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DISCUSSION REPORT

(Paper presented by W.J. Phillips & J.L. Dukhia)

Delegates agreed that in the context of labour there was no competition at the unskilled level between bauxite and agriculture. From the experience in sugar, the movement of unskilled labour was perhaps toward the bauxite industry because of higher wages, and not toward agriculture. The competition exists between sugar and rice. Dr. Phillips observed that a complementary relationship between bauxite and agriculture was not yet the answer to agriculture's problems to the extent that surplus labour in the rest of the economy could not be utilized in the new mineral industries.

On the question of replacing soil after mining, this did not offer any competition because the soil was sandy and not suitable for agriculture. Delegates learnt that crops could be grown in the immediate area of bauxite operations but there were problems of management and agronomy. Questions had been raised on development of the country on a crop suitability basis as the economy of getting inputs in and outputs out might not be too sound. There was also potential for cultivation on the river banks but data on this was not available.

In the light of the implications that agriculture cannot compete on equal terms with bauxite, and/or other industries for labour or for land but that these industries depend on agriculture, the question was asked as to what means can be found to ensure that there are bauxite and other industries and that they contribute to the welfare of agriculture and education and infrastructure to ensure the country's progress in a balanced fashion. Bauxite, it was learnt, is seen as the leading growth sector and as providing foreign exchange through both forward and backward linkages, which can be used in the restructuring and re-organisation of agricultural production, apart from providing a formidable market at Lynden. Guybau has plans for training people who would not only be involved in bauxite but also in other sectors of the economy, and given the level of technology they use and the management performance, they can be used in other sectors.

Apart from these incidental benefits, Guybau has been formulating concrete plans toward agriculture and education in the economy as a whole, as evidenced by its investments of \$200,000 per month in a company farm and running of many training courses for people also outside of Guybau.

The issue of management was raised with the argument that one of the greatest factors in the development of agriculture in Guyana was management. The bauxite and other industries have attracted more managers than agriculture because of the wage structure and also the public resource has put more money into the training of people for the mining industries than in agriculture and even in Class I lands. The coastal lands require a tremendous amount of management because they are food production areas and water control is important. Furthermore, in the interior where diversification is being considered the soils are pretty good for crops such as peanuts and soya beans.

Though management is important, however, it could only be taken within the context of skilled people moving out of agriculture into bauxite and this was only six to ten people per year. The high ratio of capital to output in agriculture is partly because of the structure of agriculture.

The lack of complementary subsidiary work, the deficient farm sizes, the duration and the active use of the efficient infrastructure all have some impact on management but this was taking the subject into agriculture alone. It was emphasized that the relationship between bauxite and agriculture should be based on improving and re-organising the structure of agriculture.

On the question of utilising local resources, and more particularly starch, delegates were informed that 500-700 tons of cassava starch were needed, which could have a substantial effect on cassava production in Guyana. There were, however, problems concerning the amount of supply, the timing and quantity of supplies, purchases of the company, prices to countries or the consumer. Guybau does not produce cassava starch themselves but recently it was decided to set up a cassava factory in Guyana.

The comment was made that Guybau's participation in agricultural activities should be encouraged but it was recalled that in Jamaica ALJAM in the past got so much involved in restoring the mined-out lands to its former state that they did not want to hand over this to the local peasants and preferred to develop it for their own purposes, for research, pasture and other crops. Consequently, the wisdom of encouraging multinational companies to participate in agriculture was questioned. Guybau was not directly involved in agricultural operations apart from the company farm and an on-going livestock project. The company farm is now open to all workers. The Government's policy with bauxite is to use it as a power base for all industries so it was not just a consideration of mixing agriculture with mining or vice versa.