

Official Report

PROCEEDINGS AND DEBATES OF THE NATIONAL ASSEMBLY OF THE FIRST SESSION (2015-2016) OF THE ELEVENTH PARLIAMENT OF GUYANA UNDER THE CONSTITUTION OF THE CO-OPERATIVE REPUBLIC OF GUYANA HELD IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, BRICKDAM, GEORGETOWN

52ND Sitting

Friday, 9TH December, 2016

The Assembly convened at 10.05 a.m.

Prayers

[Mr. Speaker in the Chair]

PUBLIC BUSINESS

GOVERNMENT'S BUSINESS

MOTIONS

MOTION BY THE MINISTER OF FINANCE

WHEREAS the Constitution of the Cooperative Republic of Guyana requires that Estimates of the Revenue and Expenditure of the Cooperative Republic of Guyana for any financial year should be laid before the National Assembly;

AND WHEREAS the Constitution also provides that when the Estimates of Expenditure have been approved by the Assembly an Appropriation Bill shall be introduced in the Assembly providing for the issue from the Consolidated Fund of the sums necessary to meet that expenditure;

AND WHEREAS the Estimates of Revenue and Expenditure of the Cooperative Republic of Guyana for the financial year 2017 have been prepared and laid before the Assembly on 2016-11-28.

NOW, THEREFORE BE IT RESOLVED:

That this National Assembly approves the Estimates of Expenditure for the financial year 2017, of a total sum of two hundred and thirty billion, three hundred and forty nine million and seventy nine thousand dollars (**\$230,349,079,000**), **excluding nineteen billion and seven hundred and seventy four million, and eighty seven thousand dollars (\$19,774,087,000)** which is chargeable by law, as detailed therein and summarised in the undermentioned schedule, and agree that it is expedient to amend the law and to make further provision in respect of finance.”

[Minister of Finance]

Assembly resumed budget debate.

Mr. Speaker: Hon. Members, we will continue the debate and, at the end of the debate, we will consider any outstanding matter which is before the House.

The first speaker is the Hon. Clement Rohee. You have the floor, sir.

Mr. Rohee: Thank you, Mr. Speaker.

I would like to start out my presentation by referring to some comments that were made by the Hon. Member, Mr. Joseph Harmon. Mr. Harmon said, “The complaint by the Opposition against the Budget portrays the Opposition’s mindset of rebellion against order.” He said that the People’s Progressive Party (PPP) always has and continues to utilise fear as an element of control of its dwindling support base and that it aims to galvanise its support base for Congress. Well, I will tell you one thing: rather than watching out for us, I would suggest that those in the Government benches watch out for themselves.

In this respect, Dr. David Hinds recently wrote, in the *Guyana Chronicle*:

“...the larger coalition of forces which brought the Government to power may be falling apart, or have already fallen apart.”

He went on to say:

“I think there is a larger problem. This is a new Government, and it is quite inexperienced in the art of governance... Some ministers, from all accounts, behave as though they do not owe their positions to the sacrifices and struggles of others.”

The Hon. Member raised, once again, the controversial *blood on the hands* narrative. But what about *blood on my carpet*? He did not mention that. He further declared that the PPP had been known to raise the spectre of violence to gather the flock. Raising the spectre of violence is one thing but unleashing violence is another, as was done on the 11th May at Sophia and Lodge and as was seen in the past. When the Hon. Member, Mr. Harmon, said that the complaint by the Opposition against the Budget portrays the Opposition’s mindset of rebellion against order, his statement is reminiscent of the colonial master who would have said to the servant and what the Roman Council would have said to the Plebeians. Indeed, it reminds me of Othello’s struggle against Lago. What we should have done was to mobilise thousands of supporters from across the country to make them tremble in their boots and to demonstrate what the “flock” he spoke about really is.

What I wanted the Hon. Member, Mr. Harmon, to refer to is the fear of crime that is gripping the nation. He avoided that completely and instead chose to talk about comfortable and esoteric issues.

Mr. Harmon spent a lot of time regaling the National Assembly about the Green State Development Plan and that in the green state, jobs will be abundant. But if I am not mistaken, those green jobs will be exclusively for ‘green men’, who will be specially trained and selected for those green jobs. What will happen to us who are not ‘green’ by that time? The new green pathway seems to be like the contents of Muammar Gaddafi’s *Green Book*, since it sets out the green philosophy of the current Administration. It is jumbled with various ideas, including a fair amount of mysticism bottled up in a strange mixture.

I have heard, repeatedly, references to the resilience of the Guyanese people as *raison d’être* for imposing the additional taxes on the populace. And as if *to add insult to injury*, Mr. Jordan ended his presentation with the exaltation:

“...we ask every Guyanese to dedicate their best efforts to becoming more productive, more financially responsible...”

“...let us act now to bring our country out of potential into prosperity.”

This is cynicism taken to the highest level. How can you impose higher taxes on the populace and, at the same time, ask them to make sacrifices? This is reminiscent of the period when the people were told: eat less, sleep less and work harder at a time when their stomachs were empty. Further, to try to praise the people in a cynical way by describing them as resilient is to mock them while, at the same time, stab them in their backs. The people are being pushed against the wall. There is a point at which resilience becomes resistance, when the people will have no alternative but to throw up their oppressors regardless of whether they have *blood on their hands* or *blood on the carpets*.

The Budget lacks imagination. How do you explain the humongous increases in taxes? Where is the logic? How will this contribute to economic growth? In the growth economy, the measures will have quite the opposite effect. Two examples will suffice. A young dentist now entering the profession has to register his company. He has to have tax identification number (TIN) certificate, which has a cost; increase of acquiring dental equipment; cost of acquiring consumables such as dental materials; cost of electricity and water; basic office supplies such as textbooks, magazines, *et cetera*; and value-added tax (VAT) on rent if the place is being rented. A young lawyer now entering practice, having graduated, has to pay registration fee for his company; increased cost of TIN certificate, cost of lawyer registration, cost of acquiring consumable materials, *et cetera*; VAT on electricity and water; VAT on basic office supplies, *et cetera*; and VAT on rent for the office or the chambers which he will be renting.

The Hon. Minister of Finance stated that the current development model can no longer be pursued. He said that the dated model cannot deliver on our aspirations as a nation. And he went on to say:

“We inherited an economy that was built essentially on the proverbial sand and running on the proverbial fumes.”

He stated that the economy remained undiversified and incapable of withstanding even small shocks. And he concluded by saying that what we need is a growth strategy that is broader in scope and more diversified in nature.

How will the model he spoke about succeed when the institutional political environment is characterised by political instability and uncertainty; loss of confidence in the Government; a demoralised and unsupportive private sector; divisiveness instead of cohesion; witch-hunting; trampling on the Constitution; flouting laws; a high degree of corruption; and, above all, plotting and planning to stay in Government by force and fraud. Because the model is built on a weak foundation, the strategic approaches to achieve this model are about to fail.

According to the International Monetary Fund's 2013 Article IV Consultation – Staff Report:

“Guyana weathered the global financial crisis relatively well and macroeconomic policy buffers have been broadly maintained.”

The Report went on to state:

“...the current macro framework strikes the right balance between fiscal consolidation and addressing Guyana's developmental agenda.”

And recently, the Bank of Guyana issued a statement where it said:

“We have seen an economy with very sound macroeconomic indicators...”

The question, therefore, is: how come suddenly there are troubling economic and social indicators and an economy with unstable macroeconomic indicators? This is a total mystery. The growth economy being touted by the Government is really based on the discovery of a new natural resource and, as a result, they say that the economy will increase its capacity to produce. But the Government is going down the same road which some oil producing countries have gone down, mistakenly, before; that is to destroy the agricultural sector by deeming it a drag on the economy and by determining that agriculture, in the context of an outdated economic model, cannot deliver our aspirations as a nation. That explains why sugar is on the chopping block. The Minister's Budget seeks to deceive.

The Hon. Member, Mr. Troutman, is reported to have said in the *Kaieteur News*, on the 20th November, 2016:

“We are in an extraordinary process of transformation for our nation.”

The discovery of oil...

“...alters the political, economic and social DNA of our present and future...”

He, in my humble view, re-enforced the deceptive nature of the Budget.

10.20 a.m.

Government must create certainty and predictability.

Minister of Natural Resources [Mr. Trotman]: Mr. Speaker, the insinuation of deception associated with my words I take umbrage to, with the greatest of respect. **[Mr. Williams:** Yes, it is imputing improper motive.] It is an improper imputation indeed. Sorry, Sir, Standing Order 40(a).

Mr. Speaker: I thank the Hon. Member for his statement. Hon. Member Mr. Rohee, we must avoid imputations. You are aware of that rule. I would expect that you will not indulge in that in your statement. Please proceed.

Mr. Rohee: Thank you, Mr. Speaker. I proceed.

There are no visible signs of where, in any productive sector, the anticipated growth will take place in the near future. With respect to the security sector, the Minister of Finance, Hon. Member Jordan, in 2015, described the \$21 billion allocated to the security sector as the amount allocated to tackle the most pressing and most depressing problem facing our nation. Recently, we heard, from the inner sanctuary, the pious bleating, “Certainly, I would have liked to give more to the Force.” In the preceding years, the security sector had three objectives in 2015; in 2016, two objectives; and, in 2017, just one objective. What is obvious from this is the decline in objectives.

It reflects a withering away of Government’s public security objectives, the diminishing returns derived from these objectives and a total lack of vision. Small wonder why the criminals are

running amok throughout the country. Note how the bandits are reacting to the political instructions issued to law enforcement. The signals being sent to the criminal underworld are upsetting the populace. It does not matter how many billions are pumped into the security sector. What matters is how many lives are being saved and how many properties are being protected day and night. The question is: is the Guyana Police Force capable of delivering? Could the Force deliver, having regard to the way in which it is currently structured and oriented? How can the Force deliver when infighting and backstabbing are taking place at the highest level of the organisation and in the public? What example are they setting? How can they guarantee good order in society when, in their own house, they cannot maintain good order?

Hon. Member Mr. Harmon, please take note that it is shameful and yet none of the officers have been disciplined. Then again, how could anyone be disciplined when political patronage is being dispensed in favour of some at the expense of others?

We were told that the allocation for the security sector was inadequate and that it was their wish to have given more. The Hon. Member, Mr. Ramjattan, was quoted in the press as stating, "We have, as a Government, three budgets to go." Really? At the rate at which the Government is going, are they sure they can make it? We have heard that the money allocated in 2016 was put to good use and that significant progress has been made in the area of improving security. But, then again, what else could have been expected? Law enforcement is being used as a political football. When we were over there, all we did was bad and not supported.

Now that you are over there, where we were, and we are over here, where you were, what do you expect? Why did they not support our policy initiatives? It was because they claimed that they had an election to win. The means justified the end. It did not matter whether wrong signals were being sent to the criminals or whether the moral of the ranks of the security sector were damaged as long as it brought political dividends. They claimed that they had all the answers while they were in the Opposition. They even boasted of having many security and intelligence experts in the Government. Now that they are in Government, they have to face the music; the security sector is no better off. In fact, it is worse off.

Increasing the strength of the Guyana Police Force by 200 is to be expected, but note must be taken of the recommendation in the Disciplined Services Commission Report with respect to the

ethnic composition of the Force. It is not only the numbers that matter; it is the application of the Police Standing Orders, the Police Act, the Police Disciplinary Act, along with the application of technology, and non-interference at the political level. Above all, the signal is emanating from the top, first, to the police and, second, to the criminals. The Minister must say whether he is losing the war on crime. Are we getting value for money?

There is a need for constant examination of the concept of the use of force in the present day context and in the light of the high degree of insecurity and fear affecting the citizenry. Further, there is a need to strike the right balance between strong law enforcement and the human rights of citizens. Government must reconsider its decision to revoke the firearm licences of all firearm licence holders.

Crime detection and crime prevention are critical and so is crime intelligence. We have heard of the establishment of interagency bodies on social cohesion, education and natural resources but no such body has been established on the subject of interpersonal violence. This is to be regretted.

There is an interconnection and interaction between public safety and security and production and productivity at the national level. The green pathway will remain elusive, to say the least. The people who produce do not feel safe and secure and see crime as a threat to life, limb and property. From all indications, it appears that it pays to commit a crime in Guyana. Guyana is up to its ears in crime. Robberies with the use of firearms are everyday occurrences. The criminals are becoming bolder and more brazen with every passing day. Why? It is because of the signals from the top. Note, for example, barefaced robberies in the compound of the Ministry of Finance, at the entrance of the United Nations Development Programme (UNDP), at the entrance of hotels and in the peace and comfort of homes of citizens. Criminals seem to have better intelligence than law enforcement. They know where the money is, how much is moving, which bank it is coming from and where it will be at a given point in time. Citizens cannot walk the land in peace. Criminals are making the lives of citizens miserable, creating conditions of insecurity. It is like rogue cops in, rogue cops out. The rate of wastage is appalling. Of the 400 ranks recruited in 2011, approximately 200 went as wastage; 50% of those recruited by the Force left the Force in a matter of a year. This trend continues.

The Government has abandoned polygraphing and many other initiatives taken by the previous Administration. We hear that the crime rate is down, but was an independent survey conducted to establish the national crime rate? It is not unusual that the public perception of crime could be at variance with actual crime statistics. If it bleeds, it leads. This is what you are up against in the media. Crime will have greater salience personally because it is a threat to people and their survival.

What appears in the Budget is old wine in new bottles, in keeping with the much touted fresh approach. All the initiatives – the National Anti-Narcotics Agency (NANA), the putting up of a building at Timehri for the Customs Anti-Narcotic Unit (CANU), the procurement of a boat for CANU, extension of the Mazaruni Prison, the procurement of a fireboat for the Guyana Fire Service, the construction of two fire stations, the expansion of the Integrated Crime Information System (ICIS), the adding of ranks to the Guyana Police Force – are all initiatives of the People's Progressive Party/Civic (PPP/C).

We hear of constant harping about extensive borders, gun running and narco-trafficking across our borders almost on a daily basis; yet, no money has been provided for the staff of NANA, for the staff of the CANU outposts to monitor the borders, for an aircraft for the police and for no [inaudible] for the police.

By the way, the Hon. Catherine Hughes said that people who are walking with millions are sitting ducks for the criminals. This thinking is a manifestation of victimology, which is not only related to the victims of robberies. Victimology is quite common in respect of victims of rape and domestic violence. People blame victims so that they can feel safe themselves. Blaming the victims help them to feel like bad things will never happen to them. The inertia is at the top. There is no aggressiveness; there is total complacency with respect to crime detection and crime prevention.

Take for example the traffic situation. The APNU, when in the Opposition, called for the establishment of well-staffed, properly strained and equipped highway patrols. Further, it called for a public safety apparatus that keeps us safe. That was in August, 2013. Now they are in Government, they are in a position to put these measures in place. But, alas, they have failed to do so and, as a result, the carnage on the roads continues.

The Hon. Member, Mr. Felix, stated that the period 2001 to 2011 was the worst period for crime in Guyana. Let me point out for the records that the issue has to do with the so-called troubled period. During that period, Mr. Robert Corbin, former Leader of the Opposition, submitted a list containing 455 names, covering the period 1993 to 2009. Mr. David Granger submitted a list containing 288 names for the period 1998 to 2012. The Hon. Member Mr. Ramjattan submitted a list containing 435 for the period 1993 to 2009.

Mr. Speaker: Hon. Member, you have been speaking for 25 minutes.

Mr. Rohee: A man by the name of Heston Bostwick submitted a list of 170 names for the period 1993 to 2002. The Guyana Police Force has a list of 255 names for the period 1997 to 2012. As was found out, there are different sub-committees with different numbers for different periods.

10.35 a.m.

That is precisely why this process got absolutely nowhere. The police went on to add that, during the period 1997 to 2012, more than 37 ranks were killed by criminals, and out of that, 24 were killed during the 2002 to 2004 period.

With respect to the Hon. Member Mr. Felix's presentation, I wish to point out that there is a widespread view that a plan is being had to produce birth certificates for under age, non-existent and fictitious persons. This is no wild speculation in view of electoral experiences.

Attorney General and Minister of Legal Affairs [Mr. Williams]: Mr. Speaker, under Standing Order 40(a), again, the Hon. Member is imputing improper motive to a Hon. Member of this House. It is worse yet, a *fortiori*, he is doing so in the absence of that Member. I am asking that the Hon. Member withdraw those remarks. [*Interruption*]

Mr. Speaker: I thank the Hon. Member.

Mr. Rohee: Mr. Speaker, let me proceed. The Hon. Member Mr. Ramjattan regaled us yesterday regarding his acquaintance with the history of Value Added Tax (VAT) in Guyana. [*Interruption*]

Mr. Speaker hit the gavel.

Mr. Speaker: The Hon. Member Mr. Rohee is speaking. Please go ahead.

Mr. Rohee: What I discerned from his presentation was that his Government choose the route of political and economic expediency regardless of the social cost. The Hon. Member spoke as a new convert to the diktat of the international financial institutions that have, time and again, told Government that they were not social doctors. He supports the Hon. Member's widening of the tax base regardless of the political and social consequences. The Hon. Member said that it was a campaign promise they made, and come what may, never mind the further impoverishment of the Guyanese, it has to be done because Guyanese are a resilient people. What about the other campaign promises. A number of other campaign promises were made but have gone to naught.

Like the continuous rootless hunters, they choose to hunt the prey, in this instance the prey is the working people. But do you know what Mr. Speaker:

“Blessed are those who are prosecuted because of righteousness”

I have chosen to say this because it serves to remind that working in a country where abuse of power is taking place it requires courage to confront these abuses. The working people will confront these abuses. Because of the oppressive and burdensome measures contained in the budget, I cannot support it and I demand its withdrawal.

Thank you. [*Applause*]

Mr. Speaker: The next Speaker is the Hon. Bharat Jagdeo. Before he takes the floor, at the start of the debate, Hon. Members would recall that I referred to a letter and an agreement which was reached between the two Chief Whips. I was given to understand that there was no agreement reached in relation to the time for which three persons – the Hon. Bharat Jagdeo, the Hon. Moses Nagamootoo and the Hon. Winston Jordan – will speak. I say that so that Members would know that the ‘30 minutes rule’ will not apply here and that, in a sense, the only thing that applies is that the three names I mentioned would be able to use the same time. So the Hon. Bharat Jagdeo will speak first and he will set the time period for the others.

Leader of the Opposition [Mr. Jagdeo]: Thank you, Mr. Speaker. We have had four days of intense debates and much has been said about this budget. I wish to share my views in addition to those that I have already shared in the public, here in the Chamber today.

Before I do so, I wish to thank the Vice-President, Mr. Carl Greenidge, for the brief report which he gave on the situation relating to the Guyana-Venezuela border controversy. He pointed out the process that has taken place in relation to the United Nations (UN) Secretary-General's (SG's) involvement in the matter. He said that we were expecting an outcome from that process, shortly. Whatever that outcome is, and, I hope that it is a favourable one for Guyana, we in the People's Progressive Party (PPP) will be supportive. We have a national position on this matter and that will not change.

I do hope that the Government has had serious discussions on this issue and has examined all of the likely possibilities that may emerge from this process. If we succeed in getting the support of the Secretary-General to advance our cause through a juridical process, then we would have achieved the outcome that we sought. Should we not get that outcome, and the matter is delayed further, then this may embolden Venezuela to think that it could be a bit more adventurous on this matter. Given recent statements that we have seen emanating from the Union of South American Nations (UNASUR) and other places, even the agreement that Trinidad and Tobago recently signed with Venezuela, as to the development of the gas resources offshore, all have major implications for Guyana. I am hopeful that the Government is paying serious attention to ensure that if the outcome is not the one Guyana desires that this does not inure to the detriment of Guyana. Also, that we take urgent steps to address, through diplomatic means, because there could be no other means, the likely fallout of such a process. I do hope that we would restate with Trinidad and Tobago - I have not heard whether the Government has done so as yet - our objections to any action on their part that may infringe on our maritime space or sovereignty.

Secondly, we have been on record here on this side of the House, as saying that we will be a strong and fierce Opposition, that we would never be cowered into silence by threats or by intimidation; and, that we would also be supportive of the Government, when it does things that will advance the welfare for this country.

During the People's Progressive Party/Civic (PPP/C) period in Government, from our perspective, the country made tremendous progress forward. Even if there is another view, even if the Government thinks that we were flawed, that we did not do well in terms of realising the full growth potential of this country, or, that we did not give people the benefits that they should have had - like it told the rice farmers - even if they believed that, the Government cannot now,

today, set what we did in the past as the standard for its behaviour. The Government has to be judged on the basis of what they promised the people of this country. If the Government does not fulfil its promises, it will prove to people that it is untrustworthy and that the Opposition, at that time, fooled the citizens into voting for it, but that it had no intention of fulfilling its promises.

In this budget, anything that the A Partnership for National Unity/Alliance For Change (APNU/AFC) does that will enhance growth and development in Guyana, we will be supportive of it. Anything that will ensure that there is more disposable income for people or that they will have greater access to healthcare, education or other benefits, we will support from this side of the House. We cannot do otherwise because the majority of the things that we see reflected in their programmes are things that the PPP/C left and it would be hypocritical of us not to support our own plans.

How does this budget add up when judge against two criteria? Against the criteria of expanding wealth for the country, income for people, revenue for the State and revenue, not from increased taxation, but from an expanding economy and how does it stack up when it is judged in terms of enhanced welfare for people? It has failed on both counts.

This budget is about no jobs, no investment, bigger Government financed by local borrowing. It is about more taxes; it is about increased cost of living. For all of this, the excuse that we are now hearing is about the PPP somehow being at fault for the Government's budget; that we are to be blamed for them bringing the budget here, a budget of this nature that takes away things from people. Somehow the PPP sat in the Cabinet and made the decision to increase taxes on ordinary people in this country. That is what I have been hearing from the other side.

Some years ago, I came across a concept, *kakonomics*. I never thought that I would have had to use it. It is not a bad word Mr. Speaker. It means a preference for, basically, low quality outcomes. I never thought that I would have ever had to use that concept to describe anyone, much less the Government of my country. But I cannot help it today, but to say that, this budget and this Government is characterised by *kakonomics* - preference for low quality outcomes.

10.50 p.m.

When we had the infamous plastic plate gala incident, I thought it was an isolated outcome, but this has become a pattern. They have elevated *kakonomics* to a science. Much theoretical work has not been done in this field of economics, but I think that some of the leading theoreticians now sit on the other side of the House. They have expanded both theory and practice of *kakonomics*. Most people can goggle the term. It asks some key questions and the golden rule is “How low can you go”? Another question one would find on the internet is “How to be mediocre and be happy with yourself”. This is what we are getting from our Government. We see the mediocrity, the bad projects, a draconian budget and people are happy. One could see the joy and the bluster in their defence. This is what can be witnessed.

If anyone in this country is looking at this Chamber and the proceedings that go on, one could see that there is a Minister of Business who is obsessed with indices and planning for the future. May I say to the Minister of Business that if he speaks to sophisticated investors, 80%–90% of them do not even know that a World Bank *Doing Business Guide* exists. You do a survey for yourselves from the other side. Obsessions with indices do not change countries - policies, clarity of thought, right signals and incentives to the private sector do.

We see a Minister of Finance who feels that every study done abroad by some external consultant must be implemented in this country without any regard to their impact. This is because if that was not the case, we would have never had these horrendous VAT proposals that they are putting to us.

We see a lot of Ministers and I do not want to say blissfully ignorant because that would be bad, but happy in oblivion, speaking about everything else, except the budget. We heard about the great achievements which they have made, three budgets in 19 months. I see this as an indecent haste to tax people and not as an achievement.

Why did they bring an early budget? Apart from the abuse that will take place in this last month, which we have looked at carefully, because many of the numbers that we are assessing the budget on will change drastically over the next few months. If one looks at the monetary survey or even from the fiscal side, one would see that both financial and monetary targets that are projected for the end of the year will change drastically. We have already seen tendencies of that.

But why an early budget? It comes back, again, to taxes. If the Government had passed the budget in April of next year or so, many of these taxes could not have been retroactively applied. The Government wanted to pass the budget this year so that it could start applying the taxes from 1st January, so that it would have a full year's benefit of taxing people and not three quarters. But the achievement has been that they brought the budget to the House early. There is a motive behind this. And the motive is taxing people more and collecting more from them *as clear as daylight*.

We have heard about our current development model, that it cannot be sustained, that it was a dated model and that we needed a growth model. The Minister said that it was built on the proverbial sand and running on proverbial fume. I do not know whether the 50% increase was proverbially whimsical too. That was not a proverbial sum; it was an actual sum that they collected because of this proverbial economy that we left them. It provided a hefty salary.

The Minister of Finance said that it was undiversified and incapable of withstanding even small shocks. But when the oil prices moved from \$20, in fact it was \$14 a barrel, to over a \$120 a barrel, we withstood that shock. It was one of the worst shocks in the 1970s when there was the major oil crisis, but the price had not moved that drastically. It moved under the PPP's term and one did not see major movements in the exchange rate or a deterioration of the macro-variables in the country. I would like for the Prime Minister to respond to those things too, if he can.

The Minister of Finance said that the traditional policies and approaches were dated and so we needed growth strategy. I agree with that. This has been our mantra for the last couple of years, so who could disagree with the Minister of Finance that we need a growth strategy? But did he go on to explain what this growth strategy is? The answer is no.

May I spend some time talking about this issue and there is a reason why I would like to do so today. I would like to do so because, too often, we, in the People's Progressive Party have not responded to issues and often perception becomes reality. Often, if the untruths are repeated more than once, they become reality. For example, one gentleman, Mr. Anand Goolsarran, said that a maximum of \$49 billion was stolen from the Treasury every year through procurement fraud. This wove its way into the APNU/AFC's Manifesto. It got repeated right across the country that \$49 billion a year was stolen by the PPP because of procurement fraud. Today, the

Government would have saved \$49 billion per year because this is the clean Government. But it cannot be substantiated, so I cannot leave this issue unanswered about the state of our economy and how diversified it was. That is why I would like to spend a few moments. It is not new information because we have repeated this over and over, again. But often, in spite of all the explanations - we hear from the Minister of Finance, and, no other person and it is recorded now in the budget - this sort of statement.

Let us examine the structure of the economy and how it has changed. If the Minister could say to me whether the structure of the economy has remained unchanged over the year and the sectors that were traditional producers and loomed large in Gross Domestic Product (GDP) have constantly lost their share or contribution to GDP. It is because other sectors have emerged and often outstripped them. Today, if one looks at the structure of our economy, services would probably be the biggest component. But the Minister could then argue how does that relate to foreign currency earnings, and, that we are only talking about the structure of the economy.

So let us look at measures that we had in a practical way to make our country less reliant on the vicissitudes of international trade and price movements. The first aspect had to do with the import substitution. This might be a bad word today because, in some circles, one should not talk about import substitution. Look at poultry production in Guyana, when the PPP/C took office, we imported almost all that we consumed. Today, we are at the stage where we can export poultry to the rest of the world. The foreign currency savings alone would be enormous.

I do not want dwell too long on these issues, but Guyana and Belize are the only two net food exporters in this region. Critical because, not just for the cost of living, but when international prices, as we saw some time back when there were riots in Turkey, North Africa, Egypt and other places, this was because they simply could not have found grain. In Trinidad and Tobago and the entire Caribbean Community (CARICOM) when they had difficulties, although they had money, they could not have found food.

So our food import bill is not that great as many of the Caricom countries. This is because they import most of the things that they consume. So relative to most Caricom countries, we are one of the most diversified, not just from the perspective of food production, but in our entire economy. This is because we rely on more sectors for our wealth.

In terms of import substitution, again, the Amaila Falls Hydropower Project would have made a big difference and this brings me to the services. So what are the tradable services? Forget the expansion of domestic services. What are the new tradable services we started focusing on developing? The first was environmental services, taking the ability of our trees to extract carbon dioxide from the atmosphere, making it into a commodity and then selling that commodity. A commodity that cannot be touched and we have earned a \$190 million from the sale of that commodity. Based on the studies we did, we projected that Guyana could earn, depending on the price of carbon globally, anywhere between \$500 million to a billion dollars a year from the trading of environmental services.

Now, considering that, from rice, we have, maybe, earned about \$200 million and from all the gold that we export, we have not reached \$1 billion. This one sector, selling environmental services can overtake earnings from almost the entire set of exports, when one adds rice, sugar, bauxite and gold. One sector alone has the potential of earning more globally.

11.05 a.m.

Secondly, the Centre for Biodiversity Studies that was part of the Low Carbon Development Strategy (LCDS), which we placed in the document as part of the transition to the green economy, we said that we were moving to establish a US\$20 million Endowment Fund. We took a loan from the World Bank which the University of Guyana (UG) is now implementing. It is about \$11 million. It was to get us ready. What was the idea, Mr. Speaker? That we would probably recruit about 1,000 students from abroad and make it a world class centre for biodiversity students. One thousand students from abroad spending US\$50,000 per year could bring in US\$50 million per year by trading not just environmental, but educational services which will operate on our rich biodiversity.

We estimated from the researches of drug companies, because these companies would come here to do work in the forest and because we have a wide range of eco-systems, that that could bring in another US\$50 million per year.

We saw the Information and Communication Technology (ICT) from two perspectives, as an enabler of development, and, secondly, as a source of income and diversification of our

production base and exports. I am talking about just services. So, those are two which I have listed. The third is the export of ICT services.

We changed the incentive regime. We said that persons would get a tax holiday, all of their equipment free and that we would even assist in the early days with a grant for training. Look at the change here in Guyana? Immediately, we started attracting ICT investments, the biggest ones that now employ maybe 5,000 to 6,000 people. They all came here under the People's Progressive Party (PPP) and tens of millions of United States (US) dollars of export.

Our ICT strategy was operating on that basis and I heard the Hon. Member, Ms. Catherine Hughes mentioning that. It was a full-fledged strategy and, sometimes, when Ministers get their briefs from their technical staff, these briefs are not new thinking. The staff do not intend to present them as new thinking to them. They are giving the Ministers a historical development of changes in the sector. Please do not read them as new thinking. It is not new thinking to say that they are putting in the fibre optic cable from Charity to Crabwood Creek. That is a PPP project and it takes vision to link one end and to cover almost 70% of our population with a fibre cable along the entire coast. It takes vision because many countries do not have that. But that was just one element of it. The other element here is the training.

We decided that, with the One Laptop Per Family (OLPF) Programme, 90,000 families, the poorest of those, would get a computer. That cable was supposed to connect all Government agencies. The Government has kept that part of the project, the E-governance mode of the project, connecting police stations, hospitals, schools, post offices, *et cetera*. But they have removed one critical component, which is to give social bandwidth to ordinary people and not to have them go to a centre to get it, but in their homes. This is because we were aiming to give about 100,000 households connection to free internet at about 250k, so that they could be connected to the internet for free in their household too. The Government has changed the project, like they have changed the OLPF which now goes to the teachers. I heard the Hon. Member, Ms. Catherine Hughes, mentioning that the President has reconceptualised this project. So, it is reconceptualising.

Let me tell this House what is the nature of the reconceptualization. The 10,000 computers procured under the PPP, which was delivered after the elections, was intended for households, of

which 2,000 were for 100 Amerindian hubs. They took all of them and gave them to teachers. That is the reconceptualization; 8,000 for families here along the coast and 2,000 for the Amerindian communities. They took all of this and gave it. I do not call that reconceptualization; I call that redistribution of what the PPP left. That is what it was.

Tourism is another service and I am just on services, Mr. Speaker, and, how we broadened the base of the economy. We were trying to get a more diversified economy, so let us look at tourism. We recognised that tourism was very different in Guyana because our products are different. We recognised that there was a different product here, but tourism cannot develop, unless there is basic infrastructure. We have to get the cost of airfares down to be competitive. And how do we get the cost of airfares down for people around the world? We expand the airport and create a hub in Guyana where more airlines could start flying and be connected from different places, and then we would get the cost of airfares down.

When people come here, they cannot go to only a couple of hotels; they have to go to world class hotels too, like the Guyana Marriott. We have to have international conference facilities, *et cetera*. I have given four areas in which just that one element we were prepared to expand and broaden our economy, and how we were practically diversifying our economic base, but they have ignored all of that. They have ignored the import substitution part of it, its impact on our balance of payment and now they have ignored the diversification of services.

Let us come to the diversification of production. The Hon. Member argued that our sectors, the traditional ones, are too dependent on international price movements and I agree with that. But we cannot get out of these things. We are not going to get out of rice, sugar and bauxite for a long period in the future. So, what do we need to do in these sectors? First of all, we need to make them more internationally competitive. Hence, the airport again and Amaila Falls Hydro-Power Project, so that the cost for input electricity could be lowered, which is costly. Hence, the studies that we got done in the Berbice River to look at the expansion of a deep water harbour, the pre-feasibility studies, Oldendorff studies, connecting to the road in Brazil, *et cetera*. This was because we saw the expansion of ICT, the expansion of port facilities and the expansion of the airport all as enablers to ensure that freight rates and the cost of inputs went down. Therefore, our products could become more competitive.

We sometimes spend \$10 more than our competitors to ship one tonne of bauxite to the end user, which makes us uncompetitive many times, only because of the freight costs. Although we also have to deal with higher overburden levels. So, that was what we did on the production side.

We also then started working on the mega farms that I heard have reappeared. We are exploring several options. A few days ago, I saw a big spread in the newspaper about the Santa Fe Mega Farm, and then I looked at when it started and one would think that it started yesterday. I think it was 2009 or 2010. We had several proposals to look at; growing palm oil trees in the Savannahs. Because we did not want to alter the eco-system and to cut down the trees in the forest to grow palm trees, we wanted to do so in the Savannahs so that more biomass and carbon credits could be added. So on that one we would win on both counts. Then, in these dry areas, it would ensure that we would have water remaining in the soil. We looked at soya expansion and the mixed farms, a whole range of new products in the Savannahs to expand and diversify our production base. Mr. Speaker I can go on and on. The incentives we gave for value added activities that have now been taken away in this budget.

I have just pointed out that that statement about our economy, that it was not diversified and that it was not a growth strategy is a false one. We left a thriving growth strategy. I have not heard a single Member of the Government ever articulating where they plan to take the country in these terms. They have never done that until now. They have had two years of it. Mr. Speaker, even the ubiquitous spices that were even mentioned by the President, when he came here and again in the budget, have now returned to the budget as a new idea.

Mr. Speaker, may I go on to talk now a bit about the framework of the budget. When one goes to the first table of the Estimates and he/she looks at the Central Government Consolidated Fund, it was a negative \$60.6 billion in 2015. It will grow to a \$123 billion in deficit in 2017. What we have here, and the Minister makes no secret about it, he has, in this budget, indicated as though they intend to borrow to spend more. So, they are going to borrow from the local markets.

If one looks at the latest monetary survey that came out, he/she would see the growth in the Central Government credit between the end of 2014 to the end of 2016. We had to look at using the same rates and try to project to the end of the year. It will grow by over 30%, when over that same period, that is credit to the Central Government. The credit to the private sector has grown

by just over 3%. So, the Government is outstripping the private sector from borrowing from our banking system. It has run down all the positive balances in the banks. This is very dangerous. The Government is taking a bigger share of savings in the country to finance its deficit.

11.20 a.m.

Another table at the back of the first volume of the Estimates, if you look at financing of investment in Guyana - not just Government - so I showed how the Government is borrowing more, taking more from a finite set of resources which is unsustainable in the long run. Look at financing of investment in Guyana. In 2012, we are using 44% to finance, and 44% came from domestic savings, and 55% came from foreign investment. That is the split coming from investment from domestic saving and from foreign investment, \$64 billion or 44%. In 2013, it was 23% for domestic savings. In 2014, it is 57% from domestic saving. In 2015, it jumped to 88.8% from domestic savings. In 2016, it is 90.2% from domestic savings, and in 2017 it is 91.5% from domestic savings.

How could they say that they are attracting foreign investment when there is only 8.5% in 2017 coming from direct investment? This is a table in the budget document. Do you know what it states here? It is increasingly the investments in Guyana are being financed from domestic saving, not foreign inflow. What happens after a while if that runs out? It then reflects itself in a change in reserves or a deteriorating balance of payment position and an exchange rate that will tank. This is what is going to put the pressure on the exchange rate in the future balance of payments, not a couple of Trinidadians buying US\$5 million in the market.

This is it, Mr. Speaker. This is very dangerous. Many times when we talk about the other things these things go unnoticed, but it represents a philosophy.

The Value Added Tax (VAT), it goes from \$35.9 billion in 2016 and in 2017 it will be \$45.1 billion. That is a \$9 billion increase in VAT collection. To be fair, the Minister said that this is not about revenue neutrality, and, collecting more money from VAT which is contrary to this promise. Mr. Speaker, when you go to the nation and you say I will reduce the rate of VAT from 16% to 14% you are telling people that that you are reducing their tax burden. They do not care about the rate but they care about the burden. What you have done now is to increase the tax burden on people. We get the obsession, this fetish for rates, but what they have done in this

budget is that they have increased the tax burden of people in this country by \$9.2 billion. That is the key point. This represents a 25.6% increase in the collection of VAT.

This increase is even more when you consider that it was \$35.9 billion in 2015. Now the rates have dropped by two percentage point. That is about 12.5% drop in the rate. When you look at that, the revenue lost by the two percentage point reduction would be about \$4.4 billion and that is supposed to be subtracted from the \$35.9 billion. The base should have been, had it been keeping with their manifesto promise, and that that was real, \$31.4 billion. It is going from \$31 billion to \$45 billion. I do not know but it is a 38% increase. The new taxes are bringing in \$13.7 billion more. That is a 38% increase.

I am arguing that in spite of these huge increases, depending on how it is looked at, 25% increase in tax collection or 38% increase from an adjusted base, that the Minister cleverly underestimated this figures. Let me give two components. I saw the Hon. Member Bishop Edghill yesterday looked at the budget. He took out the debt payments and the statutory payments. He looked at the appropriation, subtracted the foreign funded projects and he came up with \$22 billion. He might be right. I am going conservative today, Hon. Member Bishop Edghill. I have taken two elements of Government expenditure which are local capital. It is clear as day that VAT would have to be paid on the money spent in the local capital and other goods, and services. The two combined is \$86 billion. Fourteen per cent of that is \$12 billion alone. If it is added to this huge increase... In fact, he (Minister Jordan) was saying that he was collecting \$9.2 billion alone. These figures are seriously suspect. I think the real increase would approximate to a 70% increase in collection. We will see at the end of this year how that goes. It is hard to assess it because you do not have all the information but my estimation is 70% more in collection. This has to be unconscionable.

We have heard about how some study in the past told me to do it, to put the rate at 12%. I did not pay too much attention to it because I have seen many studies in my life. One thing I can say to you - if I can borrow some modesty from our Prime Minister, so I can speak a bit about myself - I have had the good fortune of being in the room with the President of this country for 22 years every time a budget has been passed. In 1993 I was not a Minister but I went with Mr. Asgar Ally to talk to President Jagan and that is where, in that room where the Minister of Finance meets the President, a lot of discussions took place about policy. The rest of the budget is

number crunching. The policy discussion takes place there. Unfortunately, my colleague Mr. Winston Jordan was never in that room. Although he was in the Ministry crunching numbers, the policy discussions took place there. Every single year I have sat with the President of this country, President Jagan, Mr. Samuel Hinds, Ms. Janet Jagan, myself, when the Minister had to come to me, and even when I left office. That was the only thing that I got involved in. I was not micromanaging. At the time of the budget, I would have sat with Dr. Ashni Singh and Mr. Ramotar in that room when the budget was being discussed on policies.

Let me tell the Hon. Member Mr. Khemraj Ramjattan that we can have hundreds of studies. People come all the time. I have seen let us talk about colonialism, how we must fight colonialism and all of these things. When these studies come to us the judgement has to be exercised in that room, at Cabinet. That was where the judgement was. Studies can recommend anything under the sun. There are some people, who do these studies and these sensitivities analyses, who are just out of the University, “wet behind the ears” still, and they would come and tell a whole country what to do. I heard that one study said that we must not put a hub here, from the Inter-American Development Bank (IDB), at the airport because it is not viable. There are hubs elsewhere. These things you would do, the studies, and park them sometimes.

I, as President, and I will say this now, any President who is worth his salt, will never allow any Caribbean Technical Assistance Centre (CARTAC) study or any other study to come here and tell us what to do as in a sovereign country, and use that as a justification for passing burden. When they came and they said to me that to achieve revenue neutrality, 16% had to be done across the board without any exemptions, I said, not when I am President. That is the kind of things that you need to do here and so this slavish mentality to studies done by foreigners is unbelievable.

I have demonstrated that this VAT is going to collect much more than anticipated. **[Mr. Ramjattan:** You do not like that.] Mr. Speaker, did you heard the Hon. Member Mr. Ramjattan said that I do not like it? He is right, because it is coming from ordinary people and from the productive capacity. You are absolutely right. I do not like it.

The 2017 (Budget) - if I use the number that the Minister gave, and I suspect one of the reasons for using a number, which is so small, for the \$5 billion - there is a growth of only \$9.2 billion,

when you do the comparisons and the ratios, particularly the tax to gross domestic product (GDP) ratio, you will find no steep movement in the tax to GDP ratio. Even with that small number the total tax revenue will grow by 8.9%. GDP is only growing by 3.8%, and that is an optimistic forecast. It means that you are taking more from people than the economic growth that is taken place in the country. You are increasing that. Even if you add inflation to the real sector number you are still taking more from people than the growth in the economy.

That is not the entire picture of what this Government has been doing to productive capacity in this country and to people. The Hon. Member Mr. Nagamootoo mentioned in his Budget 2015 speech that we were given \$55 billion of remission to friends and family. The Minister of Finance said the same thing.

11.35 a.m.

Today the tune has changed because they should be able to locate their friends and families who had been collecting this. It is not friends and family. Listen what they have done cleverly, Mr. Speaker, over the past year. An implicit taxation, you do not see this, but they have taken this away from people, companies and the remission. You know what this remission is. If I bring in inputs into my production, I get the taxes remitted and then I pay on the finally outputs. Many of those kind of things, it is that sort which is a cost of doing business, you get remission.

From 2015 to 2016 now, they have reduced companies' remission by \$5 billion, so you are taking that away from the production sector. How are you going to talk about growth strategy? Is it not hypocritical to talk about gross strategy? You are taxing them here, now you are taking away their remissions too. From the churches and charitable organisations, \$2 billion, it is now \$1.4 billion. They took away \$600 million of remission from the churches and charitable organisations.

For re-migrants, it has moved from \$1.9 billion to \$1.2 billion, almost a \$700 million reduction in remissions for re-migrants. Guess what has happened? The Ministries and Government departments have grown from \$2.49 billion to \$4.3 billion in remission. It tells you a picture - bigger Government, all for ourselves. Do not take away from the churches.

Take away from the people who bring in wheelchairs for those who are disabled; take away from the business, but give it to us. We would need more remissions.

This tells a picture, too. It tells a clear picture about the nature of this Government. They have repeatedly over and over demonstrated that they are willing to take more from the public and businesses to enhance their own benefits. We need to fix up the Prime Minister's residence; we need to fix up the State House; we need to expand the office of the Attorney General's Chambers. That is where our money is going.

We have heard about performance of the Government. We heard that the People's Progressive Party (PPP) made a bad investment in sugar; that we do not have fiscal space for constitutional agencies, to give them what they ask for.

Let us look at another table in the budget, the Guyana Gold Board. In 2012, the Guyana Gold Board made \$4.8 billion. In 2013, it had budgeted to make \$3 billion. It made a loss of \$6 billion. In 2014, it budgeted to make \$1.1 billion, it made \$1.8 billion. That was more. In 2015, the budget was to make \$1.9 7 billion, it made a loss of \$9.16 billion, an \$11.13 billion turnaround from the expected output to the actual outcome. In 2016, budgeted to make a surplus of \$6.76 billion, the loss was \$17.93 billion, a turnaround of \$24.69 billion from expected outcome. If just the losses of the Guyana Gold Board are looked at, between the two years, 2015 and 2016, it is \$27 billion.

They said that the Skeldon Sugar Factory costs US\$200 million and it is not true, that includes packaging plant and field works and a whole range of other things, cogenerational facility. Even if it did, assumed that they are right and it is not true, substantially less, that is bad.

In 19 months this Government had presided at the Guyana Gold Board over a loss of a US\$135 million. If we have to fire people there, should we not be firing the Minister too, who is responsible for this, over a loss of US\$135 million in two areas - a loss? This is the competent Government that we are getting, now! It is different things. Just imagine that a loss of this huge thing and the *El Nino* as the Hon. Member Mr. Seeraj was saying.

No fiscal space, again, is the cry. Although we are increasing the budget of the Prime Minister's office by \$225 million, it is more than the cuts of six constitutional agencies. The increase there alone is equivalent to the loss of six agencies.

Let us go to the bond - the famous bond. In one year, we would be paying close to a \$170 million for effectively a bottom house. There was the fiscal space for that Mr, Speaker. Do you know the money, which we have now set aside to pay an individual who has a tiny facility that was single sourced by this Government, which is now used to store condoms, lubricants and other things? This is the urgency. We heard about this. Remember it is in this Parliament that they said that we could not wait. We had to get it done urgently. We had to do this, single source, because the drugs are spoiling; the condoms are spoiling. We are spending a \$170 million to this individual.

The health services, capital budget for Region 4 is \$88 million. The Government is spending twice as much on a bond to store some condoms than the entire Region 4 health services budget. It is bigger than the public works budget for Region 6. The Hon. Prime Minister should note that, that one investment is bigger than the entire public works budget for a region that has maybe a 100,000 people, and that is good governance and transparent governance. The entire education budget for Region 10 is \$97 million. We are spending more on Larry Singh's bond than we are spending for the entire education budget of Region 10. On that bond again, we are spending almost as much on this bond as the entire capital budget for Region 8. The entire capital budget for Region 8 is \$206 million. We are spending \$170 million on a single bond. Is that not shameful? Region 7, the entire capital budget is \$228 million and we are spending a \$170 million on a single bond. We should not be proving this story. Why are we going to prove stores and everything else?

Just imagine how much more fiscal space we would have had if we did not do the D'Urban Park, because that runs into billions of dollars. Just imagine how much more fiscal space we would have to give to people. The argument has been, "we do not have fiscal space." The fiscal space is all eaten up on greed, in lack of transparency and hidden procurement. I am not done on the fiscal space because people keep asking. They buy this, that the fiscal space under the Government does not have it.

Let us talk about the Demerara Distillery Limited (DDL) settlement. We came here and the Minister said he cannot give details, but they need to tell the people of this country. He could come and dispute me here today and say I am wrong. I would be wrong and I would be willing to apologise, if I am wrong. Our assessment... You would see the case unfolding. I gather a case is being filed, as we speak, with a claim with over \$50 billion on the Treasury. The implication...

Mr. Speaker: Hon. Member, if a matter is ...

Mr. Jagdeo: It is not *sub judice*.

Mr. Speaker: *Sub judice*, I would determine. The question I am asking is whether this matter, as you said, is before the court, in the court, or what?

Mr. Jagdeo: It is not before the court, Mr. Speaker.

Mr. Speaker: It is not before the court.

Mr. Jagdeo: It is not before the court. The implication of this settlement of the Treasury would be close to \$80 billion. It is one decision we do not know up today. We have commission of inquiries into everything...I called for this several months, we do not know who made that decision, whether it was the Cabinet, the board of the Guyana Revenue Authority (GRA), the Commissioner General or some other source. But that single decision would cost us \$80 billion about US\$4,000 million. That would be enough to keep Guyana Sugar Corporation (GuySuCo) going forever. We do not have fiscal space, but it is being chewed up elsewhere. I do not want to belabour this point because I could point out the other settlements that chewed up our fiscal space. I can point out the settlements that eat up the fiscal space and the spending on themselves and use up the fiscal space.

The Minister spoke about the Tax Reform Committee and CARTAC study. Now, I want to come back to this because this country has not seen either of the two studies. This Government believes that it could do studies in secrecy, not discuss them widely, not even make them public and then act capriciously and in this draconian manner on those studies.

11.50 a.m.

I am not so worried - well I should be worried - about what they did this year because the Minister has said in his... [Mr. Ramjattan: *Inaudible*]... very frank.] The Hon. Member Mr. Ramjattan cannot handle it. The Minister has said that we are about to embark on a new generation of tax reform. Can you imagine the Minister coming to say this to the country? Do you know what he has done? No private sector company now can plan at the corporate level for the next five years because it does not know what to expect from this Government, in terms of tax reform. When you come and say these things you send a wrong signal to the private sector.

It does not understand this because the bluster will not change the reality of a horrible budget. Mr. Ramjattan, your bluster will never do that. You have to face people. They have to face people on the street out there.

That is the first point. He has left the entire business community and all investors in a quandary. God help us if they continue along this trend because by the time they are finished then there will be absolutely no incentive to invest in Guyana.

The Minister announced several measures. I want to speak a bit about the measures. There are measures to support our green agenda protecting the environment. I want to first of all talk about this green agenda.

The Hon. Member Mr. Harmon - I sympathise with him - is totally out of his step in this matter. He came here and said this is movement from concept to reality, this budget. Then he went on to say that the concept is not developed yet; we will do it shortly. We are moving from concept to reality, giving expression to it in this budget. By the way, we are bringing in two persons from United Nations Environment Programme (UNEP) who would help us to draft the framework and next year we will get some more consultants from United Nations Development Programme (UNDP) to work on the green agenda for us. In the meantime Norway has said "Hold on, we will wait on you. When you are finished your green agenda come and tell us again because the agreement was based on the Low Carbon Development Strategy (LCDS)." That is what Norway said. They do not want to tell us what went on in Marrakesh.

I am predicting that Amaila Falls Hydroelectricity Project would re-emerge, renamed, as this Government likes to rename things. As we renamed the Convention Centre, so Amaila Falls Hydroelectricity Project will be built and renamed. They will return to Amaila Falls

Hydroelectricity Project. They will return to it. They will rename it though. They are not going to call it Amaila Falls Hydroelectricity Project anymore because of all that they have said about it being a criminal project.

Listen to what Mr. Harmon said. Here are the key parts of the greening initiatives. One there is the expansion of protected areas. This is an old thing. We established the legislation. We put in place Shell Beach, Kaitetur National Park, the Kanuku Mountain Project, all of these things. He then said that we are working with KfW Development Bank. I met with the KfW Development Bank in Germany. That is why I am saying that it does not have a historical view of these projects, so it has a tendency being prone to present them as new. These are old projects. The centre for biodiversity study, you are putting it at Iwokrama. It is in our LCDS. Is that new? Then there is the mainstreaming of land management. Those are the three things. There is a key thing there missing in this whole approach. The fourth one is that we are meeting the pledge we made. [Ms. Lawrence: Bring back the files.] Mr. Speaker, I hear a lot of whining from the other side. The concept, which they are missing, is moving it to conservation. Our argument is that this green economy is a development plan. It is a development plan. It is about the economy. The green is the adjective. It is not a conservation strategy.

Taking two million more hectares of our land and putting it into protection, where? Mr. Harmon said all across Guyana. Where and who are you going to take the land from? Why are you taking it out of production? It is because we can achieve both objectives, we can produce and we can conserve.

The path that this Government is taking us down is a path only starry eyed children would pursue. In international negotiations, you cannot go there as “babes in the woods” or walking unprepared. These people will chew you up. China comes to the negotiations at the United Nations Framework Convention on Climate Change (UNFCCC) or at all of the other fora. China is a US\$10 trillion economy. On purchasing power parity, it is bigger than the United States of America, but China argues for growth in carbon emission until 2030. It is not to reduce carbon emissions now in an absolute sense. They argue for a growth because they are there to protect their country and growth. We have the lowest. If you look at the sink of our forest and our emission, we are probably already not a net emitter of carbon. We yet want to go and be the “good boys of the world”. We want to lock away all of our resources and take away the

possibility of our people earning, making money. This is the approach – conservation versus development. We argue that concept. We are under no obligation to cap our emission level—never were.

The pledges that were made through the Intended Nationally Determined Contributions (INDCs) were pledges that were not well thought out. It could even affect future development of hydro because the water sheds that they are going to pledge there may be affected. Two million hectares, we are busy pursuing that and because we have changed from development to conservation, we have gone against the consensus of developing countries. The Sustainable Development in Small Island Developing States (SIDS) and many other oases that argue that money should come so that international community must help us transition that path. Guess who we are going to tax for it now? Our people must pay for this!

We do not know how climate negotiations would evolve in the United States of America. We have heard all the signals that they plan to repudiate the Paris Agreement and the obligations therein, to reverse what the Environmental Protection Agency (EPA) has done and the standards set there. A ton of carbon emitted here and a ton of carbon emitted in the United States of America have the same impact. For one year all the carbon we emit in Guyana would be equivalent to two minutes in the United States of America. We now will save the world by greening, planting trees here not addressing the fundamental justice issue so the sea will rise and we will be green under the sea because we cannot stop the rising sea level if those countries do not meet their commitments. It brings me back to this measure here and how it relates to that, the measure to support our green agenda.

We are doing tax exemptions and one-off two years tax holidays on wind and solar energy investment. This seems to be self-serving. There are two reasons. I saw about five megawatts of power would be purchased through solar power for isolated systems not baseload, because the only baseload, which is really a starter now, is the hydropower for baseload station. They isolated systems, yes. We saw about five megawatts in different parts such as Bartica that will be built, but we are looking forward to the public procurement because we have heard that agreements are already being signed. We heard that this would be implemented by April. We have been looking at this. I will personally from my office write the Public Procurement

Commission (PPC) to ask it to check what competitive tender process has been pursued in this regard.

We know who is a developer for the wind farm but what I find very disturbing and to tell you, Mr. Speaker... We heard the Hon. Member Mr. Ramjattan. You have heard the developer of the wind farm project being described by Members in this House as a key financier of the Alliance For Change (AFC)... [Mr. Ramjattan: So what.] And he said “so what”. You know “so what”. “So what” may not be a problem, but when I see, and this is something I would like to draw to your attention, Mr. Speaker,... I was sitting in the Members of Parliament’s lounge, which is only for Members of Parliament, and I saw the developer of the wind farm project walking around the Members of Parliament’s lounge. Who brought him in there? Was it not a new form of indiscretion? I do not want to call it otherwise.

Mr. Ramjattan rose to his feet.

Let him object.

Vice-President and Minister of Public Security [Mr. Ramjattan]: This is not an objection. It is on a Point of Order, for the information on the person. We had meeting in the Prime Minister’s office and you have to pass that place before you go there.

Mr. Jagdeo: I am proceeding. That does not change one iota of what I said. I saw him in the lounge and the fact that they had a meeting here too. Was it about parliamentary business? Or was it about something else in the room upstairs? I, too, have an office up there. If I start bringing people who are working, looking for contracts, who are actively negotiating with the Government now, who are actively negotiating on big projects and getting special arrangements in these budgets – if I bring them in here – would that be acceptable? Does it not somehow offend propriety? We will be looking at that too. We will be looking. Look at how worked up the Hon. Member is getting. It is touching them because I do not know what they discussed in that office. I do not know.

12.05 p.m.

Moving from development to conservation, the Minister announces a few measures like the electric charging stations, all of which would not give up revenue. He then says that he is

imposing this environmental tax. I do not want to go to the history of the environmental tax because one would see the duplicity of the Government. He puts \$1 billion in the Budget to be collected from the environmental tax. In 2014 or thereabout, when the tax was imposed only on importers, it was raising over \$1.2 billion. Banks DIH Ltd. alone will have to pay, if it has to pay VAT on it, close to \$1 billion more on these taxes. It is grossly underestimated again, putting \$1 billion when, in the past when it was levied only on receptacles brought in by foreign companies, it was over \$1.2 billion. One local company alone would have to pay another \$1 billion. This will now finance all of these so-called green initiatives – the solar panels, *et cetera*. Guess who is paying now. Guyanese now have to pay for the greening. It has moved away from an international justice issue to more hardships on our people. It is this concept that I am opposed to.

The next one is measures to reduce inequality and increase disposable income. The Minister announces some tax threshold increases and a change in the income tax rate. He then says that this would reduce the need for tax-free benefits. Are the tax-free benefits gone from the private sector?

Listen to this carefully: measures to reduce inequality and increase disposable income. You increased contributors' tax from 10% to 20%; it would increase disposable income. Mr. Winston Jordan should rewrite all the global textbooks on disposable income. My understanding is that when you take taxes from people and put them in the Treasury, you decrease disposable income; you do not increase it. Under the head to increase disposable income, he puts on a tax.

He then repeals Section 33(e)(4) of the Income Tax Act as it relates to the sale of gold and diamond. This repeal seeks to bring these operators within the purview... He puts on another tax under this heading. He imposes a 2% withholding tax on the contractors under this heading. He restricts mortgage relief to loans up to \$15 million. This is to spread out in the Budget. The tax measures were too heavy to put all in one section so the Minister had to put some of them under different heads. How would any of these four measures reduce inequality or increase disposable income? It is wrong. It will not; it will take more money from people.

Measures for economic growth: a dual tax rate for companies, minimum tax adjustment and a couple of administrative measures were announced for growth. But then, under measures to

improve tax administration, the Minister puts in place 16 measures that would add cost and penalties to the private sector, thereby negating all the incentives that he thinks, in his mind, will be an incentive for them to drive growth. This is contradictory at best. He then introduced nine measures to raise revenue, leaving out VAT. VAT is treated separately, not as a revenue-making measure but he puts in other heads - measures to raise revenue and measures to support elderly.

They talk about the passport fee and the \$800 that they got. Under measures to increase disposable income of public workers, he announced nothing. How can you put a head measures to do this and then announce nothing? It is either to make the Budget look good or... Those are for the measures.

I come back to my contention that jobs are not going to be created in this country. We are losing jobs. Many of my Colleagues made this point but I cannot not emphasise it again that because things are so *brown* that they cannot find any positive news. The Minister then says that investments facilitated by Go-Invest total \$114.8 billion in 2016. I do not believe that. He said that this year's investments will yield over 6,000 jobs in various sectors, including 1,327 jobs in agriculture. When one travels across Guyana, the 1,327 jobs in agriculture that they yielded, could any Minister say where the 1,327 jobs are? To be that specific, they had to have the count, so they need to tell us. What I can tell you is that 1,700 workers at Wales that they are losing is a net job loss. It is a shameful thing. There is no addition. It is all a figure that is wrong. They created 1,366 jobs in energy. Where in energy? It could not be in Exxon Mobil. They terminated people from the Wartsila maintenance contract. Where? Again, 1,500 jobs in Information Communication Technology (ICT) and 1,483 jobs in tourism... It is all a lie. There are no investments. This is a pathetic attempt of the Minister to list some things and he does not realise that he is listing old investments. There is big talk about Exxon Mobil, exploration works by Tullow Guyana – all of these came under the PPP/C.

Under bauxite, there is the Kurubuka Mines that was opened in 2015 under us too. The manganese BOSAI which came under the PPP/C is now buying the Canadian company which came under the PPP/C to expand on manganese. There is nothing new. Go through the entire Budget and see if a single big investment that has originated in the last year. That is my interest. The Hon. Member, Bishop Juan Edghill, dealt also with the lack of jobs created through these public investments.

I must say something about Indigenous peoples. They veneered in this Budget that much is being done for Indigenous peoples. A lot have been talked about the new programme, the Hinterland Employment and Youth Service (HEYS). Could you imagine it took a Court case, it took our calling for this over and over, for the restoration of the programme. It took complaints to the international organisations to say that the Government perpetrated the biggest act of discrimination against Indigenous peoples in the western hemisphere in the last 20 years by laying off nearly 2,000 of them when the Government got into Office. It is out of this shame and pressure that the money was restored in the Budget. We had to fight for this. People must not think that it came about just like that.

How could you talk about Indigenous peoples and reduce the number of hubs that we were creating in their communities from 100 to 40? These are ICT hubs. The number is being reduced now. How could you talk about helping Indigenous peoples when the solar panels that we brought for hinterland and riverine areas are now decorating the roofs of the Ministry of the Presidency and other places of the Government? How could you talk about Indigenous peoples and love for them and then take away their 2,000 computers that came in specifically to put in the 100 ICT hubs and share them on the coast and then talk about breaching the divide between the hinterland and the coast?

We pointed out the fallacy of these infrastructural projects. Many of them would not be benefitting Amerindian people. We put \$150 million in the Budget, under help for the hinterland, but it goes to establishing radio stations for more Government propaganda in these areas. What is that? That gets accounted for as moneys spent on helping Amerindian people. Return to the core issues; return to the livelihood programmes; return to the land demarcation process. They demarcated 1,000 square kilometres and they boasted about it. This is their fallacy of helping Indigenous peoples.

I have already mentioned about the money to spend on GuySuCo but there is something else that is troubling a lot of people. We have heard the Minister say that there is a Cabinet Sub-Committee looking at the matter and that it will make a decision before the end of the year and we will know that decision. The Chairman of the Board mentioned that, based on a study done by two local Consultants, Rose Hall Estate is not viable. We are worried that these decisions would be made in the same manner that the decision was made to close the Wales Estate -

without any regard for the people and their welfare and the impact on this country - by charlatans.

Mr. Speaker: Hon. Member...

Mr. Jagdeo: I withdraw “charlatan”, Mr. Speaker. It was by uninformed people.

We have heard, under the guise of an assessment being done on the cogen facility, that a private company is here doing the rounds and has already been selected. I wanted to talk about the record of privatisation because we have seen it before, how it happened before with the Guyana Telephone and Telegraph Company (GTT), the Demerara Timbers Limited (DTL) and many others. I will not deal with that today.

12.20 p.m.

This Government, when in another incarnation, had a predisposition to act in a certain way, to give away national patrimony and assets without any public tender. We can show the history. We have published everything. This Government cannot find documents from last week. We can now show every single privatisation – it is online – and the process through which we went.

We are putting the Government on notice that any investor who comes here and goes through a process that is not transparent and we determine that the assets of GuySuCo or any other company are given away in that manner, we will use whatever means, including the tax means, when we get back in Office, to deal with that investment. We are not against above-the-board transactions but it is these secretive transactions.

Whilst I am at that, let me tell you, Mr. Speaker, that there are a lot of other things we will do when we get back in Office too, such as, we will reduce back the tributors’ tax from 20% to 10%. We will restore the status quo [*inaudible*] for miners to make the 2% tax a final tax. We will remove the VAT on electricity and water, education and health. We will remove the offensive provisions that may be made in our laws that will capriciously seek to go into people’s bank accounts or restrict them from travelling. We will cut the environmental levy to \$5 because that is what we proposed. We will restore water and electricity subsidies to the pensioners. We will restore the grants to the school kids. This is not an exhaustive list; it is just from this Budget.

I had said one time that, in 24 hours, there are 22 things we will change and we will reverse immediately to send a signal to this country and these are not on that list. So, it is a long list of things that we will have to change in this country.

It seems that all is lost because the President has spoken and said that this Budget is not going to be revised. I had made a proposal that a lot more can be done. We could probably achieve the same growth objectives, *et cetera*, without pursuing this Budget in this form, and that we are prepared to contribute our ideas. But it seems as though we are not going to go that route.

When we speak here, so many abusive statements are being hurled at our Members of Parliament (MPs) about how they do not know what they are doing, *et cetera*. And somehow, they think we are here talking about the VAT on ourselves. I heard them say, on the campaign trail, that I have air-conditioned dog pens and stuff like that. Well, I do not have a dog but we are not talking on our own behalf.

I plead with the Government to listen to the cries of the poultry producers. The poultry producers have sent a message to several Government Ministers, pointing out how the retail price of chicken will have to go up by at least 22%. That is one.

The miners have spoken, not Hon. Member Ms. Simona Charles-Broomes. The Hon. Member said in the Parliament, "I am a miner and I am a Minister." It is an admittance that there is a miner who is now the Minister of mining. Is there a conflict there? I am not going to go down that route but the miners have spoken out about the Budget.

The manufacturers came out against the Budget. Ordinary people from civil society, consumer bodies, *et cetera*, the Guyana Trades Union Congress, The Federation of Independent Trade Unions of Guyana (FITUG), and the Labour Movement have come out against this Budget. And somehow they think that they are addressing just the PPP's concern. I want to say to the miners, loggers, rice farmers, sugar workers and the people on the street, including those that they threw out of the Stabroek Market Square, and all the others in Linden *et cetera*, that this Government cares nothing about your concern because it is living well and is out of touch with reality. The Government has no growth strategy and no amount of weight for a better day; that is what it is selling.

The Government is selling two things: it is clearing out illicit money, drug money, from the country and it is claiming that that is why the economy is tanking. That is one of its excuses to its base. So that is the first one, the major one. But look at the numbers. If one looks at the numbers, there is no reflection of drug flows. The economy is tanking. The Hon. Member, Ms. Gail Teixeira, read all the sectors that are tanking. How do you expect the economy to perform if every single sector is in trouble, with the exception of large-scale gold mining? It is not the small-scale gold mining but the large-scale gold mining. The two gold mines that came under us they are boasting about. It is not drugs. So that is the whisper campaign. And “give us more time” is what we heard the Hon. Member, Mr. Trotman, say. Is there no limit to arrogance in this House?

The Hon. Member, Mr. Trotman, when he was explaining his “get busy” comment, said that it was not a command or an instruction. Someone has to be presumptuous to think that he or she can command the private sector on what to do. There has to be a special kind of thinking to think that can be done, even explore it in this National Assembly, to think that he or she can command anyone. You cannot; it is arrogance to say to people “get on” and “get busy” to do whatever you want them to do. So, he explored the concept too.

With a medicine today, you will have a bright future tomorrow; we will do well tomorrow; we will reduce the taxes tomorrow. We will develop oil in the future. These are all dreams. And you are not taking the bitter medicine now. Why does the man in the street have to take the bitter medicine and you are living off of him?

There are many issues I can go on to but I think enough has been said about this Budget. We had proposed to the Government to withdraw it. We will always remain open to sharing ideas but we are not going to be muzzled. And having said that, I just got word – and you will see it – that the Government is busy going into one of the offices to dig up old stuff on our MPs. This is a diversion. So they are gunning now with the diversionary tactic. I hope that the digging does not stop and that we do the comparisons because we did not travel with our wives, “pickney” and everybody. I hope that we do comparatives. We did not cost the Treasury, a single person, \$11.2 million per month. And I saw in the first year that the Hon. Prime Minister said that former Prime Minister Mr. Samuel Hinds had 18 guards. How many does he have? Can we count them

now? I do not think so. At one time I thought it was the President passing to go to Berbice but they said that it was the Hon. Member, Mr. Nagamootoo.

Mr. Speaker: Let us not do that.

Mr. Jagdeo: When we get personal, they get worked up; it goes both ways. We have been in Government; people will assess us. If we had failures, yes, they would judge us for those but you are under the scrutiny now. Defend your Budget; defend your tax measures. Why are you hiding from defending your own Budget and trying to talk about the PPP or what we did? We are in the Opposition now and we recognise that we are in Opposition. Move on; think about the future of the country; get your own agenda and work on it.

This Budget cannot be supported and, in keeping with what I have said before, we will never allow the tradition of this House to be eroded by a side that preaches coming together but does not act it. We wish to thank you and we will have to leave the House. *[Applause]*

Mr. Speaker: I thank the Hon. Member for his statement. Hon. Member Mr. Jagdeo, I am bound to remark that there is something missing in a House where one side leaves during a debate. *[Interruption]*

[Mr. Speaker hit the gavel.]

I believe that for the first hour of the debate, it would be right to say that those chairs were filled. What I am saying is that it serves no one; it serves neither the people of the country for whom we all profess concern nor does it serve the subject which is being considered.

The period which was utilised by the Hon. Bharrat Jagdeo was one hour, fifty one minutes and twenty-one seconds. That is the time which is available to any other speaker, namely the Hon. Prime Minister and the Hon. Minister of Finance. I thank you very much.

We are somewhat behind with our suspension for lunch. We will take it now and we will return one hour from now, that is at 1.35 p.m., to continue.

Sitting suspended at 12.35 p.m.

Sitting resumed at 1.41 p.m.

Mr. Speaker: The sitting is resumed, Hon. Members. Please be seated. The debate continues. The next speaker is the Hon. Mr. Moses Nagamootoo.

First Vice-President and Prime Minister [Mr. Nagamootoo]: Mr. Speaker, say what you may about this Budget, it stands tall and apart from any other Budget. It is the third of three Budgets within 18 months. It is the first, in decades, before the start of the fiscal year. We know that there would be criticisms, as there have been criticisms, but I wish to commend Minister Jordan for standing strong in bringing a different Budget at a difficult time.

Our APNU/AFC Government listens to criticisms, particularly constructive criticisms, because we are not from an era steeped in either dogmatism or authoritarianism. We saw, today and the days before, that the Opposition in the National Assembly has come here with venom, with elements of vindictiveness and, I may say, listening to the Hon. Leader of the Opposition, with an acute sense of jealousy that Minister Winston Jordan could have produced a Budget for the times, to meet some of the difficulties which his Administration had bequeathed to us.

Today, I would like to place on record my appreciation to all those who worked in the Budget process and to all my Colleagues, on this side of the House, who have spoken to the Budget.

I am sure, before we were diverted and distracted on several occasions by dilatory matters, that this side of the House was indeed winning the debate. When I listened to the Hon. Leader of the Opposition and after almost two hours of his ranting and raving, I knew that it was the vintage Mr. Bharrat Jagdeo that we were listening to. He *cuss up, buse down, cut and run*. Before he did so, he had to place in the *Hansard* threats of Armageddon and threats of doom for our beloved Guyana. When, at the very beginning of his speech, he committed himself to love of country and to the defence of Guyana, one wonders whether one should place any premium on that commitment, as he essayed in this National Assembly.

I recall that it was not so long ago that there was a controversy as regards the position of the very Leader of the Opposition on our territorial integrity. The *Stabroek News* of 1st November, 2015, in an editorial captioned, *Mr. Jagdeo and the Venezuelan Controversy*, had this:

“The week before last former President Bharrat Jagdeo opened a little window onto the nature of the negotiations his government had been pursuing to resolve the boundary

controversy with Venezuela. He told the media that during the PPP/C's tenure five possible solutions had been under consideration by his government, although he mentioned only one of these, namely conceding maritime space to Venezuela."

I repeat, "...conceding maritime space to Venezuela."

"This would have entailed, he said, giving Venezuela a channel out to the sea, and the maritime boundary would have started off the Orinoco [River] just on the border."

Today, when one hears the same Hon. Gentleman, in this House, saying that he and his party are unwaveringly on the side of Guyana, he could not have been speaking about our beloved Guyana because the national ethos, the national cry, if ever we are united as a people, should have been *not one blade of grass, not one cuirass*, and not one channel.

Here again, we were told and have had the rationalisation for that when other Members of the Opposition spoke to the issue of the rice trade under the PetroCaribe deal with Venezuela. More than one of the Hon. Members was seeking to blame Guyana and to applaud Venezuela, to say that we mishandled our relationship with Venezuela. At a time when Venezuela was laying claim to five-eighths of our territory, we seek to give comfort to a country that imposed a trade embargo on this country, refusing to buy our rice, unilaterally terminating a contract to supply us fuel that was much needed for the sustenance of our economy. For the sale of rice on which thousands of rice farmers and, it is estimated over 40,000 families are dependants, they gave comfort to the aggressor and told our own Government that we had mishandled the situation.

How could one then, as a rational mind, believe any other thing which will come from the mouth of someone who has conceded that he could give away a piece of our territory to the aggressor? There is a word for that in law, which I would not mention here. I hope that the generations after us would be able to judge those on the basis of where they stand in regards to our national sovereignty. President Granger repeated what the President of Suriname had said, and that is that our border is everything. Nothing else could stand in the way of someone not giving undivided commitment, undivided love and expression of patriotism to one's own country. That is why it was out of those comments by the Leader of the Opposition that our President, Mr. David Granger, had made the statement:

“We cannot sell out. We cannot give away. We cannot offer the adversary any corridor or any passage.”

That was stated in a release from the Ministry of the Presidency. Today, we found the position rather strange that the Leader of the Opposition has chosen to express congratulations to the Vice-President and Minister of Foreign Affairs, Mr. Carl Greenidge, that he decided to raise the matter of our territorial integrity in this National Assembly. The Leader of the Opposition took the opportunity, at the same time, to say that what if the United Nations (UN) Secretary-General, Mr. Ban Ki-moon, did not advise on the juridical settlement or the path of the International Court of Justice (ICJ) was considered insufficient to resolve the matter... He said that there would be major implications for Guyana and he was again trying to introduce into the *Hansard* and the history of our nation that there must be some other way. For me, some other way other than the way that is legal, other than the way that is defined under international law, cannot be a way that defends our sovereignty. It comes back to the matter of what compromise Mr. Jagdeo was preparing to make with Venezuela!

I looked at his definition of the Budget and apart from condemning every attempt by this Government to garner resources, even for the defence of our country, even for the prosecution of our just case that our borders are inviolable, he seemed to have thrown water on all these attempts. I dare say that he would have wished that there would have been no revenue available to the State to do anything and that we would have been caught in a defenceless position. That is why he mounted his own ambition and like a prophet, a *see-far man*, he predicted that he would be coming again.

But the Guyanese people have pronounced, just 18 months ago, and Guyanese are not known to have short memory. They know that in as much as the Leader of the Opposition would wish, in his own inimitable, vulgar way, described the Budget as *kakonomics*. (The Guyanese people understand that word and I understand that he loves that word as well.) But I will say that the Guyanese people have made a judgement and pronounced on his Administration and ousted it from Office. Because, like rodents, like rats, corruption had eaten into the sinews of our society and under Mr. Jagdeo and his Administration - I can say this - there was excess in *ratonomics*, hence the fear that legal moves are being made to investigate the sleaze, the corruption, that had

taken place and had created a dent on our finances and the way that we should be doing business as a State.

1.56 p.m.

It had compromised our public and security services. Nothing had been saved from that touch of *ratonomics* under President Jagdeo and his successor. Not only are we looking at the cheese and bread of the people having been taken away by such outrageous moves that resulted in the violation of the ‘Rule of Law’, that resulted in the violation of the Constitution, when public moneys were spent and withdrawn from the Consolidated Fund without the authority of the Parliament, which the Constitution mandates should happen. Everyone suffered when one’s fingers had to be placed in the cookie jar to withdraw taxpayers’ money without approval. It was like taking away the cheese and the bread from our working people because no justification was being given for the expenditures.

It was that act alone that had propelled us, while we were in Opposition, to move a motion of no-confidence in the then Government. It was that act alone that had propelled the Leader of the Alliance For Change to lodge a complaint with the Commissioner of Police to criminally investigate the then Minister of Finance. It was then, after the motion was tabled, that the then Government buckled and prorogued the Parliament and went to premature elections, where the people then passed a verdict on them.

We have to be very cognisant of where we came from and how we came here, lest we fall prey to the false promises that are being made. We have a song in creolese, which we all know, *mi go gi ya moon gal and mi gon gi ya star*. We all know that song and we heard that song being sung here this afternoon, “If I came back to office, when I come back to office, I will give you moon, I will give you star, I will give you *gallaher* and motorcar”. All of the promises have been made here today as if this were the penultimate sitting of the National Assembly before national elections.

We are only 18 months into the term and we have a long way to go. Like Frost Sir, we have many miles to go before we sleep. But we do not intend to sleep. We will be vigilant and we will defend the rights of the people, reposed in us, to lead this country into the better life and to lead

this country, as promised by this 2017 Budget, to build a diversified, green economy and to deliver the good life to all Guyanese.

While I am on that, it was very cheeky that we should listen to the Leader of the Opposition, almost spying on who would come to the Office of the Prime Minister and on who should come to meet Members and Ministers of the Government. They are being trailed and they are being watched. There is a new version of *Peeping Tom* in these corridors. The name of the gentleman was called, which unfortunately should not have happened. Let me say that, in as much as it was intended to sully the name of that gentleman who is a businessman, the Leader of the Opposition should be mindful of the fact that it was under his Administration that a decision had been taken by Cabinet to allocate him a contract for the development of the Hope Beach Wind Farm. It was under the PPP/C's Administration that that decision was taken that the sale of the energy from the project, which was placed in the hands of the National Industrial and Commercial Investments Limited (NICIL), would have accrued US18 cents per kilowatt hour for the supply of electricity. Obviously, there must be some element of either political rejection or jealousy that the same company, under this new Administration, has been working out a relationship that could have seen us paying as little as US12 cents per kilowatt hour for the same supply of electricity.

While we seem to have forgotten old friends and tried to embarrass and repudiate the relationship, we should also be mindful of our own transgressions and the imputation that the businessman was here for some unworthy motive or a relationship with an official of the State. This should be compared to the behaviour of the very Leader of the Opposition when he went to the People's Republic of China on, 7th October, 2008. He included, in his team, one Dr. Ranjisingh Ramroop, Head of the New Guyana Pharmaceutical Corporation (New GPC). He went on an official Government of Guyana team to the Republic of China. No one seems to have been bothered over incorporating someone whose company was favoured, to say the least, and was with whom sole sourcing arrangements had been arrived at for the supply of pharmaceuticals. The very Hon. Leader of the Opposition, then President, had seen no conflict of interest; had seen nothing incestuous about the relationship of travelling First Class in the same section of the plane and, perhaps, sharing seats on the trip to the Republic of China. People must know that when they throw bricks that they do not themselves live in glass houses.

More disturbing is the fact that these relationships have gone unnoticed. I could justify this. I could say that this person is a business person who is part of the Guyana's delegation travelling overseas, had the Leader of the Opposition not ventured to criticise another business person who is having some conversation with leaders or Members of the Government. It would be an entirely different matter and I would say scandalous that there is a protestation, an assertion of rectitude.

When the Leader of the Opposition travelled to Brazil on 23rd May, 2008, the very Leader of the Opposition had included on his Presidential team, one Mr. Donald Ramotar, General Secretary of the People's Progressive Party, as stated here in the document. They used taxpayers' money to pay for a visit to our neighbouring country for a political functionary, a political leader and they stated the designation in the document. I will say that if that is not incestuous then what is. Therefore, we have to be careful about how we accuse others of malfeasance or potential malfeasance.

I just want to say something in passing. When I said that we recognise and we accept criticisms, and we do accept criticisms. Even up to the last meeting of the Cabinet, after the budget had been presented here, Cabinet was reviewing what had been said. Cabinet was not oblivious to the fact that we do listen and we have to listen with the ears of the people and see with the eyes of the people. But what did we have here? It was not criticism. We had condemnation to the extent that the Opposition was calling for the withdrawal of the budget. I would have thought that this was true to the character of the empty benches, suffering from what is called 'acute withdrawal syndrome'. I am told, and I am no medical doctor or psychiatrist, that for withdrawal syndrome, some symptoms are confusion, hysteria and often time sleep walking and insomnia.

It also includes hallucinations hence, "I will return; we are going to be back". Those are hallucinations, a part of the syndrome of power and the abuse of power. If one is addicted to power and is withdrawn from power, it produces 100 years of solitude, as Gabriel Garcia Marquez, the Columbian writer wrote in his book *One hundred years of solitude*. Sadness and withdrawal caused that. It also produces some erratic behaviour.

I am amazed that, coming from the former Minister of Home Affairs and now Member of the Opposition, Mr. Clement James Rohee, why would he want to introduce into this National Assembly that criminals in Guyana are today running a amok. It was under his watch and that of

his other colleagues that criminals were provided with guns, one shooting a vendor for \$20 in broad day light in Georgetown, having had his weapon upgraded just moments earlier. Why would we want to try to condemn this Administration that has introduced so many measures to safeguard and protect our people, including aerial surveillance, including patrols by mounted police on our borders and in the back lands of our some of our villages? Not a single act of piracy had been reported in many months. I am saying this knowing that I am taking a risk for acts of piracy maybe to simulated. It is a calculated risk that I am taking because it is a truism that there were no cases of piracy, particularly in the Berbice area and in the border areas with Venezuela, for many months. We have been able to intercept an unprecedented large amount of illicit drugs coming into our country, resulting in the seizure of an aircraft that was involved, obviously, in the bringing in of tonnes of cocaine into our country and using our country as a transit point, and shutting down illegal airstrips.

There are things that I want to say today that I would not say in this House, but I know that the fact that this trade was permitted to go on, even if a 'Nelson's eye' was turned to it, it means that there must have been high levels of complicity and collusion. We need to protect our young people from hard drugs. We need to protect our economy from dirty money. We need to have a clean economy, a law governed economy and promote relationships that would make us all proud Guyanese. Even if we took measures that appear to be harsh, we do so as one of my learned colleagues, Mr. Raphael Trotman, former Speaker of the National Assembly, had said, even if one took medicine that was intended to cure, like castor oil, it would leave a bitter taste in one's mouth.

2.11 p.m.

The idea is not the taste. The idea is the cleansing. This Administration will unalterably follow the path of a clean and green economy. So that our people can grow up in an environment that is not contaminated and compromised. This is because the drug lords have deep pockets, they would compromise our security forces, our Judicial system; they would contaminate our Governance system, our institutions like the Legislature. They have long arms and deep pockets. Therefore, I was amazed that a former Minister of Home Affairs would appear to be oblivious that there was a time when the drug lords were permitted to run around Guyana with guns, and

when caught by the Police, the head of the gang would walk in and say “these are my boys; give me back my things” and they would walk out of the Police station with impunity.

There was a time when death squads straddle this land and there were incidents and episodes of extra-judicial killings. None of this in the last 18 months, no one was raising any spectre of extra-judicial killings in which officials of the Government might have been complicit. No one has raised anything about death squads. We now have a Police Force.

As soon as we came into power, persons were questioning whether we should have *black clothes* Policemen or whether we should put them in brown clothes as Riots Squads. We saw them all throwing in their efforts to make our community safe during a difficult time. I think that we deserve to be applauded for that. When the Hon. Member Mr. Clement Rohee came in the House as a Minister, he said that he was going to kick ass and he was quoted in the newspaper. Sir, I am quoting from the *Kaieteur News* newspaper, 25th April, 2012. There was a headline that spoke to Mr. Rohee’s sowed rift and he was condemned. There is a quote by the Police at large saying that the attack on the Police was unfavourable and unacceptable. But, of course, he did no such thing. In the end it was not that he did what he said he was going to do, the Guyanese people exercise the option instead and he went.

Sir, it is of no use introducing today, after they would have been in Office for more than 20 years, that there is no ethnic balance in the Police and security forces. If one does nothing then nothing will happen. Therefore, that blame should not be placed at the doorstep of this new Administration. There is a Latin saying *ex nihilo, nihil fit*, out of nothing, comes nothing. Therefore, they cannot blame us for their act of nothingness. People are asking, particularly the Indo-Guyanese, why did they vote the PPP into Government - the Jagdeo and Ramotar Governments, when they did nothing to secure jobs for our children in the security forces. Not just jobs, but an entitlement to be part and parcel of the defence and protection of their own citizens and nation. They were denied that right as citizens.

Those are some of the preliminary comments that I would like to make. It is because we sat here and listened very obediently (I may say some of us, at least, were looking at the passage of the one hour time). But when it was coming close to two hours, some of our Members realised that we did not have licence in this Parliament, though we have parliamentary privilege, to speak *ad*

nauseam. We did not have a right to abuse the privilege that we have to speak and I hope that I shall be guided by that, though my temptation is that *tit for tat* is good politics.

They are accustomed to doing this. After the 2015 Elections, they claimed that the elections were rigged and what did they do? They withdrew. Then they said that they were not consulted on the first budget and, again, they withdrew. In the first debate, they claim that the Prime Minister did not have an entitlement or a right to speak after the Leader of the Opposition and the Leader of the Opposition wanted to dictate the schedule of Speakers of the National Assembly to arrogate the rights of the Speaker. When they did not get their way, they withdrew. Again, when the President of our Republic came to address the National Assembly, they raised some specious reasons to protect someone who had been deemed, under the law, unfit to hold Constitutional Office until certain criminal proceedings were completed. They raised that issue as an excuse and then they withdrew.

Then, how could the children of this Nation ever forget that just about the time that our Golden Arrowhead was being hoisted at the D'Urban Park for our Jubilee Celebrations of 50th years of our Independence, for which many people, some still alive and some were not born then or they were in diaper, cannot appreciate, both the sacrifice and the joy of Independence. They used the excuse that they were not given Very Important Person (VIP) seats and they dishonoured our flag, withdrew and walked away on that auspicious occasion.

So, today, they come here like a discordant choir talking about withdrawing the budget, one Member talked about incinerating the budget. They did not know what they really wanted to do with this budget. It gave them political nightmares because they recognised the courage that it takes to embrace measures that we embraced, in order to streamline the economy, our financial system and to make us, as citizens, responsible for our own citizenship. So they wanted to show what they had wanted to do with the budget, but in the end they walked away.

As an old politician, perhaps older in politics than I had wanted to be, I have never considered withdrawal as a mode of political struggle. I have always engaged and I will always engage and confront. And if many more, as we had done in the coalition, did so as we had done, we would have prevailed. That is the mantra of political struggle, not withdrawal. Withdrawal is negativism; it is anti-inclusive; and even disruptive.

During the debate, we heard from some Members of the Opposition that this was a pro-business and big business budget. The Hon. Member, Odinga Lumumba, said that this was a big business budget, but there were others, including the Leader of the Opposition, asserting that it was and is an anti-business budget. The “Marxist-Leninist” was shedding tears for the private sector, the capitalist and for some others. They tried to cash in on the populism that it may be a good thing if they took the side of the majority. So they decided to latch on to the so-called oppressed and they said that the budget is anti-people.

Sir, this budget is neither pro-business nor anti-people. It is a pro-Guyana budget.

Where else than in a pro-Guyana budget would one have resources set aside, even in lean periods, to deploy our diplomatic teams, to launch high level lobbies to defend our sovereignty, as Vice-President and Minister of Foreign Affairs, the Hon. Carl Greenidge, so ably described our efforts on all fronts. Our security forces have been on the alert, they walked our borders. As President Granger recently at a Parade held at the D’Urban Park square, exhorted our security forces, that the Holidays season was coming and that while we were asleep, our security forces must protect our people. They must not sleep, but guard over us.

We heard not one single word of praise or appreciation expressed for our patriotic soldiers and others in uniform. We need resources to be able to boost their capabilities and to be able to have them at all time ready to defend and protect our nation. Our security forces had been sailing our waters, up the creeks and the rivers. We even have a boat in the mouth of the Waini River, a Police Station fully staffed with personnel, the MV Tamakay, that guards our borders while we are asleep in Georgetown. We need to pay tribute to our teams that are doing aerial reconnaissance. Therefore, we cannot accept that, in the face of any or all threats, our Opposition must take a dubious position. They cannot come here and paint a picture that our security forces seem to be acquiescing to what they call the “criminals running amok”. They have to come here and say, “yes; we know that we have difficulties. But we will support resources to be placed at the Government’s disposal to make it better prepared to deal with what they consider to be security threats”. How else would one name a budget other than a pro-Guyana budget, when money is set aside for Constitutional Reform? Our Constitution is our Supreme Law. It is the motherhood from which all other rights flow and we were lambasted before that we were not committed to Constitutional Reform.

But now in this budget, the Minister of Finance recognises the commitment of our Government to improve our laws, our governance framework, to make our society more inclusive and to even tame excessive powers that had bred suspicion and might have aided authoritarian impulses in the past. We had decided that we would go down this path of Constitutional Reform because we realised that the greatest protection that we could offer our people, was for them is to be able to live under laws that protect their rights and the rights of all people.

Here, we heard an attack on the age of persons. At every sitting of the National Assembly, we hear the word that we are geriatrics on this side. The greatest sons and daughters of this country, who had given their talents and lives to this land have attained age and we respect our heroes and those before us.

2.26 p.m.

I recall how bitter I once was and, permit me to share this and I will say it in a graphic way. Once, we were having a meeting at Freedom House in 1991, when it was Freedom House, and the talk was whether Dr. Cheddi Jagan should be the presidential candidate in the 1992 Elections. Someone said that Dr. Jagan was too old. Sir, I will do some expletive deletion at this point. I ran that person down the stairway of Freedom House in the name of freedom. It was because age was not a barrier to political unity; age was not a barrier to someone making a contribution to the society; age was raised then and age was defeated. It was embraced by that side then and today we hear that age is bad. Age is like sexism and racism, it is discrimination and we repudiate any act of discrimination in this House coming from that side, in particular, that has benefited from age.

We have to be mindful of our own history because when Dr. Jagan became President he was 75 years old and no one thought that he was old. So age is not a barrier. As I said, we are trying to improve on our Constitution that will give people, of different gender, sexual orientation, all sexes, all genders, protection. They deserve to be protected and the Constitution is a bulwark of that protection.

When we had set up additional radio stations in our interior, we were told that that was a waste of money and that it was spreading propaganda in Guyana. But how could one compromise the rights of the Amerindian and Indigenous people to be a part of this nation as part of the whole

and as part of a nation that is indivisible? How does one lock them out from being communicated to and from them communicating to the rest of Guyana? How does one lock them out from resorting to their own languages to communicate among their own peoples, to appreciate their own music and to appreciate their own culture? How do they lock them out and come in this House and claim that they are friends of the Amerindian people, when they say that they should not have radio stations? I find that unacceptable, but that is also part of the constitutional arrangements that we want to put in place that will respect all of our peoples, their culture and respect their entitlement to equal and equitable treatment under the law.

When one reads through the Budget Speech and the Estimates giving the details, one would know that it had to be a pro-Guyana budget. This is because greater resources have been allocated for our children's education, our people's health, for housing needs and for agriculture. Everything that will be considered to be critical to the lives of our people, including security, there has been more money voted for those sectors. So, even while we have this great protest today about water and it being taxed, in this very budget no mention was made, that there is \$2.5 billion that has been set aside and was being allocated in this budget for next year, for water treatment, to purify our drinking water, so that our people do not get diarrhoea and other water borne diseases. This is particularly to expand the service to our rural and hinterland communities.

So, it must be pro-Guyana at a time when you are concerned about people or anyone having to pay a tax on electricity, that this Government has decided that it will make power facilities accessible to communities that had never had access to power. That is why, in Mabaruma, we are able to use solar panels so that people could listen to the radio, to access signals in their community and we have more allocations in the budget for solar power. In fact, I am ecstatic and delighted that an experiment would be conducted with 64 Government buildings. I hope that the Parliament would be one of those in which there is a system where solar power would be used so that we would become less dependent on fossil fuel.

There is so much that has been set aside in the agricultural sector for diversification. We were told about how much money we could have saved, from some other measures, to pump into sugar. Sir, I will deal with that in a little while. The solution to sugar would be the diversification of our land, to be able to ensure that our people have food security. Even while we may be exploring and extracting oil in commercial quantities, we can never give up the focus of making

Guyana an agricultural basin of the Caribbean. Everywhere in the Caribbean and elsewhere, there are acute food shortages and they are looking to places like Guyana where they could come.

Sir, I just returned from two back to back trips to India, on first class tickets for my wife and I, paid for by those who sponsored the conferences in Tamil Nadu and Uttar Pradesh. They paid for the tickets. We did not ride on Government's expenses. I did not take my friends with me in the first class seats. When one goes to those places in Chennai, Lucknow and Delhi and he/she returns to Guyana, as Minister, Mr. Carl Greenidge would be able to testify more fully and graphically than I could, then one would see the heaven that he/she breathes in Guyana, the fresh air, the smell of the plants, the trees, the fruits and the sea. One can smell and live the difference. Therefore, any leadership of any country that does not use the resources at their command to prepare our country for the green revolution and the green future and to do the adaptation by whatever means necessary, then that Government has no vision and I do not think that this Government can be deemed that way. It is a courageous Government that understands the necessity for us to spend more on diversification rather than concentrating on one industry.

They said that this A Partnership for National Unity/Alliance For Change (APNU/AFC) Government is killing sugar. Two years ago, we heard one Member say that we were committing ethnic genocide, even while we were the Opposition and we committed ourselves to supporting a measure to bail out the sugar industry. In order to make politics, they went outside and they brought some Amerindian youths who were given stipends. They were given not education and training, but stipends. They brought them here to shout "ethnic genocide". They were using sugar to sweeten their campaign of racism and division and they continue to identify Minister Ramjattan and myself, on this side of the House, for a particular ethnic focus. Yes, it is politics for the Leader of the Opposition to induce himself into this frenzy of *anti-nagamania* "naga naga, naga naga..." I hope they make a nice song of it that we could sell to the Trinidadian Carnival. He starts his speech with *naga* and he ends it with *naga*. I will teach him one day how to dance the *nagara*.

Sir, how do you kill a patient that is already on life support? How do you kill a patient if you inject it with \$12 billion? Just a few months after we came into office, we saw the patient that was named Sugar in a comatose state and Mr. Jordan had said to let us give an injection of \$12

billion. It was a bail out, yet we are told that we are killing Sugar and they went to the sugar belts. As the Hon. Member, Mr. Lumumba, would have said, there were Indian people in the sugar belt. He knows what they are saying; he is assigned to do that because it seems to have credibility if it comes from someone of another ethnicity. So, he is making the case. Another one said, we are killing sugar, but we are giving Linden electricity subsidies and asked why not withdraw the subsidy on the electricity in Linden. It means why not kill the people in Linden, the bauxite workers. It is the same racism, but they choose someone of a different ethnicity to say that about the people in Linden. Then I had to heckle that they were entitled to that because, when bauxite was nationalised, the agreement said that the people of Linden and all bauxite workers were entitled to no less favourable conditions. They were entitled to that. It is an entitlement, but they are using this to spin racism.

How could we have committed economic genocide against the sugar industry, if a few months afterwards Mr. Jordan gave another injection of \$11 billion? Twenty three billion dollars in less than one year was injected into the sugar industry, as a bail out, to keep the jobs of the sugar workers and to ensure that their families had secured livelihoods, while we look at alternatives to take them out of a meltdown. This year, we are accused again of economic genocide when we injected and put aside \$9 billion into the sugar industry as a further bail out. If we say that we do so at the expense of the other sectors of the country, the other sections of the society, and that it is a drain on the Treasury, it is not without justification because we are taking this deliberate action in the interest of the sugar workers at the cost of inflicting pain on others. It must be out of an acute sense of love and affection for the people who had given so much for an industry that had been so badly mismanaged.

When we inherited this sugar industry after it was already placed by Mr. Jagdeo and company on the debt bed. It was shackled to the bed with a chain that had a label of a \$85 billion debt. It could not move from that debt bed. The sugar industry was mismanaged and brought to a state of bankruptcy, to the point where even the then President, Mr. Jagdeo, said that he had to find \$40 billion to invest in a modern sugar factory, which was the Skeldon Sugar Factory. They injected the \$40 billion into the factory. The factory could not breathe, so they injected another \$10 billion to pump some oxygen into the Skeldon Sugar Factory, but it was still puffing and huffing and was not performing. So, now he is saying that, without the Skeldon Sugar Factory, sugar is

dead. Now, with the Skeldon Sugar Factory, sugar is dying. So, what do we do? You threw the \$50 billion *down the drain*; you brought specialists from South Africa, Australia, India and China and they all looked at the patient and said, “terminal” and advised to find another way to resuscitate the patient. So, if we chose the path of diversification and any other mixture other than solely sugar and allow the workers, the cane farmers and the people of Upper Corentyne to benefit from that industry, then it is in the interest of the people that we should do so. The sooner we do so, the better.

Sir, we were told how the decision on the Wales Sugar Factory was made and that the people were not consulted. I must admit that we slipped up. We should have gone earlier and engage the workers and we should have placed the cards on the table, but they know that something had to be done because that factory was going and it was going fast.

2.41 p.m.

When the decision was made to merge factory operation with Uitvlugt, GuySuCo communicated with the workers and gave them an option and said that those who want to take severance pay they should do so because it was an option available to them. GuySuCo committed itself to paying severance which would allow the workers to divorce themselves from sugar as a full occupation and going to some other business that they may choose, some other activities such as farming, dairying, agriculture, apiculture, aquaculture and mining bees. They could have done anything they wanted but they needed support having been connected to the factory and to the estate for many years.

When GuySuCo had announced that it would make the payment on May 13th 2016, the union went and filed a court auction. It got an injunction to restrain GuySuCo from paying the severance because it knows without the severance the workers cannot opt for another type of work. Why did they do so? The labour aristocrats live on union dues, sugar. They are discounting from every sugar worker, union dues and as long as the sugar industry remains, whether it makes profit or not, the dues are paid to the sugar union and the aristocrats, up in High Street, would draw down. They were against the workers accepting the severance interest.

What did the workers do? They came to the Prime Minister’s office and the Prime Minister advised them that they should draft a petition and they should sign the petition. It is that they

should go to the union and tell the union to withdraw the injunction, that we want our severance pay. Then the union issued a statement saying that Prime Minister was inciting the workers. In fact, I told them to go and picket the sugar union. In their own interest they need money for their family, and money was being offered to them. It could not be an act of kindness that the sugar union was saying do not accept the money, do not sever, do not start a new life. It cannot be. Even in a domestic affair when one partner is being abused the abused, would normally try to be, in some cases, in a safe home, somewhere else away from the abuser.

Those workers realised that their relationship with Wales Sugar Estate could be terminal and so they had to look for another avenue, but their union blocked the payment. Then eventually on September 26th the workers won out and the injunction was withdrawn. I am pleased to announce that 93 workers from Wales Sugar Estate on the October 14th 2016 received \$80,155,000. The union then went into a state of silence. The people at Wales said that it went *gunga*, not a comment that the workers had, in fact, received their severance pay.

This Government has a heart. It does not come easy for us to do what we are doing. I even know the pain that comes out from other sections of the Guyanese people, particularly public servants, when you have to do this type of dedicated attention to one sector of the economy. They believe that they are being discriminated against and they are being robbed. It hurts here for Members of the Opposition to come and describe us as pickpockets; that we have brought pickpocket budget, when in fact, we are pumping billions of dollars into the disadvantage and threatened sugar workers. How could we be pickpockets? How could we be picking the pocket of public sector employees when this year for the very first time in perhaps many years of a 5% imposition, the working poor with \$100,000 or less per month have got 10% wage increase for this year. How could you say we pick the pockets of workers if they were to benefit from raising the income tax threshold and setting the minimum wage?

How do we pick the pocket even of pensioners if we increase pension from when it was at \$12,500, just the other day, and now brought it up to \$19,000 a month? How could we be picking the pocket of the pensioners if you are getting more in old age pensions or giving mostly single mothers money as social assistance and increasing it to an amount that they can at least buy some necessities for their home? It is not a salary.

How could we be picking the pocket of workers if we are going to pump \$5 million into National Insurance Scheme (NIS) for a fiscal misadventure, a reckless misadventure, I would say, to invest the workers money into Colonial Life Insurance Company Ltd. (CLICO)? CLICO went belly up. It was CLICO that went pocket up. This Government, in order to be able to ensure that the NIS has money in its kitty to pay the benefits of workers when due, granted to NIS \$5 billion in lieu of the money owed by CLICO. How could we pick pockets of the working people in Guyana by ensuring and securing their insurance benefits? Sir, one must have rationality when one presents arguments in this National Assembly. This is not a free for all political soapbox or street corner political infighting. This is the highest body, legislature, and the law making body, of this country. If you have to be persuasive, you have to have cogent arguments that must be logical.

How could you say that the Government, which had introduced VAT...? President Jagdeo had become a father in 2005 when he signed the VAT Act. He became a father of the VAT when he signed. I have the Act. It was the 18th July 2005, the VAT was assented to. This is the birth certificate. It might have come into being two years later for the reasons that Vice-President Mr. Ramjattan cited, that 2005 we were on the eve of the elections. You could not have brought VAT on the eve on an election. You had to wait until elections were over in 2006. Then he dropped the hammer, 16%, one lash on the Guyanese people. He waited for the opportunity. How could we be picking anybody's pocket if you decided that you were going to reduce the VAT by 2% and deny the Treasury of about \$5 billion, to round the figure? How could you be picking the pocket of the working people if you did that, or of all the people of the country? They were the same people who argued for these poor people who have to pay 14% VAT on water and electricity. I will come to that, if I have some time. I want to touch on that very quickly. I am going to put on the speed now.

They labelled us the fatter cats. Your predecessor, Your Honour, had said that the use of the words "fat cat" was inadvisable, but the other side, who had complained then that it was unparliamentary to refer to anyone as "fat cat", especially the ones who were receiving \$1 million and more per month as salaries just as presidential advisers, yesterday referred to us as the fatter cats. Had I been a former President, I would have indeed been a fatter cat. I would have been earning a presidential pension, if I had been a president between 2012 and 2015. By

October last year, I would have received a princely sum of \$84 million or an average of \$1.6 million monthly, every month, on the month, tax free. I would have gotten that. Nobody thinks then about the poor user of water and the poor user of electricity or the poor pensioner. Nobody thinks about that. There was an option. The Leader of the Opposition's salary was increased by 50% to bring it in line with Ministers of the Government at about \$960,000 a month, which is below that of the Presidential Advisers. Under the Leader of the Opposition, they had scaled the \$1 million per month and this Government decided it was going to place senior Ministers in the ranks of Presidential Advisers and it was all bad. It was making us fatter cats!

They talked about the 50% increase, but there are only 13 Ministers who are benefiting from the 50% to bring it to the level of a Presidential Adviser. They keep beating this horse. The poor horse must be dead by now. All over they had in their speech "50%" and "50%". That is the nearest popular thing there is after "*naga-naga-naga-naga*". That is a mantra. You would wake up in the morning and said "50%, glory to God". That is all they sing. They are blinkered and blindfolded. What did the Hon. Leader of the Opposition do? You are the Leader of the Opposition and you are entitled to \$960,000 salary per month. He said no. "I am not taking that. I am going to accept my pension". Why, because, the pension was \$1.6 million per month. You had a choice. You could have said the poor working people deserve more. Why do I not accept the lower salary? No. The salary was not attractive. The pension was, because the Leader of the Opposition, when he was President, fixed the pension that when he demitted office he should live here and thereafter on a very fatter cat standard of living.

I would have been a fatter cat if I had shared a \$252 million, in only four years, that went into presidential pensions, and such pension, as I said, is not taxable. Had we not placed caps on benefits, the amount would have trebled because they were entitled to all kind of facilities - uncapped number of vehicles, maids, trips abroad with or without spouses. Even if you did not have spouse you could walk with... You are entitled. They all dipped their hands into, what they claimed, the entitlements of ordinary working people.

As an attorney, not of any repute... I remember going to the University of Guyana with my learned friend very honourable distinguished Mr. Nandlall. He 'scrapped' through with a pass. I got a credit. Coming out of law school, he said that I matriculated late. He said that I

matriculated in old age. Then, Sir, you could see what age could do. Yes, age is good, Sir. I could defend age.

2.56 p.m.

Sir, we are all told as lawyers that those who come to equity must come with clean hands. My hands are still clean. They are still clean. We came here and we started to talk about how we should be saving taxpayers' money. One of them referred to us as globetrotters. The same person, who tried to malign us, had made trips overseas. They had trips galore. They carried the whole *Bariat* with them, the whole *Bariat* as if they were going to an Indian wedding.

There were 23 trips under Mr. Jagdeo's travel, Sir. Being so concerned about wasting money and diverting money to working people, it came up to \$87 million. This is only for the plane rides. They do not beg for tickets as me and Mr. Raphael Trotman. We are good mendicants. Anytime he came to the Cabinet for a request to travel, it is at no cost to the taxpayer. I admire you.

This is a record here, that we are talking about how much we care for people. Then they had the big drawdown, every trip they made they would have drawn foreign exchange. There is something called contingencies. When it is added to the hotel accommodations, pocket money, it came up to US\$307,000. We should be careful that when we come and accuse this Government of *squandermania* and that Ministers are travelling out of the taxpayers moneys, that we ourselves are not culpable. That is why he was afraid, the Hon. Member, that someone was digging up the records. It was me. I am an old journalist. You do not get away with me. You do not throw at me and lick up and run out. I come back and I come back with the facts. I always told journalists, as I did at the graduation recently, in doubt, find out, and if you are still in doubt, leave out. Today I am not in doubt. I have the big file here, trip by trip.

As I said, if you may permit me, just one more time on this issue, Sir. I must set the record clear on this (it has been said... I do not mind). Someone advise, in politics, that if your name is not in the news every day you should be worried. Even if bad things are written about you, the fact is, as a politician, you make sure that your name gets in the news.

[Mr. Greenidge: Bad publicity is publicity.]

Bad publicity is publicity. Thank you Vice-President.

We are being told how this wicked Prime Minister came into the Government and accepted a salary of \$1.7 million a month. I have to set the record on this. For years, we live in a country where the Attorney General, the former Attorney General, Hon. Member Mr. Anil Nandlall, was drawing down \$1.6 million a month, tax free. That is an Attorney General. The Prime Minister was getting \$1.5 million a month. The Prime Minister sat here, where I am standing in this hallowed hall, this sacred place, where we come for justice and equity, and did not see that it was wrong to have the Attorney General... It was an anomaly to have an Attorney General getting more money than the Prime Minister of the Republic of Guyana.

Therefore when that was corrected, 4.3% was added to the Prime Minister's salary. I want this to be noted by the media, in particular, that they cannot allow themselves to fall into this frenzy of propaganda and misinformation, that they repeat this as a mantra every time. This is the first time I am saying it in a way that brings me out into it because it was an unfairness that I could not allow to come to pass.

As I said, this Prime Minister is a lawyer. The argument that a lawyer must have more money than a Prime Minister does not apply anymore because the lawyer is a Prime Minister and, therefore, we had to reverse that. It was justice that requires that. This talk about 50% increase in the Prime Minister salary and 50% increase for this and that is wrong. It is false; it is mischievous; and it is a complete fabrication. It is 4.3% which is placed above the salary of the Attorney General, but the injustice continues. I hope the Minister of Finance is listening too, not only the media, that the Attorney General does not pay tax. The Prime Minister takes home one third less, now 28% maybe less, but still he takes home less at the end of the day.

For years, 23 years we had this enjoyment of what is called a disproportionate entitlement. It was a disproportionate entitlement in my view, and we have to put a stop to it. It was equity, Sir. The blue-eyed baby of law, equity that states that you cannot allow a wrong to continue, was in fact, in that parcel of increases that took place in September and October of last year. It amounts to 10% from where it was before to where it is today. We need to set the record straight.

I said about the Vice-Presidents, we have not had them before. Their allocation could not be compared to any other allocation, but yet, as I said, their salaries were not and still, remain not

much more elevated than former Presidential Advisers. Thirteen persons are entitled to the increase that amounted to 50%, which included, of course, the Leader of the Opposition.

The nine other Ministers, loosely referred to as junior Ministers, have not existed before, so you cannot compare their salaries to any salaries that existed before. Therefore you cannot say that it is a salary increase, but that their salaries had been fixed at a level that is just below or about the salary of a Permanent Secretary. What is wrong with that? What is wrong with a Minister getting the salary of a Permanent Secretary? I would tell you, Sir, the Minister of Finance, just as it is wrong for the Attorney General to get a bump up over the Prime Minister, it has to be looked at in the interest of justice, in the interest of equity. The other Members of Parliament were given about 20% increase in their salary.

I would say this now, that we were told by the Hon. Member and Opposition Chief Whip, Ms. Gail Teixeira, that the Members of Parliament on the Opposition benches were paying their increases into an account of the PPP. The Clerk of the National Assembly had been mandated to discount from their salary the increase payable to them and put it into their account. That is nothing new, Sir. When I was a Member of Parliament for the PPP, I was required to pay a percentage of my salary into Freedom House, very month. It was not only that. I was required to pay every single cent I work over and above the salary I received from the Mirror over to Freedom House. For seven years, all the money I acquired and earned as a journalist, I was paying it over to Freedom House, so I know the system, Sir, I know this authoritarian system very well. I was a part of it and I was an obedient servant to it.

When we were told that the Members of Parliament were paying their money into this account, I said that Stalin is still alive. I was wrong; Stalin has died. Only 13 Members of Parliament were paying out of the 32. The increase would have amounted to something such as \$40,000 - I had it here - but they were paying \$23,755 into the account. I think all of them started in February, but there were late starters, as you know. They were not here in the Parliament for a while. They withdrew.

It is not true, Sir. I have the records that the moneys were being paid into the PPP accounts, all the Members of Parliament. Therefore the Hon. Member Madam Gail Teixeira should owe us an explanation, if it is inadequate, if she was misled to come to this Parliament. All of that was done

to put us into a bad light that we were taking up our share, we were gobbling it up, living the high life, the fatter cats, and these poor slimy cats and slim cats were paying their increases. It is not true. Therefore at the appropriate time, as I said, Ms. Teixeira, would owe this National Assembly an explanation. She would also owe us an explanation because as the Opposition's Chief Whip, she was entitled to a bigger benefit and increase, but I saw that she was only paying the increase of the \$23,000, not the \$33,000 that was supposed to be in the calculation.

I have said enough about those matters because when we are in this House, the records have to be clear. Whatever is spoken here, words have power, words go into *Hansard* and words become history. If these words are not rebutted for the falsehood in them, then, they become truth and they become part of our history. Let the record speak truthfully and that is why I took the pain into do what I did. It did not give me pleasure, but it is necessary.

There is a hysteria drawn here. During the elections campaign I remember one Member, a politician - I would not say from which side - had walked around with her baby on her shoulder telling and tapping people saying that after the elections my daughter would be raped. Sir, that was the worst that I have ever heard in my political life. They came here and said what a tragedy because of this budget, that a mother has to watch her child, brushing his or her teeth not knowing if she would have to pay VAT if the child exceeded the limit of water brushing his or her teeth.

The Hon. Member Jennifer Westford, who was once a Minister, she said also that mothers have to be careful how they clean their babies, how they will change their diaper, because they all would be paying tax. They are all full of distress for these mothers whose children's teeth and bodies cannot be washed because of this harsh imposition of VAT.

Water in Guyana had been free. There was a time when untreated water was free. Everyone had access to water. In 2002, again, Sir, President Jagdeo became a father for the second time. He introduced and delivered meters in rural areas, water meters. People started to pay water in rural areas. I was coming from New Amsterdam, I was at the New Amsterdam stelling, and a man came up to me. He said that he was from Bath Estate. He said it in very colourful words, smelling of shallots. The words were *chache* - as you know that is what they called you in the countryside, *chache*. *Chache* is an uncle - "*chache a yu a kil abi*", because I was with the PPP. I

asked him, “Why you think we are killing you?” He said: “*How me guh get wata fa wata mi shallot now?*” It was because there was a meter running into his yard and he realised that he had to pay for the water.

3.11 p.m.

When you heard the hysteria here about having to pay for water, I believe my friends on the other side had forgotten that under International Monetary Fund (IMF)’s, pressure and conditionality and trying to do structural adjustment in Guyana, they had to get something that is called cost recovery. Cost recovery was dictated by foreigners to our politicians and they dutifully followed those instructions. In the end, we did not have structure neither did we have adjustment. Structural adjustment brought new burdens to many of our people. We had a wage freeze for many years. Under foreign tutelage and direction there was 5% increases. That was the song that we were singing for many years. Only this year for the first time we had a 10% increase. We must understand.

I think that Minister Dawn Hasting-Williams has eloquently told this House, and it needs to be repeated, that there are 85,489 metered customers and 97,000 unmetered customers. In all there are 182,000 users of water. According to those figures, 85% of the people who use water, that is 155,000, use less than \$1,500 a month. I tried to calculate that. I am not a mathematician. I tried to calculate that and it comes up to this: According to my calculation, the charge is \$100 per cubic metre which is 250 gallons. Am I right? Tell me if I am right, if I am wrong I will withdraw immediately. For 250 gallons you will pay \$100. It means that if you have to pay \$1,500 a month. It is assumed that you are consuming 3,300 gallons of water a month which is equivalent to eight black tanks – eight 400-gallon tanks. This is the working poor; this is the average family. That family will have to use all those eight tanks every month, then the VAT would kick in. I do not know which ordinary family, the ones brushing teeth in the morning and washing the babies bodies,... I do not know, I suppose, if you have a \$2 million set of teeth it will take more water to wash. You may have to pay VAT for \$2 million teeth.

I do not see how you could use 330 gallons of water a day. If you use 330 gallons of water a day for 30 days a week then you will have to pay something out of it. You are not using then, you are wasting water. Eighty-five per cent of users are not going to be paying VAT. When you hear this

talking about VAT, they are jumping all over the place like a cock without a head. They said this is *Kakonomics*. They are doing that, so you cannot believe it.

I am a politician and I want to advise these youngsters who call us old people over here. This thing is going to be a boomerang. There is something called credibility in politics – political credibility. If you start telling people that they will suffer and next year comes and the worker sees that there is more money in his pay envelope and that no one has to stop bathing and no one has to live in darkness because of VAT, the credibility bar would have been broken and they will indict those who try to mislead them. Our people may be simple people. We are proud people, but we are not ignorant people. We are a nation of knowledgeable, literate people. I believe that we need to take note of that. Again, as my learned friend said, only 15% of water users would in fact be paying amounting to 27,601. Most of them are in the restaurant business, in entertainment and they have to be able to pay on consumption.

I believe that a similar hysteria was raised over electricity and we need to set the record straight from the Guyana Power and Light Inc. (GPL) accounts. We have 165,115 persons using electricity and the record shows that 150, 814 or 91.34% of residents and 14,301, or less than 8.6% commercial, are there on the roll. Of that, 82% are using less than \$1,000 from the meters. That is amounting to just over \$136, 000 persons. Eighty-two per cent of the persons are not going to be affected by any VAT.

When they say that this is an anti-poor budget, it is not affecting ordinary working people. They are trying to protect their friends. The frenzy was all about protecting their friends. They have friends who have been dodging and escaping paying and doing their corporate responsibilities. I call no names, but we need, in an orderly way, to rectify that.

My friend and Hon. Member Khemraj Ramjattan had taken us back into a brilliant excursion of learning into the history of VAT. He referred to when VAT was introduced in 2005 as the law, but not implemented until after the elections. There were loud praises at that time for VAT with Mr. Manzoor Nadir, a Minister then, saying that the “VAT will be more comprehensive, less complex to enforce, less open to abuse.” There was this great singing of the merits and the virtue of VAT. Over the years we know that while PPP Government... (I always say the post Jagan Government because you have to divorce Jagan from the rest of them). Mr. Ramjattan has a

name for them. I would not record it in the *Hansard*. There is Jagan and there are some others. They said it was a revenue neutral tax. The figures showed that between 2007 and 2014, seven years, they raked in \$232 billion in VAT. Now, if I love the people so much, with \$232 billion being brought in as revenue, how come I still keep the working people on 5 % wage increase? How come I did not think that they were entitled to more with all of this revenue that came in?

When we are told today that we will have in 2017 an increase, in spite of the reduction by 2%, that we will have \$45 billion, I believe that the Leader of the Opposition was not speaking to the whole issue of efficiency in VAT collection and enforcement of the laws. He was not speaking to that issue at all. He was just thinking that this was a draconian measure that was only reaping revenues. Our Government has been assured that under the new regime that there will be efficiency in the collection of taxes.

Much as we were told that this was a revenue neutral measure, we were not told that the VAT was first bringing in \$21 billion a year. By 2015, when the PPP was removed from office, VAT revenue was \$37 billion. It had increased by \$16 billion. It was not revenue neutral. It was in fact either the incidence or the impact of the tax measures was bringing in more revenue than was anticipated and we did not benefit from the windfall.

We were told about the dentists and the doctors who have to pay more, but when you look at the VAT Act it states that medical and dental services are to be exempted. They did not zero-rate them, exempted. It states practitioners and dentists will pay tax on their input purchases. We were told by 'doctor' Rohee this morning about the young dentist bringing in equipment and setting up practice as a dental surgeon and having to pay tax. It is their own law that they introduced, so that all these important purchases were not VAT neutral, were not zero-rated, but will not charge taxes on the services that they provide. They will pay on their input purchases. The payment on the purchases, according to the Act, itself, would not be refunded. It was the same for education. I believe that one has to pay attention to what the law states and what the law provides for and to give an interpretation within the definition of the law.

I want to say that a lot of attempts have been made..., including by the Leader of the Opposition. (I am not coming after the Leader of the Opposition. I do not like to go after the Leader of the Opposition. I like it when he comes after me. There is more attraction there). He has said and

joined the chorus of people who, I would say, are legal-minded in saying that we have committed an unlawful act and we are violating the Constitution because we are now removing from the law a right of someone to appeal to the court or to get a court order before you could go after someone who is leaving the country after owing taxes. The Minister of Finance said this, on page 82 of his budget presentation:

“(iii) Persons leaving Guyana with tax liabilities - It is proposed to revise the provision of section 45 of the VAT Act by deleting the proviso which allows for a court order to be obtained to enforce this provision. This will be consistent with a similar provision which exists under section 71 of the Income Tax Act Chapter 81:01;”

What does section 71 states? The Income Tax Law, these purple volumes, they are referred sometimes to as the controversial Nandlall’s volumes. Do you remember something about the contract for the printing of law books? They are staring at us here, in purple. The Income Tax Law states, section 71 (7):

“ ... where the Commissioner-General is of the opinion that any person is about to or is likely to leave Guyana without making arrangements to the satisfaction of the Commissioner-General, when required by the Commissioner-General to do so, for the payment of all income tax that is or may become payable by that person under this Act on his income accruing in or derived from Guyana or elsewhere up to and including the year in which he proposes to leave Guyana, the Commissioner-General may issue a direction to the Commissioner of Police or Chief Immigration Officer, or both, to prevent such person from leaving without paying the taxes or furnishing security to the satisfaction of the Commissioner-General for the payment thereof .”

The former Attorney General stood up here with a very dry face and said it was legal larceny. Another person said it was a violation of the Constitution and threatened to take us to court for it. He was the custodian of the purple books. The Income Tax law has that provision. All that the Minister of Finance is now saying is that there is need to bring the VAT Act in consonance with the Income Tax Act. The practice, which is there, is extant. There is no need for two sets of practices. When the matter was debated, when VAT was being introduced, there was Mr. Shaik Baksh, a Minister, then citing the same sections.

3.26 p.m.

This is what he said as recorded in the April 14, 2005 *Hansard*:

“The one that the Hon. Member Mr. Murray dealt with. Mr. Murray criticised it at length, and was, again, in the recovery of moneys from persons leaving Guyana. He was very much concerned about Clause 45(1). He has possibly reminded himself of the past. This Act is being administered largely by the Commissioner General and this Clause, in particular, gives the public official powers to ensure that taxes due are paid. As I mentioned, this legislation can fail if we do not ensure the VAT legislation is enforced comprehensively and that it must be administered very forcefully if it is to be a success. This is one of the main clauses to ensure that people do not owe large sums of moneys, in particular, and leave these shores. I want to draw his attention to the fact that under Section 70(1) of the Income Tax, this provision existed already and it has never been abused because he is assuming that the powers vested in the Commissioner General would be abused. This has not been so, so far.”

Do I need to say anything more? I need to say nothing more. My case rests that all this charge of us trying to abuse people’s constitutional right to travel... They sat there like *Alice in Wonderland* and they presided over the law books and did not know that that law is in the books, the statute, already to allow - not the word “shall” – to go to court for a court order to prevent someone from leaving the country. It gives the Commissioner General discretion. He may take certain measures if the taxes are not paid. In fact, it was a gentler form of enforcement than what the late Mr. Shaik Baksh, former Minister, had contemplated that the law should be enforced forcefully. Therefore, I need not labour anymore on this because it is clear that this case that has been presented that the law is oppressive and is intended to affect people’s constitutional rights was only a bluff. It was part of the scare tactics; it was part of scaring the Guyanese people and to paint us, on this side, as authoritarians.

Sir, if you will permit me and if I am reminded that I exceeded the time, the Leader of the Opposition said that his side would support this Government in all measures if we only fulfil our Manifesto promises. We are committed to the fulfilment of our Manifesto promises. We said that

we will reduce VAT from 16% to 14%. That is our Manifesto promise. We have fulfilled it. He should have supported that. In fulfilling it, he did not. We kept our promise.

We said that we were going to remove certain sections of small businesses from the requirement to be registered for the purposes of VAT. We now removed people who used to be doing \$10 million business; we now give them a higher threshold before they can become a VAT registrant or taxable person within the meaning of the Act. We have now elevated that to \$15 million.

Even former Government personnel would probably be holding office as Government personnel. I know of one who said he made \$2.4 billion a year selling phone cards while he held Government office. Many of them now would have been free from registering for VAT because they all claimed that they were doing some business on the side, some suitcase trading on the side. They go on first class seats overseas on Government business. They all did not have to repay tax. We fulfilled our promise and I would have expected the Hon. Leader of the Opposition to support us.

We said that we would reduce the Berbice River Toll and we did. Is that not so, Minister Patterson? We reduced it. That was an Election Manifesto promise. But we did not get support for that. We got *cuss down* for that.

We said that we would hold Local Government Elections and we did, after many years of not having any Local Government Elections. We have Mayors and we have Chairmen and Chairwomen throughout Guyana. We have new towns. We have fulfilled our Elections promise.

We also said that we would establish the Public Procurement Commission as another Election Manifesto promise. We said that we would guarantee the independence of the constitutional bodies such as the Judiciary. We saw that they are tabling their own budgets. The Parliament Office, the Judiciary, the Ombudsman, the Office of Director of Public Prosecutions and the constitutional Commissions are all independent agencies with respect to financial autonomy. We have enriched our politics and we have enriched our body of administrative bodies in Guyana. We were not supported in these measures. We are being attacked that we are giving too less and that we are cutting the Budget of the Constitutional Agencies when, in the first place, we freed up the Constitutional Agencies from direct political interference.

We also said that we will raise the minimum wage and we did. We said that we will increase wages for working people - public servants - and increase pensions and social assistance. We did. When we did, they said that it was *too late too little*. We did not get support there. What kind of support is the Hon. Leader of the Opposition hoping to give us on this side if we fulfil our Elections Manifesto promises? We said that we were not going to give young people dole. We will give them training and we will still give them a stipend while they are being trained. Is that not so, Hon. Minister of Indigenous Peoples' Affairs? Yes, but we got *cuss down* again. They said that we *took bread out of the mouths* of these youths in the interior, who are being given dole and brought into the campaign to hold pickets and to protest for political causes - unworthy ones, most of them.

We said that we will restore the Garden City from its state of the garbage city and we did. The City is now a pride in our nation. It is part of the jewel in the crown of Guyana that we could have a clean city, one that does not have garbage piled up at every street corner and where one does not have to hold his or her nose when he or she has to pass those places.

We promised that we will make the city flood-free. At least so far, in the last 18 months, we have not been devastated with any of the ritualistic flood that would come by Christmas time.

We have changed the landscape of Georgetown. We have brought back some beauty and charm to our City and yet we are not praised. We are told that we pilfered the money and that we created a park where there was only a jungle. This was said by the former Head of the Presidential Secretariat, after Mr. Jagdeo spent \$179 million trying to clear the D'Urban Park and the money *went down the drain, in the mud*. He started D'Urban Park. He could have been the father of D'Urban Park too. He could have had three children right now. He is not claiming it. We went there and Dr. Luncheon said, "No. We are not continuing any work at D'Urban Park. We would rather leave that to become a pristine jungle in the City."

The D'Urban Park was supposed to be a tourist attraction - a jungle in the city. We went and cleared up the jungle. We do not need that. We have enough jungle - 85% of our country is pristine pure tropical rainforest. Why do we need to bring them in the City? I understand why they want to go there. That Government was accustomed to being lost occasionally. The jungle

was a nice place for them to get lost. But we cleaned it up. They lambasted us again. They are talking about not being accountable.

There are so many other things that I would like to say today but I shall be generous with the time at the disposal of the National Assembly and I am grateful to Your Honour for your latitude and your patience. It is not easy listening to politicians, especially when they try to make a cause but ours is a righteous cause. Ours is a justifiable cause. Ours is a cause for Guyana that we have brought a Budget with measures that can streamline our legal system, streamline our tax collection system, bring measures that may not be popular but bring measures that are necessary in the interest of Guyana.

With these words, I want to commend the 2017 Budget to this National Assembly and to ask that we all once again thank Minister Jordan for his effort in crafting the Budget and in guiding us through it. We also want to register our appreciation to His Excellency, President Granger. When he came to this Parliament, he had outlined the vision that we should pursue. We have stuck to this course and this course is unalterable. We have a full term to run and we will not be distracted by antics. We will not be distracted by walk outs. We will not be distracted by flex. We will do the tasks for which we have been elected and we will do the tasks in the interest of the people of Guyana. Thank you very much. [*Applause*]

Mr. Jordan (replying): Mr. Speaker, I want to thank the Hon. Prime Minister for his stirring presentation. Having said that, I am not too sure whether I should carry an axe or a pencil to him for emasculating my presentation in the areas that he dared to thread. I am happy that he did because he did an excellent job in bringing them to the fore for the people.

I would first like to say some thank you. In everything in life, we must say thank you, even if it is with the Opposition. I would first like to thank His Excellency, President David Granger, and my Colleagues, all 32 of them on this side of the House, whose support has been a continued source of a succour. Their presentations were inspirational, as they were educational, in the face of an unrelenting onslaught of heckling and negativity.

I would also like to thank, foremost, the staff of the Ministry of Finance, many of whom worked tirelessly and endlessly, beyond the call of duty, to help to create history with the second earliest presentation of the national Budget in post independent Guyana. I, specifically, would like to

recognise two such staff Members: one, despite having a baby of a few months old, was there with us until the wee hours of Monday morning so as to ensure that everything went well; and the second one, on a sadder note, a heavily pregnant staff Member, who, in the process of working on the Budget, lost her baby on the Saturday immediately preceding the presentation of the Budget. In spite of her obvious pain and sorrow, she was still conscious enough to ask about the smoothness of the process and what assistance she could have given us from the confines of her hospital bed. Simple acts like these, with their fullness of dedication and their wanting to be part of shaping a brighter future, should give us all the strength to go and build this beautiful land of ours.

I would also like to thank the Members on the western side, the Opposition. I notice that they are still up to their old ways, using guerrilla tactics of striking and then running away. While we depreciate these antics, we do cherish their presence whenever they are in the House.

I would like to thank other persons who provided solicited and unsolicited advice.

3.41 p.m.

Here I particularly want to recognise those members of the private sector who are not members of any recognised private sector body but who struck me with their insight and foresight about transforming this economy. I am happy that emerging in our country is a broader range of views than those of who have, traditionally, dominated the landscape.

Of course, I would like to thank my favourite supermarket, Nigel's Supermarket, which is going through some troubles now, but who, with the grace of God and some finances, will pull through. I am thanking them because I have met so many people there, and that includes the staff who are very welcoming, and who always have an idea or two to share.

I would also like to thank members of the media, particularly, the Government media, the Department of Public Information (DPI), my own Public Relations Officer (PRO) and a new source that we have utilised this year and will be utilising more in times to come: Disc Jockey (DJ) Casual, Ms. Feliz Robertson, Mr. Stan Gouveia and Mr. Gordon Moseley, all of HJ 94.1 Boom FM, who have opened new spaces for us, new vistas on the social media, so that we could get our message across.

Of course, I thank you, Mr. Speaker, for your leadership and patience during the debate.

We have come to that time when, as the mover of the motion, I have the honour of winding up the debates. This is the third occasion, in just over 18 months that I am doing so. I was not here this morning when the Hon. Leader of the Opposition was speaking. I was not here for two reasons: one, I was pressed into certain activities that were not planned; secondly, I got the timings wrong. I thought every one of us was given two hours and, therefore, I thought he was going to be speaking after lunch time. But when I came, I think he was on the *tail end* of his speaking. And together with what was told to me, I recognised that I did not miss much, if anything at all. It was my understanding that it was the same old *busing* and *cussing out*; *same old, same old*. It was the same individual I got to know in 1993.

In terms of these debates, nothing much has changed really. Maybe, I was hoping for too much but even incremental improvements by the Opposition have become largely illusionary. Indeed, I am drawn to remark that the quality and constructiveness of the contributions that have been offered by Members of the Opposition are fully consistent with what we have heard from them in the past and more recently. These contributions are consistently confused, disjointed or simply and blatantly erroneous. And had I the time, I would have gone through the entire Hansard and picked up the number of untruths and falsehoods that were told to this House by the Members of the Opposition to score cheap political points, such as we are putting VAT on pampers, play dough, condoms and so forth. VAT is already on condoms, by the way; they are distributed freely but VAT is on condoms. We did not put it there; we inherited it there. [Hon.

Member: We reduced it.] Of course, I know that VAT is on the high end condoms - Rough Riders, if you want. But, generally, condoms are distributed freely. It is these kinds of simple untruths... What is the reasoning behind this? I do not know but I hope whoever was listening to them would understand and appreciate that these are not people to be trusted. Just as how they were not trusted on May, 2015, they are still up to their old ways. They are not to be trusted.

Adopting scaremongering tactics akin to *Chicken Licken*, theirs was a litany of feeble laments strung together, one after the other, in an incoherent fashion. And in cult-like manner, all of them ended their presentations with a demand for the Coalition Government to withdraw the Budget. I want to say that the word begins with 'e', but I will say, what nonsense – power through the

backdoor. But what was truly lamentable, pitiable and laughable was the Hon. Leader of the Opposition, Mr. Bharat Jagdeo, setting himself up as the champion of the poor in this society. Well-known economist Mr. George L. Beckford, in his book *Persistent Poverty...* I am paraphrasing here because I had used this earlier this year when I was at the University of Guyana. I think he was quoted as saying, “How can we talk about poverty in a sea of opulence?” How can Hon. Member Mr. Jagdeo attempt to attach the label of ‘champion of the poor’ - being seen ‘blending-in’ with the vendors and so forth - when he lives in the most palatial mansion in this country? It was built on prime land, ancestors’ land, bought at peppercorn rates.

I think that the Hon. Prime Minister touched on it but I want to touch on it from a different angle. Mindful of the General Elections that were scheduled in 2006, and probably uncertain of his political future, the then President Jagdeo, now the Hon. Leader of the Opposition, caused to be introduced and passed the Pensions (President) Bill 2004. I have the Bill here. The Bill was signed into law the same year, 2004, by the same former President, Mr. Bharrat Jagdeo.

Prior to this Bill, the Former Presidents (Benefits and Other Facilities) Bill took care of past Presidents and Prime Ministers. And that Bill would have given the Prime Minister and the President, as a pension, tax free, seven-eighths of the salary at the time they were demitting office. So, using that formula, if Hon. Member Mr. Jagdeo had demitted Office in 2006, his salary then was \$223,783 and seven-eighths would have given him a pension of \$195,810. He recognised this and not too sure whether he was going to be re-elected in 2006, had the foresight – I am just using that word loosely – to come up with this Bill. In this Bill, the Hon. Member pulled out Presidents alone and left the Prime Ministers. And this is what the Pensions (President) Bill 2004 states at clause 2:

“The President’s Pension shall be seven-eighths of the annual salary of the President in office and shall continue as seven-eighths of such annual salary of each of his successors.”

Do you understand the implication? **[Hon. Members: Yes.]** No, you do not understand the implications in mathematical terms. When the Hon. Member finally demitted Office in 2011, his salary had shot up to \$1,304,503. In five years, his salary moved from \$223,783 to \$1,304,503, a 500% increase or an average of 100% every year on his base 2006 salary. Is this a champion of the poor? Is this the person who is walking among vendors and

talking about our measures? What did the Hon. Member do around the same time? In 2006, the minimum wage was \$26,069. In 2011, this princely sum had shot up to \$35,657, an increase, over those five years, of 37.5%. So while the champion was taking a 500% increase and while he was professing to love the poor, the vendors, the farmers and everybody else, they were getting a measly 37.5% over the same period.

In seven and a half months, not five years, we matched this increase. And, by the way, I am just using the larger of the two so-called minimum wages that we reached. We did not know which was which. There were two minimum wages: one at \$39,520 and another at \$42,703. So, I am using the \$42,703. But if we use the one at \$39,520, the increase will be over 40% in seven and a half months. We gave workers the increase they got in five years. And they *have the gall* to come here and accuse us.

Now, the current President's salary gives the Hon. Member, Mr. Jagdeo, a tax free pension of \$1,513,406. I am not mentioning benefits here. I am just dealing with pension; I am not touching benefits because I am afraid. It is in court and anything in court cannot be touched. So, I am only dealing with the pension. It is \$1,513,406 per month, which means that the three ex PPP 'c' Presidents, and the 'c' is not necessarily for Civic, annually, collect \$54,482,616 in tax free pensions. If I were to roll this up into a taxable amount, it would be just under \$78 million or \$79 million per year. So, three individuals, per year, are getting more than the total increase for 25 Ministers for the entire year.

3.56 p.m.

It is unbelievable. Three individuals are getting more than the increase they said we pay ourselves. Sometimes, it is said, *if you see an ants nest, walk round it; nah trouble it because once ants start coming out deh nah go back in*. I feel good today. I suppose this is reflective of the Opposition's approach, for based on their performance over the last 23 years in Office, it is clear that they have no guiding, coherent vision for the future, no concrete plans for achieving better economic and social outcomes for citizens.

This Budget is the finest Budget that I, Winston DaCosta Jordan, has ever worked on and produced. Cutting my teeth at the State Planning Secretariat way back in 1981...we on this side of the House could appreciate those days. Those over there call us geriatrics so they would not

understand. But, sometimes, it is good to understand your history. Back then, I was under the indefatigable and indomitable Mr. Clarence Fredrick Ellis, who was the then Chairman of the State Planning Board, one of the true patriots this country has ever produced, but who had to suffer the indignity, in 1992, when the Government came to Office, of being thrown out of his position as Alternative Executive Director of the Inter-American Development Bank (IDB), at the time when he had a wife suffering from cancer. He was given 10 days to pack up and leave his position. I am proud to say that I worked under Mr. Clarence F. Ellis and he taught me a lot.

Since that time, I have been associated with 25 national Budgets. I do not think anybody is around who could say that he or she has been associated with so many budgets in such a short time. So when I tell you something about budgeting, you have to bring somebody equal or better who understands budgeting.

[**Hon. Member:** Mr. Bharrat Jagdeo said that he taught you.]

Yes. I heard something about the Hon. Bharrat Jagdeo in some policy room shaping policy. I tell you, *when ants deh in ground, nah stir them up*. I had resigned from the Ministry of Finance in 1994 and the Hon. Member became a senior Minister in 1995. He made phone calls and sent Save our Ship (SOS) signals for me to come back to the Ministry. I said to him that I would not go back to the Ministry in the capacity of a public servant and he said that was no problem and that he would pay me to be a consultant. I said okay. Sometimes one sees red, but, if one sees green, that is no problem.

I went back to the Ministry of Finance in 1995. The Hon. Member's first Budget would have been in 1996 because he was appointed Minister of Finance before June. I was trying to help him to prepare the Estimates and the Speech. I indicated to him that I was prepared to write every other section of the Speech but he must do the "introduction" and the "conclusion" because that was the place for the politics and so on. I did not really want to get involved in politics. I guarded my technical status zealously.

My Comrades here would tell you that I have that attitude even up to today. So I told him to do the "introduction" and "conclusion", the political parts, and I will do the body and we will pull them together. I was in my office writing and I went over to his office to ask about a policy. When I entered the office, there were about 18 pieces of 'balled-up' papers. I asked myself what was going on in there. I picked up one of them and there was the first line with something and I

asked what was going on. He said that his thoughts were not flowing. I said okay; I came for so and so and I will go and come back.

When I went back, subsequently, the office door was locked. He had gone. The long and short of this story is that I had to do the “introduction” and the “conclusion”. Mr. Speaker, if you think I am telling an untruth, go back to the 1996 Budget and compare it with this Budget. Like a fingerprint, you will see certain phrases and a writing style that will tell you that indeed this person is telling the truth. I have no reason to come here and tell a lie. The Hon. Member, Mr. Jagdeo, has never produced a single budget at the Ministry of Finance – never ever. We need to know these things. I am a professional and kept these things very quiet as a professional. I left the Ministry and did not have to discuss its business, but the Hon. Member seems to come here every time during a budget debate to extol some virtue, brilliance or magic that he performed at the Ministry of Finance. At the Ministry of Finance, the Hon. Member was not known for such elegance or brilliance.

There are people right here in this House, sitting among my staff, who will tell you that every Budget I wrote at the Ministry of Finance, under the previous Government, was written from newspaper articles that I had been cutting out during the whole year. I could not get a schema, a plan or a programme from these people. I have witnesses who are still around who could confirm this. I can call the International Monetary Fund (IMF) Resident Representative at the time, my good friend, Dr. Ebrima Faal, who would confirm what I am telling you because, one day, he walked into my office and asked me what I was doing with all the newspapers. I said to him that no one would tell me anything so, as time was running out, I would have to write from the newspaper articles. I, religiously, kept cut-outs throughout the year trying to see, based on newspaper clippings, what might be the policy in certain areas. For me, it is grievous to come to this House to hear the Hon. Member talk about Budget and *kakonomics*, which should not even have entered this House. It is really grievous. My art is practised on the basis of solid academic training, buttressed by solid experience. I do not need any honorary Doctor of Philosophy (PhDs), whether bought or otherwise, to prove my worth. I have been to some of the finest universities in this world and the Peoples’ Friendship University does not count among them.

This Budget is audacious in outlook and it represents a change in the narrative that has dominated our economy for the past 50 years; it represents a paradigm shift. We heard doom and

gloom from all the people they have talked to. We have some very brilliant people in this country. We have some very brilliant vendors in this country. One person from the Opposition said that somebody met him and gave him 21 points. I am saying that we could employ that particular person at the University for the scholarly points. I had warned about this in my presentation, earlier this year, whether we should allow all these stories to come to this House when we do not know whether the people are fake or real. We should put some kind of a stop to this until it could be shown that these people are real. One could see that the stories are made up. Every one of the vendors or farmers or whomever they said they talked to spoke in precise language. How could this happen? How could one communicate now with a vendor by the Stabroek Market in that precise language? The vendors would chase or rob you thinking you have come from overseas. There are some real people who exist in the newspapers, which I could quote from. Here are three of them. Mr. Darren Wade, who, I assume, is Ms. Wade's family. [Ms. Wade: My nephew.] Your nephew, and he is an attorney-at-law. In today's *Guyana Chronicle* newspapers, he said that, after undertaking a critical assessment, he came to the conclusion that the Budget serves up many positives.

“I am very impressed with the programmes that the government has put forward in the budget.”

Mr. Jeumayne Dummett, *Stabroek News*, Thursday, 8th December, 2016 on page 23, said:

“I have read the entire document, and any honest, unbiased Guyanese will deduce that the Minister and his team at the Ministry of Finance produced one of the most progressive, people-centric budgets in recent history.”

Yesterday, Mr. Ramesh Dookhoo was here, so we know he is real. He is a Public Service Commission (PSC) Executive member. Referring to the concession given to promote the green agenda he said:

“I think that is excellent. That is the first real incentive the private sector has to invest in the green economy, and that is commendable.”

This is taken from the *Guyana Chronicle*, Wednesday, 30th November, 2016 on page 3.

This Budget sets the agenda for the transformation of our economy. But, before I continue on this course of the transformation, I want to be able to correct and/or clarify a few statements made by various Members of the Opposition over the past few days. In so doing, I shall remind the Opposition that, while they are entitled to their own opinions, they certainly are not entitled to their own facts. There are many, but I have picked about four or five or we would be here the whole day. It is Friday afternoon and we have dates for other places. I will go through the five which I picked, in some detail or not.

The first one is that everyone seemed enamoured with the idea of the haste to present an early budget. I have never known, in all my life, that it would have been a curse to present an early budget. This comment came from almost everybody over there. It came from Hon. Bharrat Jagdeo and I have the newspaper clipping. It came from Hon. Member Juan Edghill. I do not know if he said it here but, certainly, it is in the newspapers. Even the private sector picked up the mantra.

4.11 p.m.

One Mr. Ramesh Persaud, in the *Guyana Chronicle* newspapers, dated Saturday 3rd December, 2016, on page 20, and Eddie Boyer talked about, “and maybe in his haste to present the budget early, he did not get things right or he did not study things” and so on. I want to continue with the education today – school time. I am sorry, but the rest will have to come with short pants on Saturday. As far as I am aware, no country indulges in the practice of producing its annual fiscal plan after the year would have started.

The past President, Dr. Cheddi Jagan, must be turning in his grave to hear what his people on that side are speaking about. None of the budgets, during his time, ever came out after the year would have started. I could go back because we got the records from the Clerk of the National Assembly and way back, when I had done something in the *Guyana Review*. The budget for 1968 was presented by the Hon. Ptolemy Reid and it was presented on the 29th December, 1967. The budget for 1970, again, presented by the Hon. Ptolemy Reid was presented on the 22nd December, 1969.

Mr. Ptolemy Reid, again, presented the 1971 Budget on 4th December, 1970. In 1972, the Hon. Desmond Hoyte presented the budget on 7th December, 1971. The Hon. Frank E. Hope presented

the 1973 Budget on 7th December, 1972. The Hon. Frank Hope, again, presented the 1975 budget on the 9th December, 1974. He, again, presented the 1976 budget on the 24th November, 1975. That was the earliest post-independence budget. The Hon. Frank Hope, again, presented the 1977 budget on the 30th December, 1976. Unfortunately, that was the last time in the history of this country that a budget was presented before the fiscal year had started. That was the last time, until one week ago, when this Government had presented its budget on 28th November, 2016.

So what is the issue about an early budget? A budget must be read and passed before the fiscal year starts; otherwise the year will be truncated. This Government stated, early, that it will not continue this nonsense. The people who get you more riled up are not the politicians because we understand politics and that that has to be done. It is the agencies like the private sector that will benefit immensely from a budget that starts at the beginning of the year. They are joining in the wildness that seems to be engulfing each other.

Let us hear what the past Auditor General had to say about this. I have talked a lot in my budget, very early, the virtues about having an early budget. Maybe, they do not believe me. So let us hear what Mr. Anand Goolsaran was saying in the *Stabroek News* newspaper dated Monday 5th December, 2016. This is what he had to say:

“An early budget facilitates efficient and effective planning of programmes and activities as well as their execution. With 12 months within which to do so, budget agencies can now space out its activities more evenly and are in a better position to manage the related financial flows. This in turn will facilitate greater observance of the relevant legislation, rules and regulations regarding the use of public funds and assets. Additionally, since the Government expenditure sets the tone for economic activities throughout all sectors of the economy, an early budget will have a significant beneficial effect on the economy.”

Story done! I rest my case. Why does the private sector not understand this? In any case, I wish to reiterate that this Government will not be bringing out anymore budgets after the fiscal year would have started. The Government will hold true to this barring any emergency that would have it go back on its word, but which, anyhow, is covered under the Constitution and which I felt is what the Constitution meant when it gave the Government up to three months into the new year. It had to be for an emergency. It could not have been an otherwise scenario. If there is a

fiscal year, starting 1st January to 31st December, the Government would have up to four months within which to present that budget. I rest my case where that is concerned.

Then there was the familiar mantra about how the budget lacks consultation with major stakeholders. Someone challenged the Government to show when, where and how many attended the consultations and whether the recommendations were included in the budget. Someone even said that the budget was written in Congress Place, while the numbers were crunched at the Ministry of Finance. Not only did that do such a great disservice to those hard working people at the Ministry of Finance - and I could think again about my Colleague who lost her baby. It was such a callous statement. I do not know whether it was meant for political points or mileage, but it was a cold-hearted statement to our hard working technicians, who worked way beyond the call of duty to produce two national budgets in one year. For them to be given that kind of treatment, it was is like a kick in, you know where.

They want to know who this Government consulted. We consulted widely. Since last year, I had indicated that my door is always open, so one did not have to wait until budget time for consultations. People are giving me ideas every day. That is why I have to compliment people, such as persons at Nigel Supermarket and the vendors in the Bourda Market, where I buy my greens and fruits. One does not have to wait until budget to make this pilgrimage to the Minister of Finance, coming with a long wish list, which is what tends to happen all of the time. It is nothing more than a wish list because none of these requests are accompanied by any conclusive analysis nor any work done, in terms of numbers.

Everyone wants a concession, but no one says if he/she gets that concession how many more jobs would be added or how much more taxes one would be able to pay. They cannot even say what the loss in the concession would be to convince the Minister of Finance that the concession should be given. But when the concessions are not given, persons are complaining that they ask for 30 different concessions and that they did not receive any. This is not a numbers game; this is serious business. Everyone knows, like prices, concessions are sticky. Once they are given, it is difficult to take them back. I told the private sector, since last year, not to come for concessions.

This is because I do not believe in concessions. I believe that we should work towards lowering the taxes to a manageable and comfortable level so that all can benefit. Concessions have

sectional interest, vested interest and all kinds of interests. I do not want that. I want a tax code that is uniform and uniformly applied. So, if the Hon. Member Bulkan has a woodworking business, he would know what his concessions are and he will know whether he will make the decision to go into that business or whether to go into another business. The private sector has asked for so many concessions that they do not even know what they have.

It was stated big that the Private Sector Commission (PSC) puts up to the Minister of Finance that he should reward people who are entering the interior and other locations. What it is asking for exists in the fiscal concessions already. It was put there by our Friends on the western side. There are concessions for persons investing in Linden, Kwakwani and Ituni. I helped to put those in. There are concessions for persons investing in Regions 1, 7, 8 and 9. It is there already in the law and they are asking again for what is already in the law. How can such people be taken seriously?

Last year, I mentioned, at the Guyana Manufacturing and Services Association Ltd. (GMSA) dinner, that there is a man by the name of Sir Simpson. He is located in Region 9. How many concessions did we give to him? He is not saying that he does not have electricity and that the Government has to give him X and Y. The man is there producing rice. Before he came, it would have been unheard of to be producing rice in the savannahs, but he sells all of the rice he produces. He is not a member of the Private Sector Commission; he does not have time for that. Now he is into cattle and so forth. He is expanding all of the time. He does not come bothering us for concessions, he wants more land because he wants to plant and rear cattle. We all know that Region 9, at one time, was our cattle region.

We have these and all that they want are concessions here and there. When these concessions are given, the consumer cannot see them. So how are you convincing me that, when these concessions are given, they will result in something? I hope that we can give Mr. Simpson a National Award next year, when National Awards are being given. Those are the people that we want; the new breed of the private sector that we want; the people who can do and will put their moneys where their mouths are; the people who are go-getters.

While everyone is complaining, on the very day that the budget was being presented, there were 200 and more investors from Trinidad and Tobago, the Republic of Suriname and Barbados that

were in Guyana. Go to the Guyana Marriott and the Pegasus Hotels and one would see them all around. I have so many inquiries from all these different places and people are calling because they want to meet and talk and they want the Government to make money. Of course the Government has to be very careful. Oil may not spoil, as Mr. Eric Williams said, but it finishes. So we cannot leverage what we have not seen as yet. The point is that other people are interested in Guyana.

Earlier in the year, Massy Stores opened its doors on the East Bank, I was there. They brought their Chief and he said that Guyana was the place to do business. What is wrong with our private sector? Every minute one opens the newspapers there is something about Minister Jordan, the Government, this or that. We need to get our acts together.

4.26 p.m.

When they wanted to harass and humiliate my brother, the Hon. Trotman, for making an innocuous but potent statement, by saying that he was being arrogant and this and that. The reality is that we are trying to tell the private sector that we want to work with it and that it is an important partner in the development of Guyana. But a partnership cannot be one way or one-sided. Show me your card and I will show you mine. That is what partnership is about. It cannot be a sleight of hand. Partnership is, this is what one will do if I give you this; these are areas that I would like to invest in and you can give me this; and we can sit around the roundtable. But they are continuously making it out as if Guyana is this, that and so on. When one wakes up five years from now, other people would have taken over this country, while our local private sector will be grinning, skinning and saying that this Government did this and that. How can other people see and our own cannot? So my issue where the Private Sector is concerned is that we have to change the paradigm; there has to be a paradigm shift.

The Private Sector Commission was invited to the budget consultations and twice they postponed because of some reason. Eventually, we did not get to meet one-on-one, but it sent in memorandum. Then we met with the Guyana Public Service Union (GPSU), Guyana Trade Union Congress (GTUC), Federation of Independent Trade Unions of Guyana (FITUG), Tourism Association of Guyana, Commission on the Elderly, Guyana Bankers' Association,

Women Organisations and the Georgetown Chamber of Commerce and Industry. The Opposition was invited, it sent a letter stating something, but it never turned up at the time.

Do you see what it is talking? The Opposition was never consulted. Where does it want to be consulted? We could consult any place it wants, right here, in my office or wherever. But the Opposition is not interested in consulting, and it has proven this over and over again. One can see it. When the Opposition is invited unto boards, their members refuse to turn up. It is like some wayward child who is always throwing a tantrum because they cannot get their favourite ball, chocolate or something. I am sure one knows how to deal with children who throw tantrums.

Then, they have gone back with the same issue about how we are travelling first class, paying ourselves fat *per diems* and what not. I saw one individual - and I am not calling names because the Speaker has said not to call anybody's name who cannot defend themselves - a well-known Accountant come Lawyer, who writes sometimes in the *Stabroek News* newspapers. He has joined the flaying of us, about us paying ourselves increased rates and so forth. I hope to set this record straight, once and for all, because sometimes one wants to know what really the agenda is. Some people like they have run out of steam and they do not know or have anything to write, so they write something that would throw some mud and hopefully it would stick. They talk about the 50 % increase in salaries, as if everybody got the 50%, and all these issues. But one cannot be side-tracked in this business, as they say.

Up to 1992, when we left Office, and I think this existed up to 2015, when we came into power, these rates obtained: There was a Category A. First of all the Prime Minister and the President were not on this schedule. So Category A would have been Ministers and such like. Under Category A, a Minister was entitled to a junior suite of US\$200 per night, meals US\$100 and an out of pocket allowance US\$25, if he/she was going to the Caribbean, North, South America and Africa. If he/she was going to Europe or Asia, he/she would be entitled to US\$250 hotel accommodation, US\$100 for meals and US\$25 for out of pocket allowance. The meals and out of pocket remain the same, also, for every other category of travelling officers, the only thing that has changed is the hotel accommodation. So under Category B, persons were entitled to a single room of US\$150, if they were going to the Caribbean, North and South America and Africa and US\$200 for Europe or Asia. Under Category C, they were entitled to US\$150, if they

were going to the Caribbean, North and South America and Africa and US\$175 if they were going to Europe or Asia.

When we came into power, we recognised that these rates really did not make much sense because, very often, persons were returning with their bills and showing that the hotels were far more expensive than what we were thinking. So we revised these rates on the 16th June, 2015. We have the same regional spread and this time, the airfares for Ministers, for the business class, whether they are travelling to North and Central America or Europe and Asia are, junior suite - US\$275 in the case of North America. So that would have gone up from US\$200 to \$275 and US\$350, if that Minister was travelling to Europe, so that would have gone up from US\$250 to US\$350. Remember, these old rates came into being in 1992 and existed up until 2015 and so one could have understood what happened.

Under Category A, the President and Prime Minister, of course, did not have a fixed rate. Under Category B, included the Ministers, Vice-Presidents, Speaker of the National Assembly, Chancellor of the Judiciary and so on. Category C, Permanent Secretaries and other Officers holding comparable posts, they would travel economy, their hotel accommodation - US\$175 for Caribbean and so on, US\$250 for Europe and Asia, and all other things remain the same. Under Category D, for all other officers below Category C, their airfare would be economy class, hotel accommodation - US\$150, if they are travelling to the Caribbean and US\$175 if they are travelling to Europe.

Even with these revisions, it is difficult finding rooms at certain times of the year, with these kinds of rates. This difficulty is not germane to this Government. I brought this matter before, I do not know whether it was to this House, but I have spoken to journalists on this matter before and I had showed them where. I do not want to call names because it gives the impression as though one is attacking the persons and so forth and I am not attacking the person, but they keep bringing this matter up about us treating ourselves by raiding the Treasury.

Our people travel business class, and here is an example, on the 28–30th January, 2015, going to Geneva, this Minister, a Hon. Member who is in this House and who was a Presidential Advisor, went to Geneva. Of course, the Minister travelled first-class, not business-class. The hotel accommodation, remember these rates here, up to what I have read to the House, Geneva is

Europe, so the individual would have been entitled to US\$250. Geneva, five nights at \$US500 per night, and it was none of our officers. I know this for sure because I am the person that deals with this and none of our officers has ever been given that kind of money to travel out to any place. This was during 28–30th January, 2015. I am not saying that this person did anything wrong because the reality is that, at certain times of the year and when certain events are being held, these are the prices that one would have to pay. This is what needs to be understood. No Presidential Advisor that I know travels first-class or would be getting US\$500 per night travelling to Geneva. It is right here and there are many more, but the point is made. We are not raiding any Treasury.

In fact, His Excellency has been very stern with us about travelling in the first place and about what we could take. That is why the Hon. Prime Minister was correct in stating that some of us have to seek sponsorship for some of these events that we may wish to travel to. My Colleagues can tell you how “endearing” I am when requests for travel come up. So one could take everything in politics and so forth, but some of it rankles and riles a person when he/she knows that he/she is trying to save as much as possible on the expenses of the Government, so that we do not fall prey or into the trap, as they have done in the past. So I hope that this could be put to rest.

Then a Member, again, stated that we lost the Petro Caribe rice deal. This, again, I had put to rest, but it will keep coming up. The Prime Minister had done an excellent job just now in putting it out there about what happened. I merely want to indicate to the House that, last year, I went to Venezuela about this same rice deal, among other matters and to attend the Petro Caribe meeting. After the meeting, I met with Mr. Asdrúbal Chavez, who is the Minister of Petroleum and Mining.

This report is a report of the meeting and it was prepared by His Excellency Mr. Geoffrey DaSilva, who was the Ambassador of Guyana to Venezuela at the time, and he was supported by Mr. Jagnarine Singh, who was the General Manager of the Guyana Rice Development Board (GRDB) and Ms. Donna Yearwood, who is the Head of the Debt Management Unit in the Ministry of Finance. These are reputable and quality people and they have faithfully reproduced these minutes. I also met with Mr. Bernardo Alvarez; he is the President of Petro Caribe. Under the heading “Rice” this is what was stated about the rice contract for 2016:

“Minister Jordan recalled the barter arrangement involving rice and paddy under Petro Caribe. He said that that arrangement had allowed Guyana to increase its supplies of rice and paddy to Venezuela over the years and that had a tremendous impact on the rice industry in the country. He disclosed that the present barter agreement will end in November, 2015 and expressed Guyana’s interest in negotiating a new agreement for 2016. He informed that Guyana was expecting a bumper rice crop in 2015 that could exceed 700,000 metric tonnes; the first time in the history of the country. Therefore, it was in Guyana’s interest to maintain existing and find new markets so that the Guyanese rice farmers would not be disillusioned and stop planting rice. Minister Chavez asked Mr. Alvarez to state Venezuela’s position...”

This was because Mr. Alvarez is the person that heads Petro Caribe, through which the rice used to be going. So he is the big man so to speak.

Minister Chavez asked Mr. Alvarez to state Venezuela’s position on a contract to purchase paddy and white rice from Guyana in 2016.

4.41 p.m.

Mr. Alvarez said that the PDV Caribe, the oversight body of Petroleos, and Petroleos had communicated to Guyana’s Ambassador and the former Ministers of Agriculture and Foreign Affairs from the previous Administration, that Venezuela will have enough rice from local production to meet its domestic demand. As such, Venezuela would not be renewing the rice contract with Guyana. I know that it is difficult accepting the truth. So much has been hidden from the public, prior to May 2015. I may have been using it in a proverbial sense, but it is also reality. This economy was built on sand and running on fumes. All the things came collapsing when we came in May 2015. This is not a lie, we know this. Twelve billion was allocated for sugar. The General Manager said, “*Alyuh tek it*” and he went back to New Jersey.

Rice, out of the blue, had collapsed and that country did not have the decency to let the contract run out. They abrogated the contract and all the rice was left on the wharves. Up to this day, there is still rice left on the wharves. We had to find money to pay the farmers and they came here and said that Minister Jordan promised \$23 billion. The language was very clear that if they continued exporting rice to Venezuela, we would have paid them from the debt aspect of the

budget, because we were writing down the debt we owed to Venezuela. The PetroCaribe Fund, as we all knew, had no money in it, so we had to step in to make the moneys available from the Treasury to the farmers. How many times are we going to go through that and how many times this House is going to allow people to come to it and to tell untruths? I think a time has come when, if those statements are made, Members must be made to prove it to the House. Hon. Members just cannot come to the House and, under privilege, say all of these things and expect to get away with them. That is the reality.

The people told two Ministers before, in the previous Administration, the Minister of Agriculture and the Minister of Foreign Affairs, and up to this day they cannot doubt it. Up to this day they have never denied it. The people said that they were not going to be renewing the contracts. We do not want any more rice. Yet, still they went and fooled the farmers before the elections. [Ms. Lawrence: Yes, elections gimmick.] Elections gimmick, just like what they did to the Amerindians. Then when they lost the elections, they cancelled the cheque and the \$10,000, as if they had budgeted \$10,000 to give to the people. Why do you think they had no budget and this Government will have another history and record of producing six budgets in its five-year term? I know that that one escaped you, but I had to tell you. Six budgets we will be producing in our five-year term and these will be six regular budgets, not truncated budgets.

Regarding the Amalia Falls Hydro-Power Project, I would not even bother to go down that road again because to me it is like *flogging a dead horse*. We have said what we had to say. The Budget Speech is very clear on what we had to say. Norway has just received our comments on the Norconsult Report and we are awaiting their response as it relates to those comments and the incorporation of those comments into the report. I do not know what the Hon. Member heard. The Hon. Member said that they were going to go back to the Amalia Falls Hydro-Power Project under a different name. Well, whoever is feeding them information probably knows something more than we do, but we intend to conduct our affairs with Norway in the strictest and purest form of negotiations, and until we have the go ahead from Norway about collectively releasing information, we would say no more on this matter.

In a big part of this budget we spoke about tax reform. The Hon. Prime Minister has touched on it, but I just want to touch on some other aspects of it. He has indicated to the House that we had an election promise to reduce the Value Added Tax (VAT), but more particularly to undertake

comprehensive tax reform. I think it is not known, but it should be noted that between 2009 and 2013, the People's Progressive Party/Civic (PPP/C) Government undertook two comprehensive studies on Guyana's tax system and its administration. Fundamental reforms were proposed in both studies, but the recommendations were never implemented. Instead, in 2011, the Government undertook major tax policy reversals. So, after the reform two major studies were thrown aside and now, in 2011, they sought to change the Fiscal Management and Accountability Act (FMAA) 2003, which was amended to introduce more exemptions and remissions that ultimately made the tax administration difficult and revenue losses significant. While the changes in the tax laws have not been insignificant the framework has remained largely intact, supporting combined high rates and a plethora of concessions and exemptions on a discretionary basis and high levels of evasion across sectors. Except for the merging of the two main revenue departments, the tax laws and the administrative structures have remained largely unchanged. That was up to when we came into Government.

So, our Government decided to form the Tax Reform Committee (TRC) in pursuance of the specific objective of reducing the VAT and the more general objective of tax reform. This committee comprised Dr. Maurice Odle, who is a well-known Economist; Mr. Christopher Ram, who is a well-known Columnist, Accountant and Lawyer... [Hon. Member: How much

money did he get paid?] He did it for free; Dr. Thomas Singh, a Lecturer at the University of Guyana; and Mr. Godfrey Statia, who, as we all know today, is the Commissioner General of the Guyana Revenue Authority (GRA). They were ably assisted by two Technical Officers from the Ministry of Finance, Dr. Natasha Gaskin-Peters and Ms. Debra Roberts. The committee was established in August, 2015 and was given four months to produce its report. Among the objectives of this committee were: One - Improving the ease and efficiency of the administration of the tax system; Two - Enhancing overall revenue collection; Three - Identifying new and innovative areas of taxation; and Four - Identifying structural and administrative constraints in tax administration, and proposed options for improved and robust tax administration, inclusive of enforcement, voluntary compliance and intelligence gathering.

The Tax Reform Committee, in fulfilling its terms of reference, identified a number of core areas for effecting change in the tax system. Among those areas were: One – It stated that there was a need for greater buoyancy in the tax system, since revenue, as a share of Gross Domestic Product

(GDP), had not risen very appreciably in recent decades. In recent years, excessive granting of tax exemptions, waivers and concessions, including VAT zero rating for most basic commodities, had stultified the revenue enhancement effort. Therefore, rolling back of such exemptions, waivers and other concessions was considered necessary. Bear these in mind; we are coming, get your pencils.

Two - To compensate for a relatively high tax rate and also to encourage increased flows of investment, the authorities have a mainly discretionary and insufficiently transparent incentive system which has gotten out of control and moreover, there is little evidence of its effectiveness.

A lowering of the tax rate ought to invalidate the need for a plethora of tax incentives. This is speaking my language because as I said, I much prefer a lowering of the tax rate than all these concessions all over the place.

Three - Broadening the tax base is required so as to both reduce the burden of the existing individual and corporate tax payers, and to enhance the revenue contribution of the hard to tax self-employed. The significant number of unincorporated businesses which pay little or no tax, and those that make up a relatively large informal sector, evidence disclosed that the VAT was not being applied across the country. It was widely ignored by significant segments of the economy. There was an appalling level of tax evasion among professionals, with only a handful of doctors, accountants and lawyers reporting income over \$10 million that would have required VAT registration.

Four - In addition to broadening the tax base, the TRC recommended to raise the individual income tax threshold and to introduce a level of progressivity, thereafter.

I cannot go through all the recommendations of the Tax Reform Committee, but in relation to VAT, this is what they had to say. I want when I am saying this that Hon. Members bear in mind, that one Mr. Christopher Ram was a member of that committee. I think this is the same individual who, in something called *Budget Review* in the *Stabroek News*, criticised a number of the measures in the budget, "Gloom and doom" and he was widely quoted by all our Hon. Members on the western side. This is what the Tax Reform Committee, of which Mr. Christopher Ram was a member, had stated:

“Decrease the standard rate of VAT to 14%...”

We did that right? But they had another piece, it stated:

“Introduce an intermediate rate of 7%...”

Well, we did not do that because we do not believe in dual rates of VAT. We believe in one single rate of VAT. However, the Committee recommended that we also increase the VAT registration threshold from \$10 million to \$12 million. We have gone to \$15 million. The Tax Reform Committee recommended that the threshold be increased from \$10 million to \$12 million and we went to \$15 million, taking out more people from this VAT registration.

The Tax Reform Committee stated that the water and electricity authorities should determine the levels of consumption required for an average household. VAT should be applied to levels above this amount. It was the Tax Reform Committee making this recommendation, of which Mr. Christopher was a member. When we did it, one now hears that the sky is falling, “Oh God! Killer Budget! Pick Pocket Budget!” The Tax Reform Committee stated that the water and electricity authorities should determine the levels of consumption required for an average household and that the VAT should be applied to levels above this amount. Did we not do that? So, whose pockets are we picking and why do these people who have made these recommendations to us and have given their guidance cannot have the bigness to indicate that they made these recommendation because they are good for Guyana and that they stand by them. Instead, they put their mouth in some orifice that they put it up in the air to see where the wind is blowing and run with it.

On motorcars the TRC stated:

“Institute an absolute restriction on the importation of vehicles over seven years old.”

4.56 p.m.

We have done it for eight years old. It states:

“This will help to address congestion on the roads, reduce the cost of repairs and maintenance and be more environmentally friendly.”

It states seven and we did eight.

Environmental Tax Reform Committee:

“The Government should move quickly to enact a suite of environmental taxes beginning with the reintroduction of the tax along the lines of the rejected Customs (Amendment) Bill of 2013.”

Did we do that? It is in the Budget 2017. Is that so?

Travel tax, this is the Tax Reform Committee (TRC):

“Increase Ogle Airport fee from \$2,500 to \$4,000...”

My understanding is that we went to \$3,500 because it went from \$2,500 to \$3,500.

“...and an increase in the Cheddi Jagan International Airport from \$4,000 to \$5,000.”

Did we do that? It is now \$5,000.

Travel agency tax, this is the TRC recommending:

“The introduction of an annual fee of \$100,000 for every travel agency and an additional \$25,000 for every additional office outlet.”

We did not do it.

Other taxes:

“Increase the rates on customs duty on specific products, including those for which no duties currently applied. The first schedule of the Custom Act reveals hundreds of items that are charged at rates below 20% and scores of others free of duty.”

It wants us to put a duty on that. We did not do it.

“To introduce a minimum duty rate of 2% on all conditional exempt imports of commodity.”

We did not do it. We did not put any 2% on this.

“Government and Government agencies should become dutiable on their purchases.”

That we did, and it is in the budget.

“The tax free provision on pensions needs to be revised with pensions other than the old age pension above the threshold, tax either at the personal income tax rate or a lower flat rate.”

We did not do that.

This report of the Tax Reform Committee was presented on January 18th 2016 which was too late to be considered for the budget. I made that representation, but I had already gone through this report and realise that some of the measures were going to put us not in a very good light, so to speak, so, I did not bother too much with them.

Instead, I bought some more time by requesting CARTAC, a division of the International Monetary Fund to come to Guyana and investigate the VAT, because, while the Tax Reform Committee had done yeoman work, I still had a bit of edginess about reducing the VAT without understanding the implications, and so forth. We already had lost on our promise on the hundred-day. I thought we could have waited a bit more and let us get it right, so I was going to get the benefit of a second opinion.

I invited CARTAC to come. They came from August 3rd to 16th. The team found several things, three of which I am just going to say.

“Marked changes in the architecture of the VAT since its implementation of 2007.”

It is same thing that the TRC found.

“Yielding negative impacts on its out-turn. The numerous instances of zero-rated domestic supplies of both input and final good and exempt imports had undermined the VAT base and its performance.”

This is more like the same thing as the TRC states. It is so far so good. They are on the same plane.

“A low VAT threshold by international standards and more importantly lower in relation to GRA’s current capacity to achieve a high level of voluntary compliance.”

What it is saying is that the \$10 million was too low. It is asking us to increase the threshold. It states:

“The international proxy for the relationship for contributing taxpayers for the tax yield is 80/20 and in Guyana it was at 90/10.”

It is far too low.

Thirdly, the need to modernise the operations of the GRA. In other words then, GRA had a lot of fines and fees, a lot of inconsistency in the laws between VAT, income tax, and so forth. It states that we need different lawyers to look at VAT, different lawyers to look at income tax, and so forth. It states, as far as possible, let us do all to make them uniform. Then, of course, they said voluntary compliance was not working, therefore, we have to go the next stage, which is enforcing compliance. Partly, to enforce compliance means changing the legislation and increasing the fees and penalties. That is sound advice.

Among the recommendations made by the team are the following:

- a. Tax at the standard rate, all semi-processed or processed foods and beverages, non-prescription drugs and health supplements, items for household use, computers, and peripherals, appliances and other final consumer goods.

In other words, it is saying everything has to come in.

- b. Exempt a short list, and it places in brackets (10 to 15 items) of currently zero-rated unprocessed stable food stuff.

All food stuff not part of the exempt list should be taxable, not zero-rated but taxable.

- c. It states that we should consider a reduction in the standard rate to 15%, 14%, or 13%. We can phase it in, only if the base is broaden simultaneously to reduce revenue risk.

We made the plunge and we go by 2% because we did say that in our manifesto, that we will go from 16% to 14%. We understand how much we are going to lose. In addition, we moved items that are zero-rated into the exempt category, instead of VAT-able, as recommended. Already, down the road we widen the base by moving the items from zero to VAT-able. The pressures that we are getting are not unique to Guyana.

I have, here, the *Trinidad Guardian*, February 1st 2016. It states in the opening paragraph:

“Although some sectors and individuals approach Government for special consideration with the new VAT on former zero-rated items, the new tax will now be in place across Trinidad and Tobago as of midnight.”

In other words, it is saying everything. I am ready to make a representation. I will listen to you and I am not doing it. Imbert’s response to the questions confirms that some sectors and individuals had asked for special consideration. What he said was - I am a true believer with my colleague here – he said:

“One should note that VAT is an instrument of fiscal policy. It is not, as some people mistakenly believe, an instrument of social policy and it is simply intended to raise revenue. The more exemptions there are, the more revenue leakage there is. There were far too many exemptions which weaken the revenue exemption collection system to the point that the Government was only collecting 40% of the VAT that it could potentially collect. Most countries in the world collect 65% of the potential value added taxes or the consumption value added taxes.”

It is the same situation that we have in Guyana where with concession, everybody wants a zero-rate to weaken the base of the tax. What would happen now is that you would not have anything VAT-able and somebody else would be cheating it and you cannot get enough people to go running behind them. That is what happened. As the report states, the VAT rate increase steeply only within the first year. Then it starts increasing at a declining rate, and then it would start declining. That is the main revenue source. If it is going under those stresses, how are we going to build roads, do hospitals, do schools and all these kinds of things? That is why I am saying we have to prepare ourselves for the paradigm shift.

I appreciate my own colleagues, who said that we cannot touch that, literally going back to what we were beginning. This is the paradigm shift that we have to go through, otherwise we must mark time. We must stand still. No medicine designed to treat a very sick patient can be given in drips and drops. I am sorry. Some of it has to be shock treatment and there afterwards we can give it a bit more. This, unfortunately, is the shock treatment that we had to do for systems that had accumulated too many negatives. It is just like the licences that we keep complaining about. It is a hundred and something taxes the Minister of Finance put in early in 2016. These were not taxes, as you will know. These were increases in dray cart licences, and all of those things. Some of these things did not increase since 1960-something. I am going to say it again: When the city council gets the go ahead to increase rates and taxes, we will all bawl because it is 23 plus years, and more in counting, that they have not had an increase in taxes - 23 years.

All of us are paying peppercorn rates and yet still some sectional interests are telling the people we do not agree with you for putting parking meter. Did you see those people come to us with a request for \$600 million to pay wages and salaries for one month? We told them go to a commercial bank? No commercial bank will give them any loan. They are already broke. We cannot continue to hamstring the city council and expect to have Cadillac services. You cannot have taxes not grow with inflation and expect to have superb services - you cannot. You would have to find the money from some other place. Taxes are your main area where you get the source of income. Once we start weakening the tax base, we have to start weaken our personal income and services that we get, which we do not want to give up.

Then CARTAC states:

- Tax all fuels, electricity and water sewerage services at the standard rate, but we have not gone for fuel.

Going there we know would cause murderation, in truth, but we did it for electricity and water.

- To eliminate all conditional VAT exemptions at customs and evaluate the impact of conditional duty and excise exemption on VAT collections.
- Suspend the granting of new VAT incentives through investment agreements until the Ministry of Finance can ascertain their benefits.

- Delay further reduction on excise tax rates until VAT revenue stabilises and become predictable post reform.
- We should tax financial services and general insurance.

We did not do it.

- Zero rate gold at the production stage and tax it at the standard rate at subsequent rate at domestic production and distribution.

What it means here that it is to tax jewellery when it has the added value, but do not tax it when it is coming out the ground.

- Protect the elimination of the zero rated items of the food stuff against pressure to revert to that treatment by developing a refundable compensation to low income household.

It is what we did through increasing the income tax threshold and the lowering of the rate.

- Tax Government purchases at the standard rate and accompany to the gross of VAT.

We have done that in this budget. All Government agencies have to pay VAT.

- Review the entire excise regime for fuels and motor vehicles as well as the regime for driver's licence and vehicle registration against international best practices.

5.11 p.m.

- The Ministry of Finance should develop coherent VAT regime for the oil sector and review those in the forestry and mining sectors.
- To raise the threshold to \$20 million.

Those are some of the recommendations that came out of the two reports and we try to mix and match, and blend, so as not to have all that full impact onto consumers.

Two other areas that were mentioned, I think, one was comprehensively done by the President, which is the garnishment. I have this here, the garnishment. The Hon. Prime Minister has done

yeoman services to this one. I would not bother to speak about it. I could tell you that the intent is to amend section 102 to include the following clause.

“Where judgement is granted against a taxpayer in favour of the revenue authority and the Commissioner-General has knowledge that such taxpayer is a customer with a bank, trust company, credit union or other financial institutions, the Commissioner-General shall by order demand or notice, require the bank, trust company, credit union or other financial institutions to remit the amount payable to revenue authority as a debt owe to the state.”

A similar amendment would be made to the VAT Act. That was what we were proposing to do. Of course, persons owing taxes would be prevented from leaving the country. I think Hon. Prime Minister has dealt with that admirably.

What I want to quickly do here is to just quickly indicate, again, that these measures should not be taken in isolation. The measures, which we have put in place on the tax side, would cause the Government at least \$10 billion. It could be more, depending on where we finally end up. We believe that it is an important sacrifice to make in this paradigm shift that we are talking about and giving the Guyana Revenue Authority enforced power, strengthened power and strengthened administration to go after tax evaders and tax cheat and ensure that the laws of the country are enforced.

We do not mind giving workers a deserved decrease in income tax rates from 30% to 28. We would have loved to have done more at this stage, but given the state of the world economy and the state of Guyana, at least we show intent, and I am happy that the Private Sector Commission, Mr. Ramesh Dookhoo, had recognised this and complimented us for the tax changes that we have made. We raised the threshold, unbelievably. Many people are hollering how the threshold raise to \$720,000. That is the minimum by which the threshold has been raised, \$720,000 or one third. This is not a novel feature. I was reminding Hon. Member Carl Greenidge that this was his feature. He had put this in the budget for 1992. He had a minimum threshold of one third, whichever was greater.

The PPP, promptly, in the 1993 budget, removed it and gave everybody a puny tax threshold. Then it removed progressive taxation, which was there, and put in a flat tax. Everybody was

disgruntled afterwards. Just imagine you would have been moved from one-third of your salary to puny across-the-board threshold that was given at the time. What we have done here is not revolutionary. It was known to this country in 1992. It did not last long. Now, that people understand the measure, *if you see smiles*.

They said that we are destroying the middle class. How could you destroy the middle class when the middle class benefited from this measure? You are working for \$600,000 which is US\$3,000 and you are getting \$200,000 “right off the bat” to put in your pocket. Of the \$400,000 that left, \$120,000 of that would be taxed at 28% and the other \$280,000 would be taxed at the rate of 40%. Then, there is the NIS you would put in your pocket also because that is free of any tax now. It is something that they never did. Every one of these measures we take for granted. But the same Mr. Dummett had said that something must be wrong with our public relations (PR) because we have done so much in 18 months, but we are not communicating it effectively. He said that in yesterday’s newspaper. I have it here. We have to fix it.

Nobody knows that we have actually taken the tax off the NIS. You actually have workers who are asking what you are talking about. They know that they get back some money last year, but they do not know what it is for. Somewhere along the line we are losing it. We have to get these people back. We have done so much. We are being pilloried even by our own unions; yet, all of this we have done for different classes of workers.

Now, if I give you one-third of your income which is \$200,000, instead of \$55,000 you are now getting, tell me why you have to now go cheating on the allowances. We know that you are doing that right now, to skirt around this \$55,000 that everybody has to get. It is all in the name of egalitarianism. You get \$55,000 if you are earning \$60,000 and I get \$55,000 if I am earning a million dollars. Where on earth do you think that people are going to feel comfortable with that kind of situation?

People now get a one third, plus they are having a graduated tax rate, and they are taking home more money. They have their choices and they could determine whether they want private education versus public education, private medical versus public medical. They would determine if they want to go entertainment in the cinema, today, versus going to the National Park and get

some free air. It is their choice. If they want to bathe whole day and sing while the water is running, it is their choice.

Let me tell you something. All the countries we aspired to go to, big fat countries, nice developed countries, they are not giving a threshold that we have given. From the time the metre starts at one, VAT is there. This one here is the United Kingdom (UK). In the UK, the VAT on gas and electricity is 20%. Our electricity is only 14% after \$10,000 is consumed. UK here, from the time it goes one, it is 20%. This is Ireland. VAT on electricity, it varies between 5% and 20%. These are developed countries and we aspire to go there. We save our money whole year, throw *box hand* just to spend our holiday in these countries, and paying it comfortably. Here, we are going to cry from now to eternity as to how much burden and pressure we face, even though at the end of the day we would be better off, once we could see where our tax dollars are going. As I said, to me, it is par for the course.

These measures, which we have put in place, go as a package. They give you these savings here and we have also reduced the VAT. We have increased the threshold; we have given manufacturing companies... We have reduced from 30% to 27.5%. We have given premium on the insurance. We have told those people, up to 2016, to take it. We would start back from 2017.

I heard this morning some story about tributor's tax. This individual was matching it between I raising the tributor's tax to 20% and disposable income. I do not quite understand. I think he said that I rewrote the economics books. That is the problem when you want to dabble in areas you do not know; that is the problem. You might sound nice to your cult-like followers, but out there you sound like..., as you know. What does it have to do? We said that this is a paradigm shift, all these multiple rates all over the place. This person is paying one tax which is 20%. The identical thing or close to it, this one is paying 5%; this one is paying 2% and this one is paying 13%; and so on. We cannot exist in a system such as that - we cannot. Some would go up, some would equalise and some would go down. That is the nature of the game and this is what we have to do. We have to stand firm against all the sectional interest that would come up at this time.

If you have a bank account, you are paying interest of 20% on your interest income. You are paying 20% withholding tax in lieu of income tax. That is correct - 20%. Then over there you are paying a 2%; then over here you are paying 5%. All of these in the stream of things, we have to

equalise. You could equalise them at a lower rate, the same rate or whatever, but you have to have some uniformity so that you do not get the distortion in rates which leads to distortion in resource allocation.

The last Government did not want to touch these. They were too aloof. On their small incomes, they were building big, fancy houses. They do not know what the ordinary person is going through. Every now and then, they would have thrown a little thing, sometimes they would have invited the flock to come in and they sported. It was to party and tomorrow morning they were gone. You would have felt happy. They were not doing you anything. This is a Government that won on the basis that we were going to govern for every single Guyanese. While they are going on and on about “you take 50% and take 25%”, that is to be ignored by now. Let us continue working the way we are working, so that we could bring benefits to people. That is the only way we are going to be re-elected for a second term. As we continue to bring benefits and show people that we are working for them and not against them.

Mr. Speaker, I am not sure how long I am talking.

Mr. Speaker: Hon. Member, there is no time limit.

Mr. Jordan: There is no time limit.

Mr. Speaker: You are interested in the time. You have been speaking for an hour and 45 minutes.

Mr. Jordan: I have 15 minutes more.

Mr. Speaker: I must tell you that the longest speaker was one hour and 54 minutes.

Mr. Jordan: In all of this I am reminded of Mr. Edmund Burke. I am sure some of us know him. He was one to say, “To tax and to please, no more than to love and be wise, is not given to men.”

With this budget I am saying that the awakening has begun. Starting today, our Government must become more efficient and effective, doing well with the things that only Government should be doing and partnering with the private sector and other stakeholders to transform our economy. This implies sustained focus on executing the public sector transformation for more effective public service delivery and greater efficiency in resource utilisation, building our

human resources and productivity, maximising the impact of the public sector investment programme, targeting and facilitating a significant improvement in domestic linkages.

In making this paradigm shift, we are aiming for diversified, buoyant, green growth. As I explained in my budget presentation, growth in the economy has been so low and uneven for such a long time. Indeed, we need to be bold in order to give Guyanese the hope that their lot in life could be improved during our lifetime. It is clear that our policy focus must be on enhancing the supply side of the economy in order to realise the potential inherent therein. Through our agenda for a modern Guyana, we have recognised this priority and are acting to ameliorate the various critical determinants of stronger growth. With assistance from the United Nations Environmental Programme (UNEP), buttressed by the Caribbean Development Bank (CDB), we will develop a development plan over the next 18 months.

5.26 p.m.

The national development plan will contain programmes to improve the competitiveness of our economy, boost potential real growth and reduce high structural and youth unemployment. It is expected that key features of the plan will include raising human capital and reducing skill mismatches, strengthening the business environment and reducing cost, including energy cost, and investing in growth enhancing infrastructure especially through productive public-private partnerships. A chief planning officer will be in place early in the new year to help guide all of these actions.

Doing business in Guyana: Guyana has taken full ownership of its improved ranking on the ease of doing business. We have vowed to become a smarter, more competitive jurisdiction. We have committed to enabling business, small and large, to succeed within our economy. We want to promote entrepreneurship and innovation. For this, a strong business culture and a healthy sense of cooperation with the business sector are required. Our focus over the next year will be to ensure that we make starting a business easier by upgrading our information and communications technology (ICT) infrastructure and processes. We are working to ensure that the time it takes for businesses to start up is reduced. Our innovative solutions include a mix of initiatives focused on reducing the cost of inputs, improvising efficiency and management, rationalising the use of resources and utilising some financial instruments to reduce future cost.

Significant improvements will be made through the use of technology to facilitate online access. However, improving technology is only part of the answer. The initiative to strengthen the public service to create more accountability and improve staff performance will have long run benefits as it will remove a number of the bureaucratic hindrances that adversely impact business in Guyana.

I am excited about the transformative projects in the budget. I dream of the day when I could drive from Georgetown through to Linden to Lethem on a paved road, on a paved highway across the Takutu Bridge into Brazil and meet and greet a *senora* or a *senorita*. ¡Hola! ¿Qué tal? I am excited about the bridge across the Demerara River. I am excited about the green agenda. I am excited about the Sustainable Livelihood and Entrepreneurship Development (SLED) programme, Hinterland Employment Youth Service (HEYS) programme and all the other initiatives intended to make our young people into entrepreneurs and being their own bosses. I am excited about the Youth Innovation Fund (YIF), a fund which, who knows, can make us get the next Bill Gates. I am excited about the increased spending in education, in health, in water and the other social sectors. I am excited about the measures to make a large pool of Guyanese benefit from the implementation of the Public Sector Investment Programme (PSIP), including clearing the way for them to get easy NIS and income tax compliance certificates and allowing 20% of the PSIP to go to small entrepreneurs and businessmen.

I can see the “good life”. We are creating the pathway to prosperity and no one can take that away from me, or you, or from all of us. No one should take that away from the Guyanese people. I am at one with Anton St Maarten:

“Never surrender your hopes and dreams to the fateful limitations others have placed on their own lives. The vision of your true destiny does not reside within the blinkered outlook of the naysayers and the doom prophets. Judge not by their words, but accept advice based on the evidence of actual results. Do not be surprised should you find a complete absence of anything mystical or miraculous in the manifested reality of those who are so eager to advise you. Friends and family who suffer the lack of abundance, joy, love, fulfilment and prosperity in their own lives really have no business imposing their self-limiting beliefs on your reality experience.”

In conclusion, as hard as the Opposition is trying to belittle this budget, both in this House and in an incessant public campaign, the Members are going to fail miserably. They cannot hold back the rising tide of progress which is unfolding right before their eyes. Our Government will continue in the period ahead to focus on our transformative agenda for a modern Guyana. That is the true key to a brighter future and prosperity for all Guyanese. We need to become the change we want to see. In the words of one of my favourite personalities, United States of America President Barack Obama:

“Change will not come if we wait for some other person or some other time. We are the ones we've been waiting for. We are the change that we seek.”

Perhaps too, the great Indian poet Rabindranath Tagore said it best:

“You cannot cross the sea simply by standing and staring at the water”.

So far, we have remained faithful to our overriding agenda of change, whose focus is the transformation of Guyana into a modern and more prosperous nation with buoyant growth and ever growing employment opportunities. My optimism, in this regard, is unwavering. Though we are clearly beset by challenges on many fronts we draw inspiration from the fact that we have been able to weather many diverse challenges, already, and that we are now, formally, on course to overcome the challenges that lie before us still.

This Government is not one that rests on its laurels. On the contrary, we rise every day to go to the people's business, for we are always about the people's business, in spite of the nonsense that may issue from the lips of the Opposition and their fellow naysayers. The people of Guyana can rest assured of one thing: this Coalition Government remains the only political force that has the vision, the compassion, the philosophical conviction, the plan, the cohesive team and the talent needed to bring “the good life” to all our people.

To help ease the journey to “the good life”, I am pleased to announce the payment of a one-off, tax free bonus of \$25,000 to all public servants earning less than \$500,000 per month, who fall within the Ministries, departments and regions. We ask all Guyanese to be patient with us as we clear a path to “the good life.” The future is bright, indeed.

Mr. Speaker, I commend this motion for passage by this House. [*Applause*]

Mr. Speaker: The Minister is interested in numbers – one hour, 56 minutes and 45 seconds. Hon. Members, the debate is now concluded but before we adjourn we will consider and dispose of the report of the Business Sub-Committee of the Committee of Supply on the allocation of time for the consideration of Estimates of Expenditure for 2017 by the Committee of Supply. We will have to go into Committee of Supply for this purpose.

Assembly in Committee of Supply

Mr. Chairman: Hon. Members, I wish to report that the Business Sub-Committee of the Committee of Supply met yesterday Thursday, 8th December, 2016 and considered the allocation of time for the consideration of Estimates of Expenditure for 2017 in the Committee of Supply. The Sub-Committee passed a resolution on the matter. Copies of the Sub-Committee's Minutes, resolution and schedule have been circulated. Could the Hon. Minister of Finance kindly move the necessary motion?

Mr. Jordan: Mr. Chairman, I now move

“That this Committee doth agree with the Business Sub-Committee in the said resolution.”

Question put, and agreed to.

Mr. Chairman: Hon. Members the Committee of Supply has been allocated five days for the Consideration of the Estimates. Consideration will be given on Tuesday, 13th December, 2016 at 10.00 a.m. and will continue thereafter on Wednesday, 14th December and Thursday, 15th December, 2016. There will be no sittings on Friday, 16th December and Monday, 19th December, 2016. The next sitting will be on Tuesday, 20th December and Wednesday 21st December, 2016 which is the last day for the consideration of the Estimates for the budget. This is in accordance with the resolution of the Sub-Committee.

Assembly resumed.

ADJOURNMENT

Mr. Speaker: Hon. Members, this is a good time to take the adjournment. Hon. Prime Minister, we will receive a motion for the adjournment.

Mr. Nagamootoo: Mr. Speaker, I move that this House be adjourned until Tuesday, 13th December at 10.00 a.m.

Mr. Speaker: Hon. Members, the House stands adjourned until Tuesday, 13th December, 2016 at 10.00 a.m.

Adjourned accordingly at 5.37 p.m.