

BACKGROUND TO BRITISH GUIANA

Reference Paper No. 190 -

September, 1960.

R E P O R T B Y H O N ' B L E D R . C H E D D I J A G A N

Minister of Trade & Industry

on

Visits to U.K., U.S., Cuba, and Venezuela.

Broadcast over Radio Demerara 7.30 p.m. Sept. 3, 1960,
and over Station B.G.B.S. 11.30 a.m. Sept. 4, 1960.

Fellow Guianese, Ladies and Gentlemen,

I am glad to be back from what I regard as one of my most fruitful trips abroad. I would like to take this opportunity to let you know about some of the discussions which I have had and the results of these talks. First, you would no doubt like to hear about electricity. Well, at last we have got this problem licked. Agreement was reached in London, as you have already heard, for the takeover of the Demerara Electric Company's undertaking. In addition, we have also settled the question of purchasing additional plant to take care of our expanded needs for the next five to six years. We have bought diesel equipment as an emergency measure. Every effort will be made, we have been assured, to get these into the country by Christmas. The large steam plants are expected about two years from now. But, we were told by the manufacturers that they would try to get them a bit earlier, sometime between eighteen months to two years.

The whole deal, that is, the take over of the Demerara Electric Company and additional equipment including new and improved distribution lines, is likely to cost about \$18 m. Now, you will remember some time ago I referred to package deal arrangements. Well, this one is certainly a package. The Demerara Electric Company is being taken over on credit terms to be paid over a period of five years. Barclays Development Corporation will advance a sum of a little over \$1 m. to make a down payment for the take over of the Demerara Electric Company. A consortium made up of Associated Electrical Industries, Taylor Woodrow and International Combustion Company will provide the additional equipment and do the construction and civil engineering works. And Barclays Bank D.C.&O. has generously agreed to lend us a sum of \$5 m. to help pay for part of the whole deal. We are heartened by the confidence which this bank which has been so long with us and is in an excellent position

/to...

to judge, has shown in this government.

It is expected that the public corporation to be formed to run the new undertaking will be able to pay for the whole project out of profits within ten years; that is, for the take over and for the additional plant and equipment which will be required. Incidentally, Government will have to defer for this period any collection of income tax, which it has been collecting thus far. Had the terms of repayment which stretch between five to six years been longer, say ten years, and the rate of interest lower than the prevailing figures of $6\frac{1}{2}\%$ to 7% , we would have been able to utilise some of this income tax revenue for further expansion.

You may also wish to know that it was agreed that the new Corporation to be formed will be run on strictly sound business lines without any political interference. It was also agreed while the loan remains unpaid that the International Power Company in Canada, the owners of the Demerara Electric Company, and the Consortium will be permitted to nominate directors to the Directorate of the Company. In addition, the Manager will be appointed to the Corporation with the concurrence of the parent Canadian Company. The Manager will be entitled to seek advice from time to time from the Montreal Engineering Company who are the technical consultants in Canada to the Demerara Electric Company.

I am sure that you are very glad that we have finally settled this problem which has been plaguing us for some time. Now that the take over of the Demerara Electric Company has been completed we can go on to the orderly development of rural electrification. In addition, hydro-electricity will help to provide cheaper power and give a real stimulus to industrialisation.

Incidentally, this is the sort of arrangement which I have been talking about for some time for the field of industrialisation. In other words, self-paying projects which can be financed on credit to be paid from profits over a period ranging from five

to ten years. From my experience abroad it is not difficult to obtain this kind of loans. Highly developed industrialised countries are now competing to sell their equipment. Some are prepared to offer very generous terms on a 'turn-key' basis, that is, to set up complete plants, put them into operation and hand over the key. In Trinidad, for instance, I spoke to a representative of a Swiss Bank who seemed prepared to advance loans for purchase of equipment and services at interest rates of $4\frac{1}{2}\%$.

Before I close on this subject of electricity, I would like to say that the Honourable W.P. D'Andrade, Financial Secretary, and I had to go in for a great deal of hard bargaining before finally arriving at a solution satisfactory to you. I want also to take this opportunity of thanking the Colonial Office Officials who helped greatly and showed a great deal of patience during some of these protracted discussions. The Conference took some time longer than we had expected, but it was worth the savings which we finally made.

While in London, I took up with Sir Jock Campbell the question of cane farming. I pointed out to him that in the West Indies a large part of the total sugar production, in some cases as high as 40 to 50%, come from cane farmers. I asked him to see if it was possible that as a beginning at least 10% of total production, instead of the present figure of about 2%, be allocated to our farmers. He has promised to look into this matter.

From London, Mr. D'Andrade and I travelled together to New York. He proceeded to Washington to iron out certain details with respect to our application for a loan from the World Bank and to take the opportunity to have talks also with U.S. Government Officials. I stayed on in New York and had discussions at the United Nations Headquarters with Representatives of United Nations Technical Assistance Administration. The discussions covered a wide range of subjects.

A Hydro-electric Expert is to come out shortly. He will do a preliminary survey, evaluate what has been done thus far and make recommendations as to what should be done in the future. You are also aware that we have now become an associate member of the United Nations Economic Commission for Latin America or ECLA, as it is called. They are being requested to put on their time-table a visit to British Guiana of their Water Resources and Pulp and Paper Teams. We are also seeking experts to help us to revise our Mining Laws and to give us guidance in the framing of up-to-date petroleum mining legislation. In conjunction with F.A.O., assistance is being sought for an appraisal of our forestry resources. We are also interested in the establishment of a Central Bank for British Guiana. An attempt will be made to see whether some one can be sent out to look into this question. Our discussions also covered the question of the shortage of adequately trained personnel. Agreement was reached to help us to fill this gap. It is likely that some one in the Administrative Division of the United Nations Technical Assistance Administration will be visiting here to have preliminary talks and that we may shortly thereafter get a team to embark on a course of training in administration for our civil servants.

I must say that from my talks at United Nations Headquarters I gathered the definite impression that the United Nations is willing to go out of its way to give us assistance. In fact, many of the items I took up would normally have to go in for the next year's programme but efforts are being made to see if they can be financed as an emergency measure from the Special Contingency Fund. As a result of our efforts, we can say that we have done thus far very well with the United Nations. As you know, we have already got nearly \$1 m. from the United Nations Special Fund for a siltation study and a soil survey study.

From New York I went to Cuba. I did not plan going

there. But since it was en-route to Venezuela which I had intended to visit, I decided to stop in. I wanted to find out what was being done about the timber proposition and whether it was possible to find an immediate market for our surplus rice. It was good that I went. You will remember that a few months ago three representatives came down here to make a timber survey.

Cuba's imports of timber at the moment amount to about \$23 m. per year. You will recall that I mentioned some time ago that we will be prepared to consider sympathetically, firstly, the granting of a lease to the Cubans on the same terms and conditions as we grant leases to others, or, secondly, to form a joint company with the Cubans. The Cuban Government, however, do not want to take advantage of either of these two proposals. They said quite frankly to me that these proposals smacked of imperialism. They did not want in any way to exploit our man-power or material resources. They were prepared to help as far as they could. They offered to make available over the next two years a loan to the equivalent of about \$8½ m. This loan will be repayable over ten years after the project gets underway. The rate of interest will be 2% and payment will be made in timber products. Technical assistance will be provided, if we require it, to help us to work out the details of such a project.

They have also agreed to finance the external costs of the first stage hydro-electric project at Tiger Hill which is estimated to cost about \$30 m.

These two projects are going to be the beginning of the realisation of some of our dreams. As regards the future development of British Guiana I have two dreams - one based on timber and the other on bauxite as raw materials. I have in mind two giant industrial complexes. The first would be based on wood which covers so much of our territory and which at the moment is lying idle and in many instances has to be got rid of by burning.

Such an industrial complex based on wood can produce not only sawn lumber but also pulp, paper, cellulose, charcoal and many other chemicals which, as by-products, can be utilised as raw materials for other industries. I have seen such an industrial complex in Germany. It is only left for us now to get technical experts to work out in great detail such a project.

The other industrial complex which I have in mind is the one which will permit of, after the installation of hydro-electricity, the smelting of our bauxite into aluminum and the setting up of a whole series of ancillary industries which will utilise pig aluminum as a raw material. By ancillary industries I mean pre-fabricated buildings, roofs, pots and pans, motor car blocks and bodies and the whole range of other articles which are fabricated from aluminum.

The electricity deal which we have just made in England points the way for industrial projects to be financed on a package deal basis out of profits. The Cuban deal points the way for payment to be made not in hard cash but by the sale of our own products. The Cubans have also promised to give us technical assistance in other fields. I am thinking particularly of light cigarette tobacco which it is felt can be produced here. With such technical and financial help, we are now on the threshold of real industrial development of our country.

By the way, the Cubans have also agreed to purchase any surplus rice which we may have. They have been purchasing rice from the U.S. at a price higher than we now get from the West Indies. They are prepared to open their markets for our rice and to give us the advantage of a reasonable price.

You may wish to know that during my stay in Cuba I had the pleasure of meeting Dr. Nicholson, the Acting Director of Medical Services, who was attending a medical conference in Havana.

In Venezuela, I had discussions with Government Officials

on several questions - about economic cooperation generally between our two countries, about a visit of a combined economic, technical and commercial mission to British Guiana, about the three fishing boats recently seized, and about the sale of paddy. The visit of the Mission is likely to take place soon and it is hoped that it will come off at about the same time as History and Culture Week and the "Calvacade" now being planned by the Chambers of Commerce. I talked to Mr. Esteban Ray in the Ministry of External Relations about the fishing boats seized in Venezuelan waters. Unfortunately, it was not possible for me to see the Minister of Interior because of the political crisis which developed during the last day of my visit there. However, I am told that there is every hope that the boats will be released. I have also had discussions to see if it will be possible to permit of certain courtesies to be extended by both Governments. In such a case fishing boats which find themselves in difficulties will not be held up so long as they are not engaged in any contraband activities.

About the possible sale of paddy to Venezuela, the Venezuelan Authorities are anxious to have trade relationship developed with British Guiana. But, at the present time, they are not in need of paddy. They informed me that they will be in a position by February to say precisely what are their needs with respect to the importing of paddy from outside sources.

In Trinidad, I had discussions with Dr. Carl La Corbiniere, Minister of Trade and Industry, on matters relating to industrial development and incentive legislation for the area. I took up the question also of an early meeting for the Rice Conference which is to decide two questions. Firstly, the prices to be paid next year, and secondly, the extension of the contract. As you are no doubt aware, the contract comes to an end in December 1962 but provision is made for a review every year.

to see if it should be further extended.

I have returned home feeling a definite sense of satisfaction - satisfaction that people, even in difficult positions as the Cubans, are willing to help. I feel a sense of exhilaration that we are now beginning to get all the loose ends together from which we can move ahead and build in the immediate future. We have sought loans from many sources, including America. Such aid has been too long in coming. In the face of growing poverty and hardship, I feel it my duty to accept aid from any source, provided there are no strings attached.

In Cuba I felt thrilled and excited at the generous offer. But what do I find on my return? The same attacks and misrepresentations amounting to downright lying not easing up in any way, but actually becoming more intense. I note, for instance, that I am alleged to have said in Cuba that I hate private property. I state categorically that I made no such statement. It is a complete fabrication. I fail to see how anyone could have thought that I would have made such a statement when the whole purpose of the Government with whom I am associated is to enhance the status of the people as a whole, to give them more things which they have been denied for so long. In other words, to give them more security and more material things which they can call their own, their private property.

I read recently in a political weekly that the Amerindians are alarmed at the Government's proposed takeover of the Rupununi lands from them and from other settlers. Why is it necessary to spread such false rumours to drive fear into the hearts of the people unnecessarily?

This is the sort of thing - constant misrepresentation in the press, both at home and abroad, which is doing this country more harm than anything else. Before I arrived in London, very influential journals such as the "Financial Times" and the "Observer" carried statements which were forwarded by local correspondents that we were

taking over the Demerara Buaxite Company. The gloom with which the local press greeted the announcement of the success of the electricity talks leads one to suppose that the local press would have preferred the talks to fail.

I am aware that the press is violently opposed to the Majority Party which I have the honour of leading. Considering the interest which the press represents, I do not see anything wrong with this. But what I consider wrong is the harm which the press is doing the country as a whole. By all means attack us but do not frustrate the national aspirations of the Guianese people. So long as we are in the Government I ask that an objective rather than an emotional evaluation be made of all the things which we are pursuing and which we contemplate to do in the future. Let us rid ourselves of emotional thinking. Let us look at the economic realities which today face not only our country but underdeveloped territories all over the world. Let us unitedly face these realities objectively and rationally.

Representatives of the Chamber of Commerce in Georgetown now represent Companies in the Communist Bloc. Goods are imported by business representatives here strictly on a commercial basis. Countries like India, Ghana, Ethiopia, Egypt and many others have recently concluded very favourable financial and trade agreements with nations everywhere, with countries both in the East and the West. Whenever we attempt to embark on any of these same deals, the so-called liberty lovers and defenders of freedom begin their flag-waving. Whose liberty are they defending, the right of the rich to exploit the poor; the right of those who have kept this country back for generations. Or are they talking about the masses who the world over now refuse to be kept down, who in public demonstrations, in riots and in revolutions are demanding their right to a decent life; the right to be able to find work and the right in old age not to be put on the scrap heap. Fortunately, the picture is not all dark. I am happy to say also that I have met Guianese students

and workers in the United Kingdom, the United States and in Venezuela whose one ambition is to return home to serve their country which they hope will soon be free. One such individual is John Holder who is now working for his Master's Degree in the United States. In the evening he sings folk songs about Guiana - how we work and how we live. He is putting new life into Guianese music. He is truly a people's artist, putting his art to the service of his people. I have brought back an album of his songs which I hope Radio Demerara will play for your benefit.

Today there are many John Holders to be found the world over. From public platforms, in songs and dances, they are voicing their protest against the Old Order. They are impatient with the Uncle Toms in our midst. They are not prepared to let a few because of their control of the commanding heights of our society hold back the progress of our country and mankind. The future looms bright. It belongs to us. It is only left for us to grasp all the opportunities without doubts and hesitations - and grasp firmly with both hands.

3rd September, 1960.

Copyright © Nadira Jagan-Brancier 2000