the people who still roam the streets of Georgetown unemployed and under-employed.

We are moving along a direction that will wipe away such placards. But in this movement there is a great responsibility on the part of the people, on the part of the workers of British Guiana. Some time ago when Guianese workers in a foreign land decided to harass a Company somewhat larger than the Demerara Bauxite Company in terms of what they thought should be their wages. I remember the Company issuing its ultimatum to the Government of that land saying "If we cannot get industrial peace, if your country cannot offer us good industrial climate, we shall move our plant (which at that time was valued at some \$300 million) to a place of stability." To the workers of this country I now make an appeal, because industries will not come to British Guiana if we cannot afford them proper and good industrial relationship; and good political government, so that they may enjoy industrial peace. As the hon. Lady Member (Mrs. Dey) has said, we must not kill the goose that lays the golden egg. The workers in this coun-

[Mr Jailal]

try must be prepared to be a party and share alike with the Company in its efforts to make British Guiana the success we all want it to be. There is no need to stress this point. We cannot afford to turn capital away from these shores. It must not be the Government to encourage capital; it must be the people themselves.

As I said before, a new era has dawned for British Guiana. A month ago or thereabout we spoke in terms of a solitary aluminum development and this project is somewhat a part, I feel, of a great programme which prior to now was worked out by the policies of yesterday. I can see us going from step to step in our country until such time, which I know is far away, when this one project is going to encourage more industries. I hope like the hon. Member, Mr. Luckhoo, that this is not the end of industrialisation in respect of bauxite here in this country. I am hoping to see, instead of alumina, aluminum sheets and materials processed right here. Like the hon. Member, Mr. Lord, I hope to see the day when some of our tremendous waterfalls will be so harnessed that we will be able to compete with the world in terms of electric power so that there can be no excuse whatever that there is not sufficient power available. Having surmounted that, there will be merely the difficulty of finding a world market. That will be a very easy matter, because politicians before me have clamoured for the continuous use of dredging facilities to keep the Demerara Harbour open, and politicians after me will also do so. I shall continue to make that bid until my time is done.

It is my endeavour to help companies like the Demerara Bauxite Co. Ltd., to operate in this country. There is in my mind one other hope and that is, we have another Bauxite Company operating in British Gui-

ana. I trust that they will, too, get the spirit of expansion and probably begin setting about to make plans for a similar project. This will mean much more to the country. I want to add a few words of congratulation to another group. I would like to mention this, because they themselves have exemplified a faith in our country, and that is the people to whom, as I have read in the newspapers, the contract for the construction work is given. I refer to Sprostons Construction Company who are going to be engaged in this project. This little firm has done well. We have seen them engaged successfully in the shipbuilding business: off our docks we have seen launched vessels which long ago would have been built in England, and the important feature about this is that about 80 per cent., of the skilled labour involved is obtained locally. This may not be the case in the construction of this new plant—if we get 40 per cent. it would be a good beginning. I look forward to Sprostons Ltd., taking its place in the world as a construction company and to its competing successfully with other countries to erect industrial buildings not only in British Guiana but throughout this section of the Western world at least. There is great hope for British Guiana.

The trade school the Demerara Bauxite Company is going to put up is going to be something that will be a new opportunity for the youngsters who will be born there and who will live there for some time. I know that because I have seen the effect of similar action by another company. I look forward to the emergence of a better type of tradesman in the next five years and I believe that British Guiana will in the not too distant future be in a position to export some of her tradesmen.

There is one last remark I would like to make and that is, I feel more and more hopeful that if the plans of our Government succeed we will have large-

scale industrialization and large-scale farming projects apart from sugar. In that case we will need more population, and my only hope is that those who will be deciding the fate of British Guiana in the future will decide quickly — as quickly as possible — to enter the West Indian Federation, as that will be our only solution to many problems. Industrialization would fail completely if we did not have sufficient population to go along with it. All the possible projects in chipboard, cement and other things people talk about cannot be successfully undertaken unless we have more people. I feel it is these things which are going to cause us to see the need to join the Federation.

**Mr. Gajraj:** In normal circumstances it would not be necessary for me to rise in support of a Government measure especially after hearing Members of the Council accept the proposal in such excellent language and in such good spirit, but I feel this is one of the finest moments of my life and it behoves me as a Guianese—and not necessarily as a Member of the Government—at this particular moment to take the opportunity of expressing complete agreement with the proposals before the Council. I wish also to join with my colleagues in congratulating the hon. Member for Industry and Commerce and the hon. Member for Agriculture, Forests, Lands and Mines, together with His Excellency the Governor, in taking this step for the advancement of our country.

We have heard the hope expressed this afternoon that this bit of industrialization which we see coming our way in the next two or three years will be the forerunner of still greater development of industry in British Guiana, and I am sure every one of us here in this Council and every member of the community outside of this Council would want to say how much they share in the expectation that has been men-

tioned here today. For the processing of bauxite into alumina is certainly the first stage towards the processing of aluminium itself. But let me remind hon. Members what the Financial Secretary has been at pains to point out, and that is, the proposal to turn bauxite into aluminium in British Guiana is tied to the present increased smelting capacity at the company's works at Arvida.

The point I think the Financial Secretary wished to make at that stage was that although bauxite will be processed into alumina here it would not mean a reduction in the amount of bauxite shipped abroad as raw bauxite and secondly, as calcined ore, but he wished to tell the Council that this new industry would add to the productive effort of this country and therefore to its national income. But since we have seen the bauxite and aluminium industry moving up from the stage of raw bauxite into calcined ore to the stage of the production of alumina, I feel we would be justified in hoping that the day is not far distant when, with the aid of cheap hydro-electric power, the investors would consider putting down smelting plants here in Guiana so that alumina would be processed into aluminium.

We have been thinking about industrialization for many years and we have been able to build up a small industry here and there, but this new project is the largest single investment which any organization in British Guiana has attempted so far. It is a very large investment — \$60 million — and it must have a considerable impact upon the economy itself and upon the living standards of the people who will be engaged in promoting this industry. The fact that

[Mr. Gajraj]

the Government has worked along with the officials of the company in order to arrive at a basis of agreement which would enable the company to bring this large investment here is, I believe, a complete answer to those people who have taken the opportunity time and again to charge this Government with not giving sufficient consideration to proposals made from time to time for this group or that company to come here, and put down this or that plant; because it shows quite clearly that anyone having a proposal — something which they can back up with finance, either through a bank or by giving us the guarantee that the funds are there, will surely have the attention of the Government and that he would be given concessions, making the climate better for the capital to be invested.

We have seen positive proof of this in the agreement which has just been made for the erection of an alumina plant. If we look back we will see that the concessions Government has given to new industry are beginning to bear fruit in the establishment of plants on the East Bank, including a margarine and soap factory. I can assure Members that negotiations were not concluded overnight: they took a considerable time. All the points of view had to be expressed before final agreement was reached and before Government was able to give its undertaking that would result in providing new jobs for many and the developing of new skills. I want to say that as a Guianese I feel very happy about the prospects of the alumina plant to be put down in this country and about the implications it holds for the permanent employees at Mackenzie and, as Mr. Luckhoo pointed out, for the families of those employees.

While we are anxious to see as many new industries as we can get in this country taking a part in its development, I am sure my colleagues in the Government will also appreciate what has been pointed out before: that we cannot expect full industrialization in this country so long as we cannot offer three very important things — which all industrialists ask for: easy communications, cheap power and, where necessary, plentiful supply of pure water. We have to bear that in mind and I as a Member of the Government can give the assurance that Government is not losing sight of the fact that these are very necessary things in the industrial march of this country, and within the limits of our capacity for expenditure we are doing our best to provide these three things.

Industrialization is very necessary in this country where we have plenty of latent possibilities but I want to say that we must not lose sight of the fact that for a long time to come agriculture will remain the backbone of this country economically and that industry can be developed out of agriculture as well. We must not forget that the men who have to till the soil and plant the crops have to be protected. They have kept the country going for all these years and they must still be looked upon as a means of increasing the productivity and national income of the country. While sugar has reached the peak of production having regard to the markets which we are assured of under the Commonwealth Sugar Agreement—we can produce more but we will then have to sell it to places where the price is depressingly low, and that will have its effect on the labour force here—there are rice and coconut production to be further developed, the latter especially; we must make the most out of them.

When we come to deal with the Budget I will take the opportunity to



expand on what I have just said, but for the moment I would join with my colleagues in feeling very happy that this day has come in our lifetime, for prosperity must come to British Guiana as a result of the introduction of an alumina industry here. I do not think I should spend any more time on this subject. It is out of the fullness of my heart that I express my joy and my pleasure on this occasion, and in taking my seat I express my gratitude to Almighty God for seeing that conditions have been made possible for this country to move on from strength to strength in the development of its natural resources.

**Mr. Carter:** Like every Member of this Council I welcome the further step which has been taken by the Demerara Bauxite Company in its \$60 million investment in the processing of our bauxite into alumina, but I differ from other Members in that I do not agree with all the terms of the Agreement. I am sorry if I have to sound the only discordant note on the motion because of that, but I shall say no more on that point.

As regards the Bauxite Company's operations I think I can speak with greater knowledge than any other Member of this Council, for as an employee of the Company I studied the processing of the ore into aluminium and waited patiently for the day when aluminium could be smelted in British Guiana. The Company having decided to take the processing to the stage of alumina, and seeing that hydro-electricity appears to be just around the corner, I feel sure (though you and I may not see it) that one day we shall smelt aluminium in British Guiana.

I need not speak very much on the motion because quite a lot has been said already by other Members, and the Press has published most of my views,

but in the light of the vastly increased population which will be in that area I think Government should seize this opportunity to build the road from Atkinson Field to Mackenzie, and to foster agricultural development in the area so as to meet the needs of the people who will settle there. Government should also encourage the Demerara Bauxite Company to practise what is done in Jamaica by using the wash from the ore to plant grass so as to enable the workers to rear cattle, and also to encourage them to plant permanent crops on lands owned by the Company which are not used for bauxite mining.

With those few remarks I wish to congratulate the Company on this new step. I am prepared to support the motion and at the same time I wish the Demerara Bauxite Company a very happy Christmas and prosperity in its new venture.

**Miss Collins:** I rise to support the motion. I have happy recollections of the years I have been praying and hoping for the day when the Demerara Bauxite Company would find it possible to process bauxite into aluminium in this Colony. I therefore wish to take this opportunity to congratulate the Company and the Government on this first step which is to be taken towards that end. When the hon. Member for Agriculture (Sir Frank McDavid) was going to Canada on the last occasion my last words to him were that he should use his influence with the parent Company in Canada to have our raw material processed into aluminium in this country. I therefore desire to express my appreciation of the decision to take this step forward towards that desirable goal.

**Mr. Ramphal:** If I were a Member of the Executive Council I would shout this thing from the housetop. It is something to crow about. If I were a

[Mr. Ramphal]

politician I think I should burst out into rhetoric, as some of my friends have done, but I am not a politician. Therefore, as a Guianese I want to say in good Guianese dialect "This thing makes me feel good." I feel very happy about this because, in 1942, when ships were not available to transport our bauxite to Canada where the processing was being done, and the enemy were sinking some of the ships that were going out, as an ordinary citizen I wrote the then Governor of the Colony, suggesting that every effort should be made to lighten the load going out of the country by taking the first step towards the processing of aluminium. Some months after I received a reply from the Governor stating that on account of the war such an undertaking could not be considered. Well, I am glad that I have lived to see the , now that the war is over, when the first stage of the undertaking is going to be an accomplished fact. For that reason I must "feel good".

I "feel good" also because, when I visit the West Indies and meet my friends they boast about the millions of dollars of capital that flow into those countries, and that we have nothing to compare with that except what the Government itself was doing by way of our Development Programme. So when I go the next time I am sure I shall crow about what is being done here. On that score too I "feel good". But I want to say that I "feel very good" because of the good bargain which Government has made with the Demerara Bauxite Company. There is nothing for us to apologize about for giving concessions. Tax concessions were already provided for by law. We were inviting people to come to this country and invest capital, therefore we are only giving the Demerara Bauxite Company what it deserves to be given

under the law, and even if we have gone further it is nothing more than the Company which has been with us for 40 years or more should expect of us.

But I think we have done better business than that. If I understand the hon. the Financial Secretary correctly, provision has been made so that even if there is some lapse and we cannot collect sufficient revenue from the Company in one way or another, the deficiency would be met from the alumina that is processed here. In that sense then we stand to lose little or nothing. Therefore I feel proud that our Government has made a very good bargain.

I know it is going to be said, and perhaps it has been said already in the various pastures and greens, that this Government has sold out. Well, the project stands on its own merit, and I am sure that now that our people will read the translation of the original document, as given this afternoon by the Financial Secretary, new light will come to everybody. I "feel good" therefore that we have made an excellent bargain with a very good Company, and I "feel good" also, as the hon. Member, Mr. Luckhoo, has said, because of the faith which the Company has exhibited in the country by pouring \$60 million into British Guiana. One does not have to be a financial wizard to know that this is bound to be in the long run far more than \$60 million invested here.

I feel that this has come at a very welcome time. Hon. Members have referred to the state of unemployment in the country. This project has come at a time when quite a number of our unemployed people can be absorbed into beneficial occupation. My friend on the other side of the table (Mr. Luckhoo) did not say it, but politician as he is, I know that he has already said it in



the newspapers, that the Company should be prepared to absorb some of those people who have become redundant in other industrial parts of the Colony. I trust, and I am pretty sure, that the Company will adopt such a course.

At this point I wish to pay tribute to the modesty of the General Manager of the Demerara Bauxite Company. Few men could give this country a gift of this kind and have done so with such great modesty. Personally I feel that among the many gentlemen we have in British Guiana Mr. Campbell is one of the foremost. When he was asked by the Press to make a statement what did he say? May I quote from the *Mackenzie Miner* (I think this was a special bulletin). He did not flourish any boast about what his Company was doing, he simply said in these classic words :

“Demba has been a good and essential citizen of British Guiana for a very long while.”

Very few people, very few companies would have identified themselves so closely with the country as to call themselves good citizens, and I wish to congratulate Mr. Campbell on the very fine expression of his thoughts. Demba has indeed shown great faith in the people of this country, and good citizenship.

Hon. Members have spoken of the people of the country, but of the people at Mackenzie I want to say something because of my very close association with them over a number of years. I have known them in their days of trials and tribulation, and I have known them in their better days. There is hardly to be found a finer group of people in British Guiana than that small community at Mackenzie and Wismar. We have some of the finest craftsmen there; we have some of the finest gentlemen there, and there are

some of the best industrial bargainers that can be found anywhere in the Caribbean. They are locked at this moment in negotiations, and let me hope that the greatest good for this country will result from their negotiations. I have great faith in the people there.

While I am on that point I wish to take this opportunity to thank the hon. Member, Mr. Luckhoo, for the very kind words he has spoken of me and my officers, and to say that possibly I have been one of the most fortunate of the Heads of Departments, in that my predecessor did quite a lot of the hard work. He planted the seed and watered the plant, and maybe I am now only reaping the fruit. More than that, I wish publicly to say that I have been fortunate in the fact that I have had a most understanding and sympathetic Minister to deal with, and I have had an understanding set of colleagues in the Civil Service, in the Administration, and in the trade union movement to deal with, and last, but not the least, Members of this Council in Finance Committee particularly have been exceedingly kind to me and my Department, and because of that it may be that some little success has come our way. I trust, Sir, that that success is due very largely to the faith I have in my countrymen and possibly the faith which they have in me.

May I wish the Demerara Bauxite Company all the best, and in doing so I wish my country all that is best for the future. May this investment be the forerunner of many of the things spoken about this afternoon, and may it be the loadstone to attract more capital to our country.

**Sir Frank McDavid:** I contended myself with formally seconding the motion after it was moved, and I am sure now that I was wise in doing so, because we have been treated to more

[Sir Frank McDavid]

eloquence than I am capable of myself. May I congratulate my colleague, the Financial Secretary, on the very able way in which he presented the motion—succinctly and yet with that inimitable calmness and detachment which is a characteristic of his. If I had to move the motion I would certainly have done so with deep emotion.

I did hear one speaker say that this is something which had been dreamt about for some time, and I am extremely glad that I have been fortunate to take some part in the realization of that dream. I really did not intend to speak at all, but I do so now, because of one or two points which have been made that should be answered. Mr. Luckhoo touched on the question of the availability of the ore and remarked that the Company had such faith in the mineral resources of this country as to justify this large investment. I am very glad he touched on that point, because that is perhaps the most vital feature of the whole business. It is no good any organization adding \$60 million to its already large capital investment unless it was completely satisfied that there is the raw material to cover the period required to amortize that capital investment. So I join Mr. Luckhoo in that feeling of satisfaction, but I would like to remind Members that in order to make assurance doubly sure the Company is going ahead with a large exploration programme.

In the Mining Leases section of the Agreement it is pointed out that Government has undertaken to grant new mining leases, particularly in respect of exclusive permission areas which the Company now holds, and further exclusive permission areas which are about to be granted. I may say that when those new exclusive permissions are granted the Demerara Bauxite Company will hold about four million acres of

land under this form of exploration title—an area about equal to the land held under exclusive permission by all the other bauxite operators combined. These areas are scattered all over this country. They are not concentrated in the Demerara and Berbice River but stretch as far afield as the North West District. The Company is making assurance doubly sure. What is more, it is assumed there will be very large bauxite finds for tremendous expansion even larger than what we see now.

That brings me to the point mentioned by the hon. Member, Mr. Lord. I think he wants the Council to be informed more as to what is meant by "minimum royalty". The particular paragraph in the summary of the Agreement reads thus:

"It is agreed that the existing 'minimum royalty' provisions of the Bauxite Mining Regulations (with no minimum production requirement) shall be applied to new Mining Leases granted to the Company, but all leases granted within 15 years from 1st January, 1957, are to be regarded as one Mining Lease for the purpose of the computation of minimum royalty."

It was not necessary for us to particularize in this summary as regards the meaning of that, because the Bauxite Mining Regulations which are current—Chapter 196 of our Laws—are well known. Clause 26 of those Regulations says:

"A lessee shall pay a minimum royalty charge in each year equivalent to the royalty which would be payable if five tons of bauxite were exported for each acre leased."

There is a proviso which is a concession with regard to average. This means that whether or not bauxite is actually mined from an area under a mining lease, the lessee has got to pay a minimum royalty on the basis of five tons of bauxite for each acre of land leased. That is obviously something to

force the operator to operate, because he would not want to have to pay the minimum royalty when he is not actually digging the ore. The reason for the concession that all leases granted within 15 years from 1st January, 1957, will be regarded as one mining lease is this. As I have said before, the areas are scattered and the Government would not wish the Company to operate in scattered areas which would be uneconomical. They wish to be regarded as coming under one mining lease for the purpose of payment of a minimum royalty. Minimum royalty is not to be paid in regard to each separate area as long as the leases are issued within 15 years. So much for the point made by the hon. Member, Mr. Lord. The only reason why he raised it is that it should be explained to the Company. I am reminded of one other point to which Mr. Lord referred. It is the question of bauxite won from private freehold property of the Company, paying a royalty. I do not think that is possible. In the days when the Company bought those lands, no right was vested in the Crown on the bauxite and so they pay no royalty on that bauxite. Nevertheless, that private property bauxite is a wasting asset and in process of time none will be coming from it.

The hon. Member, Mr. Luckhoo, referred to the extreme pessimism of the International Bank in regard to this development. I entirely agree with him. I think he should remember, however, that the value of aluminum for use in manufacture has gone up immensely and its use has also expanded immensely out of all recognition. I myself have had sent to me a monthly publication called "The Aluminium News". I am astonished at the new uses mentioned every month. It is those new uses which have led to this tremendous expansion in the production of bauxite in the world and the

production of alumina. I do not think that my friends of the International Bank could have envisaged the tremendous growth in the few years that have gone by since their report was written.

I must also emphasize that the Demerara Bauxite Company have been studying for a long time the technique in doing this in British Guiana. They were doing research and studying the best method of shipment in bulk. So it is quite possible that those researches have at long last yielded results just at this time and have made this great development in British Guiana possible. I have said much more than I wanted to say. I have been accused of saying many things, one of which is that British Guiana has turned the corner. At one time I was not sure because there appeared always to be another bad corner just ahead. But I think now that British Guiana has really "turned the corner". Let us hope that this project is the forerunner of many more and better things to come.

**The Financial Secretary:** There is very little left for me to say. Most hon. Members said things I would have said myself. Only one Member disagreed with one part of the proposals, concerning the reduction of export duty on calcined bauxite. I do not want to refer to any particular point in the Agreement. It is necessary to look at the proposed agreement as a whole, and we all must agree that it is the sort of offer we should make. I am very grateful for hon. Members' remarks, and as Sir Frank McDavid has said, he too is grateful as indeed we of the Government all are for the most encouraging reception of the proposals.

Motion put, and adopted.

Council adjourned to the next day, Thursday, 20th December, 1956, at 2 p.m.