

PRESS STATEMENT BY THE PREMIER, DR. C. JAGAN

The M.P.C.A. has recently caused to be circulated a statement to the effect that the Government is forcing the Unions to set aside the excess money earned from the export of sugar to the U.S.A. into the Pension Fund and not to use it as a once-for-all bonus for payment to sugar workers. This is definitely not true. At a recent Conference which I chaired and which was attended by representatives of the Sugar Workers Union and the Sugar Producers Association I made it clear that this money was to be used as the workers and their Unions thought best.

To put the matter into proper perspective it is necessary to go back to last year. The M.P.C.A. and the S.P.A. put up a pension scheme to Government for implementation from the middle of 1961. It sought Government's approval for the diversion of funds now held by the Sugar Industry Rehabilitation Fund and the Price Stabilisation Fund.

Government's attitude was that it would agree to the diversion of funds provided it was satisfied that the workers in the industry were in agreement with the scheme. Government was not fully satisfied with the scheme in that the pensions to be earned on retirement in certain cases were too small and the scheme did not make adequate provision for past services and for those who had been retrenched within the last few years. The Government informed the Unions that from reports which had reached it there was general dissatisfaction with the scheme and unless it was satisfied that the scheme met the wishes of the sugar workers Government would not be prepared to agree to the diversion of the funds.

It appeared subsequently from demonstrations of the sugar workers that they were dissatisfied with the scheme. Indeed, from statements made by officials of the M.P.C.A. it became clear that the Executive of the Union had not been consulted before the details of the Scheme were finalised.

Shortly afterwards, on July 4th, the M.P.C.A. forwarded a letter proposing a number of modifications including a variation in the contributions (3/4% wages bill by the employer and 3/4% of wage by the employee) proposed. These variations were as follows - employee to contribute 3 1/2% (2 1/2% of his wages and 3/4% from the Sugar Industry Special Funds). The employer to contribute 6 1/2% (4% of the wages bill and 2 1/2% of the Sugar Industry Special Funds).

The Union, however, seemed to have done nothing about holding further discussions from the time this letter was written to the Government and Employers.

Consequently the Government on the 5th December wrote to the Sugar Producers' Association copying to the M.P.C.A. a letter urging resumption of negotiations on this question and suggesting that since in the original discussions both the President of the M.P.C.A. and the Employers representatives claimed that the industry could not afford a larger contribution, one source of funds for augmenting the Pension Scheme would be the excess amount of money obtained from the increased sale of sugar during 1960 & 1961 to the U.S.A. There is no doubt that an adequate pension scheme is needed urgently for the sugar workers. This is a matter of grave concern to the Government. It must be realised that if the portion of the workers share of the excess of funds was allocated to the Pension fund a similar amount would have been expected from the Employers as a contribution. It was in order to get this added contribution that the suggestion was made by Government in the first instance. The terms would obviously have to be negotiated by the Union and both the employers and the Unions were told this at the Conference held at the Labour Department on 4th January.

Nevertheless, it was for the S.P.A. and the Union to agree if the excess money should be distributed as a once-for-all bonus or partly for the pension fund. This was made specifically clear to them at the meeting.

We understand that if the world market price of sugar is taken into consideration, the S.P.A. would have obtained about \$10 million from sale of sugar to the U.S.A. at a much higher price in 1960 and 1961.

Government wishes to emphasise once more that the manner in which the workers' share of this money is to be used is entirely within the authority of the Union and that once Government is satisfied that the workers have had an opportunity, through their elected Union representatives, to decide how they wish the money used, will make every effort to assist in implementing that decision.

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