

MINUTES OF PROCEEDINGS

OF THE 40TH SITTING OF THE NATIONAL ASSEMBLY OF THE FIRST
SESSION (1986-1987) OF THE FIFTH PARLIAMENT OF GUYANA HELD

AT 2.00 P.M.

ON WEDNESDAY, 17TH JUNE, 1987

IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN

MEMBERS OF THE NATIONAL ASSEMBLY (74)

Speaker (1)

*Cde. Sase Narain, O.R., S.C., J.P., M.P., Speaker of the National Assembly

Members of the Government – People's National Congress (62)

Ministers in the Cabinet (10)

Prime Minister (1)

Cde. H. Green, M.P., Prime Minister (Absent)

Other Vice-President and First Deputy Prime Minister (1)

Cde. Dr. M. Shahabuddeen, O.R., S.C., M.P., Vice-President, First Deputy Prime Minister and Attorney General (Absent – on leave)

Other Vice-Presidents and Deputy Prime Ministers (2)

Cde. R. Chandisingh, M.P., Vice-President, National Mobilisation, and Deputy Prime Minister (Absent – on leave)

Cde. Viola V. Burnham, O.R., M.P., Vice-President, Education and Social Development, and Deputy Prime Minister.

Other Deputy Prime Minister (2)

Cde. W.A.L.H. Parris, C.C.H., M.P., Deputy Prime Minister, Planning and Development (Absent – on leave)

Cde. R.H.O. Corbin, M.P., Deputy Prime Minister, Public Utilities (Absent – on leave)

Senior Ministers (4)

Cde. R.E. Jackson, M.P., Minister of Foreign Affairs (Absent – on leave)

*Cde. C.B. Greenidge, M.P., Minister of Finance (Absent)

Cde. S. Prashad, M.P., Minister of Labour

* Non-elected Member

Cde. W.S. Murray, C.C.H., M.P., Minister of Trade and Tourism (Absent – on leave)

Other Ministers (15)

Senior Ministers (7)

Cde. J.R. Thomas, M.P., Minister of Regional Development

Cde. Dr. R.A. Van West-Charles, M.P., Minister of Medical Education, Environment and Food Policy (Absent – on leave)

Cde. Yvonne V. Harewood-Benn, M.P., Minister of Information and the Public Service (Absent – on leave)

*Cde. Dr. P.L. McKenzie, A.A., M.P., Senior Minister in the Ministry of Agriculture (Absent – on leave)

*Cde. D.M.A. Bernard, M.P., Minister in the Ministry of Education (Absent – on leave)

*Cde. J.R. Kranenburg, M.P., Minister of Communications and Works

*Cde. Dr. N.E. Blackman, M.P., Minister in the Ministry of Health

Ministers (5)

Cde. Urmia Johnson, M.P., Minister in the Ministry of National Mobilisation (Absent – on leave)

Cde. C.G. Sharma, A.A., J.P., M.P., Minister in the Office of the President (Absent – on leave)

Cde. D. Sawh, M.P., Minister of Forestry (Absent)

*Cde. V.V. Parvatan, Minister in the Ministry of Agriculture

Cde. J.T. Kissoon, M.P., Minister in the Ministry of Medical Education, Environment and Food Policy

Ministers of State (2)

Cde. Dr. Faith A. Harding, M.P., Minister of State in the Ministry of Planning and Development (Absent – on leave)

Cde. Stella Odie-Ali, M.P., Minister of State in the Ministry of Home Affairs.

Parliamentary Secretaries (2)

*Cde. Jean M.G. Persico, A.A., M.P., Parliamentary Secretary, Education

*Cde. L.E. Scotland, M.P., Parliamentary Secretary, Office of the Prime Minister

Government Chief Whip (1)

Cde. Jennifer A. Ferreira, M.P., Government Chief Whip

Other Members (23)

Cde. Agnes W. Bend-Kirton, M.P. (Absent)

Cde. A.K. Habibulla, M.P.

Cde. E.H.A. Fowler, M.P.

Cde. Joyce Gill-Mingo, M.P. (Absent – on leave)

Cde. M. Ally, M.P.

Cde. Elaine B. Davidson, M.P.

Cde. H. Doobay, M.P.

Cde. Joyce M. Munroe, J.P., M.P.

Cde. Edwina Melville, M.P. (Absent)

* Non-elected Member

Cde. Amna Ally, M.P.
Cde. L.R. Arthur, M.P. (Absent – on leave)
Cde. J.R.L. Bovell-Drakes, M.P.
Cde. N. Calistro, M.P.
Cde. F.M. Cumberbatch, M.P. (Absent)
Cde. M.I. Deen, M.P. (Absent)
Cde. Cyrilda A. Dejesus, M.P.
Cde. Edith Deygoo, M.P.
Cde. Clarice A. Edwards, M.P.
Cde. C.L. Geddes, M.P. (Absent – on leave)
Cde. G. Marshall, M.P.
Cde. B. Persaud, M.P.
Cde. E.W. Trotman, M.P.
Cde. K. Sankar, M.S., M.P. (Absent)

Members from the National Congress of Local Democratic Organs (2)

Cde. Rose I. Semple, M.P.

(one vacancy)

Members from the Regional Democratic Councils (10)

Cde. Nellie R. Charles, M.P. (Region No.7 – Cuyuni/Mazaruni) (Absent)
Cde. R. Bishop, M.S., M.P. (Region No. 4 – Demerara/Mahaica)
Cde. Bhagmatee Latchminarayan, M.P. (Region No. 5 – Mahaica/Berbice) (Absent)
Cde. Y. Khan, M.P. (Region No. 2 – Pomeroon/Supernaam)
Cde. Enid E. Abrahams, M.S., J.P., M.P. (Region No. 3 – Essequibo Islands/West Demerara)
Cde. I. Ally, M.P. (Region No. 6 – East Berbice/ Corentyne)
Cde. B.L. Domingo, M.P. (Region No. 1 – Barima/Waini)
Cde. S.I. McGarrell, M.P. (Region No. 8 – Potaro/Siparuni) (Absent)
Cde. M.Stephens, M.P. (Region No. 9 – Upper Takutu/Upper Essequibo) (Absent)
Cde. Joycelyn Thom-Lindie, M.P. (Region No. 10 – Upper Demerara/Berbice) (Absent)

Members of the Minority (11)

(i) People’s Progressive Party (8)

Minority Leader (1)

Cde. Dr. C. Jagan, M.P., Minority Leader

Deputy Speaker (1)

Cde. Reepu Daman Persaud, J.P., M.P., Deputy Speaker of the National Assembly

Other Members (6)

Cde. Janet Jagan, M.P. (Absent – on leave)
Cde. C.C. Collymore, M.P. (Absent)

* Non-elected Member

Cde. S.F. Mohamed, M.P., Minority Chief Whip
Cde. H. Nokta, M.P.
Cde. I. Basir, M.P.
Cde. C.C. Belgrave, M.P.

(ii) United Force (2)

Mr. M.F. Singh, C.C.H., J.P., M.P. (Absent)
Mr. M.A. Abraham, M.P.

(iii) Working People's Alliance

Mr. E. Kwayana, M.P.

OFFICERS

Cde. F.A. Narain, A.A., Clerk of the National Assembly
Cde. I. Hartman, Deputy Clerk of the National Assembly

PRAYERS

The Clerk read Prayers

TAKE

14:00 TO 14:55

MISSING

14:55 HRS

At the same time, Cde. Speaker, just to indicate, I refer to section 3 of the Local Democratic Organs Act, No. 12 of 1980, which states:

"The general objectives of the system of local government established by and under this Act are to involve as many citizens as possible in the task of managing and developing the communities in which they live and ensuring popular participation in organising the political, economic, social and cultural life of those communities."

Obviously, given the intent of the Act one cannot understand how it is that someone who is no stranger to local government can say, apart from the collection of rates, there is no other way possible of assisting the communities and, given the irrelevancies brought into the debate about independence and foreign exchange and --

Mr. Kwayana: Mr. Speaker, I think I am being misrepresented. I did not say that apart from the collection of rates there are no other ways of assisting the communities. I don't know where that came from.

Cde. Thomas: I am sorry if the Member did not make that statement, but perhaps I can refer to one question asked by the Member: Where is the district council going to find resources? The preceding statement was about rates collection but, given the confusion of that question, I felt that was the inference.

Mr. Kwayana: Mr. Speaker, the confusion is still not with me. I am still very clear about what I was arguing.

Cde. Thomas: He did not deny that he asked the question. Perhaps therefore I may go on to give other instances of Government's position on the question of local government and to refer to the constitutional provisions for local democracy in this country. Perhaps reference could be made to article 12 of our Constitution, which states:

"Local government by freely elected representatives of the people is an integral part of the democratic organisation of the State."

I quoted that from our Constitution, notwithstanding reference to the fact that elections were not held since 1970. During the course of my contribution, I propose to say something on that question, but there are several other articles in the Constitution making reference to the question of local democracy - article 34, article 71 and, of course, article 74.

Reference was made to the presentation of the State Paper on Local Democracy. I don't know for what reason but the phrase was changed and it was named the White Paper. I don't think my friend is a representative of any colonial interest,

but surely during the debate on the State Paper on Local Democracy the objects of a new system of local democracy were outlined. In fact, the Local Democratic Organs are meant to be major institutions for transferring power to the people for their own development, to activate and speed up the process of development in every region and, of course, in every community.

The question of ensuring that communities are given the necessary facilities to allow them to be self-reliant insofar as they can be was not understated in the State Paper. The need for a collective responsibility which will witness the people's involvement and the participation of members of the community in the running of their councils cannot be understated either. The question of councils being elevated from people should not obtain given the fact that our Constitution has articulated in clear ways methods of organising those councils and tasks of those councils. Obviously we need to work for the closest possible observance of the right for people to participate in the work of those councils.

The mover of the Motion spoke of long-standing practices, but then he went on to indicate that those long-standing practices might not be very useful in every regard and they can be improved. In fact, given our thrust in improving the role of the communities/and these communities are all agricultural to a great extent, rural communities, agriculture-based communities - we have to organise programmes which can ensure that our approach is successful. Our approach is born out of the experiences of other countries. We know of the attempts at involving people in the work of communities made by the British and the concept of community development as a result of those activities, but it was enlarged and enriched after India's independence and the concept was seen as the activity, as what the community would do to reflect economic and social dimensions. Here, too, reference is made to these long-standing practices.

We need now to look at the orientation of the communities and simply put in place programmes which are intended to benefit the people. We ought to send to those communities experts who appreciate and understand the problems in the environment for which they are called upon to plan programmes aimed at educating the communities, education programmes which are four dimensional, say, providing for general and basic education, literacy, numeracy, elementary science and knowledge of their communities and environments. We need to do something about family improvement in education in those communities, education which will impact on knowledge and skills, and attitudes and, indeed, result in improving the quality of the family life in those communities.

15:05 hrs

In return to help for example, the nutrition, home improvements, family planning and so on. In the third place occupational education is necessary to develop particular knowledge and skills associated with the various economic activities which these councils and people are expected to undertake and to satisfy their need to earn a livelihood, the need of the villager, the ordinary people to earn a livelihood. In the fourth place there must be some programme of community involvement education which is really community improvement education to strengthen those local institutions which are in place by organising programmes in Local Government co-operatives and getting the people involved in the community work.

Now we must be careful that there is no distinction in those communities, between people based on vocations which are similar. Sometimes there is the tendency to make a distinction between farming and non-farming. But as someone who lives in a village I wish to make the point that farming is a major activity and all other skills evolve around farming and farming activities and in developing programmes. Definite attention must be paid to programmes which will not take non-formal activities and place them into formal moulds but rather will strengthen those activities and make them more effective. We should never try to put non-formal activities into any formal type of mould. The point that struck me about long standing practices however, is the fact that what is needed in the village community is a strengthening of the indigenous apprentice programme which witness the skills being passed from father to son, mother to daughter, old farmer to younger farmer and technician to journeyman. Perhaps I should conclude my contribution by making just a few more comments. As you recall the State Paper brought to this Assembly on the form of the Local Government system of Guyana which was laid in this Assembly in 1980 clearly deals with the effectiveness which have been inherent in our Local Government system and sets out a directional framework for policy reform aimed at eradicating these deficiencies and of course strengthening the system. Because of these structural weaknesses that exist in district councils, village councils, and country authorities will be dis-established in the process of reform and will be replaced by Local Democratic Organs and the way the 10 Regional Democratic Councils are the only organs already in place. The existing five municipalities will not be dis-established as such and the municipal elections which will fall on 8th December, 1986 are intended to be the precursor of ^{the} introduction of other sub-divisional Local Democratic Organs within the various regions.

Legislation to provide for the establishment of the other subdivisions of the Local Democratic System and the elections therefore will be laid in the National Assembly pursuant to the undertaking given by the Government during last year.

Cde. Speaker, an integral aspect of the reform will be the strengthening of the financial base for Local Government Councils and the participatory aspects of management so that the managerial capabilities of the Local Democratic Organs can be improved. In this way development can be promoted more effectively within a frame work of active participation by citizens in the planning and management of their affairs. Applause.

Mr. Abraham: Mr. Speaker, in supporting this motion I would like ---

The Speaker: Mr. Abraham I do not want to stop you but you see what is unfortunate is that you will make your statement and nobody will reply. The Minister would not reply and I think that is why he was waiting. So I am not dictating nor am I saying how Members should respond or make their contributions. When you are finished the Minister will not be able to say anything upon your observations you will make. I think that is why he was waiting so that he could make one response.

Mr. Abraham: Mr. Speaker, you must excuse me but I am not too au fait with these matters. I would like to make a few comments and observations on the area of village management. Sir I am wondering what really is the position with respect to Touchou and Captain elections in the Amerindian villages throughout Guyana. I recall attending an election once and it was a free and fair election because it was duly and properly carried out and I recall the Officer who was carrying out that election saying that these village councils and that particular village council was there for only one year and once the year expired they would be ready to call another election. But sir, this has not been so. Years and years now these Village Councils have been in the same place.

(Mr. Kwayana continues)

1987-06-17

National Assembly

15:35 - 15:45 hrs

15:35 hrs

We should launch such an investigation. Get all the documents, put everything on paper, study them in a select committee, put document on the results of the findings and let the world know the attitude of Guyana after this investigation to this gentleman and his dealings and types like him, types of investors like him. This is what the motion seeks to achieve. It was a very hot point of discussion among the People of Guyana. It is true that the press said very little until it was forced to. This man went so far as to attempt to libel the Public Service of Guyana/^{claiming}in writing that he had extensive rights to mining petroleum in Guyana and we think he should be investigated and branded. That is the essence of this motion. People must know that in dealing with this country they are dealing with an alert population, and the Government should try to make known the sorts of standards it prefers. If of course, the Government has another way out I suppose we will hear about it. All they have done so far in this house is to/^{dis-}claim in a vague sort of way, and I do not want to quote them. You see this is a Parliament Mr. Speaker, in which we are served neither by the press nor the Parliamentary records and one thing I do hate doing is mis-quoting people. My memory is quite clear but when we do not have the records it is open to the other person to challenge what you are saying. The press should serve as an extension of Parliament. Why provide for elections all sorts of legislation, representation of the Peoples Act and all of that? Assuming their representatives are elected they come to this Assembly, they talk, they vote and perhaps the record of their voting will get into the paper. What they say on behalf of the people or against the people is not printed in the press and one has no reliable record of it which one can obtain in a reasonable time. In this context it is very important that the Government accepts this motion. It is a patriotic motion. A Select Committee which will have a majority of Government Members the way things are. I am sure that the WPA will not be represented the way it is not represented in the Public Accounts Committee in which we have a very deep interest but we are only one. We have to accept the logic of numbers however they arise. That is the aim of this motion. I hope they do not see it as another anti-government motion. I do not apologise if they think that in the course of investigation mistakes of the Government might be exposed. They are very few Governments that do not stumble. The difference between them and the one here is that they very often are forced by the whole political culture which they have supported and maintained to bring that stumbling to life. Here we have the opposite it continues to be covered in darkness.

Cde. Nokta: Cde. Speaker, in supporting this motion I strictly want to make certain observations and that is: I recalled in 1965 when the border dispute between Venezuela and Guyana were being discussed in Geneva I understand that lawyers opinion was that to have signed the Agreement gave status to the claim. As we understand it this Government and Mr. Chappel signed an a document which is a memorandum of understanding and the fact that the document has been signed by both sides gives the opening to certain actions by both sides, the Government and Mr. Chappel. At this stage I will not want to question what actions, time will prove that but the fact that this memorandum of understanding has been signed by both sides and whatever action has been followed up I think it would be in the interest of the ^{interest of this} Guyanese people in the/Parliament of Guyana, for us to know who this person is, what type of business he does so that when the time comes for us to take action then we will be able to have a clear idea of what Mr. Chappel is up to.

Question proposed.

Cde. Greenidge: Cde. Speaker, I think it is fair to say that this particular subject has become an obsession with certain individuals in this Assembly and I do not know that it is in the interest of the Assembly to entertain that particular obsession whether it be motivated by a quest ofr for free publicity or whether it be motivated by any other interest. I can see Mr. Kwayana's dilemma. I can see it. He is in search of a cause and this particular question has already been raised twice in this Assembly. He says that there are many things that the WFA does not know about the Agreement. They have asked specific questions and the questions have been answered. Apparently they have a difficulty with the press because do not report what they like to hear. I would say that in that manner. He had spoken and I will remind you that we dealt with question 64 and extensive set of question, question 72 which again was an extensive set of question. Mr. Kwayana wrote the Deputy Prime Minister, Cde. Parris on July 26, in response to which the Deputy Prime Minister published a one-page document indicate the nature of any arrangements that the Government was purported to have had with Chappel. Yet again in the course of a completely different debate last week, the same matter was again raised and dealt with by the Deputy Prime Minister.

Cde. Speaker, I would like to know whether it is in the spirit of the ^{for Members} Standing Orders of this Assembly/to so abuse the time available for purposes of individual or institutional **political** benefit. I know the Standing Orders do not specifically preclude the debate of a motion of this sort ^{the spirit of} but most certainly it cannot be in keeping with the Standing Orders/which is set out as **regards** question. If it were a question it could not be taken **again**.

Cde. Speaker, I remind you as I did last week that the rule 17 G, sub-section (1) says that in relation to questions it should not be asked which raises an issue which had been answered fully during the current session.

The Speaker: Mr. Kwayana's point is that these are different aspects. They are not the same thing. For instance the present motion asks for the setting up of an investigative team. The others were related to a memorandum of understanding or agreement as some people prefer to call it. Really it is not an abuse in my judgement of the Standing Orders.

TAKE

15:45 – 15:55

MISSING

1987-06-17NATIONAL ASSEMBLY15:55 - 16:05 HRS

15:55 HRS

They don't have anything to say but they are always heard chanting the praises and defending the concerns voiced by other countries as far as these activities are concerned. I would just like to say that this preoccupation with Mr. Chappell has two dimensions. One, it is merely an attempt to find a political bandwagon from which to jump and, secondly, it is merely an exercise to make a whole set of noise on behalf of other countries. Other countries can do their own shouting. If they have a problem they can write to us and ask us. There are rules, regulations, agreements by which one country can get information from another as regards activities on the fiscal front by private business and even public businesses and if those other countries are so desirous of having information they can find it out and I don't think we should fool ourselves or be fooled by any contentions by any Members of the Assembly that this particular business has been prompted by any nationalistic promptings, because it has not.

The other question as to whether the Government's name has been tarnished is one that I would not pursue. As far as I am aware, there are many examples of Government's signing Memoranda of Understanding with institutions and that is not peculiar to Guyana. It is not peculiar to this Government. What matters in the last instance - [Interruption by Cde. Belgrave.] The problems that have been encountered by the P.P.P. Government in its inability to deal with multilateral institutions is at a different level. It is something that characterises an incompetent Government. We are not here dealing with an incompetent Government. This is a Memorandum of Understanding. It is not a Del Conte issue. If they cannot understand the difference between an Agreement and a Memorandum of Understanding now, then we can really understand why they ran into that problem as regards that particular institution. If the Comrades would spend more time paying attention to the things that matter, those legal niceties, those economic niceties, I think we would waste a great deal less of our time on these red herrings or platforms that are intended to project them in the public eye as defenders of things legal and things constitutional.

If, in looking at the Memorandum of Understanding - I gather from one of the comments that were made that a Memorandum of Understanding can give an opening to both sides, whatever that means. Cde. Speaker, you are perhaps much better versed than I am in these matters. I am advised by the Attorney General, a similarly eminent lawyer, that a Memorandum of Understanding is endowed with signatures, with no more than general headings of agreement, so the Comrades will need to spend some time coming to grips with the legal niceties, but that is something I do not propose to dwell on now.

What we are saying is that as far as Robert Chappell is concerned, as far as the applications for off-shore banking are concerned, we do not have and we are not processing any application from Mr. Chappell in connection with that Memorandum of Understanding. We are not in the process of processing any application. We do not have any Agreements at the moment in respect either of Dickman Hill or whatever else the Comrades on the other side seek to have a predilection for raising every two or three minutes. I don't expect that that answer will satisfy the Comrades on the other side because, as I said, it is not their intention to let go on an issue like this which is the only thing they feel at the moment that can give them an entrée to the public.

The observation by . . . that the degree to which the Members of the Minority in this Assembly overact to information is, I think, appropriate. . . . is supposed to have said that the degree to which you get an overreaction will be in reverse proportion to its accuracy and I think that is symptomatic of what is being done here this afternoon. If they ask if "A" is true and you tell them No, they come back to ask if "B" is true and the next day you hear they were not told whether "C" was true or untrue.

I do not want to take up any more time of this Assembly on this particular item. We have said and I will refer him to the answer to Question 72. As far as the Government is concerned, Robert Chappell has no standing and therefore questions of Dickman Hill, Kaieteur Falls, machinery or any other nonsense that may prove politically convenient to Members to raise are not issues worthy of our attention. If the Government has said that he has no standing, then, by implication, there are no such agreements or arrangements in place and that is what we are saying. On the basis of that I would recommend to the Assembly that it ^{should} treat this Motion with the contempt it deserves and throw it out.

The Speaker: It is now four o'clock. I do not know whether it is the wish of the Assembly that we conclude the debate on this Motion before we take the suspension.

[Comrades and hon. Members indicated in the affirmative.]

Mr. Kwayana: Mr. Speaker, I cannot let some of the eloquence of the hon. Minister of Finance go unnoticed. Whenever an issue is raised, we get from the Government simply a statement that people in the Opposition are trying to seek publicity and project themselves. It is cheap publicity. Perhaps there is expensive publicity which is not open to us and we can only look for the cheaper version. Perhaps Mr. Greenidge in his wisdom is unaware of the fact that, as an

individual, I am said to have been inhabiting for many years the political wilderness. Secondly, I tried to say earlier that there must be publicity for the views of Members of this Assembly and we have absolutely no apology to make for raising issues here which may be uncomfortable to the Government.

I am rather interested in his line that in seeking to pursue Mr. Chappell we are being mouth-pieces for other countries. It is very interesting indeed. He said that we come here and chant praises for other countries. I wonder, in my case, to what country that would apply. Which country's praise am I chanting? I have now and then selected this or that institution in another country for notice, but if the hon. Member is now saying that they will not touch Chappell with a long spoon, is he not also playing the game of those other countries which are allegedly after Chappell? A proper attitude on their part would be to defy those countries which are allegedly after Chappell's blood and pursue relations with him regardless of whatever concerns are raised. They are even in a worse position than the Opposition. They regard this person as not being worthy of being dealt with. They claim that when we attack Chappell we are mouth-pieces of others and then they finally comply with all the protests against Mr. Chappell and whatever schemes other persons in other places may have against him.

Another aspect of this Motion is that it does not speak merely of the dealings of Mr. Chappell with the Government. It talks of the business dealings of Mr. Robert Chappell. Without such an investigation we will be at sea. Does he owe anyone in Guyana, any individual or firm? Has he broken any agreements in Guyana? We do not know. Mr. Greenidge knows and he feels that that knowledge is sufficient for us. This is the arrogance that we are asked to put up with. He says he knows whether Chappell had business dealings that I was talking of with others except the Government, but we do not know. Hence we want a Select Committee to enquire into those matters so that persons can appear before Mr. Chappell.

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16:05 hrs

It is my view that Mr. Chappel broke the laws of this country by publishing a certain prospectus making a false claims about enterprisos. I think it is a question tabled on that matter. All of these things mean nothing to him who has all the facts. I think it is an **extremely important motion** like the one before in which the Government voted not to correct the **faults** of Local Government Management. They will in this one again vote whether they want to call it publicity or not, not to investigate Mr. Robert Chappel and his dealings. They are entitled to use their votes in that manner.

Question put --Mr. Kwayana: Division.

<u>For</u>	<u>Against</u>
Mr. Kwayana	Cde. Domingo
Mr. Abraham	Cde. I. Ally
Cde. Belgrave	Cde. Abrahams
Cde. Basir	Cde. Khan
Cde. Nokta	Cde. Bishop
Cde. S.F. Mohamed	Cde. Somple
Cde. Roepu Dmana Persaud	Cde. Trotman
Cde. C. Jagan	Cde. B. Persaud
	Cde. Marshall
	Cde. Edwards
	Cde. Daygo
	Cde. DeJesus
	Cde. Calistro
	Cde. Bevell-Drakes
	Cde. A. Ally
	Cde. Munroe
	Cde. Doobay
	Cde. Davidson
	Cde. M. Ally
	Cde. Fowler
	Cde. Babibulla
	Cde. Ferreira
	Cde. Odie-Ali
	Cde. Kissoon
	Cde. Thomas
	Cde. Prashad
	Cde. Burnham
<u>Total</u>	<u>8</u>
	<u>27</u>

Motion negatived.

The Speaker: Comrades, on resumption we would be doing items 9, 10. For 7 and 8 the Minister is on leave for today so if we proceed with that there will be no reply.

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NATIONAL ASSEMBLY

16:45 - 16:55 HRS

16:45 hrs

On resumption --

The Speaker: Comrades, when the suspension was taken I mentioned that we were going to do questions 9 and 10. I inadvertently left out 8.

ITEM 8 - DUTY FREE CONCESSIONS ON GASOLENE

Be it resolved that this National Assembly calls on the Government to re-introduce duty-free concessions on gasolene to farmers. /Cde. Reepu Daman Persaud./

Cde. Reepu Daman Persaud: Cde. Speaker, this motion is a very simple and straightforward motion. This motion seeks to re-introduce something which was enjoyed by the farmers before. The back-bone of this country is agriculture and any possible incentive which can be given to the farmers should not be with-held. This is one area, Cde. Speaker, in which I think there should be no controversy. We have from time to time heard utterances to the effect of how important the farmers are. In order to give teeth to those utterances positive action should be taken to help the farmers, to encourage them and to keep them on the land. We are facing a very serious crisis in the farming community. A crisis/^{which}if investigated will result in a very appalling state and condition where people who have been on the soil from their childhood are now parting with it. They have been complaining and quite justifiably, advancing a number of reasons for discontinuing production on the land. High cost in every conceivable field of input which is required and I do not think there is any necessity for me to allude to or circle those inputs which are pre-requisite for successful production.

This motion, Cde. Speaker, simply seeks to make available to the farmers, gasolene by way of removing the duty when those gasolene are sold to farmers. The mechanism for this existed and it was discontinued with the entry of the PNC Government. It was a fatal mistake it was a blunder. It signals disrespect to the farmers and had the effect of this current situation. Gasolene fetches very high price currently. Cde. Speaker, when that sum has to be paid by the farmers who are producing and particularly rice farmers it undoubtely adds to the cost of production. We have been on several occasions and it is not my intention to divert from the particular motion which I am presenting this afternoon but simply to make reference to the production of rice which the farmers are claiming that the cost of production is higher than the numeration received by them. Gasolene is one of the things which have added to the cost of production.

TAKE

16:55 - 17:00

MISSING

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This is being used in some parts of the country. I would like to support this Motion. On the question of gasolene being given to farmers on the basis of permits, I would like to say that last week I was travelling in the Demerara River district and I discovered that farmers are having a very difficult time to obtain gasolene. They have to line up for permits. I would like to ask the Minister to make certain that these farmers are given permits for six months so that they can continue to produce in their areas what is wanted in this country.

Lastly, the question of duty-free gasolene is very important and since there was legislation on it earlier, it can be re-examined. I say that this motion is timely and good, especially at this period.

On the questions of devaluation and production, if one believes that farmers will continue to produce as they have produced in the past, I would say it is impossible. We cannot ask our farmers to use primitive methods to reap padi and what have you. The fact is that we have to deal with production and we have to deal with a new situation. I ask that this Motion be given the full support of this Assembly.

The Speaker: Cde. Greenidge

Cde. Greenidge: Thank you very much, Cde. Speaker. I appreciate the attempt at presentation. In the light of his presentation and a subsequent one, I think it could well be presented in the absence of the acrimonious remarks which he used to characterise his presentation.

I would like to say, in relation to this Motion, that whilst the Motion itself is well intended it does not take into account the objective realities in which farmers are currently operating and, for those reasons, we would have a difficulty in supporting the Motion. I would like to start by explaining the objectives of the duty-free concession in general and duty-free concessions to which the Motion refers. It is appropriate. The Motion does make reference to re-introduction, and, in the light of the use of that term, it is fitting for us to make reference to the original objectives and impact of the earlier experience with duty-free concessions.

I would also like to say to the Assembly that notwithstanding Cde. Reepu Daman Persaud's attempted presentation, this Motion does share one characteristic with the previous one that we discussed. I notice on the Order Paper the Questions that came to me during the course of the past week or so and that an identical Motion, save for one word, has also been laid before the Assembly. I hope when we finish with this one that the other will be withdrawn because they are similar. I will address them in such a manner that I hope it saves some of

the time of the Assembly.

Duty-free concessions that were characteristic of the early 1950's, when the old concessions were employed, are particularly attractive with the prices of the commodities that use the petrol or the duty-free item controlled. Legislation was passed for duty-free gasoline in 1952. It was repealed a little over a decade later. It fell into disrepute or non-use for three reasons which I would contend are relevant notwithstanding Cde. Reepu's attempts to pooh pooh those reasons. They are relevant and I think he has not really taken them all into consideration with his own formulation of the Motion.

First of all, and perhaps the most important, is that in the 1960's and, indeed, until 1965 or 1966 the bulk of the tractors and agricultural equipment used by farmers were petrol driven. Since that time the method, if you like the fuel system of most of these vehicles has changed so the bulk of tractors, combines and so forth are not in fact petrol driven. So a lot of the impact of this concession would be lost if the concession were extended as proposed, because, as I say, the bulk of vehicles in fact don't use petrol fuel and use diesel. There was this shift from gasoline to diesel.

Secondly, we all know that there was an extensive abuse of the concession where many operators used the gasoline to operate their private cars and taxis and for non-agricultural purposes. At the time they were not able to put in place measures to cope with these abuses and I think, under the circumstances that we are ⁱⁿ/today, it is likely that we are also not going to be in a position to cope satisfactorily with these abuses.

Thirdly, may I say that there were two arrangements. One was the arrangement that was called the drawback arrangement and secondly there was the straight duty-free concession. As far as the drawback arrangement was concerned, the farmers found the arrangement rather burdensome and onerous because they had to spend the money on the fuel. They then had to keep a record of the use of the fuel in order to be reimbursed for the expenditure and similarly the Department of Customs had to keep a whole set of records as arising out of those transactions. At the end of the day there was considerable pressure for the abolition of this.

It sounds simple but, for example, the application for the payment of the concession had to have a permit from the Agricultural Officer and then the Customs had to give approval for the transaction to take place in relation to the bond. Then a Register had to be kept by the Comptroller of Customs and a bond, in some cases, had to be executed. So both the drawback and the straight arrangement proved to be onerous and burdensome in relation to the farmers as

well as in relation to the Department of Customs and Excise, Accountant General and Trade. This has to be taken into account. This is one of the reasons why this particular concession has in fact been abolished in most countries of the world, even in Europe where something like 40 per cent of the price the farmer receives for his agricultural output is subsidised, as in Japan, where 60 per cent of the dollars which the farmer receives for sale of his agricultural produce constitutes a subsidy. Even in those cases you will find that the concession has not been extended by way of a special duty-free concession to the farmers alone. We are not alone in having this difficulty, an institutional difficulty that many others have not been able to cope with.

In this sense we might say that the decision to remove the concession was born of objective and changed circumstances and we need to recognise that. Today the dieselene which most farmers use remains relatively cheap. There are special concessions on dieselene and if you, Cde. Speaker, had two vehicles, one which used dieselene and one which used petrol, you would soon recognise there was an advantage in using dieselene because of both the tax concession and the consumption tax concession and in terms of the use of fuel by the vehicles themselves. We are in a situation where we are trying to conserve on fuel. The fact that a man is a farmer does not absolve him of the need to conserve fuel. The fact that he is a farmer does not mean that we should not encourage him to economise on the use of fuel.

I heard one comrade make representation about the price of fuel to farmers being high and the fact that fuel is being sold on the parallel market at a price above the price sold by the retailers. Cde. Speaker, he should learn a lesson from that. If you set a price for a commodity which is below the so-called "market equilibrium price", then it is going to be pedalled on the parallel market.

17:20 hrs

And if with the consumption tax and duty the commodity is being pedalled on the parallel market what do you think will happen? It will be pedalled even more when the duty comes off and furthermore farmers who are part of these communities and are not, I do not think they are more law abiding than anybody else, they will have the incentive to use the fuel for other than agricultural activities. So the point that is being made about the current activities on the parallel market is one that should point us in the direction if the lack of wisdom of trying to reduce the price to the farmer simply by trying to reduce the price to the farmer, simply by removing the duty in a situation where the demand for the commodity is higher than the supply, in a situation where as a result of that we have been trying to encourage farmers to **conserve**, to use alternative fuels and to use cheaper means of providing energy whether it is on their farms, their boats or what have you.

So, Cde. Speaker, rather than trying to provide for the farmers a commodity which we deem expensive and which we know we have to exhort a considerable amount of effort to pay for, **rather** than giving the farmer a carte blanche to do as he will with such a commodity, we are seeking to encourage him to conserve on the use of energy and to develop alternative sources of fuel such as biogas, which is a very appropriate source of fuel on farms, especially where there are livestock farms; the use of wood rice waste. I know Cde. Speaker, our Comrades on the other side would not waste the opportunity to talk of rice. In a similar fashion we were told that some people have water in their brain, we were told about that this afternoon. Some apparently have a chip on the shoulder. I do not know where you put Chappel's, but certainly rice is firmly on the shoulders of the PPP and it is not surprising that the raised rice this afternoon and we are saying that in the case of the rice industry we feel it is important to try and encourage the use of the waste associated with paddy and agriculture in general rather than providing cheaper fuel in a situation which is hand made for the misuse of any concession on fuel. It may also be appropriate at this point, Cde. Speaker, for me to say to you that as far as the problems of high prices to rice farmers are concerned, since they mentioned rice let me mention it in the context the proposal, because it seems that they envisage rice farmers as being the main beneficiaries.

We have some problems in this forum for example that not only pertains to Chappel. When we speak about the country we speak about Corentyne it seems as last week we heard on the question of the tolls and when we speak about agriculture there is pre-occupation in rice. As far as the rice farmers are concerned may I say that the pricing formula for the rice farmers specifically takes into account the movement in the cost of input including fuel. Now if we allow the price that the farmer receives to move according to the fuel prices what is the point of reducing the fuel price because he does at the end of the day a compensation in direct proportion to the increase in fuel prices and this is why I say the motion while it is well-intended is not ground on the objective reality that faces the farmers. The fixed price that we offered to the farmers is one that we have specifically looked at. There is a formula which specifically takes into account past movements in the cost of inputs and anticipated movements in the cost of inputs. The 1987 price movement are no different and I am sure the 1988 price movements as far as rice is concerned will have that same characteristic. It is something we have worked out ourselves. We have as part of our programme of securing funds of the rice industry, brought it to the attention of some of the international institutions when they ask about pricing policy and they found no difficulty with it. Therefore I would suggest to the Comrades that in a sense the proposal is redundant. If you are going to take into account the rice in input prices in the price that you offer to the farmer, it is not necessary to worry about a reduction in the cost of inputs except in so far as you are worried about the price to the final consumer. That is a different problem. It is not a matter for us to debate now. It is not a part of the motion, but what I am saying is if they are concerned with the well being of the farmer as far as the impact of the duties or the activities are concerned then this problem is dealt with by the pricing formula. Cde. Speaker, the comrades on the other side spoke to a man as though the only clue that the Government had the farmers at heart, the only evidence of such would be the removal of duty.

Well, of course, you know that this is very far fetched. There are very many ways in which concessions or or assistance can be provided to an economic enterprise, duty free gasoline is not the only way. As a matter of fact I would say to you if you want to come to the question of duty, that the agriculture sector enjoys automatically, in fact I believe since 1956 and perhaps earlier, duty free importation of inputs.

The Manufacturing sector does not enjoy that automatically and many of the other sectors do not enjoy such duty free concessions. So Cde. Speaker, whilst it is easy to get up and find one particular concession that the agriculture sector does not enjoy, for a meaningful discussion of that to take place we have to look at the sum total of the benefits enjoyed, in so far as the rest of the community is concerned. They are not the only members of the community and so far as the fiscal areas concerned a Government can only provide the fiscal concessions that it can afford. Public services need to be provided and we are hearing all about the desirability of looking after canals. Mr. Kwayana was talking about cleaning of drains and canals which was only five-eighths. We

The fund for those come from the Local Authority, although he does not seem to recognise it and Central Government has in fact transferred funds to the Local Authorities for the carrying out of such works such as drains and roads. If he looks at the Estimates which he is very familiar with, he will see it there and in that way it goes to the Regions which can provide funds for the Regional Democratic Councils and it can also go directly to the Regional Democratic Councils. What I am saying to you is when you tell me to do away with one particular tax or duty you have to recognise that it reduces the amount of resources available for financing the services that you yourself have been asking for. So you have to make up your mind. This is not a situation where manna flows from heaven and every tax can be abolished because every sector has a desirable case. Every Sector has a desirable case. As a matter of fact, Cde. Speaker, I would argue that the impact^{of}/the duty and consumption taxes on the farmers is quite irrelevant because the farmers by and large pass on the duties that they pay for their commodities on to the users. It is the consumer who pays not in the farmers, because the demandⁱⁿ for agricultural commodities is/excess of the supply. We can sell all the rice that we can produce, okay. You cannot tell me that because they pay duty and taxes, because they pay consumption taxes they are not able to sell their rice. That is untrue. If you produce coconuts it is not the case that you cannot sell the coconuts. They can be sold. In this case the price or the burden of the tax is carried over to the consumer. This is why, Cde. Speaker, I said a while ago that those on the Minority benches has a pre-occupation.

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GUYBANK lends to farmers at concessionary rates, rates not enjoyed by any other sector of this country. GUYBANK lends ^{at} lower rates to farmers than to anyone else. At this moment in time we are in a process of implementing a \$9½ million (U.S.) scheme on the East Bank of Essequibo and the West Coast of Demerara for farmers and E.F.A. and the Government of Guyana financed project for drainage and irrigation for small farmers. We will be taking to the Board of American Development Bank on Wednesday a loan request of similar magnitude for smaller farmers on the East Coast of Demerara, on the East Bank of Demerara and also on the West Coast of Demerara for \$10 million (U.S.) These are things that we must take into account. You just cannot pick up one omission and say, "The Government is terrible. Here is one thing it has not done for farmers." You have forgotten all the other things that have been done in the past, or are being done at the moment. I am sure they cannot be arguing the case that farmers must be exempted from every conceivable imposition. After all they are part of the community and when those investments are undertaken the Government has to recoup in some way some revenue from activities. So I would not like to know that it is being suggested that, simply because they are farmers, today we are going to say, "Duty-free petrol!" and tomorrow we are going to say "Duty-free something else."

Let them come with a case that says that the total amount of investment in the agricultural sector is inadequate. I would like to see such a case. I would like them also to come with a case that says the fiscal concessions in total are inadequate because they will find no country in the Caribbean offering more concessions to the farmers and I myself doubt whether they will find any country in Latin America offering more concessions to farmers than we offer to them at the moment. [Applause.]

I would like to say in relation to the alternative way that the Government would like to treat this particular issue, the problem of lending income to the farmers, is that we have been looking at other ways. For example, we recognise that farmers have a problem in terms of the availability of imported inputs. So what do we do? We go and we secure loans which bring these inputs. We have a request with the Inter American Development Bank for assistance for the agricultural sector, specifically for food which is in excess of \$15 million (U.S.). The Industrial Rehabilitation Loans, although it is called Industrial Rehabilitation Loans, is not unrelated to the agricultural sector because most of that loan

has been earmarked for the processing of agricultural commodities, whether it is rice, which our colleagues are preoccupied with, or sugar or other commodities. So it is not that nothing is being done. Given that the only thing that matters to the farmer is what he pays for the petrol, as I said, he does not pay duty. He is just a conduit for the payment of duty for, in the final, the consumer pays. When investment is made in the agricultural sector, it is the farmer who benefits from it because his income is improved, the uncertainty associated with agricultural production is reduced and the yields associated with crop production are improved. That is what you have to look at. That is more relevant and of more immediate benefit to farmers than the question of duties and taxes.

Whilst I am on this point, I would like to say to you that although I have addressed the question as though nothing has been done by the Government in relation to the duty on petrol as far as farmers are concerned,^{as} I have said on previous occasions when the Comrades have raised the question of consumption taxes, that they are a little bit, let me say, out of date, or not quite up to date, as regards the operation of the duty on consumption taxes on petroleum. Today we were told that the quoted price of petroleum increased by some amount. Tomorrow the price of petroleum is going to go up. About three weeks ago the price of petroleum was increased. I think at that time it was something like $\$0.24$ (U.S.) per gallon. What happens, the consumption tax regime allows us to reduce the tax automatically on these items. What is of concern to us at the moment is stability of the price of this commodity and that is in a situation where we know that it is desirable for us to reduce our consumption of petroleum. If you are in a situation where petroleum takes such a large share of your total earnings, it makes no economic sense to reduce the price if, indeed, that is what would happen. If that were the case, it would not be desirable to reduce the price. The important thing to do is to find more efficient sources of fuel and I hope that Cde. Reepu will not insist on this Motion but that he would agree with us that in the light of all these benefits, all these fiscal concessions being given to the agricultural sector, in addition to the fact that very few farmers are going to benefit from this because most of the farmers do not use petrol for combines and tractors, then it is something that is going to be relatively insignificant.

There are more important concessions that farmers would benefit from. You don't have to ask anyone. I have taken time to look at this matter and I am saying to you that the Motion reminds me of Mr. Wilde's statement which he made on his death-bed. When they asked him what was the last thing he would like to have, he called for a glass of champagne. [Interruption.] That is why the Comrades have

to bring these puerile Motions. Oscar Wilde responded by saying, "I am dying as I have lived, beyond my means." That is what this Motion seeks to do.

[Applause.]

Cde. Dr. Jagan: Cde. Speaker, we have a very nice academic response but the Minister would have been efficient talking about agriculture. He talked like a politician for the P.N.C. "We have done the best in the Caribbean and in Latin America, for the farmers," he said. He said we were self-centred and were talking about agriculture and mostly about rice, that the members of the Minority Parties are not concerned about consumers and they had to look at everybody. Wonderful speech-making!

What is the reality? The agricultural sector in Guyana, as a percentage of Gross Domestic Product, has been falling. The Comrade knows that. That is listed in the statistics. The T.U.C. Research and Economic Committee put that in their report for last year. The agricultural output is falling in a predominantly agricultural country.

We are, by the way, not talking only about rice. The Comrade who moved the Motion referred to fishery. We would like to talk about forestry and agriculture, in general. We would like to talk about the small farmers producing cassava and so on, that he could use his little machines to do work which he cannot do by hand. We are talking about all these people. The reality is that the G.D.P. of the agricultural sector is falling in Guyana. It is also a fact, let the Ministry deny it, that thousands of farmers, rice farmers for example, have left the land. Thousands of acres have been abandoned. Ask those who know about rice. We have the social consequences of this. People are going to be working for bigger and bigger landlords, the capitalist farmers in this country. That is a social problem which is going to arise in this country. What is the reason for this? In highly industrialised countries, why is agriculture so efficient?

(The Minority Leader continues)

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17:40 - 17:50 hrs

17:40 hrs

Because it is highly subsidized. And it is subsidized because it is a political problem. The farmers in Europe for instance are a substantial voting population for some parties, especially the more conservative ones and as a result they continue to pile up subsidies. They have a two price system where they are subsidizing to the farmers and selling at a lower price to the consumers. What are we doing? Why don't we do that? Why don't we take for instance, the profit of flour and subsidize both the farmers and the consumers. Why don't we do that. Instead of using P.L. 480 goods give it to the PNC to distribute and let them make the profit and use the milk coming from the United States free and stop buying from the farmers. He refers to the consumers paying for everything. Why must the consumers pay? He said the consumer has to pay the price because there is a shortage of agricultural goods in the market. In a way he is admitting the failure of the Government's policy that it has not produced enough goods to sell to the consumers, so that in a free competition of market place economy the consumer will get the benefit. He has not mentioned another fact that is the failure of the fiscal policy of the Government or the marketing of agricultural produce. What did the GMC do. They should be buying from the farmers, processing if necessary, selling to the consumers at a controlled price or lower if necessary and take the profit out of imported things like flour and milk etc., and carry on in that way. Thus we will help agriculture and we will also help the consumers. But the Government has no policy and consequently our agriculture is going down and therefore we have to look for food aid from United States and other places. And we will see what happened outside happening here where food aid destroyed indogenous agriculture because open market places is applying with Reagan's philosophy which is open up market, no control, no government intervention in the economy or anything like that. So even the little that you have is destroyed. That is what is going to happen in this country and we have seen the trend in that direction where farmers in the Mahaica and Abary area had to dump their milk because the milk Pastuerization plant refused to buy their milk they had to dump it. They could not buy it because they had a lot of powdered milk on their hands, the P.L. 480 milk.

Cde. Speaker, I think this Government has to look at this problem in its totality and examine carefully why is it that farmers for instance -

we are talking about rice farmers not because we are blind-folded about rice farmers but because rice has an important place in the economy next to sugar and it is an export crop which earns foreign exchange and there must be cause for alarm is one third of the farmers are going out of business. The Minister mentioned why worry about the subsidy on gasoline the Government is equating the price to meet the devaluation to take into consideration -- Interruption. He was making the point why worry about gasoline because the Government's policy has been to adjust the price---

The Speaker: I think what he said was the Government adjusted the price of paddy and rice to take into consideration the cost of gasoline and apart from that there are many other equal benefits to the farmer.

Cde. Dr. Jagan: I am saying that the adjustment that the Government made recently, for instance to the rice farmers in increased prices does not take into consideration the back log of losses that the farmers are suffering. It was only adjusting on a base which was bad. In 1976 the RPA went to the Prime Minister then and showed how they were losing a little over \$300,00 per acre. The point I am making there is that you cannot only talk about the adjustment that you make from time to time. You have to talk about the whole industry. You have to talk about what is happening to the whole agricultural sector. You have to talk about how the Rice Marketing Board is run. The EFAB report said that the farmers only gets 47 cents out of every dollar that the rice board gets when it sells abroad. These are realities. We have to adjust on all those things. That is why the farmer who was all along getting a low price could not cope with production. The inequitable base is not coping with production. He is saying we have coped with the cost and gasoline is included there.

Cde. Speaker, I am saying we must do much more for the whole agricultural sector in the same way that we want to industrialize our country and we have used for instance in our country in the arguments for devaluation although we would have been a net loser, we argued that this will help the private sector because it will cheapen our products abroad and so on. We argued all of that. Okay you have to industrialize but that is not the way to go about it.

The Speaker: Dr. Jagan, that matter is for another debate.

Cde. Dr. Jagan: Okay we have to industrialize, we have to have agriculture successfully in the country and as far as we are concerned all impediments including duties should be removed.

There are other methods of recovering from the farmers, income tax, what he consumes when he goes to buy at the shops. Does he pay consumption tax, Does he pay import duties? He is a consumer. He is an income tax payer and therefore catch him there and let production at the production level be so attractive especially in the agricultural sector because we know what is the trend today, not only in Guyana. The trend today is towards urbanization and we cannot have that here. If that happens then we will be denuding the countryside of people who should be producing on the land and we will be worst off later on. The Minister made the point that a lot of engines, machines and so on are not gasoline driven, by the way they were at one time. Let me make this point however, when you have to buy something operated on diesel the cost is higher than those operated by gasoline.

TAKE

17:50 - 18:00

MISSING

Cde. Reepu Daman Persaud continues

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NATIONAL ASSEMBLY

18:00 - 18:10 hrs

18:00 hrs

I know that what I am saying will hurt, but it is because of our sensitivity towards those who are the agriculturalists. That is what I want the Minister to disabuse his mind of. When the Government moves to that point, agriculture would move forward, the farmers, the agriculturalists, would be encouraged. I feel so and I say so. They have to be told in straight, flat, grass-root terms so that they can understand. I am not vexed, but I am just telling you how it is treated. I am using my right to speak about it and I am sure, Cde. Speaker, that you can follow what I am saying.

Let us talk about benefits, about the one in which the farmer would benefit when he has given up land and it is not cultivated. That is remote; that is no benefit. I don't know whether a single farmer will enjoy that benefit. Come back in the Budget Speech and tell us in statistical terms how many farmers have taken advantage of that and what benefits they gained. That is a situation where land is in bushes, underutilised. They are not producing. That is the reality of this country. The Minister talks about benefits. There is no road, no dam, no social facilities. Go into Black Bush, go to Mara. I have been there recently. If you go you will see under what conditions the farmer is living. The Minister talks about benefits to the farmers. Farmers are getting no benefits.

I presented this Motion very dispassionately with the sole objective of persuading the Government to see the reality. When the Minister talks about concessions, about parts, that is nonsense. Everyone in this country knows. If any person pretends he does not know, then his head is in the sand or he is dishonest. Why do I say that? Because parts for tractors, combines and agricultural machinery, and for all vehicles, are brought in substantially by hucksters and peddlers. Such parts are bought at black market prices based on what is the black market exchange for the particular country from which the parts are brought in. Let the Government tell us where is the agency that is making parts available to the agricultural sector. Even if that exists, it is You can point to any area in this country and you will find farmers struggling into Georgetown almost on a daily basis and flying out of Guyana on aircraft, when it is almost impossible to get a seat, to other countries to bring in parts for machinery. I am doubtful, that with all this experience and price-fixing machinery, and all these things about rice and all of that, whether the Government can reach a proper conclusion with respect to the cost of inputs in this area of agriculture. The Minister will be forced and compelled, using

his words, taking the objective situation into consideration, to project his mind to the costs in the parallel market insofar as agricultural production is concerned.

I want to raise another pertinent question in respect of agriculture that the Government has failed to set up the buying agencies which was the intention when the were established by the People's Progressive Party. That is exactly what Dr. Jagan said would be done and was done, that is, you have fixed prices with the farmers selling their produce on the spot where they are produced in the different producing areas in the country. But what obtains here? The middle men are the ones who are gaining the benefit and the cost is passed on unscrupulously to the consumer. I speak feelingly, with conviction, that the farmers, the ones who till the soil, do not enjoy that benefit [Interruption.]

Cde. Speaker, the problems of the farmer are multitude. I do not think that the Minister this afternoon can properly defend the Government's position. As I said, there is only one area that needs consideration and that is for us to work out what will be involved if it has to be implemented. The next thing to which the Minister has to address his mind is what will be the cost in terms of the damage the concession will do to the earning power of the Government in this area of petrol^{gasolene}/or diesel. That was the kind of argument I was looking for, with objectivity. I think he would have found that nominal and what the Government would have been dealing with this afternoon, the need, the benefit, the gains, the returns, would turn out to be far superior to what the Government is giving to farmers.

The farmers are really a dispossessed, deprived people of this country. I am talking about farmers: I am not talking about middle-men. The middle-men have capital whether they are at Black Bush, Mara, Ruby backdam or elsewhere. I speak from first-hand information. Those people live there and if you go and look for any kind of facility that can be described as a necessity for the sustenance of life, things like water and other social services, all are absent. The people have to live in mosquito-infested area with bad roads. They have to endure those things but they stay and produce and after they have produced they do not have the wherewithal to transport their produce to areas of distribution, and so you have this new group between the farmers and consumers. The middle-men buy from the farmers at cheap prices and charge high prices when they sell to vendors in the various markets and distributing areas.

The Minister has probably forgotten what he said. I have not. He said, "If you were so and so, you would have to pay duty." That was his rationale. I am surprised. He committed a faux pas. That was when he attempted to make

the point that if everybody has to pay duty, then let the farmers pay duty.

Cde. Greenidge: I did not say so.

Cde. Reepu Daman Persaud: If I misunderstood him I will not press it.

He talked about the world, about production in the world. He talked about the farmers' communities everywhere and, if you want to reduce your importation bill, that is the area to which you have to pay attention, the production area. You don't say that the lawyers pay duty, therefore the farmers must pay. What kind of cock-eyed analysis is that? How can we equate the lawyers with the farmers? I confess my ignorance. I cannot apprehend the reasoning or logic of the Minister. He can say later on that I am ignorant.

I have spoken. I want to call on the Minister to reconsider what he has said, to change his views. Let him persuade his colleagues to be with him and, instead of opposing the Motion, let them vote substantially for the amendment. I strongly support the amendment. I call for its complete support this afternoon and I call for a new and impartial look at the farmers' problems in this country. Let us offer them incentives so that they can produce and our economy can expand.

Cde. Greenidge: Cde. Speaker, I would like, if I may, to take the opportunity to speak to the amendment. The fact that the Members of the Minority have been driven to amend this Motion is a reflection of how very sparsely thought out the Motion was in the first place. We are not arguing that they committed an impropriety and that it was not permitted. We are saying that it reflects the lack of careful thought. In the same manner that we are saying that such a small proportion of farmers use petrol, it is an even smaller proportion and even smaller number of rice farmers. As far as I am concerned, this is simply a question of arithmetic. One must not be preoccupied with one section. You can become wholly preoccupied with the interest of one section. - I did not omit the rice farmers - that you can forget, in formulating a Motion, that the Motion needs to be grounded in objective circumstances.

My I say that the Motion as it stands with the amendment makes more sense than the original Motion. I would concede that but it does appear that some of the points I was making earlier were not fully grasped and I do not propose to go over them now but I would like to say, in passing, that if the Comrades on the Minority benches feel that the other part of the whole packet in terms

of the concessions which are given to farmers are so irrelevant that nobody will benefit from income tax concessions given in the 1987 Budget, we would be happy if they were to bring a Motion here to that effect calling on us to withdraw those concessions and we would withdraw them.

(Cde. Greenidge continues)

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18:10 hrs

Let them bring the motion. You see Cde. Speaker, We looked at our statistics before we came here and that is how we were able to tell in the first instance that the motion was erroneous. When we heard Dr. Jagan start off with his presentation as he usually does, after he spoke about the capitalists, he spoke about the share of agriculture in GDP, that it has fallen and that I failed to say so. But the reason why I failed to say so is this that all the figures I have seen have pointed to the opposite whatever Dr. Jagan might like to think. I would like to draw your attention, Cde. Speaker, to a document produced by the Commonwealth Secretariat. The numbers are not produced by the Secretariat, they are extracted from a United Nations Document, UNCTAD, the Members of the Commonwealth countries. I just will call the number of 1970 and 1983 and I will give you the numbers for 1985 that I have. In 1970 the share of agriculture in GDP, Gross Domestic Produce was 17 per cent, in 1983 it was 20 per cent. The figure we have for 1985 if you look at the figures of the budget comes somewhere between 22 and 24 per cent. I would want to feel that the 1986 and 1987 numbers are larger but I do not have the numbers here and I am not going to speculate. But the fact is, in terms of numbers we have increased. We need to understand that very often when we are regaled by these numbers from the other side of the Assembly that they are supposed to be facts. If there is such a thing as antifacts, these are antifacts.

I would like to go on to the next point Cde. Speaker, by saying that the Comrades started off by talking about an academic presentation and they have resorted to an academic source for their statistics because I do not know of any source that they have named that is a reputable statistical source. I know that I can go anywhere and talk about UNCTAD and UNCTAD numbers. Similarly, Cde. Speaker, when we speak about the benefits of subsidies and the impact that the removal of gasoline and diesel these would be our programme. I heard some crazy figure about the Government taking off 70 m or something off the subsidy of the agricultural sector and then I subsequently heard Dr. Jagan who is not normally given to pressing us, prevailing upon us to follow the Western European pattern. But I heard him this afternoon telling us that the Western Europeans are subsidising their agriculture and we would be well advised to go in this same direction.

Cde. Speaker, I would like to draw your attention to a couple of newspaper clippings which I have not because Dr. Jagan is predictable on these matters, but because I was reading them. I am not going to read them but I would like say to our friends that this month and last month the European Community and the OECD members in general which includes Japan made a definitive decision to reduce farm subsidies being expended to the farmers. If Dr. Jagan would like to know something about this he ought not to use that as an example because even in the Soviet Union as well the impact of inefficiencies associated with subsidies have been recognised and one of the **three** legs if I might borrow that particular chinese analogy/^{on}which Gorbachyev now walks in the Soviet Union, is the leg that has to do with efficiency in the public sector and the efficiency of enterprises within the **Soviet** Union as a whole. But I was going to say that there is a document called National Policies and Agricultural Trade produced by the OECDs, Dr. Jagan might well be advised to read that before he quotes OECDs as an example in future as a model for agricultural subsidy.

The points I have been mentioning are specifically intended to show where the agricultural sector has benefited and areas such as Black Bush Polder which I have heard mentioned are in fact benefiting from a current loan of \$9½ million US for the upgrading of the roads and pumps and so forth. When I say that our comrades tend to be a little inclined to preoccupation, I know what I am talking about. I have a document here, Cde. Speaker, finally, which talks about duty free importation as a percentage of total imports. The latest figure we have here is for 1983 and when you are looking at fuels and lubricants within **which** category both dieseline and petrol falls, the total duty free imports as a percentage of total imports amounts here to over 90 per cent. In terms of the ^{let me read it: "It says duty foregone} duty foregone/as a percentage of duty paid and payable the figure for intermediate group is two percent and in terms of fuel and lubricants is 96.78 per cent." When you look at the table further and compare the duty free concessions **given** relative to other countries, **and when** you talk about fuel, I would like to finish off by saying that the point about **dieseline** is not so much that it is cheaper which it is per gallon but that the use of dieseline is not a **cost** effective devise per mile per hour. The running **cost** for a dieseline **per mile** per hour is lower than for ordinary petrol engine.

So whatever your comrades tell you and they claim to know it as first hand, they cannot tell you otherwise because that is a fact. So **Sde. Speaker**, it does appear that even in its modified form the motion is still ill-informed and we would like to commend our colleagues for showing such great interest in the welfare of the farmers of the rice sector, in particular, and for any other sector whether fishing or forestry. The motion will not serve the purpose for which the proposers are intending it and we have more appropriate mechanisms in place. Applause.

Question put, and

Amended motion negatived.

Adjournment

Resolve, that this National Assembly do now adjourn to Friday 19th June, at 14:00 hours. The Minister of Regional Development.

Adjourned accordingly at 18:20 hrs.