

ADDRESS BY THE HONOURABLE DR. C.B. JAGAN, MINISTER OF
TRADE AND INDUSTRY, AT THE OPENING OF THE ANNUAL
CELEBRATIONS OF INTERNATIONAL COOPERATION DAY, 1961

Mr. Chairman, Ladies and Gentlemen,

Once again I have the honour and pleasure to deliver the opening address at this Congress which has been organised by the British Guiana Cooperative Union to celebrate International Cooperation Day - a getting together which has become an annual feature to which cooperators and others look forward with eagerness and pleasant anticipation - others who believe, as I do, that cooperation through collective endeavour offers the shortest route to economic prosperity and social advancement for the greatest number.

In the ^{union} jungle which surrounds us on all sides, the economically weak, the poor and the underprivileged will find salvation only in unity and cooperation - whether it be in trade unions to protect their conditions of employment or in consumers' cooperative societies to reduce their cost of living or in producers' and marketing cooperative societies to ensure that those who labour and sweat receive a full measure of the fruits of the harvest which they have produced.

My Government is dedicated to this ideal of Cooperation and to the attainment of what cooperative effort can bring - the economic and social welfare of the people of this country. The welfare of the masses - that is the objective of our policies; and we challenge anyone to dispute successfully our belief that the greatest good will accrue to the greatest number by cooperative organisation well founded and efficiently and honestly run. There are those who point to other forms of organisation and to the standard of living which such forms have brought to the people, but they will not tell you how much higher this standard could have

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been had the countless millions which have gone into the pockets of a few been distributed more equitably among those who have in fact produced those millions. Statistics prepared by the United Nations show that 67% of the world's income comes from countries having only 18% of the world's population, or looking at it from another angle, 67% of the world's population living in underdeveloped countries own only 15% of the world's annual income. But what is even more pertinent to us as citizens of one of these underdeveloped countries is the fact that this international maldistribution of wealth is reflected also within national boundaries in the wide gap which exists between the income of the few who are rich and the income of the masses who exist near the "subsistence" level. In British Guiana, a rough estimate shows that in 1956, between 40% and 50% of total income went to only 20% of the wage and salary earners.

What is the remedy for this malady? How can a more equitable distribution of income be effected? By taxation and Government expenditure on social services? Or should working classes themselves organise to own and control the factors of production - at least in the sectors in which they have demonstrated a capacity to initiate and control production and to market their products. There can be no doubt that the latter is the better course, pointing as it does to the multitude of people the road to material prosperity, and offering an opportunity to them to gain self respect and independence and a faith in themselves and in their ability to achieve.

My conviction of what cooperatives can do for the betterment of the lot of the people has found full support in the development which has occurred in this field in British Guiana within the last few years. During this time, the number of cooperative societies has grown to 552, membership to 38,500, shares and savings to more than \$1 million, and assets are estimated at over \$2 million. In my address last year before this Assembly, I mentioned that the

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Vergenoegen rice mill had been taken over by a cooperative of farmers. You will be happy to learn that membership increased from 60 in 1959 to 111 in 1961 and share capital by some \$2,500 over the same period. Padi received from members in 1960 amounted to 33,274 bags and milling fees to \$30,924. As a result of the 1960 operations, the society made a surplus of \$9,346 and was able to pay members 4% interest on their shares, in addition to a refund of $\frac{1}{2}$ ¢ per bag of padi milled. The society has paid over \$7,000 of the purchase price (\$25,000) of the mill and equipment. The Mill has a permanent staff of 7 and a team of casual labourers, who have received bonuses and wage increases as a result of the successful operation of the Mill. The achievements of other cooperative societies have been no less substantial even if less dramatic. I am told for example that the Devonshire Castle Land Society has improved the value of its estate in 7 years from \$25,000 to \$150,000 and that the Lotus Valley Society on the Corentyne expects to plant 800 acres in rice in 1961. Many other societies have considerable worth all gained by cooperative effort.

While I am glad to see all forms of cooperative societies flourishing, I am particularly interested in the establishment of thrift and credit societies and in producers' and marketing societies, because it is these which will give that fillip (which is so badly needed) to our efforts to accelerate the rate of our economic growth. Within the next 6 to 9 months, there will go up in the Black Bush and Cane Grove areas, 4 modern multi-stage rice mills costing some \$3½ million. In 15 years, if all goes well, these mills will be owned free of any encumbrances by the groups of cooperators - the farmers who have had faith in themselves to make this bold journey. This is only the beginning. My Government plans in the years ahead to offer more and more assistance throughout the length and breadth of this land, in the urban and rural areas, to workers who organise themselves into producers' cooperative societies. In the early

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years because of our economic history, one would expect attention to be concentrated on primary (mainly agricultural) production and on the processing of the products of the farm; but there is no reason why men and women of vision and ability should not pool their efforts and resources and, with technical and financial assistance from the Government, enter the industrial field. If you can work for others as wage earners, can you not work for yourselves and receive not only wages but the profits of production which in time will pay the original cost of the enterprise? Will our people rise to this challenge and emancipate themselves? Or will they choose to remain forever in economic bondage?

In some areas the plight of the workers has become so serious that the question of cooperative production is no longer a matter of choice but of compulsion. If they are to increase their output and income and raise their standard of living, I refer, for example, to the cultivation of cash crops on small holdings. Production on many of these has reached (with present techniques and methods) an optimum level. If there is going to be any increase in income to the farmer, possibly through the diversification of production, rotation of crops with pasture and mechanisation, the small holdings will have to be consolidated into more efficient units. How can this be better accomplished and at the same time retaining in the enterprise the share of each farmer, than by cooperative organisation?

Last year I announced that agreement had been reached with Barclays Bank for lending to credit worthy societies up to $\$ \frac{1}{2}$ million each year to meet their needs for short term capital. The scheme is now in operation and so far \$375,000 has been borrowed from the Bank. I am anxious that farmers and others should recognise individually and collectively their obligation to keep their societies as efficient as possible and to build a reputation of credit worthiness by the prompt repayment of their loans.

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I had also mentioned last year that I was considering abolishing the duty on machinery imported into the colony for use in clearing land. I am now happy to say that the Financial Secretary has agreed to my proposal and that all equipment for clearing new lands can now be imported duty free.

I feel that I should always avail myself of this opportunity to tell you (to whom cooperatives mean so much) what I am thinking about for the future. I have already mentioned my Ministry's plans for the Black Bush area and Cane Grove and of my desire to encourage the formation of producers' societies in agriculture and industry. During a recent visit I paid to the Berbice River, I came away with the impression that much more can be done to encourage scientific logging in that area if adequate marketing facilities for the logs can be organised. I have therefore appointed a small committee, comprising the Commissioner for Cooperative Development, the Director of Marketing, the Conservator of Forests and the Director of Agriculture to enquire into this matter and to make recommendations on the type of organisation which should be set up to assist loggers in the area not only to market their logs, but to ensure that the returns from such sales go back to the producers. The Director of Agriculture has been included on this committee because I feel that no longer must we continue to exploit wastefully our resources - without any regard for the use of the depleted areas. Exploitation must in future go hand in hand wherever possible with plans for reforestation and beneficial utilisation, such as the agricultural development of disforested areas.

My mind has also turned to the question of providing adequate staffing for the Cooperative Department to enable it to carry out more effectively the policies of the Government in this field. I am disposed to the belief that much more can be done if the Department were to recruit to its staff officers from the towns, villages, and country districts who have lived and worked among the people

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whom it is intended to assist. Partly towards this end, it has recently been agreed to employ four cooperative Supervisors, who need not have the usual qualifications for entry into the Public Service - all that are required are certain qualifications in bookkeeping and accountancy.

I believe that I have said enough to convince you of my Government's sincere desire to employ the cooperative movement as a means to achieve its major objective of increasing the wealth of the country and of ensuring that such wealth is distributed fairly among those who have worked to create it.

In conclusion, I should like to thank the Union again for its invitation to me to open this Conference and to express my sincere best wishes for a successful meeting.

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