

LEGISLATIVE COUNCIL

THURSDAY, 18TH DECEMBER,
1952.

The Council met at 2 p.m., His Excellency the Officer Administering the Government, **Mr. John Gutch, C.M.G., O.B.E.**, President, in the Chair.

PRESENT

The President, His Excellency the Officer Administering the Government **Mr. John Gutch, C.M.G., O.B.E.**,

The Hon. the Colonial Secretary, **Mr. J. L. Fletcher, O.B.E., T.D.**, (Acting).

The Hon. the Attorney General, **Mr. F. W. Holder, Q.C.**

The Hon. the Financial Secretary and Treasurer, **Mr. E. F. McDavid, C.M.G., C.B.E.**

The Hon. **Dr. J. B. Singh, O.B.E.** (Demerara-Essequibo).

The Hon. **Dr. J. A. Nicholson** (Georgetown North).

The Hon. **T. Lee** (Essequibo River).

The Hon. **C. P. Ferreira** (Berbice River)

The Hon. **T. T. Thompson** (Nominated.)

The Hon. **Capt J. P. Coghlan**, (Demerara River).

The Hon. **D. P. Debidin** (Eastern Demerara)

The Hon. **J. Fernandes** (Georgetown Central).

The Hon. **Dr. G. M. Gonsalves** (Eastern Berbice),

The Hon. **Dr. C. Jagan** (Central Demerara),

The Hon. **W. O. R. Kendall** (New Amsterdam).

The Hon. **A. T. Peters** (Western Berbice)

The Hon. **W. A. Phang** (North Western District).

The Hon. **G. H. Smellie** (Nominated).

The Hon. **J. Carter** (Georgetown South)

The Hon. **W. A. Macnie, C.M.G., O.B.E.**, (Nominated)

The Clerk read prayers.

The Minutes of the meeting of the Council held on Wednesday, the 17th of December, as printed and circulated, were taken as read and confirmed.

ORDER OF THE DAY

BILLS — FIRST READING

On motions moved by the Attorney General seconded by the Colonial Secretary, the following Bills were read a first time:—

A Bill intituled 'An Ordinance to amend the Provisional Collection of Taxes Ordinance.'

A Bill intituled "An Ordinance to provide for the better conservation and protection of wild life in the Colony."

A Bill intituled "An Ordinance to provide for the inspection of certain premises in the City of Georgetown, the town of New Amsterdam, the Kitty and Alexanderville village district and certain other areas in the Colony; to provide for the elimination of fire hazards

in connection with such buildings; and for purposes connected with the matters aforesaid."

ESTABLISHMENT OF B.G. RICE
DEVELOPMENT COMPANY

Council resumed the debate on the following motion by the Financial Secretary and Treasurer:—

"That, with reference to Message No. 8 of the 18th of November 1952, and Message No. 10 of the 10th of December, 1952, and Message No. 11 of the 16th of December, 1952, from His Excellency the Officer Administering the Government, this Council approves of the establishment of the British Guiana Rice Development Company and of the Agreement to be entered into between the Government and the Company, and further approves of the Guarantee by the Government of the capital debenture loans and working capital advances to be made to the Company by the Colonial Development Corporation."

The President: The hon. Member for Eastern Demerara was speaking when the Council adjourned yesterday afternoon.

Mr. Debidin: Yesterday afternoon I endeavoured to place before Members of this Council certain facts which will show to what extent rice producers in normal circumstances have suffered setbacks and adversities, not through their own fault, but through the set-up in the Rice Marketing Board and the attitude of all concerned. The instances to which I drew attention are only some of the indications pointing to the fact that if so much has been done that is inimical to the interests of the rice producers in B.G., what more might not be expected if this new Development Company is formed with the proposed powers and the set-up of a Joint Marketing Committee. I propose today to get to the meat of this debate — to deal with the Agreement and to point out

features in it which are certainly not in the best interest of the rice producers in British Guiana. I also propose to put before hon. Members of this Council certain salient proposals which I feel should be the guiding principles in this debate.

As regards the Agreement, I wish also to draw attention to another fact which must challenge the people's imagination and give rise to a great deal of misunderstanding and deep misapprehensions on their part. In the first place, one would expect that the Memorandum and the Articles of Association would have been put forward to show the scope within which this Company would operate. It is essential, especially in view of the very great powers which would be allocated to the joint Marketing Committee, that all the cards should be placed on the table.

It seems to be a very unfortunate reflection on Government, that it should put forward this motion and press for it to go through before the end of the year, and before any other document, such as the Loan Agreement between this Colony and the C.D.C., is considered. Had we this document before us we would have had a much better picture of the way in which Government proposes to establish this new Company. We would have got a much better picture of the relationship between the peasant rice farmers and the proposed Company, and also of the relationship between both of them and the Rice Marketing Board. As it is, we are left in doubt as to the full extent, but we have had some inkling as to the very great extent to which the Company would stretch its Memorandum and its Articles of Association, so as to give it scope to function in this Colony — not in the best interest of

[Mr. Debidin]

the rice producers, to my mind. I think we would have been able to see, if we had all the facts before us, whether it would be in the interest of the producers for the Company to function alongside the Rice Marketing Board. That is the first comment I desire to make.

The second comment deals with what I regard as a complete breakdown of the original intention, as contained in clause 7 of the Rice Marketing Ord. of 1950. It is perfectly clear to everyone of us who were present at the debate which took place when the C.D.C. was about to come into this Colony, that the Corporation was doing so in order to assist in developing the Colony's rice and other industries, including sugar. There is no question about it that the head of that organisation — Lord Trefgarne — made a very important point when he explained that C.D.C. funds would be used to underprop development in this Colony, and that the organisation intended to engage itself in the cultivation of rice in a big way so as to increase production in this respect. I would refer to two very important passages contained in speeches made by the then Governor, Sir Charles Woolley, and by the Financial Secretary himself in this Council. I read, first of all, from the statement made by His Excellency, Sir Charles Woolley (then Governor), on August 10, 1950. This, as we all know, was a statement proposing the new clause, and it was brought forward on the day after I had raised objections against the Bill. His Excellency tried to justify the measure, and said:

"I would emphasize that one of the principal purposes for which Government hopes to find finance, if Clause

7 is passed, is a programme of long-term development of additional land" — and I emphasize the word "additional" because it deserves emphasis — "to increase the holdings of individual farmers and to meet the needs of our rapidly growing population. Thus, while we envisage that in the Esse-qui-bo a substantial new area may be put under mechanical cultivation by the proposed Corporation in order to ensure the minimum supply of padi necessary for the regular operation of the new mill at Anna Regina, this will not be done at the expense of land already developed. . ."

His Excellency made a very important pronouncement there. It is clear that the area around Tapa-cooma was earmarked for development. We asked what about the area around Torani, and we were told that this statement did not affect lands already taken up. His Excellency went on to say:—

"As for the Corentyne, we hope that supplies from existing rice areas, supplemented by the expansion that is taking place in Block III and elsewhere, will be sufficient to avoid the necessity for the new mill to have its own mechanically cultivated farm. . ."

I shall return to these statements later, but that is a clear idea of what the C.D.C. intended to do.

It was put before the Evans Commission, as the Financial Secretary has pointed out, and there were alternative proposals. It was mentioned that discussions had taken place at the very highest level between those concerned and the Financial Secretary, and it was decided that the C.D.C. would make a loan on certain conditions. We have seen today what those conditions are. They would provide the gilt-edge security which would be a charge on the Treasury and the financial resources of the Colony. Because of this change of heart on the part of

the C.D.C. — in asking that the loan be guaranteed by this Government — we are told that because public funds are involved arrangements have to be made so that whatever happens to the rice producer in future the money would be secure, and enormous profits made by the C.D.C.

That is tremendously inimical to the interest of the people, because what the hon. Mover of the motion is saying is that because this money is to be a charge on the Government, the public may have to find it some day. Therefore, as you will find in the proviso, the mills must pay and profits must be made in order to secure this magnificent gesture on the part of the C.D.C. in demanding from this Colony a condition which is an imposition on the rice farmers of the Colony. That is wrong; and when one looks at the Agreement we find that Government, instead of having a \$10,000,000 Company, has decided to form by itself a \$2,000,000 Company by borrowing \$5,000,000 from the C.D.C. at tremendous guarantees and securities.

Therefore, dealing with this very first statement of Agreement I must ask hon. Members to consider whether we are not doing something wrong by adopting something which is in conscience unnecessary, because the Colony has developed the industry on its own and is now borrowing money on security in order to expand it. What is the need, therefore, for an Agreement of this nature? What is the need for this set-up which, originally, was intended to protect not only the rice farmers but the C.D.C. also?

This is the stage at which I make one of my proposals. I feel — and this would probably come in the form of an alternative — that this Colony, instead of accepting this Agreement, should have made other arrangements in view of the fact that Government owns the scheme. The scheme has been described as a pilot scheme, but I do not see how it can be a pilot scheme when it is to run for as long as 10 years. Let us say that the intention will be carried out to erect this mill on the Corentyne; it seems to me that it is not necessary to have a company with such extraordinary powers. Why can't more power be given to the Rice Marketing Board which has brought about the erection of the Mahaicony-Abary mill? We were told that that is a modern mill, and I have seen that that is true. Was it necessary to have a Company to erect that mill? This loan has to be repaid to the C.D.C., and I think it would have been quite a normal matter to obtain advances and erect the Corentyne mill and then the Anna Regina mill.

Further, I think the Mahaicony-Abary scheme can pursue its own course as regards exportation — something which the Board itself would take up on its own. I do not know whether this Company would be allowed 10 years' operation at a profit which would be preferential. It seems to me that it would have been very simple to adjust this matter rather than jeopardise the interests of the producers. With a prayer in my heart I am asking the Council to realize that with such a set-up the Company's functions are going to be dilatory.

[Mr. Debidin]

I feel that we are putting our heads in the lion's mouth. If this Company is to be formed the arrangements should be modified. I would like to say that I have made some enquiries in Jamaica where it is intended that a development organisation should be formed, but I have found that it would not function in a similar manner as this Company proposes to do in this agreement. There are concerns there with public funds or subscribed funds which they use to advance to farmers and other industrial people, so that they may carry on at a certain percentage of their capacity.

Is this Company a real development company—something which is required in British Guiana? Such an undertaking as this—with \$5,000,000—can be of much help to the whole of British Guiana, because it would help agricultural development generally, and not only assist in the expansion of the rice industry.

What is more realistic than having a monopolistic concern set up which is capable of doing harm? So I am making the further point, that if there is to be a company it should be a public company at the very outset. Why should it be a private company with two shareholders who are both of the Government? The Rice Marketing Board, though it is not admitted, is a quasi-Government concern. I have asked pertinent questions about the people there, but they were turned down, as this Council has no right to ask questions about a private concern. But while that is a quasi-Government concern, yet we find the hon. the Financial Secretary and Treasurer in his Budget address saying this:

"I should remind the Council that the Rice Marketing Board has been and still is passing through a period of some financial stress."

This body which is passing through a financial stress, made some time ago a grant of \$162,000 which is now being regarded as a loan to the Mahaicony-Abary Scheme. It is permitted to be a shareholder so as to meet the requirements of a company with a minimum of two shareholders. It is going into the proposed company with \$162,000, which it cannot afford, according to the statement of the hon. the Financial Secretary and Treasurer. That money belongs to the rice producers of this Colony and, if the Rice Marketing Board is left out of the picture, that money can be given back to them to help them. When the Rice Marketing Board advanced that \$162,000 to the Mahaicony-Abary Scheme, it is clear that it was the rice producers' money that had been advanced. Now that the Board is becoming a shareholder in this proposed Company to the extent of \$162,000, whose money it is?

The point I am making is: why not let the Company be a public one from the start? I go further and say that as a public company they can assist the Government in making much better advances to farmers for cultivating and reaping their crops, either through the Loan Banks or directly. Then this Company will be truly a Development Company for the rice industry. Further, I find this Company is to operate particularly to repay the Colonial Development Corporation its money with interest at the rate of 4¾ per cent.

What is a private company? This is a feature I am sure the hon. the

Financial Secretary and Treasurer would himself appreciate. There are things which a private company can do. I am reading from a text-book on Company Law the special provisions relating to private companies:

"A private company may consist of two members. A private company must send with its annual return a certificate signed by a director and the secretary that the company has not issued any invitation to the public. The annual return need not include a balance sheet."

I wonder if the hon. the Financial Secretary and Treasurer would tell us —

The Financial Secretary and Treasurer: I hope the hon. Member is reading from a proper text-book. It does not say a private company has not to prepare a balance sheet, but that it is not compelled to file one. That is a different thing.

Mr. Debidin: I am glad the hon. the Financial Secretary has said that. It is "Topham's Company Law". I think the hon. the Attorney General will agree that it is regarded as the leading authority on Company Law.

The Attorney General: One of them.

Mr. Carter: It is a students' text-book.

The Financial Secretary and Treasurer: I started with Topham's.

Mr. Debidin: I am glad the hon. the Financial Secretary started with Topham's, as I did too. The hon. the Financial Secretary and Treasurer would agree that they need not file a balance sheet, that they need not hold meetings, and a statement in lieu of the prospectus need not be registered even though no prospectus has been issued.

The Financial Secretary and Treasurer: May I intervene to ask the hon. Mem-

ber to read what a public company has to do? That is why I suggest this is not the time to do it. It would be much more interesting to say what a public company has to do.

Mr. Debidin: I believe that the hon. the Financial Secretary and Treasurer would like me to remove from this Council's consideration the weakness of a private company. That is why I particularly read the headlines which say "*Special Provisions relating to private companies*". What happens to a public company? We all know that being bigger in scope it must have a balance sheet and prospectus. I know he is anxious for me to close this text-book. It is clear. What I am endeavouring to say is this: here we are starting off with this private company being given tremendous power under the famous clause 9. I think it is the same as clause 7 of the 1950 Amendment Bill.

With that particular clause as it is, where a private company will have all these conditions that they can function under — what they need not do and what they need do—it is not so much what they need do. I believe at the beginning we should try to do the best, but the fact remains that a private company need not do so many things. A private company need not disclose to the public what is happening. That is in short what I am saying and, therefore, in the light of the extreme powers given under this clause 9, it shows that it would have been more desirable, perhaps, to have a public company at the outset and let the general taxpayers have an opportunity to subscribe even one share of \$100, so that they would have

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an opportunity of seeing how this Company is progressing. Rather than having that, what do we find? I shall now read paragraph 7 of the Message, No. 8, which says:

"In the first stage of the Company's operations it will be a private company, the sole share-holders being the Government and the Rice Marketing Board. But it will be the policy of the Government that the Company should be converted into a public company as soon as its shares can be demonstrated in a prospectus to be a reasonably profitable and safe investment that can be offered for public subscription..."

Two points arise immediately. Does it mean the Government does not know if it is a safe proposition? The wording of the paragraph suggests that they are not sure that it will be a payable concern. It means then that the second inference that can be drawn is that it is left to the Government to rehabilitate the various concerns—the Anna Regina mill, etc—and it may be that you will not get a footing for a long number of years. In the meantime here is this Company, which is supposed to protect public interest, to be operated until it is reasonably profitable and safe as an investment for public subscriptions. After that is done some suitable arrangement is to be made between the Company and the Rice Marketing Board by which the rice producers will be afforded priority in investing in the shares of the Company.

We have it that in another place a statement has been made that the rice producers will be given shares and the amounts will be deducted by the Rice Marketing Board, of course, with the consent of the persons concerned. If these deductions are to be made, I venture to say that the intention is, when this Government and this Company find

themselves in difficulties, possibly the present independent rice farmers will be called upon to take over the Company at that stage and help to amortize its commitments. I believe that is one of the intentions expressed.

I will not say that a public company at the outset is the best thing, because I say there is no need for a company at this time. But if you have to form this Company, let it be something whereby the taxpayer and the ordinary rice producer can take a \$100 share and have a say in the operation of the Company. The rice producers of British Guiana will not have a say in the Company, but will have a possible say in the Rice Marketing Board which has a possible say in the Company.

Why the hon. the Financial Secretary and Treasurer did not tell us more about the number of Directors, so as to make this Council know what percentage of representation the Rice Marketing Board will have on the Directorate?

The Financial Secretary and Treasurer: I must object to that. I took great pains to explain what the Articles of Association provided. I said the Directors will be not less than five and not more than ten, and I went on to elaborate the point, so much so, that I illustrated by an analogy of my own case.

Mr. Debidin: I do not remember that. The point I am making is that the rice farmers of this Colony will be getting a two-fifth representation through the Board, if there are ten Directors. We have nothing to prevent what may be taking place in this Company with a bare representation which may not be, as in the case of the hon. the Financial

Secretary and Treasurer, a watch-dog. What does a watch-dog do in this particular case? He sees something is going on, but he has a feeble voice. A majority of the Directors may pass something and that watch-dog can just bark and do nothing more. That is the position today to some extent in the Rice Marketing Board. Lower down in the Agreement we find reference to the Rice Marketing (Amendment) Ordinance of 1950 which inserts a new section 21A, subsection (3) of which reads:

The Agreement shall be subject to the prior approval of the Legislative Council and shall include such provisions as may be necessary for the purpose of —

- (a) ensuring the promotion and advancement of the rice industry and the protection of the interests of rice producers in the Colony generally;...

But in paragraph 1 of the Draft Agreement we find this:

"In accord with the objects for which the Company is established the Company undertakes and agrees —

- (a) that the operations of the Company shall at times be directed to the promotion and advancement of the rice industry in the Colony."

Why was the positive statement in section 21A—"and the protection of the interests of rice producers in the Colony generally"—not placed in that paragraph? There is no positive statement indicating the intention of this Agreement, or of the Government as to who will administer the Agreement to protect the interests of the rice producers. One wants to know what are the intentions. As I said, the history of the world is fast changing. They may tell you something and accuse you of something they themselves are guilty of. The clear intention is drawn out in (b) which reads:

"that for the better protection of the interests of rice producers in the Colony generally in relation to the operations of the Company, the Articles of Association of the Company shall at all times include provisions by which two directors of the Company shall be appointed, one on the nomination of the Council of the British Guiana Rice Producers' Association established under the British Guiana Rice Producers' Association Ordinance, 1946 (No. 7 of 1946) and the other on the nomination of the British Guiana Rice Marketing Board, in this Agreement referred to as "the Board".

That is how they departed from the positive statement that this Company will protect the interests of the rice producers.

The Financial Secretary and Treasurer:

I must intervene again. The hon. Member has quoted from a paragraph of subsection (3) of the section which says the Agreement shall contain provisions as may be necessary for the purpose of doing so and so. What the hon. Member is reading from are the provisions designed to ensure that, as they are positive provisions. I do not quite understand how the hon. Member could have said there are no positive provisions designed to carry out the objects of the section.

Mr. Debidin: I expect it to say "and to protect the rice farmer". In other words, the point I am making is precisely this: the sum total of the protection of the rice industry is contained in (b). In the absence of a positive statement and with only (b) existing, I am right in making the inference that since in the original Ordinance of 1950 the intention was to protect the rice producers of this Colony, and since all that is stated in this Agreement is the appointment of two members to the Council, I say that the rice producers of British Guiana have got no protection whatever. I wish to make this clear to hon. Members, as they

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seem not to follow the point I am making. It is clear that this Agreement requires the Company to do two things under the Amendment Ordinance of 1950. In the Agreement it is provided that for the better protection of the interests of the rice producers two members will be appointed. That is the sum total of the protection which is being offered by the Agreement. The law states that certain provision must be made, and I challenged the hon. the Financial Secretary and Treasurer to say what are the provisions in this Agreement, because the original law as amended says that provisions must be made in this Agreement.

I am pointing out that there is so far, the bare provision that two members from the Board will be appointed to the directorate of this Company. If that is all the protection given, I go further and say it is no protection, because it is a small voice of one-fifth or one-tenth, as the case may be, and therefore it is no protection. If you are going to have proper protection in the rice industry, then have an equal percentage on the directorate of the rice producers of this country, because after all they come into the picture in two aspects—their personal interest in the industry and as general taxpayers. If they are appointed on the directorate of the Company in equal strength, it would then probably give protection to the rice industry. In other words, it is merely, to my mind, something that mystifies rather than helps.

There is another aspect of this very paragraph (b). Why is it we are talking about the protection of the interests of the rice producers, yet we find in the Agreement that

the two directors of the Company shall be appointed, one on the nomination of the Council of the British Guiana Rice Producers' Association and the other on the nomination of the British Guiana Rice Marketing Board? In other words, why is it left to the Rice Marketing Board to appoint someone outside the Board? That is what the interpretation is. I believe the hon. the Attorney General can interpret for us whether I am correct in that observation. It says "on the nomination of the British Guiana Rice Marketing Board", but it does not say the two directors shall be from the Board.

The Financial Secretary and Treasurer:

It is quite understood. It is not intended to mean that the directors shall be either members of the Board, or of the Association, or otherwise. Both bodies can nominate members of their own bodies or persons from outside, if they like.

Mr. Debidin: I am glad for that explanation. That was at the back of my mind. I feel with all due respect that will be an objectionable feature. If we are going to set up something that is democratic, the accredited body is the Rice Producers' Association. But on the other hand they would like to be able to say "We would like to nominate someone within our ranks", which they have a right to do. But this is what they say: "The Council of the Rice Producers' Association will have the right to appoint one director". What I am taking objection to is this: if the Board can nominate from outside, it follows then that the nominee may be somebody who has not got the interests of the rice industry at heart. That is to my mind some-

thing which has always been occurring on the Board, especially where you have a majority with the Chairman having a casting vote and being a non-producer. It seems to me desirable — and I make this as a suggestion which I feel is reasonable — that the two directors to be appointed should come from the rice producers of the Colony, and it should not be left to the Board to say they appoint Mr. John or Mr. Frank Stockdale who may not have any connection with the industry.

The Financial Secretary and Treasurer: He is dead.

Mr. Debidin: I know that. If we have the interests of the rice producers of this Colony at heart at all, I am urging, that if this Company is to be formed, the rice producers of this Colony should be represented on the directorate, drawn from the producers' section of the Board or from the Rice Producers' Association and other producers not on the Council of the Association. If there are to be ten directors, there should be 50 per cent. from the rice producers of British Guiana, if this Company is to be one in which everyone has an equal stake.

This is no longer a C.D.C. company as we were originally legislating for. This is a Company of the Government — a Company in which the taxpayers have something at stake — and that is why I feel that if the intention of the 1950 Bill was to give protection to the industry, among other things, that should also be provided for here.

I shall now pass on from pages 2 and 3 of the Agreement, and I feel, it would be well to come to the important clause, 9, in this document. I do wish to put before the Council the main reasons for the objection

to this clause, by giving what to my mind is the A.B.C. of the set-up of the rice industry with respect to the Rice Marketing Board. It is clear that if the rice producers in this Colony are to get any increase in the price of their padi the Board has to transmit that increase under the present set-up. It is clear also that the Board has to provide for local consumption at the moment, and that it is only through profits from the export market or the working of the Board that any increase in price can be passed on. Therefore, to my mind it is not so much what the rice is sold for, though it is sold at a very low price to the consumer in British Guiana. I feel that the cess should go directly towards giving the producers an increase in price right now, and we should take this into account when considering clause 9.

The Rice Marketing Board, acting on behalf of the Government, is committed to the outside market I have a copy of the contract entered into recently with Trinidad, and there are two aspects of it that I desire to emphasize. In the first place it is to supply 15,000 tons of rice in each calendar year — super and first quality rice — and the contract shows the percentage of each that must be provided. It seems to me that when one looks at this proviso he sees a very important point emerging from the Agreement.

There is another important factor in the Agreement, and it is to be found in paragraph 9 which deals with the question of excess rice available. What is important is that this Company, by establishing a Joint Marketing Committee, is seeking to do the same thing that the Board is doing at present. What do we find in this Agreement—and I consider this to be extremely skilful

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draughtsmanship because this is how clause 9 (2) reads:—

“The functions of the Joint Marketing Committee shall be to consider and advise on matters to be determined and agreed between the Board and the Company and in particular on all matters relating to —

- (a) the fixing by the Board, with the approval of the Governor, of the prices and grades for rice and padi in accordance with the provisions of the Rice Marketing Ordinance, 1946;....
- (b) the marketing of rice and padi for domestic consumption and export and on export policy generally;....”

Here we have a rather skilful and far-reaching provision, and I invite hon. Members to consider the deletion of the words “to be determined and agreed between the Board and the Company and in particular on all matters”. One would then see a vast difference in the reading of the clause. It would then read:—

“(2) The functions of the Joint Marketing Committee shall be to consider and advise on matters relating to —”

Then follow (a) and (b). It seems as if some clever hand inserted these words. In other words, my interpretation of them is not a favourable one, and I challenge anyone to say that I am not right. This Agreement says that the Joint Marketing Committee will enter into agreement with the Board in all matters relating to the fixing of grades and prices of rice, as well as to the marketing of rice for domestic consumption and export. That is exactly what the Board is doing at present as a single-seller. The entire structure of the Board, in which the

Financial Secretary took so much interest, is one which was intended to safeguard the interests of all concerned, and it seems unnecessary that these words should have been introduced.

The Financial Secretary and Treasurer:

May I interrupt the hon. Member again. There is no mystery in these words. They were put in deliberately, and I am grateful for the hon. Member's tribute about skill in the draughtsmanship. These words were put in to relate to subclause 10 (2).

Mr. Debidin: I accept that and I will refer to clause 10 (3) which says why clause 9 has to be accepted. Clause 9 has to be accepted only because it is giving the other provisions under clause 10.

The Financial Secretary and Treasurer:

No.

Mr. Debidin: Again I say we have skilled and delicate draughtsmanship in this Agreement, but we have the ability to dissect it. I think every hon. Member of this Council knows the particular section in the 1946 Ordinance which deals with grading and so on. Here we are taking that power completely out of its setting.

The Financial Secretary and Treasurer:

We are not.

Mr. Debidin: The hon. Member will have the right to reply.

The Financial Secretary and Treasurer:

I must object when I hear a wrong statement.

Mr. Debidin: I am putting the only interpretation which, in my opinion, can be put on the clause. I shall refer, first of all, to the manner in which the Joint Marketing Committee is constituted. It starts from the latter part of clause 9 (1) where it says:—

"...There shall be set up a Joint Marketing Committee comprising two members appointed by the Board, two members appointed by the Company and one member who shall be Chairman to be appointed by the Governor."

The the clause goes on to give the functions of the Joint Marketing Committee which shall be —

"to consider and advise on matters to be determined and agreed between the Board and the Company..."

If two members are appointed by the Company and two appointed by the Board while a Chairman is to be appointed by the Governor, this small Committee would have to deal with prices and so on, and if the members come to a definite conclusion on any matter and it goes back to the Rice Marketing Board which carries five nominees of Government on one side and two on the other side — one being a non-producing member as Chairman — one can see clearly how the matter would be determined eventually. The Chairman might not even use his casting vote although he has one, as we know. Everything that this small Committee does would be law, and that is where the catch comes in. There is a clear intention, to my mind, that this small Committee would fix prices in order to make profits and repay this money to Government and amortize the debt. That has been actually stated in the words following subclause (2) (b) which read:—

"... with respect to sub-paragraph (a) hereof, the Joint Marketing Committee shall at all times be mindful that the price of padi shall be such as will yield a margin in relation to the price of rice sufficient to permit an efficiently run rice factory to cover its full operating costs and amortisation charges with a reasonable profit on its investment."

I am sorry that the Financial Secretary has absented himself from this very important part of this debate, because it is the whole crux of the matter. It is the germ of the whole contention that this Company has a positively clear intention to make profits by fixing prices in such a way that the returns would enable Government to repay the debt, and the functions of the Board would be useless. That is the only interpretation, I respectfully submit, that can be put on clause 9. It seems to me clear that a giant's hand has been placed upon the rice industry, and with its heavy force it says to the producers in this Colony —

"Your fate does not matter; what does matter is my control of the industry — the manner in which it is steered. Although you are the pioneers of the industry and regardless of what you have done, we cannot but steer it into new channels and make something of it which you would not recognise yourselves."

I venture to say that when this new Company is formed one hundred and one unexpected things might happen. For instance, we might have foreigners coming here and saying "We have investments in this Company" — to the surprise of many people. The result is that others might refrain from coming in to assist in the development of the industry, because the Company would give those outsiders a greater profit on their investment. As I have already pointed out, the Company has the power to make profits, and seeks to function independent of the

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Rice Marketing Ordinance. That is the hottest of the rubs, apart from the inherent interpretative objections to this particular clause. We should not want to know what are the reasons why this Company intends to function independent of the Rice Marketing Ordinance, since we have them in the words of Sir Charles Woolley, late Governor of the Colony, and in the words of the Financial Secretary also.

I shall refer to the Financial Secretary's statement again. May I quote, with your permission, Sir, from the opening debate on the amending Bill of 1950? He said:—

"The Rice Marketing Board as at present constituted—I do not mean its membership; I mean its structure—is a monopoly of the most extreme kind, containing in its constitution stringent restrictive powers with corresponding sanctions imposing severe penalties for infringement of these prescriptions."

This Company, then, will be a super-monopoly, I suppose. Then he goes on to say:—

"It is not in any sense of the word a true co-operative organisation — not even a compulsory co-operative. It is purely and simply a successor in the same form in the kind of control that is imposed on a vital industry during a war".

This is a statement which gives the motive for paragraph 9 of the new clause and the entire Draft Agreement. The C.D.C.'s coming into the Colony was not a good enough excuse for the formation of this Company, and one wonders why it did not continue along the lines adopted originally, getting its fill through its advisers. I feel that this is a sad reflection upon that institution which, clearly, came into this Colony to underpin development. The Corporation has taken over the timber industry which was one of the three industries making money in the

Colony. So far as rice is concerned, it has taken over the opportunity to develop a mighty industry and has also taken advantage of the minute investigations contained in the Evans report and the report of Messrs. Beachell and Browne as regards the possibilities of the industry. The Corporation has not come into this country seeking to pursue its own course, but is being protected by Government.

The Financial Secretary, in the course of his opening remarks on the second reading of the amendment Bill of 1950, also said:—

"Consequently, I feel sure that I am right in saying that no Government and no Legislature could possibly permit the control of the organisation, constituted as it is, to pass wholly into the hands of the rice producers."

I feel that this expression by the Financial Secretary is the keynote of the attitude of the Government which we must regard as something to be very cautious and suspicious about. I believe that the legislators of this Colony are very mindful of the responsibility which they have to the people as a whole for the development of the country and the progress of the common weal. Every act we perform here must be done with that objective — for the benefit of the people of British Guiana. If, therefore, we raise a finger here in an effort to do something which is inimical to the interest of the people, I venture to say that we would live to regret that action.

The hon. the Financial Secretary has also pointed out that the population of the Colony is increasing. It is doing so at the rate of something like 18,000 souls per annum, and the only industry which, to my mind, is capable of absorbing this increase in

population is the rice industry. In the rural districts today we see that the Africans, who were previously not keen in taking part in the cultivation of rice, are going into the fields by the dozen and are doing so along with their Indian brethren. This shows that the excess population is turning to the one industry that is capable of absorbing them, and that is the rice industry.

I think that a look at the map of the Mahaicony Creek area will show that hundreds of acres are now being taken up by the residents there. They are not able to get lands in the second and third depths, however, and that is something which shows how things could be done inimical to the interests of the people in this Colony. Many of these people have made unsuccessful applications to the Lands and Mines Department for lands in this area but in spite of that areas have been earmarked for the joint mills that would be set up. Where will our increasing population go? Here we have a situation, I submit, where Government and the Mahaicony-Abary Scheme would be able to stifle future development and destroy that incentive of go-forwardness which the people should have at this moment.

We are the watch-dogs of the people in this Council, and I look forward to the day when the Colony will develop freely and along clear-cut lines — lines which would be above reproach — and will be able to stand the test of any argument put forward, instead of something tied up with technical clauses and arrangements. Do not let the people feel that they have to rely on the goodwill of the Government or a group of persons to protect them. Let them obtain protection in the law or

printed document. Let the very instruments that are going to be made show verbally the bona fides that is behind the development of the industries of British Guiana. I want to make this point perfectly clear. There are a lot of people in this Colony who own mills. I am dealing now with another new point but still on clause 9 of the Agreement.

A lot of people own mills, and those mills have for the last generation, or more perhaps, been operating. The fault that the small farmers find with them is a domestic matter between the producers and the millers, which they can fight out themselves. These millers have been the people who have been producing the various grades of rice, from super down. They are the persons who were assisting the small farmers with loans and otherwise by way of encouragement.

I have before me here the Parker Report in which the intention is clearly set out, and that is why we are here discussing what appears to be an innocent set-up. One of the recommendations of the Parker Report is that in any area covered by the operation of a central mill the milling of rice by any other person is to be prohibited. At the commencement of a large crop the Corporation would fix the price which the central mill is prepared to offer for padi of the standard grade. In other words, there would be a variation in the price fixed. There is at the present moment a variation. The Anna Regina mill had sent its padi to the Mahaicony-Abary Scheme to be milled when it could have been distributed among the other mills nearby, and it cost the Government nearly \$6 per bag of padi

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when it reached the Abary mill, and each bag was short 20 odd lbs. Government lost \$7,000 in that little transaction. That padi went from a Government mill by Government transport to another Government mill. Where the shortage went, nobody knows. The provision of twine, bags, etc brought the cost up to much more than the minimum price of padi. But that is not the only story about central mills.

The Abary mill, which is supposed to be most modern, has not produced correspondingly, or relatively speaking, as much super and higher grade rice as the mills in other parts of the Colony — Essequibo, Berbice and other areas. Those small mills have produced better grades of rice. I am sure the hon. Member for Georgetown Central (Mr. Fernandes) and the hon. the Financial Secretary and Treasurer cannot refute the statement I am making, that less super rice per bag of padi has been produced by the Abary mill. There is no doubt that huller for huller these small mills can produce a better rice. It is because the millers exercise personal supervision of the milling of the padi which they receive. The milling is done with greater supervision and care, and as a result the Colony benefits through the production of a higher grade of rice.

What happens at the Abary mill? It is mass production and what little bit of by-product that may be produced is offset by the loss in the grade of rice produced. I am asking Members to believe these are the facts. Where the Anna Regina Scheme is concerned and where the Abary Scheme is concerned, there is already serious discontent and dissatisfaction among the producers.

Take Cane Grove. There is a dryer there, but the people have to pay 20 cents to dry their padi which has then to be transported to the mill at a further cost of 24 cents per bag. Although the padi is dry when it is taken to the Abary mill they take out a certain percentage — I understand it ranges up to nearly 20 per cent. — because the padi is not sufficiently dry. There is this loss all the time. At the moment if the padi is slightly moist or wet, it is not accepted by the Abary mill. The result is that producers have to re-transport such padi away, or throw it away. I had to go and represent some people who had taken their padi to the Abary mill and it was rejected. They had to take it away and a small mill at De Hoop took that padi and produced a very high quality rice. That is something very significant which Members should appreciate. Cane Grove should have a new mill of its own, because it is very far from the Abary mill — 20 odd miles — and transportation facilities are difficult. Great losses are suffered because of the distance of the central mills from the rice growing areas.

I think the Chairman of the Rice Producers' Association has lost considerably on account of the last rainfall. The rain came after the cutting of the padi which was left in the field. About 700 bags were ruined through being wet by the rain. But 46 bags were rescued and are lying now at the Abary mill. I can give the name of the owner. The Abary Scheme refused to accept it, and the poor individual does not know what to do. The reason for that loss is this. Where the 700 bags had been lying is far away and transportation facilities are difficult. If Cane Grove is provided with

a mill it would be a boon to those people. What we want in this country is easy milling facilities and not a monopolist who can dictate terms.

Coming back to this proviso, we know the Abary Scheme has been losing money all these years. No one is able to say what it is, but it seems clear to me that under this particular proviso these small mills may find it difficult to carry on. The price of the people's padi, although they have to suffer the cost of transportation, will have to be pegged down. The wording of the section seems to indicate a downward not an upward revision of the price. That is the point I am making. It is stated in paragraph (2) of clause 9 of the Agreement:

"The functions of the Joint Marketing Committee shall be to consider and advise on matters to be determined and agreed between the Board and the Company and in particular on all matters relating to —

- (a) the fixing by the Board, with the approval of the Governor, of the prices and grades for rice and padi in accordance with the provisions of the Rice Marketing Ordinance, 1946;...and with respect to sub-paragraph (a) hereof, the Joint Marketing Committee shall at all times be mindful that the price of padi shall be such as will yield a margin in relation to the price of rice sufficient to permit an efficiently run rice factory to cover its full operating costs and amortisation charges with a reasonable profit on its investment."

Nobody would put such a clause in an agreement, unless the intention is to safeguard the mill by a downward revision of the prices. If they are going to pay prices which are fixed or may be increased, they do not need that clause. If you put such a clause stipulating that the price of padi must be fixed to —

"yield a margin in relation to the price of rice sufficient to permit an efficient-

ly run rice factory to cover its full operation costs and amortisation charges with reasonable profit".

it shows the intention. Would we smash something which gives a lot of people a living and work today—not only the people owning private mills and having capital invested therein? Are we going to adopt this Fascist approach with Communist results? That is how this clause should be regarded. You are saying, "Smash private enterprise; smash an enterprising group of people who are increasing production".

Provision of more mills will be to the advantage of the people. It will mean immediate personal attention to the padi brought into the factory serving a small area. But wipe away all the small mills for these giant central mills and what will we find? There will be complete control of all milling in the Colony and, I assume, this Corporation in keeping with the Parker Report will be owning all these central mills. It follows then that under this provision, when that committee of five meet, the price they will agree upon with the Rice Marketing Board will be always the price which must net them a profit, regardless of whether the producer suffers thereby.

There is just one other point I wish to make, and that is, the rice industry is no more the industry of the Government than it is the industry of the people who have pioneered it and made it what it is today. It is morally wrong, to my mind, for the Government of British Guiana to interpose and do anything that will in the slightest degree discourage those people in that industry. I do appeal to this Council in this matter and, if unheeded, I shall move at a later

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stage that this draft Agreement be considered clause by clause by this Council in Committee. I will give my reason for that. I feel that if a development committee is formed on proper lines it would be useful, provided it does not have provisions with harmful clauses. We want to develop the rice industry, but I venture to say that it would be developed if we allow the ordinary farmers greater facilities for developing it. I make this point because I have in my hand here the returns of production for the years from 1932 onward. Looking at it carefully we find that the rice industry has not really been developed to the extent we had hoped it would be with the co-operation of Government, the Rice Marketing Board, etc.

In 1930 the industry exported 30,000 tons; in 1932 the acreage under cultivation was 55,000 acres and 37,941 tons of rice was reaped of which 28,451 tons was exported. I need not read the intervening years but will come down to 1950. We had 66,000 acres under cultivation and reaped 195,000 tons of which 59,000 tons went into local consumption. I have not the export figures for that year. In 1952, for the nine month period the yield was 169,445 tons, and 19,000 tons was exported. There is no doubt whatever in my mind that the peasant farmer has not been given sufficient encouragement with lands and otherwise. If more people are allowed to take up lands, rather than being pushed off the land by mechanization, there would be more development in the industry. In 1930 when hand planting had been in vogue we had a greater number of 3 and 5 acre plots, and that was why we could have had such startling re-

sults. Today more land has been placed under rice cultivation, but we are now just equalling the export figure of 22 years ago. It points to an important fact, and that is, Government must not restrict this industry, but rather must give it freedom to expand by the encouragement of peasant rice farming. I do trust that when this draft Agreement is being considered in Committee hon. Members will consider sub-clause 3 of clause 10 very carefully.

The President: I want to remind hon. Members that there is a motion before the Council and not a Bill.

Mr. Debidin: Subclause 3 of clause 10 of the Agreement reads:

"It is understood and agreed that the due observance and performance by all the parties concerned of the requirements and obligations arising from the provisions of clause 9 of this Agreement for the reasonable protection of the interests of the Company is a condition of the undertakings made by the Company in sub-clause (1) hereof."

It is for the very reason I have given, that this objectionable clause 9, which, as I said, is certainly taking to itself more power, is condescending to allow the Company to export through the Board whatever padi is taken from private producers. That is how clause 10 reads, and it is only in consideration of clause 9 that clause 10 operates. I want to know if we take out clause 9, as I feel we should, the Company would not be independent. I want to draw attention to the fact that subclause (2) of clause 10 of the Agreement clearly indicates that the *quid pro quo* for having clause 9 is paragraphs (b) and (c) of subclause (1) of clause 10. Subclause (2) says this:

"The marketing arrangements provided for by paragraphs (b) and (c) of subclause (1) of this clause shall continue in force and effect until such time as it is agreed between the Board and the Company that conditions justify and require a different marketing procedure, whereupon such new marketing arrangements as may from time to time be agreed upon between the Board and the Company, with the approval of the Governor, shall be instituted."

In other words, though they say in clause 10, which is the reason given for having clause 9, that they are going to sell all their rice to the Board yet they swing back and say they are going to alter and make a different marketing procedure. To show that that power which is given to them will be exercised, if we look at the Messages it would be seen that the Abary Scheme is to be given a lease of 10 years to continue to export rice at a preference and to get the full profits less the expenses taken out by the Board. That is wrong. The very fact that such provision is put in clause 10 is nothing but a sop intended to get clause 9 accepted, because very soon a new marketing arrangement is going to be attempted. It is most desirable — highly desirable — that whatever company is to operate should be regarded as just another producer. I want to make this point: this Company should not have any greater powers than any other person operating a rice mill. Why should they have greater facilities than any other producer or miller?

As we look at the definition of a rice producer in the Ordinance, we see it includes a miller as well as a producer and even a landlord. Therefore, in all respects this Company may be regarded as an independent producer, like any other who is producing rice in this Colony. May I put it in this form? It this Company

is to be regarded as an independent producer, like any other producer, then it must produce correspondingly and with the same control within the Rice Marketing Board Ordinance. I want to make that point, as the most important statement which the rice producers are making is that every producer of rice asks for preferential treatment if this Company is to be given it.

We must give due regard to the provisions which govern the rice industry, and I want to ask Members to consider that if this Company is given the right to export independently and not through the Rice Marketing Board, it means less rice would be exported through the Board and less money would be going to the Board with which to increase the price to the normal producer. That would be extremely unfortunate if it does happen. With your permission, sir, I would like to state what I regard as being of necessity for the rice producers of British Guiana in relation to the draft Agreement and this motion:

- (1) That the proposed Rice Development Company Limited should rank as any other producer within the definition of producers in the Rice Marketing Board Ordinance and be bound by the provisions of that Ordinance in all respects, including the acceptance of the principle of a single seller for the Colony and the Rice Marketing Board being the sole single selling medium for both local consumption and export.
- (2) That the Governor be at liberty to appoint as many members as he wishes from the directorate of the British Guiana Rice Development Company Limited within the eight members appointed under section 4 (2) (a) and section 4 (2) (c) of the Rice Marketing Board Ordinance, and that these sections be amended to cut out the requirement that 4 persons should be officers of the Public Service and that two should be Members of the Legislative Council.

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- (3) That the Company through its directors shall be free to be elected to district committees and the Council of the Rice Producers' Association if they so desire.

Mr. Macnie: To a point of order. May I ask what the hon. Member is reading from? What document it is?

Mr. Debidin: I may mention that these are what I regard as proposals and conditions under which, to my mind, the rice producers of this Colony should be protected. These are only conditions related to that, and they have been drafted by me. They are a summary of my contribution to the debate. I am saying that the Company, if it is going to operate and be successful, must do nothing against the interests of the producers. I am saying that sub-clause (3) should be amended.

The President: I am not quite clear whether the hon. Member is moving an amendment to the motion. If so, he should put it in proper form and deliver it to the Clerk of the Council.

Mr. Debidin: These are what I regard as being reasonable suggestions within the framework of the Agreement. I am hoping that the Council will go into Committee shortly, and during that stage I will move an amendment. I will move that the Council resolves itself into Committee at the end of the debate and go into the Agreement clause by clause.

The President: If the hon. Member intends to move that the Council should go into Committee to consider the Agreement he may do so, but he has not yet done so.

Mr. Debidin: I shall do so at a later stage. I wish to give a summary of what I have said before. I see from clause 2 that —

"2. The capital required for the establishment of the Company and for the carrying out of its immediate objective shall be met in the first instance:—

(a) by transfer by the Government to the Company as going concerns of the two undertakings presently owned and carried on by the Government, namely:—

(i) the Mahalicony-Abary-Onverwagt Rice Development Scheme, and

(ii) The Anna Regina Rice Factory, and

(b) from funds to be loaned to the Company by the Colonial Development Corporation at the request of the Government by way of capital debenture loans and working capital advances guaranteed by the Government and made in terms of an Agreement hereinafter referred to as "the Loan Agreement" to be entered into between the Government, the Company and the Colonial Development Corporation."

The Company will distribute rice exclusively for local consumption, and dispose of the surplus to the Rice Marketing Board for export in the usual way. Finally, the Company will take a practical interest in rice farming, and will supply statistical information to the Board from time to time. These things are what I regard as being more important and more in keeping with the true development of the rice industry, but that is why there should not be any other concern to operate in competition with the rice farmers and independently of the Rice Marketing Board in any way.

In closing I would like to refer to the tremendous potential for development which the rice industry has at present, and I hope that Government, or no one clothed with any authority, will be allowed to do anything that would operate to its detriment.

I formally beg to move that Council resolve itself into Committee to consider this Draft Agreement clause by clause. In doing so I should like to make this clear — and it is subject to the procedure which the Agreement outlines—that this motion might be regarded in the same way as the second reading of a Bill — for Members to express their general opinions — to see whether it will be accepted. The motion does not offer an opportunity for correction, however, if the idea of the establishment of this new Company is accepted.

The Attorney General: I do not think it should be put that way, for the very simple reason that only the hon. Member has spoken since the mover of the motion spoke yesterday afternoon. Secondly, we are not in a position to say whether the motion itself is acceptable to this Council. There is only one motion, to my mind, and that has been seconded; and before that motion has had a full discussion by hon. Members of this Council the hon. Member is now seeking to move the Council into Committee. I think the motion might come as an amendment if the hon. Member's motion is put to the Council. First of all, we have to accept the principle, so far as this implementation motion goes, before we can decide anything about going into Committee. Following upon the

hon. Member's observations in the first part of his speech, the whole motion should go by the board and, consequently, there should not be any necessity to go into Committee at all.

Mr. Debidin: What I mean is that if the motion is accepted, then it can be moved that the Draft Agreement be considered in Committee. If it is not accepted, then it would not go into Committee.

Dr. Singh: I do not know whether I can speak on the suggestion by the hon. Member for Eastern Demerara. I feel that if I do so it would save much time.

Mr. Carter: May I point out that the motion calls for the adoption of the Agreement, and if it is accepted it has to be accepted as presented here. If it is accepted in principle then there would be no question of going into Committee to consider it clause by clause.

The President: I think I should point out that this Draft Agreement has been very carefully prepared, and if it is going to be amended I do not think it would be of the slightest use. Amendment has been suggested in certain respects, but that would throw it out altogether. It is no good trying to go through it clause by clause, as is done in the case of a Bill. We will proceed with the debate on the motion.

Mr. Debidin: May I reserve the right to move the amendment, sir?

The President: We will proceed with the debate. Does any other Member wish to speak on the motion?

[Mr. Debidin]

Mr. Fernandes: In looking at this motion the first thing I asked myself was whether the things which this Company undertakes and agrees to do as its minimum operational objectives are desirable. Further, is it desirable to have central mills at all? Is it desirable to have the Mahaicony-Abary Development Scheme continued along with the mill which is there? Now, sir, in this Council some time ago the hon. Member for Eastern Berbice (Dr. Gonsalves) moved a motion asking Government to provide a central mill on the Corentyne. The motion was carried, and I remember the discussion very well. I supported the motion and during the debate I said I was sure that by the time such a mill was established there would be a sufficient increase in the production of rice in that area to enable the mill to operate without having to draw from those mills already in existence there.

Of course, sir, members must be careful not to mix up the date of the operation of this production motion. If this motion is carried and this Company comes into being, a central mill on the Corentyne, I venture to say, would not be in operation within the next three or perhaps four years. First of all, all the necessary matters would have to be gone into in the establishment of this new Company. There would have to be negotiations as regards the loan, and then the Company would have to look around to find a suitable site in the area for the mill. Then it would have to place the order for the machinery which would take between one and a half and two years to be delivered, and when it arrives in the Colony we would have to

wait another 12 months before the mill could be erected and put into operation. Therefore, hon. Members must not confuse the present set-up in the rice industry with the operation of the new mill in the Corentyne district.

There is a second mill to be put up at Anna Regina in Essequibo. There is one there already, and it is quite possible that if the second mill — which, I understand, is to have priority — comes, owing to the condition of the present one we might see a new record in production, perhaps in the 1955 crop. I have mentioned that because I have heard a great deal of opposition to this Company from very many of my producer friends, and the one thing that seems to worry them a lot is the fact that the Rice Marketing Board would be forced to market their rice to Trinidad, Barbados, and other contract islands, and this new concern would be allowed to take care of the other outside markets. I am sure everyone will agree that the present contract which we have with these islands, and which will come to an end in 1954, will certainly end before either of these two mills commence operations. Therefore, marketing conditions after the period when these mills start to operate, will be entirely different from what they are at present.

At present the Rice Marketing Board has a guaranteed market for roughly 30,000 tons of rice per year, for 1953 and 1954. It does not matter whether the world market jumps up and down or backward and forward. The fact remains that we have a guaranteed market for the bulk of

our rice. Therefore, it is possible to fix a buying price at the beginning of the crop and be reasonably certain that it would remain fixed for the entire crop, because even if the surplus has to be marketed as much as \$1 per bag lower than the contract price, the Rice Marketing Board would still be able to absorb that loss, and would not find itself in the position where the buying price of rice is likely to be changed in the middle of a crop or term. If that ever happens those millers who are at present buying padi are likely to find themselves in a position where they would have had padi prices fixed by the Board at the beginning of a crop, and because of a very downward trend in the world market the Board would have to reduce that price in the middle of the crop year. As a matter of fact, that might be a disastrous situation for them.

Similarly, if this Company comes into being, it would be even more disastrous for the Company, because it would mean that the Company would have bought large quantities of padi at a price based on the Board's buying price for rice, and then find that because of circumstances over which it had no control the Board could not possibly keep the buying price up for 12 months. In passing I may mention that this is a situation that will arise some day. The price of rice cannot climb upward continually. It can go upward to a point, but some day it will fall down. Everything else has done that, and I am sure rice would not be any exception.

Mr. Debidin: To a point of explanation. I am glad the hon. Member has made that statement; it is one which affects the Rice Marketing Board.

Mr. Fernandes: I am not going to yield the floor unless the hon. Member is correcting me. I do not think it is right for a Member to interrupt another if he does not intend to make a correction.

The President: The position is that unless the hon. Member gives way the hon. Member for Eastern Demerara has no right to rise, except to a point of order.

Mr. Fernandes: Thank you, sir. For that reason — the possibility that the price of rice will fall — I was very pleased when the hon. the Financial Secretary mentioned in the course of his Budget Speech recently, that Government was going to waive the cess on rice which represented 90 cents per bag, in order to help the Rice Marketing Board to set up a Reserve Fund. I can assure hon. Members that the Board will need that fund just as soon as the contract comes to an end, and world prices for rice begin to go up and down. The Board will need to stabilize buying prices, and every miller who buys padi will find that he would have to sell rice during the latter half of the year at a price lower than what he expected when he bought the padi.

This motion has caused quite a lot of discussion among rice growers. I have had the pleasure of listening to perhaps one hundred of them, and of hearing their side of the picture. By and large, sir, they are not afraid of the central mills, nor are they afraid of the Mahaicony-Abary Scheme. What they are afraid of — and we have heard a lot about it from the hon. Member for Eastern Demerara — is the intention which they have been led to believe is at the back of Government's mind in trying to establish this Company.

[Mr. Fernandes]

In other words, they do not trust Government; that is putting the matter in a nutshell. If they had trusted Government they would have accepted this idea as being something very good. Their main complaint is that while this has been explained to them — and I refer particularly to the representatives of the Rice Producers' Association who are members of the Rice Marketing Board — and the explanation was satisfactory, they cannot accept it because they are afraid that at some time in the future there might be no one to be reminded of the assurance that has been given to them, and some new person might come into control and say "I have nothing at all to do with what you were told in 1953. This is the legal interpretation of the matter, and if you do not agree with it you can approach the Supreme Court and find out whether the new Company is right or wrong."

It is my opinion, however, that this attempt by Government to put the rice industry on a sound footing is a very good one. I think that every person engaged in the rice industry will admit that it is impossible for the Rice Marketing Board to make contracts for definite deliveries without mills of this kind. We have got to make our contracts ahead for definite deliveries on a definite date, and we will have to make these deliveries in accordance with the contract. How can we do this when all of the present mills, with the exception of the Mahaicony-Abary mill, have to stop milling as soon as the rain sets in? It would mean that the crop in British Guiana would have to be sold for delivery in the Colony, and could not be delivered in wet months because, of course, the

weight would not be accurate. We know that up to now one cannot be reasonably certain about good weather in British Guiana for more than three months.

The Rice Marketing Board is at present trying to experiment on the possibility of making rice weather-proof, at least for a longer time than at present. We have to market rice but if the rain starts we do not get any at all for some months, and that is something which is undesirable. I maintain that it is essential for a certain percentage of our milling to be done by central and up-to-date mills. I would be the last person in this Council to suggest that Government should set up a monster to throw the present millers out of a livelihood. I would not be a party to interference of that kind. If it is found that a mill, for some reason or other, has to go out of existence, I think it is only fair that the owner of that mill should be recompensed, and an attempt made to try and fit him into the new order of things if central mills become the order of the day.

Unfortunately, before the need for central mills came about—the Mahaicony-Abary mill was established in time of war—at least one prominent miller had to give up because the owners of the Mahaicony-Abary mill had all the capital they needed, and the person I refer to was not in that position; also because of the small quantity of padi available for milling he had to go under. That was unfortunate, and I think that if this Company is established that is one of the things we have to be careful about — to see that the milling section of the Company does not hurt anyone at present making a living in that respect. If it is agreed that these central mills are good because

of their efficiency, then they must be provided. The next question is, who is to provide them?

The hon. Member for Eastern Berbice moved a motion in this Council which was carried, and as a result a central mill on the Corentyne will be provided. When that motion was passed I made the statement that whenever it was going to be implemented persons engaged in the industry — producers, millers and everyone else — should be permitted to put up as much of their own capital as they were able to put up, and the Government should put the balance, as share capital temporarily, with the ultimate idea and intention of allowing the industry in that particular area to own the mill, and then the mill should be operated on a co-operative basis.

I would like to see all the millers in British Guiana keep together and co-operate with each other with the one idea of providing an efficient milling service for the industry. We know, however, that there is a great deal of distrust in this respect, and I must admit that there is a great deal of justification for it. I say so feelingly, because I myself had a very rude awakening in this Council a few weeks ago. The Administration of this Colony have time and again stated in this Council and out of it that it was their desire to remove entirely all controls just as fast as it was possible for them to do so. Nevertheless when an obvious unnecessary control, to my mind, came along and I moved a motion to stop it — not to decontrol which Government spoke about but to stop controls getting tighter than they were because it was not necessary to have them — what did I find? I found that in spite of Gov-

ernment's statement it was opposed by Government. I will always remember the voting in that matter. It was 10 for and 9 against, and included in that "nine" were the three Official Members and three Nominated Members.

The hon. the Financial Secretary and Treasurer took care yesterday to point out that "the Governor" in the terms of this Agreement means "the Governor in Council". There again this Company is going to start to operate before the next General Elections which will be not later than June of next year. Therefore after June of next year and before this Agreement comes into operation "the Governor" there would mean "the Governor with a large majority of the Executive Council as Elected Members". It also means more than that. It means that those Elected Members who are appointed Ministers and hold seats on the Executive Council can be pulled out of there, if they do not behave themselves properly, by the House of Assembly. It will not be an Executive Council nominated by anybody, but the members will be Ministers elected by the House of Assembly. If the House elect stooges it would be just too bad for the House, and it would only show that the people had put in the wrong persons at the General Elections and must pay for it. That is just by the way.

I want hon. Members and the rice producers to realize that reference to the Governor here means the Governor and the Executive Council under the new Constitution, and it is something they need have no fear about. The big issue is the fear of this Company being started as a Gov-

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ernment company and then passing into the hands of some big monopoly. The present fear is that Government will borrow \$5 million from the Colonial Development Corporation for a term of five years and at the end of that time may find itself unable to pay back that amount and the Colonial Development Corporation will take that \$5 million in shares in this Company and thereby obtain a majority interest. It is not only necessary that justice be done but more necessary that it should appear to be done.

I am going to support this motion on one condition, and that is that Government put on record the assurance that Government will not allow or invite any new subscribers to this Company without the approval of the Legislative Council, and that Government will not transfer any of its interests in this Company except with the approval of the Legislative Council or the House of Assembly that succeeds it. I am sure that will take away from the minds of the producers all distrust.

I am sure not one of them will feel that the Government of British Guiana as such is one to make excess profits at the expense of the rice producers. They will concede that, but they are afraid if this Company gets into wrong hands those people may want to get profits that the industry cannot afford to let them have.

This is an attempt by Government to put money in an investment to help an industry which needs help and deserves help. It is essential that Government at this first attempt to do a thing like that — to take \$2 million of the Colony's funds and put it into a company and further to guarantee a loan

for \$5 million — should not suffer any loss, if it is possible to avoid it, because if Government in its first attempt loses not only the \$2 million it has put in the first place but some portion of the \$5 million loan which it has guaranteed, one can quite see, that Government would not again attempt to spend money to help any other deserving industry or, perhaps, give further help for the advancement of this industry.

Government desires in this Agreement to make sure that this Company in which the money of British Guiana is invested is one that will at least pay its way. I think that is fair and reasonable. There is no question about that in my mind. That is so far as the fears about the profits go, but there is also the fear that the Marketing Committee will be in a position to dictate to the Rice Marketing Board. I do not share that fear, though I do not quite agree with the constitution of the Committee, which I am going to refer to in a moment.

If this Company is owned by the Government of British Guiana and the rice producers, then the one aim of everybody in it is the progress of the rice industry. The Company as such will only be interested to see that there is not a loss eventually resulting in the Company going out of existence. There will be absolutely no personal interest to make any of the persons, whom Government will appoint as Directors, see that this Company makes profits at the expense of the producers of rice. I am sure everybody will agree on that. If that is the case, there should be two members from each side getting together in order to do two things — fix the buying price of padi and the selling price of rice on the one side, and discuss ways and

means as to the best price which can be obtained for that produce of British Guiana—produce in the hands of the Company's mill and produce in the hands of the other mills and growers. They will have one just cause. They will all be thinking alike, trying to get as much as they can for the produce.

On the other hand, you may say that it is in the interest of the Company to cover any mismanagement and so they may insist that very low prices of padi be fixed. For the purpose of answering any such argument I will say, that such an event is highly improbable. What is the position? Supposing the Board fixes a very low minimum price of padi, it does not stop anyone from milling his own rice or from selling his padi to any other mill. There seems to be a slight fear that Government will come along and make a law forcing the people, who are given lands at Blocks I and II, Courantyne, and any other new schemes Government may bring forward, to sell their padi to these particular mills. That is so ridiculous to think of that I will not go into any detail about that. Obviously, anything like that must come under the observation of the Legislative Council or the House of Assembly, whichever it is at the time, and I am sure that no elected body would permit a thing like that to happen.

Mr. Debidin: Under the terms of the Agreement and the Amendment Ordinance no Legislature has any power to interfere at any time. The matter will have to go to the Supreme Court.

Mr. Fernandes: The hon. Member has not listened carefully to me. I was not referring to the Agreement but to the Government spending the taxpayers' money to bring into

production new lands and making a law or regulation to force the persons to whom those lands are leased to sell their padi to the Company's mill. There is nothing in this to that effect, but there is still a fear that Government would be so horribly unjust as to do things of that kind. It is a pretty tough situation for one to live in a country and to think that the Government will be permitted to do things of that kind in the future, when at the same time we have been given a very much wider Constitution in which very much more power is given to the people's representatives. For one to think that when the new Constitution comes into effect the Government will still make all these laws that some people dream about, then it is a very sad situation if persons in British Guiana cannot see that those things are not only improbable but not possible, and definitely so.

Government, like every Member of this Council, is worried over the increase in population. The hon. Member for Eastern Demerara (Mr. Debidin) said that the rice industry is the only industry that can take care of the surplus population. Let us agree with him on that. But I am going to try disagreeing with him so as to make my point, because a large part of his speech, with which I disagree, has no bearing on the motion, and is so extraneous that I will not bother with it. He claims that it is the main industry the people of British Guiana will have to depend on for providing a means of livelihood for this increased population. If that is accepted, how can it be possible for Government to do anything to strangle the very industry which everybody hopes will be able to ab-

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sorb our surplus population? If Government attempts to do anything to hurt or retard its progress, it is obvious that Government would not only have trouble with those in the industry but would have no means of finding a livelihood for the increasing population.

I know that 10 or 20 years from now rice will rank, if not as the top industry, not further down than second. If it were not so, I would have given up my work on the Rice Marketing Board. If I thought the rice industry would remain exactly where it is now, there would be no use my working on the Board in order to try and do something for the industry. It is because I know the whole country depends on it. I am willing to serve on the Board so long as those who are interested in the industry, the producers of rice, desire me to do so and, as I have said before, the day they do not desire me to do so it is all right with me. I have listened to remarks made about the Rice Marketing Board. I have listened to the reference made many times to the appointment by Government of rice producers to the Board.

I am sure that every member of the Rice Producers' Association who is a member of the Rice Marketing Board, will agree with me that during the time they had been appointed to serve on the Board, and I have had the pleasure of having them co-operate with the Board in trying to help the industry on, there was not a single occasion on which any attempt was made to push any matter down their throats. They will be the first to admit that. I am very pleased to pay them this tribute. I would also like to say that on the question of the use of the casting vote,

even if I desired to use it, there was hardly any occasion on which it could have been used, because at practically every meeting the producing section of the Board had the marginal advantage over the other section, as their attendance was far better. There is no question about that in my mind.

As regards this Joint Marketing Committee, it seems that one of the very sore points is that it is supposed to have such terrible powers. It is to be comprised of two members appointed by the Board, one of whom shall at all times be a rice producer, two members appointed by the Company and one member who shall be Chairman to be appointed by the Governor. Most of the producers agree to accept the appointment of the four members, but their fear is as regards the fifth appointee by the Governor. By the time that appointment is necessary, I am sure, the Governor will then be the Governor in Executive Council under the new Constitution.

I do not think, nevertheless, it is fair to have a committee balanced that way. I agree that should have an appointed Chairman because I know from my considerable experience of having to bargain around the table, that the chairman is a very useful person, if the right person is appointed, in trying to get both sides to come to an agreement. As such I would welcome any chairman if I had to serve on that committee. I think the chairman should be like the Speaker of the new House of Assembly, having no vote. If there is a tie, then the Board would have to decide what is to be done. The report would be made to the Board by the Chairman as to what were the recommendations of the one group and the recommendations of the other group,

and the Board would then decide whether to accept the recommendations of both or either of the groups. If there is a disagreement and the matter goes to the Board the two members of the Company could ask to meet the full Board and, if in spite of that no agreement is reached, the two members of the Company standing firm, the Board would then have the right, as it always had and there is nothing here to take away that right, to fix the price of padi and rice contrary to the desire of the two representatives of the Company. That price, as at present, has to be approved by the Governor.

I am one of those who, despite what anybody else says, always believe that the Governor who is sent to British Guiana is an honest man. He may make mistakes, because no human person can arrive at a right decision on wrong facts. I have found that in most cases, perhaps 95 per cent., when I disagree violently with the decision of the Head of the Administration and the matter has been gone into, the decision arrived at was because the Head of the Administration was given the wrong facts. I am quite prepared to stand by an impartial decision given by the Governor at any time, or by the Governor with the advice of the representatives of the people, because I feel when both sides are allowed to present their facts the side that is right will always get the decision. That was brought out very forcibly to me when the producer section of the Rice Marketing Board after the arbitration award decided that it would be right to spread the losses of the last Board's year, 1951-52, over three years. They gave me the facts and I thought it a wise thing to do.

As a matter of fact when the majority decision was taken that we should ask Government to approve of the extra dollar, one gentleman said he was going to oppose it and as long as he did so it would not go through. To prove my contention that you can always depend on a square deal if the facts are put, the facts of the Rice Marketing Board were put forward and the Board was permitted to pay that extra dollar, even though it meant the Board having to pay out \$600,000 that it did not bargain for. I just mention that to take away from the minds of persons, when they get a wrong decision from the Governor or the Officer Administering the Government in this country, that the right facts were put forward.

While speaking of the right facts, I may say I was very pleased to hear the hon. Member for Eastern Demerara (Mr. Debidin) suggest that thousands of people make a living out of the industry, because I thought they were all going to be broke by now because of the wrong facts supplied. I was in Berbice and was told a group of persons had established that the cost of producing a bag of padi was \$6.80; but the price with the additional dollar is \$4.95, and, therefore, those people in that area would lose \$1.80 on every bag of padi produced. I just mention that to show that because of wrong facts wrong decisions are made. It is when wrong facts of that kind are given that other people, who are willing to put money into the industry, are induced not to do so because it is established that rice is an uneconomical crop. I think the people work very hard and they deserve every penny they get. I would like to see them get more and, therefore,

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I would be the last person to agree to anything that would militate, against that.

I am going to ask Government to give this Council an undertaking that the shares in this Company held by Government will not be parted with to any person or persons other than local rice producers without consulting the Legislative Council and getting its approval, and further that Government will not invite any person outside that group to subscribe to new shares without the approval of the Legislative Council. With that safeguard I feel the people are absolutely protected. As long as Government holds the majority of shares in this Company, it is obvious that this Company will always be indirectly subjected to the ruling of the Legislative Council as it has public funds. Any Member of this Council or any Minister, if he finds things are not working as they should and that the directors appointed by the Governor are not acting in the protection of the pioneers, would have every right to do as I have done: come here and give notice of a motion and have it moved, recommending to Government either the removal of the persons appointed or that Government direct them to desist from their action. The producers are not like a group of stragglers; they are properly organised and have a very virile association, and I am sure they will not hesitate in the least to make representation, if this Company does anything to hurt them in any way.

I want to point out before I take my seat that the establishment of a central mill on the Courantyne Coast is not going to be an easy matter as some people think. The rice growers on the Courantyne Coast have been

accustomed to a certain system of milling, and it is felt they should continue with that. I really would be pleased if those at present growing rice would continue with their crop, it would mean that the present mills would always continue in existence and the new mills would mill the surplus padi obtained from the new people who join the band of growers of rice and who have had lands provided them. It should be obvious to everyone in the rice industry that they are not going to be the only persons engaged in it. Quite a number of races other than the Indian are now becoming rice producers, and I am sure that in time numerous people who are now holding white collar jobs may find it remunerative to take lands on the banks of the rivers and go in for the scientific cultivation of rice. The industry would thereby benefit because, if those people use their intelligence to find out short cuts in mechanical cultivation, anything they find would not stay long as a secret and would be at the disposal of everybody else who wants them.

I have asked for two assurances. The second one, I know, Government may not see eye to eye with me on, but I am asking at least that it be tried. I am sure that if tried it would work, and it would do more to allay any fear of a biased decision going before Government — I mean a two to one decision. It would ensure that what goes to the Government would be a difference of opinion between two groups or representatives of two organisations. I have no fear whatever of what the final result would be in such circumstances, because I feel certain, as I have said before, the Governor with the proper facts before him will always give an

honest decision. In this case I cannot help saying so, because so much depends on the future of the rice industry for the absorption of our surplus population.

The President: Hon. Members have agreed to sit late this afternoon, but I am afraid I have another appointment at the Bishops' High School and I do not want to disappoint them. In the absence of a Deputy President I ask the hon. the Colonial Secretary to take the Chair (*The President at this stage vacated the Chair*).

The Chairman (The Colonial Secretary): Does any other Member wish to speak to the motion?

Mr. Lee: I would like it to be recorded in this Council that I have received two delegations from my constituency, on behalf of people who are interested in the rice industry there, and that the views I am about to express now are theirs. Therefore I want Government to consider them in that light. There is no doubt that this motion will be passed, but in every case where there is a minority opinion affecting the subjects of Her Majesty's Government, and expressed through their representatives, it should be carefully considered. As I have already indicated, I shall express the views of that minority and then express my own views afterwards.

I think there are certain things which Government must not ignore, and the first is the fact that when the Rice Marketing Ordinance was amended in 1950 Government had — and still has — the intention of permitting companies to come into this industry. A stand was taken against the amendment — I am speaking of the Rice Marketing (Amendment) Ordinance, 1950 — but it was passed. If any Company wants to come into the

industry it has to enter into an agreement with Government. At that time it was considered that the C.D.C. was trying to develop primary products for the benefit of the inhabitants of the West Indies, and these included rice.

One cannot deny the fact that most of the areas in the West Indies use rice as their staple food. Her Majesty's Government felt that it should give support to this industry and desired to embark upon negotiations for its development. It was necessary, however, to have powers given to Government for the carrying out of the negotiations, and to provide that they should be subject to approval by the Legislative Council. At that time I objected strongly to the amendment of the Ordinance, and I was backed by the rice producers in my constituency. When Government came with the Agreement and said that it must be subject to the approval of the Legislative Council I knew that capital — huge capital — would be required for the development of the industry. I express that opinion, and after the amendment was moved I voted with Government because I knew that the industry required much capital for its development. Capital is required for the execution of water control schemes, and also for the giving of assistance in various ways to the rice producers. Capital is required also for the establishment of central mills, and for the improvement of the present mills so as to enable the Rice Marketing Board to make future contracts.

There is no doubt that if the rice producers — growers, millers or other persons interested in the industry — are to produce better results, it means that at some time the mills would have to be

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properly equipped so as to meet the contracts that will be entered into by the Rice Marketing Board for the benefit of the industry. The present millers who are trying to meet the demands of local consumption and also of the contracts, are improving their mills as much as their finances permit, but there is no doubt that if Government is going to undertake a venture such as this, the Company would be able to assist Government to help the producers—including the millers. If the question of water control is taken care of by Government, the central mills would not be sufficient to cope with the padi that can be produced by mechanization.

The millers are asking that in the formation of this Company Government should, if necessary, loan money for the improvement of those mills that are situate far from the central ones. My constituency would not be near to any central mills, and the millers there are willing to pledge their holdings in order to get advances to improve their mills, and to get better water control. I ask you, Mr. Chairman, to convey to Government their desire in this respect. I think that would be only fair to these small millers, and I would like to know whether there is anything in the Agreement which would enable them to obtain this assistance. They fear absorption by the central mills, and while I would not say that that fear is well founded, it is there.

The price being paid for padi at the Mahaicony-Abary mill now exceeds the price of \$4.95 per bag that was fixed by the Board. Through proper management and proper administration, and with due regard for the welfare of those concerned,

the authorities have informed people who have taken their padi to the mill, that they will have to pay 5 cents per bag more on every bag of padi sold to the mill. How then, as was pointed out to me, can it be said that the small mills can compete against the central mills when the latter can offer prices beyond those fixed by the Board for padi? These small millers feel that what occurred recently might very well occur again in future. They also feel that if they can get contracts at prices just an edge above those fixed by the Board, they would be able to survive. The Agreement states that there should be a fair margin of profit for the operation of these mills, and if they do not get that they would be wiped out.

It is provided in the Agreement also that compensation must be paid for the existing mills if they go out of operation. How then can Government say that there should be no fear in the minds of these people? Government should say whether there would be an arbitration board or otherwise in this respect. How can any right-thinking person say, therefore, that all these things appearing in the motion should be approved by this Council? It was previously provided that all the profits made by the Rice Marketing Board should be utilized for the benefit of the producers. I would like to ask, however, whether these producers have benefited from these profits save and except in the subsidization relating to the price of bags? Of course, it is going to be said that Government has never made profits through the contracts made by the Rice Marketing Board. It should also be pointed out that the Board is a single-selling organisation, and is

dependent on the honesty and integrity of the persons on it.

If Government is going to guarantee the establishment of this Company, why shouldn't the Rice Marketing Board be the only single-selling organisation? I think the picture is plain, and that the background cannot be altered. Section 5 (2) of the Rice Marketing Ordinance, No. 5 of 1946, states:—

"The Committee shall consist of six members of the Board who shall be —

- (a) the Chairman
- (b) the Vice-Chairman
- (c) one member of the Board appointed by the Governor to be a member of the Committee, and
- (d) three other members of the Board appointed by the Board to be members of the Committee."

"The persons to be appointed under paragraph (b) of subsection (2) of this section shall be selected from the members of the Council or other governing body of the Association: provided that until the Association has been established or where for any reason the Association ceases to function or fails to elect a council or governing body of the Association, the Governor shall select such rice producers for appointment as in his discretion he considers fit."

Now, let us see who are the members of the Board at the present moment, and whether the producers have any confidence in them or not. There are, from this Council, Messrs. Raatgever, Fernandes and Farnum, and then there are the Director of Agriculture, the Land Settlement Officer, the Comptroller of Customs, and Mr. H. G. Seaford, as members nominated by Government. Let us see whether we cannot fit into this Board members from the Company, which Government is trying to form. Here we have the hon. Member for Georgetown Central (Mr. Fernandes)—an Elected Member of

this Council — who is Chairman of the Board. His ability to arbitrate is so great that he has the entire confidence of the members of the Board and of the rice producers themselves. I say that because of occasions of which I am aware, when he came as Chairman of the Board to the help of the rice producers in Wakenaam. I would say that he has got that type of judgment which can only come from a great and sincere heart. Then there is Mr. Raatgever who is a Nominated Member of this Council.

Is it not possible for Government, which is capitalising this Company, to send from either the House of Assembly or the State Council—both of which are soon to be introduced—nominated men of integrity to this Rice Marketing Board? We have representing Government there at present, the Director of Agriculture and the Land Settlement Officer, who will now be absorbed in the new Company, but there are others quite fit for nomination through Government. There is also the Comptroller of Customs, who could be absorbed through nomination by the Company. If there are to be eight members representing the rice producers, and eight representing Government, there should be, by all means, a free and frank discussion as regards rice prices and so on. It seems to me that the representatives of Government can look after the interests of Government, because the Company will be Government—sponsored.

When the rice producers have subscribed some of the capital nominations could be made so as to give them representation on the Board for the consideration of all interests—such things as milling, subsidization of the rice growers and so on. Why should Government

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desire, under clause 9 of the Agreement, to appoint a Joint Marketing Committee which would only advise? Why should this be done? This money would be Government's money, and I accept the suggestion of the hon. Member for Georgetown Central that rice growers should be given an opportunity to take shares. Clause 9 of the Agreement should be deleted, and I advise Government to subscribed some of the capital. I think it is the duty of Government to inspire confidence on the part of the producers in the industry, and now that they are promoting this Company I do not think there is need for the appointment of a Joint Marketing Committee with all these privileges.

I agree with the view of my constituents that unless clause 9 is deleted from this Agreement they cannot accept Government's proposal at all. Government has invested the people's money through the Finance Committee from time to time in order that the Mahaicony Abary scheme should be started — land purchased and so on—and I am sure that hon. Members of this Council have seen the wisdom of such action. Why can't Government now say: "We want to form this Company; we will borrow £5,000,000 and issue debentures, and we will also guarantee payment of these debentures within a certain time." In my humble opinion this Agreement is not necessary at all. Government should have come to this Legislative Council and stated that they wanted to borrow money to form this Company and then ask for permission to proceed accordingly. I also agree with the hon. Member for Eastern Demerara that we should see the Articles of Asso-

ciation of this new Company. Can anyone say that these small producers who plant their small areas should continue without knowing anything about the aims and objects of this Company? I desire to point out, however, that I have obtained 500 copies of this Agreement from the B.P.I. and have distributed them in my constituency.

The people are saying that Government has involved the rice industry of the Colony by raising and guaranteeing this loan, and that the industry will be at stake so long as it has to repay it. There is no doubt about that. You cannot twist it at all, because the Agreement says there must be that margin that should be taken into consideration by this Committee and be reflected in the price. Mr. President, do you realize that if you have eight strong members of the Rice Producers Association on the Committee, when it comes to the price to be fixed by this Committee, only the rice millers would benefit and the growers would suffer? The time may come when the millers can be out-voted in the Association and there will then be all growers who will stand united. There will always be discontent and disagreement between the Rice Committee and the Board.

The Financial Secretary and Treasurer:
Who will mill the rice?

Mr. Lee: Let us assume that they have accepted the central mills. They do not say there must not be central mills, but that they expect to put money in them. They would then have a voice on the directorate of the Company and money would not be squandered in high salaries. They say "We will put our money in it provided we have a voice." I am not

versed in Economics, but this is a business proposition. We have to meet this \$5 million. One other thing which is very striking is that these mills, as the hon. Member for Georgetown Central says, will not be completed within three to four years, but the money that will be borrowed has to be repaid in five years' time. When the mills are erected they will be able to repay that money, but it cannot be repaid in one year.

The Financial Secretary and Treasurer:

It has never been suggested that the initial capital of \$5 million will be repaid out of the project. I have emphasized over and over again that this short term loan is to give a chance to refinance the capital in the best way possible, and I have suggested that the best way possible is to put it out to public subscription. It was never intended that the \$5 million was part of the capital to be repaid out of the profits. That is quite impossible.

Mr. Lee: Take it for granted that within five years, or the limit of ten years, this money that is borrowed from time to time has to be repaid and to refinance the capital you have to issue shares to the public. Can you say that the rice producer will have confidence in the erection of the central mill, when after it has just started you want them to put their money into it? You can only issue the call for public subscription when the experts are brought and have seen the ramifications of the private company. That is why the hon. Member for Georgetown Central is right, when he says that this Legislature should only give its assent when the shares are to be issued to the public. He has seen it in one way and I have seen it in the other way. He says he

would only vote for it if given an undertaking that when the shares are to be issued the people most interested—I think he means the rice growers—are to be given preference.

The Financial Secretary and Treasurer:

That is in the Message.

Mr. Lee: But that is not the Agreement which binds these people. Put all the conditions in the Agreement and you will find that the people will agree. The Message is there, but as the hon. Member for Central Demerara says, a Member may move a motion and the Minister of Agriculture will have a very stirring time. Be that as it may, let us see that it is done now. Pass an amendment to the Rice Marketing Board Ordinance putting in all the terms of the Agreement. One other thing, which is not in the Agreement, and is most striking, is this—it is my deduction of it: Clause 10 of the Agreement says:

"Subject to the provisions of sub-clause (3) of this clause the Company agrees and undertakes—

- (a) to purchase padi from producers at prices not less than the minimum fixed by the Board".....

It does not say it shall be a part of the law, but when it is introduced as an Ordinance it will be part of a law and, therefore, must operate. The only way to compel any company to buy padi is to say in the law "They shall purchase padi." You, Sir, have just come to the Colony and you have not seen the distressed lot of these rice growers when their crop is in and the rains wet the padi. If there is only the central mill which has absorbed all the other mills, when the grower takes his padi to the mill all wet—I would like the hon. Member for Georgetown Central to realize this—he may be told "You have such a quantity that the

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dryer cannot take all of it off". What is that poor rice grower to do, when it is said in the Rice Marketing Board Ordinance that he must deliver clean, dry and well minnowed padi? Can the Government say it is in the Agreement that the central mills are compelled to buy the padi? If the central mill declines to take his padi, the only thing he can do is to dump it into a trench to grow as it likes. These are things that should not be overlooked. My people own mills and I have seen how the people suffer.

I do not see why Government should have the price fixed in such a manner. The Board demands that the padi be delivered at the factory. If a man's rice cultivation is 10 miles from the factory and the padi must be delivered at the factory, that man has to pay the expenses of the delivery and, therefore, the people who are living near the central mill would have the full benefit of the minimum price and the man living far off would have more transportation expenses. Has Government considered that aspect of it? Are you going to establish your central mills with plantation labour? That is not the object and policy of Government. The policy of the Government is to help the rice growers. Is provision made in the Agreement that the central mill is to buy the padi at certain distances away at the same price as when they buy near the mill?

When I was a member of a Trade Union investigating wages and conditions of work I discovered that the sugar estates nearest to Georgetown paid the lowest wages. The same would be in this case, everybody would clamour

for the rice fields that are near to the central mill. I take it the policy of Government is to help every rice grower in order to give him an economic living, and the object of fixing a minimum price is to take into consideration how much it costs him to live. Therefore, the further the grower is from the central mill the more it would cost him in the cultivation of a bag of padi. The rice growers of my constituency say they have two mills on their island, but they would like to be given an opportunity to sell their padi to the central mill. The central mill would thereby make more profit and they would get more for their padi. The more padi the mill gets would make the cost of production less. It is simple arithmetic.

Unless it is put into the Agreement, how can I, as an Elected Member of this Council, say I will vote with the Government in this matter? My people welcome the Company. They say, "If at all you want to do away with the small mills, erect a central mill in the various areas, and each area would pay off the cost of its mill in a number of years". The mills would then be the people's mills and they would have to pay back the money by taxation or otherwise. "Tell us how much it would cost and that we have to produce so many tons of padi per crop to meet it, and we would try our utmost in order that we could have a say in the government of that central mill". That is all my people are asking, and that can be done through the Rice Marketing Board Ordinance in which Government has provided the machinery.

The rice millers on the Essequibo Coast and at Wakenaam at one time used to get together and

say they are not paying more than \$1.00 or \$1.20 per bag of padi. In the meanwhile, other millers in other districts paid more, but they could not induce the people to sell their padi to them. Representation was made to the Board in the matter, and the Board, although it acted outside the Ordinance, assisted them. As soon as the Board came into the picture the price went up. The hon. Member for Georgetown Central has earned the respect of those people. Under section 15 (2) of the Rice Marketing Board Ordinance, No. 5 of 1946, the Board can purchase padi from time to time in any district. The Board did so and showed to the rice growers in my constituency that the Board had their interest at heart.

Let us take the Agreement and see whether it has their interests at heart. Clause 10 does not say the Company will purchase padi in any area. What will happen? The growers in my constituency will have to return to the hon. Member for Georgetown Central and appeal to the Board to combine its interest with the interest of the central mill. The interest of a central mill is always to get as much padi as it can in order to mill it into rice and so reduce the cost of operation and production. When it is stated in this Agreement that the padi is to be purchased at the minimum price, it means that the padi has to be delivered at the mill. In that case the rice millers in my constituency will be very glad, because they know that the rice grower has to pay the freight for the transportation of the rice to the central mill, and thereby will get less for his produce.

I do ask Government to consider that in this Agreement there should be provision whereby it would be compulsory on the Company to pur-

chase padi at certain distances away from the mill. I leave that to the Government. The price should not be at the same minimum rate payable near the mill. I will give an example. You have the Cane Grove settlers planting padi. They have to take that padi, if it is wet, to the dryer erected by the Scheme, pay the freight involved and then take that padi to the Scheme before they are given the price. Are they getting the price fixed by the Board in the event of the Scheme paying the minimum price?

It is not fair and my people contend that the same thing will occur to them, and so they are asking Government to consider that aspect of the matter and see what can be done. They desire to be given the privilege that the central mill will be compelled to mill their padi into rice, if they do not want to sell it to the mill. That is quite easy. The central mill is not a rice-growing organization; it is for the people to plant and take the padi there to be milled. If the growers cannot accept the price offered by the mill, they should be given the option to have their padi milled into rice there. It has been done. The millers do it today. On the Courantyne Coast the people take their padi to the mill and have it milled into rice, and once they get the price they know they should get, they would sell. The central mill, can do the same thing. Give the people an opportunity to mill their padi into rice without selling to the mill. I do ask Government to consider that a central mill is a milling organization and should take people's padi and mill it into rice for them.

The Chairman: Council will now adjourn to 2 p.m. tomorrow Friday, 19th December, 1952.