

THE
PARLIAMENTARY DEBATES

OFFICIAL REPORT

[VOLUME 1]

PROCEEDINGS AND DEBATES OF THE FIRST SESSION OF THE
FIRST LEGISLATURE CONSTITUTED UNDER THE
BRITISH GUIANA (CONSTITUTION)
ORDER IN COUNCIL, 1961

22nd Sitting

Thursday, 12th April, 1962.

LEGISLATIVE ASSEMBLY

The Assembly met at 2 p.m.

Prayers

[Mr. Speaker in the Chair]

Present

His Honour the Speaker, Mr. R. B. Gajraj.

Members of the Government

People's Progressive Party

Ministers

Dr. the Honourable C. B. Jagan

*—Premier and Minister of Development
and Planning (Member for Corentyne
—East)*

The Honourable B. H. Benn

*—Minister of Natural Resources (Mem-
ber for Demerara Coast—West)*

The Honourable Ram Karran

*—Minister of Works and Hydraulics
(Member for Mahaica)*

The Honourable B. S. Rai

*—Minister of Home Affairs (Member for
Demerara Coast—East)*

The Honourable R. Chandisingh

*—Minister of Labour, Health and Housing
(Member for Lower Demerara River)*

Dr. the Honourable Charles Jacob, Jr. —*Minister of Finance (Member for Vreed-en-Hoop)*

The Honourable E. M. G. Wilson —*Minister of Communications (Member for Boerasirie)*

Parliamentary Secretary

Mr. L. E. M. Mann —*Parliamentary Secretary to the Ministry of Works and Hydraulics (Member for Mahaicony)*

Other Members

Mr. S. M. Saffee —*(Member for Berbice—West)*
Mr. G. L. Robertson —*(Member for Leonora)*
Mr. M. Bhagwan —*(Member for Essequibo Islands)*
Mr. J. B. Caldeira —*(Member for Pomeroon)*
Mr. V. Downer —*(Member for Berbice—East)*
Mr. M. Hamid —*(Member for Demerara—Central)*
Mr. D. C. Jagan —*(Member for Suddie)*
Mr. H. Lall —*(Member for Corentyne—West)*
Mr. M. Shakoor —*(Member for Corentyne River)*

Members Constituting the Minority

(i) People's National Congress

Mr. L. F. S. Burnham, Q.C. —*(Member for Ruimveldt)*
Mr. W. O. R. Kendall, Deputy Speaker —*(Member for New Amsterdam)*
Mr. J. Carter —*(Member for Werk-en-Rust)*
Mr. E. F. Correia —*(Member for Mazaruni—Potaro)*
Mr. N. J. Bissemer —*(Member for Campbellville)*
Mr. W. A. Blair —*(Member for Berbice River)*
Mr. R. S. S. Hugh —*(Member for Georgetown—South)*
Mr. J. G. Joaquin —*(Member for Kitty)*
Mr. R. J. Jordan —*(Member for Upper Demerara River)*
Mr. C. A. Merriman —*(Member for La Penitence—Lodge)*
Mr. H. M. S. Wharton —*(Member for Abary)*

(ii) United Force

Mr. P. d'Aguiar —*(Member for Georgetown—Central)*
Mr. S. Campbell —*(Member for North West)*
Mr. R. E. Cheeks —*(Member for Georgetown—North).*

Mr. I. Crum Ewing —Clerk of the Legislature
Mr. E. V. Viapree —Assistant Clerk of the Legislature.

ABSENT:

Dr. the Honourable F. H. W. Ramsahoye, Attorney-General (Member for Canals Polder)—on leave.
Mr. G. Bowman—Parliamentary Secretary to the Ministry of Natural Resources (Member for Corentyne—Central)—on leave.
Mr. E. E. Melville (Member for Rupununi) —on leave.

ANNOUNCEMENTS BY THE
SPEAKER

LEAVE TO MEMBER

Mr. Speaker: I have to inform the House that leave for today has been granted to the hon. the Attorney-General (Dr. Ramsahoye).

PUBLIC BUSINESS

BILL — SECOND READING

APPROPRIATION BILL

BUDGET DEBATE

Mr. Speaker: The Assembly will resume the debate on the Motion for the Second Reading of the Bill intituled:

“An Ordinance to appropriate the supplies granted in the current session of the Legislature.”

When we adjourned last evening, the hon. Minister of Communications (Mr. Wilson) was then speaking. He may now resume.

The Minister of Communications (Mr. Wilson): I should like to resume today by making reference to the unjustified charges made against this Government with regard to the pattern of the Budget. It was said that the Budget did not provide that those who could afford to pay should do so. I shall make brief reference to one point because I know that the hon. Minister of Finance will deal adequately with that aspect of the criticisms.

It will be remembered that yesterday, in dealing with what was said by the hon. Member for Georgetown North (Mr. Cheeks) that a person who worked for \$15.40 per week would have to pay income tax, I pointed out that it would only be a matter of five cents per year. Five cents per year works out to one cent in 10 or 11 weeks. That means

that the person in 10 weeks will pay one cent. Against that, compare a person whose income is \$1,000 or \$1,100 per month. That person's income tax will be anywhere in the vicinity of \$400 per month. Is it fair for hon. Members on the other side to say that in arranging the Budget, we did not observe the principle of making those pay who can afford to pay?

2.15 p.m.

Which loyal Guianese is there so poor or so mean who would stinge to pay one cent in ten weeks to assist in some little way by his widow's mite? That is what Christ taught us. The widow's mite was accepted as being equal to or even greater than all the money that the wealthy people contributed. This Government values the widow's mite — one cent in ten weeks — in order to afford Guianese pride in the Development Programme of their country. The beggar will pay his one cent, perhaps to assist his less fortunate brethren at “The Palms” or somewhere else.

Speaking about the widow's mite reminds me of an address I delivered on the occasion of the opening of the Salvation Army's Men's Hostel last week Wednesday, when the hope was expressed that Government would play its part in assisting the Salvation Army in providing homes for the destitute of our community. In reply to that I made reference to the story of the Good Samaritan, and I compared the work the Salvation Army was doing with that story, in taking care of the destitute and those who had been robbed. But I said that the work of the Salvation Army was only complementary to the more important work in which the Government is interested, that is to get rid of the robbers and thieves of capitalism who had created the conditions responsible for all the “choke and rob” crimes we have in this country.

[MR. WILSON]

We are interested in establishing Socialism whereby there will be an approach to equality in the distribution of this country's resources; whereby the country's wealth will be more or less equitably distributed, so that we will not find people knocking about the streets, beggars and the like, who many days have not got a meal, and have nowhere to rest their heads. We want to get rid of those conditions. We want to get rid of the disease. We spend more money on the prison, not because we believe it is such a good place, but we believe that as conditions are as they are and we cannot change them overnight, we have to take care of those unfortunate ones who find themselves committing crime because of their environment.

Talking about Socialism — I know my friends are saying "Why not say Communism?" I recall that someone on the other side — I think it was the hon. Member for Georgetown North (Mr. Cheeks) — during the course of this debate said that the Premier would never answer the question: Are you a Communist?

Mr. Speaker: He was reading from a newspaper.

Mr. Wilson: Thank you, Mr. Speaker. There are cases in which Communism can connote a great evil, and in other cases it can connote something worthy. As a matter of fact I attended a lecture by the Rev. Leckie on "Communism and Capitalism." In brief this was the theme of his talk — that both Communism and Socialism have the same objective, but the difference between them was that whereas Communism attempts to achieve its objective by force, Christianity approaches the same objective by love. At the end of the lecture I asked him some questions, and he admitted that

even Christ adopted force when he drove the money-changers, thieves and robbers out of the Temple, and even God recognized force when he ordered that the Amalekites should be destroyed because of their sinful deeds. In every proper system of government, whether it is Communism or Democracy, force is the ultimate sanction. The United Kingdom maintains large forces, and the United States, the great Democracy, spends millions of dollars in maintaining armed forces. Even in the home, where the mother loves her children, she does not spare the rod and spoil the child.

I come now to a criticism made by the hon. Member for Georgetown North who quoted from a newspaper report to show that whereas B.G. Airways is being run at a deficit or loss, B.W.I.A. makes a profit. We admit that we are running the B.G. Airways service at a deficit—not a loss. The word "loss" has reference to profit. Government does not make profit. Government is not interested in profit, but in getting a surplus or a deficit, and if there is a surplus it is used for the welfare of the country — towards education, schools and hospitals. But a profit means that an individual puts money into his pocket for his private use.

Does the hon. Member for Georgetown North want us to run B.G. Airways at a profit or to show a surplus? We can do so by charging more freight on the beef which is brought from the Rupununi, thus helping a member of his party to make more profit. We can also do so by charging more for transporting commodities for certain other hon. Members to the interior, and thereby raise the cost of living of the working man in the interior. But do we want to do that? How can we do that when we want to open our country? There are pioneers who have to face the dangers of the interior; must we not serve them? Yet the hon.

Member tried to deceive this House by saying that B.W.I.A. is being run at a profit. I wish to quote from an article which appears in today's *Guiana Graphic*, or perhaps the hon. Member would like to read it for me. I will merely quote the last paragraph of the article which deals with the operation of the British West Indian Airways. It says:

"The airline — under its all-Trinidad directorate of mainly civil servants, has budgeted for a \$3,265,367 loss this year, according to figures presented to the Trinidad House of Representatives only last Friday."

Of course, you will not find this in the political organ of the United Force, the *Daily Chronicle*, because it would disprove what another member of that party said yesterday.

Mr. Speaker : To a point of explanation! I listened very carefully to what that hon. Member said on that question. He referred to a different period of time. He referred to a newspaper publication which spoke of the profit that was made by the new owners of B.W.I.A. in the period since they purchased it, up to the end of last year. The article from which you have quoted refers to a budget for a deficit in the year of operation to come. So it is for two different periods. It is not fair for Members on either side to make charges that a particular Member has tried to deceive the House. I, too, as a reader of newspapers, read the very statement which the hon. Member for Georgetown North quoted to this House.

Mr. Wilson: Thank you, Mr. Speaker. The fact remains that Government-operated airlines are not run for profit. They serve the communities in the various territories in which they operate.

Mr. Speaker : I think we should have a motion at this stage.

Mr. Wilson: I will be finished in about two or three minutes, sir. In the early part of my remarks I asked hon. Members on the other side what was the feeling that should most dominate them, and I suggested that it should be shame. I would like to conclude by telling them again that they should be ashamed of themselves for having played in the whole drama of opposing the working class Budget which is not socialist by any stretch of the imagination, but is aimed towards the establishment of Socialism. I have a great feeling of shame for those who suggest that the reason why we did not contest seats in Georgetown is because we do not believe in opposition. I feel ashamed to see how the leader of that party has brought himself down.

2.30 p.m.

It makes me feel and wonder, "How are the mighty fallen?" Has the mighty Sampson fallen, when he has to bow and go along with the leader of the United Force Party whom he despises so much? I hope they will retrace their steps, instead of getting deeper into the valley of shame. Let them retrace their steps in the interest of Guianese, and co-operate with this Government whose only objective is to work for the good of the Guianese people.

Mr. Blair (Berbice River): Mr. Speaker, it is a well-known and accepted fact that British Guiana is essentially an agricultural country, and it has great possibilities in this field. Much of its wealth can be found in agriculture, but we find that this wealth has not been tapped. One Government succeeds another in this dear land of ours and nothing is done to tap the rich resources in this particular field, agriculture. The many rivers and waterways in British Guiana bring the rich lands of the interior within easy reach, yet we find that all of this land is left lying waste, to a very great extent, while many people suffer hunger and want.

[MR. BLAIR]

In so far as the rearing of crops is concerned, we find that it is confined to the coastlands and to one particular crop, rice. I looked in vain in the proposals submitted in the Estimates by the Government for some definite plan for a system of diversified agriculture in British Guiana at this time — some plan or scheme for securing a wide variety of crops of agricultural products — but up to now I have not found such proposals or plans. I want to ask: What steps are Government taking to put these fertile and easily accessible lands in the interior into good use for the benefit of the people in this country? If we adopt plans of this kind, I believe it will be one way in which we can change our poor economic conditions.

There are large areas of Crown lands in British Guiana, and there are many persons who are willing to turn to the soil in order to make a living. Unfortunately, they have no land. Why doesn't the Government make these Crown lands available to the people who are willing to farm and are hungry for land, so that they may be able to help themselves as well as improve the economy of the country? We find, too, that there are many people who have land but unable to cultivate all of it. They are willing to have some of these lands passed on to their neighbours who are in need of land. But these people as well as those who would get land — if the Government were disposed to make Crown land available to those who are willing to cultivate it — would need assistance from the Government, because having the land is not all.

Instead of shouting, "Every square inch of land that is not beneficially occupied will be taken away", the Government should endeavour to help those persons to occupy beneficially every square inch of land they may have in their possession. In order to do this, it

is most necessary that the Government should establish Agricultural Machinery Pools. By this I mean that, in certain agricultural areas, the Government should make available to farmers such machinery as would be necessary to assist them in clearing, draining and ploughing their lands so that they may be able to put these lands to far better use.

A few days ago I visited a scheme in the Berbice River at Maria Henrietta, and there I saw something of what I am talking about — something I have had in mind for a long time. I saw a bulldozer at work clearing several acres of land. I saw the people at work, and, I believe that in a very short time, if the people get technical advice, the land will be more beneficial to those who own it.

While I must give credit to the Government for assisting these people by providing them with machinery for clearing their lands, I cannot give the Government credit for the idea. I happen to know that this idea was conceived in the mind of one Mr. Duggin who, for months and months, kept on begging for help until finally, on a co-operative basis, machinery was provided to help the farmers do part of the work. That is what I have in mind. In certain areas where the people are in possession of land and are willing to cultivate it, Government should set up Agricultural Machinery Pools in order to make such machinery as may be necessary available to them at a small cost. Since it is not possible that a poor man will have money to pay for the use of such machinery in advance — that is if the Government will charge for such services, or continue to give this help on a 50—50 self-help basis as it is being done in all self-help Schemes. If, however, the Government decides to charge the people for such services, then, the proper time to collect the money for such services will be after the crops are sold.

In those areas where there are no roads to enable the removal of machinery from one point to another, I would suggest to the Government that it should provide a means of transport by water, and that the machinery be taken care of by qualified Government mechanics. Instead of leaving expensive machinery to be taken care of by people who may not know how to care them, the Government may provide pontoons and launches to take the machinery from one place to another. I am advocating this method, because I am thinking of the safety of the machinery. It is quite clear that these expensive pieces of machinery can be damaged by people who do not know how to handle them. If they are left in the hands of some people to be transported by water, they may fall into the river and lost.

2.45 p.m.

But this would not be all. In order to make these efforts really productive, I think that the people should be given technical advice. There are conditions where, I may say through ignorance, people may plant one kind of crop in a place where it ought not to be planted. But I think with soil surveys and advice as to the suitability of the soil for one kind of crop or another, better production will be ensured. It is for this reason that I feel that in addition to giving mechanical assistance, Government should give technical advice to farmers.

I know a certain area today which is in very sad need of agricultural advisers or Field Assistants, as they are called. I remember approaching Ministers of the past Government about this matter of having Agricultural Officers visit certain areas regularly. At that time I spoke of the Berbice River area particularly. I was promised that agricultural instructors will be made resident in those areas and there will always be available to the people the advice of such instructors, as well as help from the Agriculture Department.

I think it was about two years after that that an instructor visited occasionally. He paid a hurried visit and looked at certain things. This was as much as he could have done because I observed that he had to get a passage on some launch or boat which was going in that direction. So, he had very little time to visit the people's farms and give them any more advice than he was able to give on such visits, as he had little or no time at his disposal.

After a while, we saw this officer no more. I made enquiries two or three weeks ago and I found out that the conditions are the same. There are no agricultural advisers or instructors visiting that area of the country to give help to the people there. I was told that there is an agricultural instructor on the Berbice River stationed at the Mara Scheme, but when I inquired, I was told that this officer's duties were confined to the Mara Scheme — he did not have time to visit elsewhere. I am sorry I did not see the gentleman himself so that I may repeat his own words; this is what I was told.

After all these things have been made available — land, mechanical assistance and technical advice — there are still other important points to which the Government must attend. This includes the provision of quick means of transportation, storage and marketing facilities. As is well known, perishables need to be transported to the market without delay. If one has to transport certain types of produce like pumpkins from distant places, like the North West District, to Georgetown for sale, it means that one must have quick means of transportation. While crops such as pumpkins can last for some time, there are other perishables that cannot, and need to be taken to the market very quickly to be disposed of.

I understand that not very long ago quite a lot of pumpkins was being sold to Government, for export purposes I

[MR. BLAIR]

think. I read, with much distress, that thousands of these pumpkins had spoiled or were likely to spoil for some reason or the other. I think this was due to the lack of proper storage facilities. This is a very necessary provision if we are thinking of producing more and of having a wider variety of crops. When we have these products in any appreciable quantity, we ought to have proper storage facilities where they can be stored for sometime until they can be sold.

Again, all may not be sold at one time or all may not be used in the Colony. As a matter of fact, we ought to aim at producing more than we can use locally so that we may have some for export purposes. Even that part of our produce which we retain for local consumption will not be sold in a day or two and will, therefore, need some proper storage place. We may have such types of storage where goods may be kept cool so as to prevent them from spoiling. When we think of exporting, the question of proper storage presents itself still more prominently.

But that is not all. Government will have to go a step further and provide proper marketing facilities, both here and abroad. It is true that in Georgetown there may be a good supply of certain items, but in the country areas, there is a scarcity of those very things and people have to travel to Georgetown to buy them. I believe that the marketing of such products can be improved by having vans which are suitable for the purpose of keeping them fresh for a long time—as is done with milk—bring them to the doors of the people. That, of course, can be done when we have a large quantity of such things, but, at present, I know that there is not even enough in Georgetown for the people.

I do hope that Government will seriously consider the need for providing the lands that are necessary, of helping those who have lands, establishing machinery pools and making technical advice available so that we may see far better production of a wide variety of crops in British Guiana, and not just one particular crop.

I would also like to draw to the attention of the Government the fact that there is need for some type of small industries here. As a matter of fact, when the hon. Minister of Natural Resources (Mr. Benn) returned from his visit to Italy, he gave us the hope of seeing such industries established. I would like to quote from his report on his visit to the United Kingdom and Europe which was submitted to this House on the 20th December, 1961. In paragraph 4, the hon. Minister said:

“We visited the Tropical Products Institute and discussed with the Director and his staff the following matters:—

- (a) The production of instant coffee from British Guiana's coffee. The Institute had carried out the experimental investigations and it was agreed that the Institute should now request machinery manufacturers to submit complete quotations, layout and design of a suitable plant and to undertake further but more commercial trials of producing instant coffee from our coffee beans.”

That is a noble idea. I wish to ask the hon. Minister how far these plans have gone and what are we to expect from his efforts in that direction. This paragraph also states:

- “(b) The utilisation of by-products of rice, such as straw, husk and bran. We were shown some interesting work in progress on the manufacture of boards, using a mixture of rice husks and resin.
- (c) The supply of a machine for making brush fibres from corn. The Institute was testing such a machine ordered by the Department of Agriculture.”

3 p.m.

I would like to know from the hon. Minister just how far these arrangements have progressed, and whether they are likely to bring about any benefit to the country. I would like to hear something further about the efforts the good Minister made on his visit, and to know whether there is any hope of seeing such things established in the very near future.

There is also some hope of a banana industry being started in this country. I have heard from the Premier and read in the newspapers of a foreign company that had carried out soil tests here and found that there are thousands of acres of land suitable for the cultivation of bananas. I would like to know whether the project will be carried out, or whether it has been dropped altogether, as I have not heard anything more about it recently.

I would like to ask the Minister what Government proposes to do about the two banks of the Torani canal, extending from the Berbice River to the Canje River. I think the canal is about 12½ miles long, and that it passes through a savannah at one point and forest lands at another. A considerable sum of money has been spent by Government on the construction of the canal, which is perhaps serving a useful purpose, and I see no reason why the two banks of the canal should not be utilised for such agricultural projects as I have been talking about, and for cattle rearing. I would like to know whether Government intends to permit people to use the banks of the canal, or whether Government has some specific plans of its own. I ask the question because I have been told by someone that the banks of the canal have been reserved by Government for some purpose, and I am anxious to know what the purpose is.

Mr. Speaker: Hon. Members, I would like to say a few words on something that has been passing through my mind as I sat here this afternoon, and I am glad to see the Minister of Communications is in his seat, because it refers to something which he said in the course of his speech this afternoon. It took me by surprise, and therefore I was unable immediately to give it the thought which the Speaker should give to matters of this kind. So I have sought this, the first opportunity, to refer to the matter. The Minister of Communications, if my memory serves me right, did refer to the question of profit and loss, and said that profit was apparently a thing which the capitalists engaged in as against Government having surpluses or deficits. That was, of course, perfectly legitimate and quite right, but carried away, I suppose, by his own conviction, he went further and said that what his party and his Government must see to is that the thieves should not be permitted to carry on. Now, to my mind, the inference is clear that those who engage in the profit system are thieves.

The Speaker has to maintain a perfect balance in this House. He has to be impartial and to preserve the dignities and proprieties and the fairness of debate in this Legislature. If I am to carry out my duties properly I could not refrain from commenting on this statement by the Minister, and to say that if that were true, then the charge of theft and thievery would encircle all the small traders in this country, even extending to the small stall-holders in the Municipal markets and fruit vendors on the road, because they buy and sell and are able to make their living by what has been contemptuously referred to here as profit. Until the laws of this country state that anyone earning a profit by the use of his capital, whether limited or otherwise, is guilty of thievery, I cannot permit such statements in this House

[MR. SPEAKER]

any more than I would allow any Member on the opposite side of the House to say that the system of Socialism advanced by the Government will in itself result in thievery. It is because we must preserve this balance that I would not like any other Member to fall into the same trap, for if he did I would have to call him to order and ask him to withdraw the remark.

Mr. Wilson: I do appreciate Your Honour's ruling but —

Mr. Speaker : I do not think at this stage I can permit you to speak. I have made my comments.

Mr. Wilson: I rose to make an explanation, sir.

Mr. Speaker: In explaining you may get yourself into more trouble.

Mr. Wilson: Maybe I did not amplify and develop the various points in the argument.

Mr. Speaker: You cannot do that now, because it would be a second speech.

Mr. Wilson: I was referring to persons who exploit in order to make profits.

Mr. Speaker: We cannot have that. It is not in explanation; it would be adding to the debate, and I cannot permit it. I think the hon. Member for the Corentyne River wishes to catch the eye of the Chair.

Mr. Shakoore (Corentyne River): Although it was not intended, it is significant that one representative of a River constituency should speak after another representative of a River. First of all I would like to make a few comments on the speech made by the hon. Member for Georgetown South (Mr.

Hugh). He was speaking on dairy farming, and made the point that Government was not encouraging enough of it. I would like to bring it to the attention of those Members who indulge in distorting facts, that Government is assisting dairy farming in this country and individuals engaged in farming co-operatives. Through the Department of Agriculture heifer calves are given to individual farmers throughout the country in order to improve and increase their stock. The hon. Member is therefore incorrect in saying that the Government is not doing enough for dairy farming.

The hon. Member for La Penitence-Lodge (Mr. Merriman) accused the Government of not advocating Guianese unity. The hon. Member knows quite well that this Government, from its very inception in 1953, advocated Guianese unity. After the suspension of the Constitution in 1953 it was the hon. Member's party who sowed the seeds of disunity in this country. I would like to point out that the party which is now the Government is more representative of the various races in the country than any other party. I would like to draw that fact to the attention of the hon. Member and his supporters in the Public Gallery.

3.15 p.m.

The P.P.P. as well as the party in the Government is a party comprised of all races in this country, and it has always been endeavouring to get the co-operation of all concerned. The Members of the Government as well as the party have asked the people in this country to co-operate for the good of the country, but their plea seems to have fallen on deaf ears.

With regard to the question of educating the masses in this country, I can assure hon. Members that we have taken all pains to educate not only our supporters, but the entire mass of peo-

ple in this country be they members of the P.P.P., the U.F., or the P.N.C. who have been opposed to what the P.P.P. has been doing since its inception. They have disunity in their ranks as a result of the lack of proper political education. The leaders in the two minor parties should have given their supporters more political education, and should have encouraged them to co-operate with the Party in the Government so that Government may reach the goal to which it is striving. Instead of doing that, they are accusing us of not doing anything to help the people in this country. Speaking of discrimination among the people, I am sure that our supporters do not even know the meaning of discrimination much less to think of discriminating against anybody. [*Laughter.*]

The hon. Member for La Penitence Lodge is accusing Government of not having sufficient pure water supplies. The hon. Minister of Labour, Health and Housing has already replied to his statement, but I would like to place on record in this House that the people in the various districts are quite satisfied with the very hard work the Ministry of Health has done in the districts over the past few years.

With reference to the statement made by the hon. Member for Berbice River when he accused the Government of not making available enough lands to farmers, the hon. Member and everybody know that lands are being made available by this Government to people throughout the country. It is all right for hon. Members to speak to the Public Gallery, but I know that when Members of the Government try to put the facts to the public they are being heckled because of the fact that Members on the other side of the Table have distorted the facts from the beginning and have failed to educate their supporters politically as well as economically.

The hon. Member for Berbice River told this House that the Government has threatened individuals with taking away their lands. The Ministers have made it quite clear time and again that the present Government does not want to take away anybody's land so long as it is being cultivated properly. Today the hon. Member for Berbice River cannot say how many acres were squatted on, and how many acres were taken away from anybody. I know that the Government has distributed thousands and thousands of acres of land to farmers all over this country. Therefore there is no justification in saying that the Government is taking away lands from people and not making enough lands available.

The hon. Member also suggested that the Government should make Machinery Hire Pools available to the people. I do not know whether it is known to him, but, if he does not know, I can make arrangements with the Minister concerned to give him a copy of the names of the various Machinery Hire Pools in this country. Before hon. Members of the Opposition stand in this House to criticize the Government, they should study the facts in order that they would know what to criticize the Government for.

It is aching to know that members of a so-called Socialist Party would stand in this House and criticize such a Budget as is being debated here today. I would have expected criticism, but not from a Socialist Party. I would have expected criticism from the minority party in the Opposition whose Members are mostly comprised of landlords and capitalists. It is quite strange to see that a so-called Socialist Party is criticizing such a progressive Budget at a time when a Budget such as this is needed. Of course they are here to oppose. The Members on the Government side appreciate criticism, but by all means let them criticize constructively.

Mr. Caldeira (Pomeroon): **Mr. Speaker**, now that it has become my turn to speak, I would like to refer to the three charges made by the other side of the House. These charges are threefold: (1) Non-confidence in the Government; (2) Nothing has been done; and (3) The Budget affects the working class. To deal with this matter from this side, I will have to bring certain facts before this House. I believe, as a farmer and one who has worked very hard to be here, that this Government has done quite a lot in the field of agriculture. Several hon. Members sitting on the opposite side of the Table have tried to give lip-service to coffee, but I believe that, before one can venture into the issues of this case, one should be conversant with all the facts concerning it. To know the facts, one has to go to the root of the problem.

Sir, during last year the farmers sold their coffee in the city of Georgetown to coffee-grinders, Chinese and other people. At that time the farmers received from 12c to 17c per lb., but, as a result of the tax levied on coffee at the moment, the farmers are now getting from 25c to 26c per lb. That shows that something was done in the matter. While I admit to some extent that more could have been done, I know that my Government is thinking of the future. I would like to ask hon. Members of this House whether they know what is the cost of preparing one bag of coffee? I would like the hon. Member for North West to assist the others. If he would be good enough to do that, I would take my seat and give him a chance. [**Mr. Campbell**: "The hon. Member is out of order."] [**An hon. Member**: "Do it."] [**Mr. Campbell**: "I would be glad to, but he is out of order".]

Mr. Speaker: He cannot do it

Mr. Caldeira: I would like to offer figures for the information of hon. Members. These figures would give them the facts and make things clear to

this House. The farmers in the Pomeroon and elsewhere pay around \$2 per barrel for picking coffee, and that gives a figure of about \$20 on an average of 10 barrels which produce one 200-lb. bag of coffee.

3.30 p.m.

Farmers are paying pulping fees to the tune of \$3.10 for preparing a bag of coffee; transportation and storage etc.—\$1.60; drying, picking—in these days we have to do a lot of picking of coffee to have it sold and shipping—\$8.30; freight - 58c; empty bags - 50c each; cartage to the place of sale - 25c; weeding fields at an average of \$30 per acre which give a yield of approximately five bags per acre - \$6 per bag. There are other overhead expenses to which I would not refer at the moment, but all of these amounts make a total of \$40.23.

The best price we can obtain is \$56 per bag. Discounting \$40.23 from \$56, the farmer is left with \$15.77 on a 200-lb. bag of coffee. Therefore, it works out to this: it takes one week to dry the coffee beans; one week to prepare them; and one week to sell them. So, the farmer gets \$15.77 on a bag of coffee that takes him three weeks to produce! Some of us do survive because we have large quantities, but the poor farmer with only a bag or two has it hard.

This situation can be adjusted so that better conditions may result. That is why I am not hard against some of the speakers on the other side of the House because some of the things they said do bear some truth. I will give you an idea of how this pattern can be changed. I know that coffee—coffee extracts, coffee essences and similar preparations containing coffee—is imported into this country. From Canada, the United Kingdom, Belgium, Denmark, Brazil, Switzerland, the Netherlands and the United States, there is a total import of coffee of this type of 89,900 lb. valued at \$466,977. The roasted coffee which comes into our country from the

United Kingdom, Venezuela, Canada, Jamaica, Trinidad, Uganda, the Netherlands, the United States and Switzerland amounts to 5,264 lb. valued at \$9,046.

Compare this with our export trade. Our export trade in raw materials works out to 4,215 cwt valued at \$266,741, and it was only in 1960 that we were able to export coffee. Since then, things are worse. We were able to "hand out" coffee to the Netherlands at approximately \$5.62 per lb., while we were importing coffee at a value of approximately \$4.76 per lb., ground and instant. What I observe is that in our country, the overall import seems to be 95,224 lb. as against the export figure of 472,080 lb. So, in 1960 — I could not get the 1961 figures—we were exporting more pounds of raw material as against our imports in pounds. On the other hand, I find that the imports in terms of cash amounted to \$476,023, and the exports to \$266,741. This means that there was a cash outflow of \$209,282.

As I said, better can be done in this field. But how can it be done? I wish to refer to the speech by the hon. Member for Werk-en-Rust (Mr. Carter) who said that the Budget dealt a mortal blow to the working class. This is a point which I would like to get cleared up. On this question of the working class, I wonder if the hon. Member ever stopped to think that one of the hardest-working men in this class is the farmer, and he is a person who does not get the type of co-operation that is required from the other sectors of the working class.

For instance, when the Budget was introduced, it was intended to give protection to farmers for many crops, as the hon. Member for Berbice River (Mr. Blair) was asking. But what do we find? We find that the people in the city who have the boots and cannot quite use

the strap are allowing the people in the rural areas, without the boots, to use the strap.

3.40 p.m.

They should assist the farmers so as to create employment, as was done in the rice industry, which Members of the Opposition have criticized from time to time. It is said that rice farmers get free rice, but how many other persons do not get free rice? If Members of the Opposition really wish to see greater employment and better living standards they would offer their support to the Government. After all, charity begins at home.

When I said earlier that Members of the Opposition pay lip service to the coffee industry I had in mind that some years ago when England wanted to boost her economy she encouraged the drinking of tea, even in her Colonies. If this Government made it compulsory that only locally manufactured coffee should be drunk it would be called Communism. I can remember the hon. Member for Ruimveldt (Mr. Burnham) and the hon. Member for Georgetown Central (Mr. d'Aguiar) speaking on August 1, 1961, at Charity in the Pomeroun, and I would like to quote what they said.

Mr. Bissember (Campbellville): At the same meeting?

Mr. Caldeira: No, at separate meetings of their own parties. But from their words you will see the relationship. The hon. Member for Ruimveldt told the people in the Pomeroun that Jagan was fooling the coffee growers; that he had done nothing for them, and that they should get rid of him. But when he was questioned by Mr. Obermuller, an activist of the United Force, as to what he had done for the people of the Pomeroun during the four years he was a Member of the Opposition in the Legislature receiving a salary

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from the taxpayers he said: "Lord, help me to answer this question." Then he added: "I did nothing." A Member of the Opposition replied that it was not his job; it was Government's responsibility. The hon. Member for Georgetown Central made similar remarks, but he went a little further by saying that he had gone into a coffee-growing area and drunk coffee which was imported in cans.

I would like to say at this point that I observe on a Notice Paper received today, notice of a question by the hon. Member for the North West District (Mr. Campbell). I feel that it is a very good question —

Mr. Speaker: You cannot anticipate the answer to the question; it is not before the House. You may make it a part of your speech without reference to the question of which notice has been given.

Mr. Caldeira: I beg to withdraw that, sir. I would like the hon. Member for the North West to ask the leader of his party to persuade his friends, the big business people, to stop bringing Nescafe into this country. He would then not have any coffee cans knocking around, but only local coffee on the market. I think that hon. Members should do the best they can to bring about greater confidence rather than try to destroy confidence of the people in their Government.

I would like to refer again to the hon. Member for Abary (Mr. Wharton) who dealt with the question of Independence in his speech, but all I gathered from him was a repetition of the points made by every other Member of the Opposition. But is their approach to Independence true or false? When I consider what happened on the 16th February I can only say that Members of the Opposition are trying to remove

the blood clots from their hearts, and that they are making a grasshopper approach to the problem of Independence.

On the question of co-operatives I would point out that the hon. Member did not touch on the evils that exist within the co-operative movement. We all know that the Co-operative Department is dominated by a certain political group.

3.50 p.m.

Mr. Speaker: Let me stop you on that point, please. It is well known that civil servants of this country have to maintain neutrality in so far as political affiliation is concerned. The civil servants have no representative in this Assembly to answer charges which have been made against them. If we are to maintain a proper Civil Service and proper relationship between the executive branch of the Government and its Civil Service, then we must not subject them to charges of political affiliation or political partisanship in this House.

Mr. Caldeira: appreciate what you have said, but it is a question which I think I can talk about.

Mr. Speaker: Are you refusing to accept the ruling of the Chair? If that is so, may I remind you that Rules are here for the proper functioning of this House. Do not force me to use them.

Mr. Caldeira: I was not referring to the Chair, sir. I will let the matter drop. With reference to the question of co-operatives, I know that there are several people in that Department who will have to be removed, and that steps should be taken to do so because they tend to work against the core of good Government.

With reference to teachers, the same thing applies. An hon. Member said that certain teachers were working for years without any promotion. I do not know how true that is, but I know that opposing the Budget together with the proposals which tend to promote the interest of farmers by protecting them so that they can offer greater employment does not appear to fit in with the hon. Member's statement regarding the promotion of teachers.

I believe that it is no use one sector of the community thinking that it should be improved while the other sector remains in the slums. In this country today there are about 10,000 people depending on coffee for a living, and I think that the Government should do everything possible to help coffee-growers, citrus-growers and every type of farmer in the same way as it is helping rice farmers. I believe also that the Government is doing its part and it needs the co-operation of everybody. I believe that co-operation coming from the other sectors of the working-class people would help the working-class people in the farming sector. I shall end by saying that it is not easy to succeed; it takes hard work and pluck.

Mr. Speaker: Hon. Members, it is five minutes before the normal time for suspension for tea. It seems to me that any Member who may wish to speak now will have to break his speech in five minutes' time, and I think it will be a good idea for us to suspend for tea now. The sitting is suspended for half an hour.

The sitting was suspended at 3.55 p.m.

4.30 p.m.

On resumption —

Mr. Downer (Berbice East): During the course of this debate, we have heard several criticisms made by the

Opposition of the Budget proposals. We have heard the hon. Member for Upper Demerara River (Mr. Jordan) style them as being "Fascist"; we have heard them referred to as "Socialist". and we have heard the hon. Member for Georgetown South (Mr. Hugh) refer to them as "Colonial type". But we, on this side of the House, regard this Budget as an historic one — historic in the sense that for the first time in the history of our country, a Government had the courage to introduce such tax reforms. That is why I said we regard this Budget as an historic one.

What did this Budget seek to do? We simply asked that section of our community which could afford to pay a little more to do so in order to help the Government in the development of the country. We did not ask only that section of the community, but we also asked the people of the working class to make their contribution. But what did we find? We found that from the very moment these proposals were put forward, a section of the community started to agitate, and this section was led by the Fascist element in our midst.

These people try to make the working class believe that they are fighters for the working class when, in truth, they are fighting for their own selves. How can anyone believe that a Fascist will ever fight for the working class? This is what we saw happen in our country a few weeks ago. The Fascist elements in our midst were able to use their lackeys in the Trade Union Movement to get the unions to join with them and make the working-class people in this country believe that they were fighting their cause.

We heard the hon. Member for Upper Demerara River accuse the Government of wanting an individual to live on \$800 per annum. He also said that he was reliably informed that very shortly this House would be asked to

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approve \$900 for a Police dog. I am sure the hon. Member knows how income tax is assessed in this country. I know, further, that this hon. Gentleman belongs to the intelligentsia. I know him, also, to be the "financial wizard" of the P.N.C., and to hear him stand in this House and distort facts leaves me no alternative but to believe that he was playing to the Public Gallery.

We have also heard this same hon. Member criticize, in this House, such taxes as the capital gains tax, the property tax, the gift tax and the savings scheme. He also criticized the entertainment tax and the advertisement tax — and the hon. Member wants us to believe that he is a fighter for the working class! Yet, as a fighter for the working class, he stood up in this House and criticized proposals which were introduced to help the working class. It leaves me to wonder whether this hon. Member is a fighter for the working class or a fighter for Big Business. It is no wonder that we on this side of the House can always raise the accusing finger. It is on these occasions when hon. Members of the Opposition stand up in this honourable House and defend Big Business that we on this side can accuse them of being hand in glove with Big Business.

The hon. Member for North West (Mr. Campbell) said that we do not believe in God. I do not know whether he meant "gadd" or "God". But we have learnt from the Holy Book that Heaven helps those who help themselves. What we did in the Budget proposals was to show those people whom we have approached for loans that we were quite prepared to help ourselves so that they might help us. The party to which the hon. Member belongs is the party that started this agitation against the Budget proposals which resulted in arson, looting and what not on the 16th of February last.

One wonders whether these elements truly love this country and would like to see it progress. But by their very actions and deeds, one has to be convinced that their sole motive is to destroy the P.P.P. They are so bent on destroying us that they do not mind even if they destroy this country of ours.

I want now to touch on the educational aspect. The hon. Member for Werk-en-Rust (Mr. Carter) said he saw \$225,000 earmarked for a College of Liberal Arts and Sciences and wondered whether when this College was established, the degrees obtained there would be recognized degrees. I would like to assure the hon. Member that this party in Government always takes time and has things done properly. When this College is set up and degrees are awarded, we will see to it that these degrees are recognized by all concerned.

The hon. Member for Abary (Mr. Wharton), during the course of his speech, said that the Government was not doing anything to reduce the number of children who are of school age but who are out of school. In other words, he said that we were not building enough schools to take care of these children. I want to say that this is not so. It may be that many schools are overcrowded, but I am informed that the percentage of children of school age out of school is very low. With your permission, sir, I should like to read a list of school buildings now under construction — some have already been completed — and the number of children each building will cater for. These are as follows: Orealla, Corentyne River — 180 school places; Vryman's Erven — 900 school places; Lesbeholden — 600 school places; Mibikuri — 1,200 school places; Johanna — 900 school places; Yakusari — 1,000 school places; Skeldon — 800 school places; No. 68, Corentyne — 400 school places; Nigg-Benab-Albion — 1,200 school places; Bush Lot — 600

school places; Mora Point — 900 school places; Covent Garden — 800 school places; East Ruimveldt — 800 school places; Wales, West Bank — 600 school places. That is the position with regard to the school buildings and the number of children those buildings will accommodate.

4.45 p.m.

The hon. Member also referred to the training scheme for teachers. This Government introduced a one-year training scheme for teachers which was criticized, but those who criticized the scheme are now praising it. It is also the intention of the Government to embark on a crash scheme for the training of teachers. This scheme was criticized by the Teachers' Association who said they were not consulted. But be that as it may, we need trained teachers to give our children the education they should have. Just as one cannot get clear water from a rusty pipe, a teacher who is not trained along modern principles and methods of teaching cannot train children satisfactorily. That is why this Government has embarked upon this crash programme which will afford an opportunity to train teachers so that they may be better equipped to carry out their task. Most of the teachers who are objecting to this crash programme are doing so because they fear they will be displaced by younger persons with 1st class certificates as against their 2nd and 3rd class certificates.

The hon. Member inquired what will be the position in regard to secondary education. I would like to inform him that when the Estimates were prepared a sum of \$60,000 was set aside for the purpose of granting 25 Government School Certificate Scholarships to secondary schools, 360 Government County Scholarships (five to the Berbice High School), and 15 Exhibitions. That is what Government intended to do. Government also intended to set up three secondary schools in the country

areas, one of which is already in existence on the Essequibo Coast. Government had contemplated establishing one on the East Coast of Demerara and one in Western Berbice, which I believe would have fallen within the constituency which the hon. Member represents, but due to the agitation which took place and the consequent modification of the Budget, I do not know whether Government will be in a position to carry out these proposals.

The hon. Member also referred to the question of promotion of teachers. I presume he meant headteachers. I know that this is causing some trouble in the teaching profession, but I say this: that the only way we could get rid of this is by complete abolition of dual control of schools, because as long as we have denominational schools which are controlled by managers who are ministers of the Churches which run those schools, so long will this discontent prevail. We know, and the hon. Member for Abary also knows, how appointments of headteachers are made — that if one is a good Sunday School teacher, or a good organist or lay reader, he is given preference, **no matter if there** are other teachers in the same school who may possess higher qualifications. Only on Monday a school teacher complained to me about this system. So I say the only solution to this problem of promotion of teachers is the complete abolition of the system of dual control of schools.

The hon. Member for Campbellville (Mr. Bissember) said that on the construction of the Parika-Makouria road by Grupo del Conte only P.P.P. supporters are able to secure employment. This accusation has already been denied by previous speakers for the Government, but I would like to say to the hon. Member that he who has glass windows should never hurl stones, because we can also point an accusing finger at the P.N.C., for every day com-

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plaints are made to me in New Amsterdam that the only way one can get employment at the Mental Hospital is if one is able to present a recommendation signed by the hon. Member for New Amsterdam (Mr. Kendall) or any of his colleagues. [Mr. Kendall (New Amsterdam): I say that is true.]

Mr. Downer: The hon. Member says it is true, and in the same breath he is appealing for unity and calling on the Government to close the racial rift and let us live in peace. How can this happen when at the same time the hon. Member is charging us with discrimination? There can never be peace in this country if we continue to accuse each other in this way. I say that if this country is to succeed we must all live as a united people. Let us live and fight Fascism in this country. Let us remove the evil forces that are amongst us. Let us remove them completely, so that this country will be able to maintain its good name in the eyes of the world.

Mr. d'Aguiar: (Georgetown Central): Economic growth is the aim of all Governments, whether socialist or not. In many backward countries real income per person is at such a low level that very many cannot manage to satisfy the basic needs of life, namely, food, shelter and clothing. Many indeed fall below the basic needs, and some hunger, some sleep in the open, and some wear rags. This is a primitive poor society. This is what we are trying to get away from. In advanced countries the great majority of the people have attained sufficient income to be able to supply not only the basic needs of life but enough is left for the pursuit of pleasure and for any other benefits the individual may seek. This is an advanced affluent society which we aspire to.

5 p.m.

There is a great gap between the poverty of countries and the riches of countries. Poverty is a static thing, but wealth is dynamic. Wealth tends to regenerate itself, and that is why it is so difficult for poor countries to advance, whereas rich countries tend to get richer. Modern economists use the phrase "take off." Economic take-off is really what we are trying to do — to take off from poverty to prosperity. At present we are grounded in the past of poverty and, as an aeroplane overcomes the forces of gravity and inertia and takes off into the sky, we are seeking to overcome the forces or dead weight of poverty and take off into the future of prosperity.

Sir, this is well described by Professor Roston in his book called *The Stages of Economic Growth*. Most economists will agree that a country like ours has passed the primitive stage of poverty and is at a transitional stage where a take-off to economic prosperity is possible. This take-off stage is described by the Professor as the period during which a country which is predominantly backward and predominantly agricultural — all backward countries are predominantly agricultural — begins to shift from a predominance in agriculture to a predominance in industry, communications, trade, and other services. Agriculture itself tends to shift from that of peasants with hoes and rakes, to that of farmers with tractors and combines. It is easy to see how the transitional period here is beginning to develop, and agriculture has already begun to change.

In this transitional stage education begins to play a new role. Whereas in the traditional primitive stage very few could obtain the advantage of a good education, in the transitional stage more people are given an opportunity to acquire education. Education starts a road to a wider vision. In the traditional stage the few who were educated

used their education for the security of a profession. But in the transitional stage bright, young men begin to see before them opportunities in scientific farming and in industry where the risks, perhaps, are greater but there is the possibility of greater rewards for their services. Therefore, in the transitional stage, it is essential that the horizon of opportunity should allow for such things.

Sir, it is essential and imperative that the working-class man should be able to look to a horizon of a better paid job clearly and visibly. It is imperative that beyond that the horizon of owning a home, and a farm—even the owning of a business should be clearly visible to every working-class man. This requires dynamic development and a stable economy. The economists calculate that, before transition is possible from the state of backwardness to the state of wealth, it is absolutely essential for the economy to generate enough new wealth by savings and to divert such savings into industry so that a take-off becomes possible. The economists calculate that the percentage of savings to be diverted should be about 20 per cent of the national income. The economists state that there are three basic requirements for a successful take-off towards economic prosperity: (1) A large amount of local savings generated and diverted into new industries; (2) A large amount of foreign capital required to generate new and big industries which local savings cannot provide; and (3) A background of public development filling the needs of industrialisation in the entire country.

I think everyone of us on either side of this Table will agree with these points. Today we are seeking to do three things: (1) To raise ourselves from a primitive society where we all do not have enough to fill the basic needs of life — food, shelter and clothing; (2) To go to an affluent society where all shall have enough not only to fill basic needs, but sufficient left over for the

pursuit of pleasure and other benefits; and (3) To move from the transitional stage of our economy to a stage where economic take-off is possible. I think we can all agree on this. As a matter of fact the hon. the Premier agreed to the remarks I have made when he returned from the U.S.A., and said exactly what I have said today. He said that we are now at the so-called pre-take-off stage, and it was necessary to push our economy to a self-sustained growth.

Sir, there are many means of measuring economic growth. When an athlete runs with the champion his speed must be measured to conform with the speed of the champion so that he can keep up with him. In economics there are simple means of measuring the economic growth of a country, and the most simple means is to look at its national growth. Where you have nations of different sizes, you can measure their relative growth by comparing the national income per head of one nation with the national income per head of another.

I refer again to the speech which the hon. Premier made on the subject of Independence. He said that the national income per head of population in British Guiana was \$224 (U.S.) which is \$385 of our dollars per annum. I would assume, speaking as he was in November, 1960, that he was referring to the national income in 1960. Speaking on Wednesday, 1st November, 1961, the hon. Premier said:

“United Nations statistics have disclosed that the rich countries today have an average income *per capita* of over \$800 (U.S.) per head. Middle income countries like Mexico and some others have an income of around \$300 (U.S.) *per capita*; and the poor countries have an income of about \$50 (U.S.) *per capita* . . . our national income *per capita* is only \$224 (U.S.) per head per annum.”

So, according to the statistics of the United Nations as quoted by the hon. Premier, the countries are classified into

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three grades. Grades 2 and 3 with a level of income per head of \$50 (U.S.) or \$86 in our currency, and moderately off countries with an income per head of \$300 (U.S.) or \$516 in our currency. Grade 1 countries with an income of \$800 (U.S.) per head or \$1,176 in our currency. It must clearly be the aim of this Government to raise our economy from the lowest stage, grade, 3, where we are now to the highest stage.

We must take off into heights of economic growth and prosperity. The question is: How are we to achieve that? The normal way to achieve this success is to imitate those who have succeeded. In sports the members of a team study the form and skill of the winners, and by imitation and practice they become champions. It seems reasonable for us to consider the growth of our neighbouring territories, see how they have developed their economies, and if they have passed us, we must see how we can catch up with them.

The Budget is a means of either stimulating or retarding the growth of an economy. In considering these examples it will be well to consider them in relation to the national Budget. The first example I would like to take is that of the neighbouring territory, Trinidad. There they have a similar tradition, British. There they have a population consisting largely of two ethnic majority groups the same as ours, with similar minorities. There they have raw materials, oil in particular, and here we have bauxite, in particular, as well as other potential raw materials. There their agriculture depends particularly on sugar, cocoa and coconuts, and here ours depends particularly on sugar, rice and coconuts. It will be well to consider the growth of Trinidad under the regime of Dr. Eric Williams as compared with the growth of the economy of British Guiana under the regime of the hon. Premier Dr. Jagan.

5.15 p.m.

Dr. Williams was re-elected early this year and the hon. the Premier was re-elected late last year. So that both have had the opportunity to prove their economic capability by the measured records.

Dr. Jagan, the hon. the Premier, has told us that the total income per head in British Guiana in 1960, presumably, was \$386, and the hon. Member for Berbice West (Mr. Saffee) referred to the report of the — [Mr. Ram Karran slipped and fell on his way out of the Chamber.] — Your Honour, I did not expect the Government to collapse so soon [Laughter.] The report on the Development Programme 1960/64 by the hon. Financial Secretary, Mr. F. W. Essex, gave us some figures on the national income per head of population. We find that in 1956 when, I believe, the hon. the Premier first took the reins of Government, the national income per head was \$377 and—I am quoting from page 33, paragraph 7 of the report—in 1957 the national income per head was \$386 and in 1960, according to the figure given by the hon. the Premier, it was \$385. In other words, it has stood still since 1956.

But, if I may use the term without disrespect, let us look at the pre-Jagan record from 1950 to 1956. It is all stated in this report. In 1950, the national income per head was \$287, and in 1956 it was \$377. In that period it had increased by \$90 or 24 per cent, but in the subsequent period from 1956 to 1960 it had not increased at all. There was clearly no evidence of growth in our economy during this regime.

Now, let us compare this with the situation in Trinidad. In 1960, the national income per head was \$897, and in 1950 when British Guiana's was \$287,

Trinidad's was \$346, so that at that stage we were not so far apart. There was a difference of \$59 or 20 per cent. But by 1956, Trinidad's national income per head had risen to \$573 and by 1960 it had risen to \$897 - 132 per cent more than ours, and an increase of 36 per cent during the regime of Dr. Williams; whereas, during the regime of Dr. Jagan, there has been no increase.

Further in this report, in paragraph 9 which was also referred to by the hon. Member for Berbice West, the Financial Secretary said this—these words have already been quoted, but I quote them again:

“Increasing production and, therefore, the national income depends largely on the rate of investment (or capital formation) in both the private and public sectors and it will obviously be in the interest of the country to raise the money required for its development from within the country as much as possible.”

And then the report goes on to state:

“...net capital formation during the period 1954 to 1957 averaged 26% of net national product and was composed of 67% foreign capital and 33% domestic savings (private 21% and Government 12%).”

From the figures given by O'Loughlin in her economic survey, the amount raised by local capital formation in 1956 was \$16 million and the total capital formation in that year was \$48 million. In the year 1960, in Trinidad, capital formation was \$264 million, of which over \$100 million was realized from local savings! I would be the first to say that this achievement is of no value unless the development has been for the benefit of the masses, and there is evidence indeed to show just that.

The first thing, of course, in a growing economy is to provide for those who have nothing; to find jobs, at least, for those who have no jobs and jobs which will give them not just the basic needs of life, but which will enable them to have something left over for the pursuit of pleasure and other benefits.

There is evidence in the records of Trinidad to show that in spite of the growing population, unemployment has been reduced to a level of less than 14 per cent. Here, in British Guiana, it is continually growing. In 1956, it was about 18 per cent, and now, it is believed to be well over 25 per cent.

Furthermore, in Trinidad, there has been an upsurge of wages and wage levels particularly in the Government service, and it has been achieved without pressure through strikes but with goodwill on the part of the Government. You can see from the figures that Trinidad has already passed from the stage of Grade III with an income of less than \$384 to Grade II countries with a *per capita* income of more than \$516 per year. It will, of course, be claimed by Government that this is entirely due to oil and to no other reason whatever. But let us remember this: in the production of oil, Trinidad is not even ranked with the first 10 producers in the world, but in the production of bauxite, British Guiana ranks third in the entire world. It used to rank second. It has slipped back into third place just as it is slipping back into third place in many other sectors of the economy.

It is not possible to criticize by the use of the normal *cliches* which we hear so often from the Government side. In this case, it cannot be said that Dr. Williams is a Fascist. It cannot be said that Dr. Williams is an imperialist. In fact, he alone, as one man, stood up to the might of the United States over the issue of the base at Chaguaramas. It cannot be said that he is a “Capitalist stooge”. He is, in fact, the duly elected representative of the people — a man of the people. His basic policy is to lead Trinidad to a sound economic growth. He is, I believe, a Doctor of Economics, not of optometry or of dentistry.

He, too, is looking towards Independence for his country. It is with

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that prospect in mind that he formulated a Budget, and it is well for us here to look at the background which led to the preparation of this Budget because he, too, invited into Trinidad economic experts to advise the Government of Trinidad. He did not call for the services of Nicholas Kaldor, who was not very far away; neither did he call for the services of Professor Bettelheim. But he did call upon the leader of the Government of India to send in a team of experts from India to advise him on the status of the economy of Trinidad in relation to growth, and to help him, from their advice, to formulate his Budget.

The Indian economic team from the Planning Commission of the Government of India was, in fact, in Trinidad from September 8 to 23, 1961. If I may, Your Honour, I would like to quote from the speech of the Minister of Finance in Trinidad as it was recorded in the Trinidad *Guardian* of Monday, April 9, on page 11. I quote:

"GOVERNMENT'S POLICY

There can be absolutely no doubt that all these investment programmes which, in some instances, could easily have been started elsewhere have been stimulated and encouraged by the policy of the Government towards investment, both foreign and local, in the Territory. They are also a reflection of the confidence of the investors in the sound economic policies of the Government designed to foster growth as well as stability.

The economic position of the Territory is admirably summarised in the report of the latest team of experts to visit us, namely the team from the Planning Commission of India who arrived here on September 8, 1961, and departed on September 23, 1961.

I quote Sir, from the report :—

'The rate of economic growth has accelerated significantly since 1954. The basic factor underlying the growth of the economy,' the report continues, 'has been a high rate of capital formation. Gross fixed capital formation amounted to

\$69.8M in 1951 which was about 21.3% of the gross domestic product at market prices. It increased to \$264.1M in 1960, i.e. 29% of the gross domestic product at market prices.'

The high rate of capital formation which the Team from the Planning Commission in India regarded as the basic factor underlying the economy is of great economic significance. For it represents savings. It also means that a sure basis of future economic expansion is being laid which, in the light of development both in the private and the public sectors is sure to encourage greater investment."

5.30 p.m.

So it is clear that the Budget of the Government of Trinidad was projected with the three main objectives of economic growth — (1) there must be a high level of local investment pumped into the economy and creating industrial development, (2) there must be a high level of foreign investment creating new big industries which local savings and investment cannot create, and (3) there must be the maximum endeavour by Government to provide the background in the public sector in which the new industrialization can take place, and specifically by communications and water supply.

It is well then, I think, for us to examine in some detail the Trinidad Budget as it was projected only last week. In his speech the Minister of Finance in Trinidad declared that the sum for development for the year under review was \$82 million, and he said that he was short about \$26.2 million. But he went on to say that he had no doubt that it would be easy for him to raise the \$26.2 million by loan, though it would be well that some revenue should be acquired by taxation to pump into the Development Programme, and he proposed to raise \$9.5 million in additional taxation for that purpose. In other words, about one-tenth of the total of the Development Programme for the year.

When we look at our Budget we find in paragraphs 52, 53 and 54 that it would appear that our Minister of Finance has provided for the year under review development at the rate of \$31.6 million. He has said that it is difficult, if not impossible, for him to raise money by loans, and he appears—although it is not very clear in his statement — to have provided \$11.6 million in the Recurrent Budget, and he had hoped to raise that sum by increased taxation to the extent of \$10.5 million to cover the need and to provide a surplus. So that he had attempted to provide about one-third of the total by additional taxation.

Now the Budget of Trinidad proceeds by two well established basic principles, namely, the principle of moderate progression and the principle of unified progression, and it is well to examine the difference between that and between our Budget. Of course it must be admitted that it is absolutely normal to first of all raise revenue by taxes on luxuries, and one must agree that alcoholic liquor and beverages are luxuries.

In Trinidad the Excise duties have been raised. The Excise duty on rum is raised from \$8.40 per proof gallon to \$9.66, an increase of \$1.26, amounting to exactly 15 per cent., while the duty of locally manufactured beer has been increased from 40 cents per standard gallon to 46 cents per gallon, an increase of 6 cents or exactly 15 per cent. There you have in effect the principle of unified and moderate progression. The duty on whisky in Trinidad has been increased from \$17.25 per liquid gallon to \$21.56, an increase of \$4.31, a total increase of 25 per cent. Cigarettes have been increased by a tax which amounted to about 4 cents per packet, which brings them up to a level almost similar to what they are in British Guiana. The duty on imported beer

was increased from \$1.05 per gallon to \$1.50, an increase of 45 cents, or just below 50 per cent.

What happened in British Guiana? In British Guiana the Excise duty on rum was increased from \$9.60 to \$14.40, an addition of \$4.80, or an increase of 50 per cent. The duty on locally produced beer was increased from 75 cents to \$1.40 per gallon, an increase of 65 cents or 86 2/3 per cent. The duty on imported beer was increased from \$2.25 per gallon to \$3.38, an increase of \$1.13 or an increase of 50 per cent. There we have a complete elimination of the time-honoured principle of unified and moderate progression. In fact we find that in one year the duty on rum has been raised by the total of all the increases in its duty over the past 21 years! We find that no regard has been paid to basic principles, because when you do not follow the principle of moderate progression you find that the increase in prices becomes so great that the consumer is compelled to look for alternative products, and there is full evidence to show that this is already happening. For instance the sale of surgical spirits has shown a sharp increase, and by all accounts bush rum is the major industry in the Corentyne district.

We find also in the Trinidad Budget that the Minister of Finance said he was trying to create a Budget in which local industries would be benefited, whether they enjoy protection under the Tax Holiday Ordinance or not, and with this object he eliminated all duties on the importation of any machinery whatever for field or factory, and he stabilized the duty on all raw materials imported for all locally manufactured goods.

We find here in our Budget that the duties on concentrates for soft drinks have been increased by 250 per cent., from 20 per cent. to 70 per cent! Factories which manufacture soft drinks provide employment for many people,

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and there are many small factories in the business which are bound to suffer from this excessive increase. So there we have a comparison between the principles adopted in Trinidad and in British Guiana. The Minister of Finance in Trinidad took extreme care that nothing would be done to risk the disruption of the economy by excessive taxes or by unusual taxes, and he took care to follow the basic principles of economic growth, to encourage first of all local savings and investment in industry by local savings, and the encouragement of foreign capital to further develop industry, and the creation of an economic background in which industry could thrive and flourish.

I would like now to refer to the situation in a neighbouring territory which is also significant, the territory of Surinam. It must be admitted that Surinam is very similar in resources and in people to our country. It has a population of about half of ours, and a land area of 55,000 square miles, which is less than our 83,000 square miles. Any Member who has visited Surinam in days gone by must know that 20 years ago Surinam was very primitive and backward, far behind British Guiana, but in the last 10 years Surinam has made tremendous progress. Its chief natural resource is bauxite, just the same as ours is, and its chief agricultural product is rice, whilst ours is sugar. But Surinam also produces sugar. It is significant that for such a small country Surinam's Budget was practically equal to our Budget. They were able to raise \$57 million in 1959.

5.45 p.m.

They were able to do that with moderate taxes. I would like to quote from a booklet published by the Ministry of Finance, Government of Suriname. The Minister of Finance, Dr. J.

Sedney, in his introduction in the book says this to prospective investors in Surinam :

"The policy of the Suriname Government is to maintain and combine a sound fiscal climate with a climate conducive to private investment. Current development projects constitute a heavy drain on the treasury and the continued development of the country will increase this burden in the future. However, while government revenues are important both from monetary and budgetary points of view, the economy, as a development economy, cannot sustain heavy taxation. While public investment may provide basic facilities and incentive—the impetus for a sustained growth of employment, local production and national income must be provided by private enterprise. The Government therefore considers it desirable to promote private investment by moderate taxation in general and by special allowances for new investment."

On the following page he continues:

"The level and structure of the country's tax system are probably of as much interest to the prospective investor as are the tax relief provisions of the Investment Ordinance. Suriname has long maintained moderate tax rates, including a 30% ceiling on corporate income tax, not withholding taxes on dividends and interest, and the absence of sales and turn-over taxes. We feel that such fundamental incentives should be as effective as the facilities provided by the Investment Ordinance."

The Investment Ordinance lays down the principle of tax holidays. I should like to point out that in Surinam there is a capital tax. There is a tax on net assets and it amounts to 3 guilders per thousand. That is very moderate, and it has been traditional in Surinam. When we look at it within the framework of their other taxes, we see that it is not unreasonable because their limit on the tax on companies is 30 per cent.

I should also like to refer to a booklet, *Facts & Figures About Surinam*, pub-

lished by the Government Information Service (R. V. D. S.), Paramaribo, Surinam. I would like to refer to page 12 in particular where it states that since 1948 they prepared plans for the development of a hydro-electric project and in 1956—the very year the hon. Premier of British Guiana first took the reins of Government into his hands—they signed a deal with the Aluminum Company of America (Alcoa). In that deal there was a partnership with the Government to construct a hydro-electric plant at a cost of \$60 million (U.S.) or a total of \$102 million (B.W.I.) It goes on to state that construction of the plant started in 1956. Around that time the Members of our Government were talking about political ideologies, and nothing practical was done for the improvement of the economy of this country. While this country was standing still, Surinam was improving its national income. Surinam, with half of our population and a little more than half of our area of land, can budget for the same \$60 million that we are budgeting for today, yet there is not the high rate of taxation in Surinam as is proposed by the Government. This is measuring success not only by words, but by facts which can be displayed and measured.

I would now like to refer to the two Budgets that have been presented to this House: the original Budget and the revised Budget. The original Budget was intended to raise a total new tax of \$10.5 million, and the revised Budget a total of \$7.2 million. It is convenient for us to list the tax under 5 heads: (1) Import Duties — The old Budget had \$5.5 million and the new Budget \$2 million (2) Excise Duties—Rum, Beer, etc.—The old Budget had \$2.5 million, and the new Budget \$2.5 million (3) Income tax on low-level income—The old Budget had \$1 million, and the new Budget \$1.1 million. (4) New Capital Tax — The old Budget had \$1 million, and the new Budget \$1 million. (5) Miscellaneous Taxes—The old Budget had \$0.5 million, and the new Budget \$0.6 million. The

only difference between them appears to be the difference that was caused by the display of force by the Trade Unions and the working-class people [**An hon. Member:** “They followed you”] If I really had the power to control the Trade Unions and the working-class people of this country as well as the Civil Servants to bring them all out on strike to demonstrate in vast numbers, I would have been sitting on the other side of the Table. [*Interruption.*]

Mr. Speaker: Order in the Public Gallery.

Mr. d’Aguiar: May I refer to some more of the basic principles of reasonable taxation. I have already referred to the principle of moderate, unified progression which is absent in our Budget. The first principle to be taken into consideration in presenting a Budget is that of reasonableness of expenditure. We have heard a great deal of talk about Development Programmes. In the past four years it is true to say that Government has spent about \$100 million on its Development Programme. \$100 million is a lot of money. One must ask: What is here to show for the expenditure of \$100 million within the past four years? Where is the network of roads to represent this \$100 million? Where are the new hospitals? We hear something about cottage hospitals, and I do not think that they would cost more than \$11 million. Where are the new colleges, universities and schools that Government can show to represent the expenditure of \$100 million? We have heard about some new school buildings which have been built on the old system and not very modern, probably costing not more than another \$1 million. How can the Premier account for this expenditure of \$100 million?

It is quite true that Government has spent money on the Black Bush, Torani and the Boerasirie Schemes. I know that about \$20 million was spent in the Black

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Bush area, and I believe that about \$10 million of that was spent on the Torani Canal. I understand that when the Canal was completed the water did what nature intended it to do, but the engineers had planned that it should flow uphill. We know that this has resulted in the further expenditure of building sluices and pumps that were not included in the original Scheme. We know that the banks of the Torani Canal are continually collapsing, and there is great doubt in the minds of many experts whether the Torani Canal is capable of draining and irrigating the Black Bush area properly.

Let us assume that \$70 million was spent on the Black Bush area. Look at the Boerasirie Scheme which costs about \$12 million, and we will still see elaborate drainage and irrigation work being executed there. When one asks where are the farms and gardens in this area which were intended to be developed as a result of this Development Programme, one is told that the soil upon which the Government has spent vast sums of money is pegasse soil and unsuitable for drainage and irrigation! Putting that aside, it still leaves \$68 million to be accounted for. Where is the evidence to show that the money was properly spent? The taxpayers have contributed to these Schemes by way of paying interest on the loans and by indirect taxation.

I would challenge the hon. Premier to ask a team of reputable experts to assess the value of the works done for this \$100 million. I cannot imagine that, even by padding the value of the works done, they will be able to arrive at a total of more than \$50 million. One can assume that in the past four years \$50 million has dribbled away and has left nothing to show for the money spent. We have not seen a word in either of these Budgets which would lead us to believe that an attempt is being made to

prevent the waste of money, but hon. Members are asked to put more money into this bottomless hole.

6 p.m.

There is such a thing as the law of diminishing returns. Taxes are, so to speak, drawn out of a barrel, and the barrel has to fill up more quickly than it empties otherwise disaster overcomes it. But some of these taxes are to the point where they take out more than goes in. Another principle of taxation is the principle of consistency with the economic goals. As the Finance Minister of Trinidad rightly expressed it, the taxes must provide a minimum deterrent and a maximum stimulation for productive industry and employment. Can you honestly say that our Budget follows this principle? Can you say that it follows the principle which is basic to create economic growth, namely, endeavouring to raise the level of local investment by encouraging savings and the investments of savings in new industry, encouraging the investment of foreign capital which is so much needed in our country and setting out to provide the background in which industry and industrialization can properly take place?

The third principle of taxation is taken from the section on taxation in the *Encyclopaedia Britannica* on page 841 which states:

"Unless a tax can be administered at a reasonable cost to both Government and taxpayers and without large-scale evasion by illegal means and avoidance through legal loopholes and subterfuges, it becomes unworkable."

And then it states:

"The general level and standards of the civil service establish a boundary beyond which taxes cannot go in the direction of refinement and complexity."

This is important because we find some new taxes introduced in this Budget which will certainly go beyond the level

of refinement and complexity which an over-burdened staff in the Inland Revenue Department cannot possibly counter.

I would like to consider some of the new taxes. As I have already covered the excise duties which are the same in the revised Budget as in the original Budget, I would now like to touch upon some of the new capital taxes. First, the capital gains tax. There has been a certain amount of misunderstanding about this tax, especially on the Government side, because I heard I believe it was the hon. Member for Berbice West say that he saw no reason why those who made money from the buying and selling of properties should not pay tax. I agree with him wholeheartedly, and such people—I cannot say whether they were paying tax previously — came within the orbit of the ordinary income tax provisions. And the ordinary income tax provisions, which we derive from the principles of British taxation, are that if you trade with capital with sufficient frequency to make it a business, then it becomes income; and any such transactions that were not taxable before should have been and were legally taxable. This capital gains tax brings to taxation only those transactions which are, by their very nature, single — the odd transaction, the odd sale of a capital asset.

Now, in the United Kingdom, they have not changed the principle that capital being a source of income should not be taxed also, but they have tightened up on their application of the income tax so as to make it essential that those who make money in capital transactions through speculation and so on should pay tax on the accruing profit. That would have seemed to me to have been a proper manner in which to have introduced this sort of tax, because the capital gains tax as it is projected here can have some very unjust side effects when you look into the future.

For instance, imagine that the tax on capital had been in existence, say, for the past 20 years, and a property bought 20 years ago for, say, \$5,000 was sold today for \$10,000. In effect, the person selling has not made a real profit of \$5,000, but he has simply transferred the capital asset into a new and rather inflated currency because what he could buy with a dollar 20 years ago would be three times as much as he could buy with it today. So, if you propel the capital gains tax into the distant future, you can come up with some very unjust results especially if your currency inflates, as it so often does when new Governments start to play around with currency. That is why in Sweden which, I believe, was instanced by the hon. Minister of Finance, the capital gains tax is limited to a period of five years so that the person paying it does not suffer from inflation.

The property tax is a tax on net worth of all property. It undoubtedly falls heaviest on agricultural estates which would have to pay whether or not they have a successful crop. It also falls heaviest on those industries which have a high capital formation in relation to profit and these are the very types of industries that we need here. It falls heaviest, in other words, on heavy industry, and it has to be paid irrespective of whether profits are made or not. Therefore, it is bound to be a deterrent to growth of industrialization especially in regard to foreign capital.

Then, you have the gift tax. The Minister, in his original Budget Speech on page 25, paragraph 85, says:

“The gift tax, as indicated earlier, is a necessary complement to an inheritance tax, that is, a tax on either the estate of a deceased person (estate duty) or on the heir or legatee . . .”

Here, again, this tax is limited to a few individual transactions, and one would have thought that in this great desire for the distribution of wealth, encouragement would have been given to persons

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to give away their wealth to the less fortunate without taxing them for that.

6.10 p.m.

The tax also has some unjust results which can develop, because it is meant to prevent a man from evading death duties by disposing of his estate before death, and it is the reasonable right of the Government to protect its revenue. But it is apparently protected here by the fact that any gift transaction executed three years before death is taxable as if the person died. In England they have increased the period to five years, which appears to be a reasonable way to protect the revenue from those who try to dispose of their property before death. But if you are going to tax gifts among the living it may well happen that a gift within the lifetime of the original owner may change hands several times, and would attract tax on every occasion, and eventually more tax would be collected than the original value of the gift.

Furthermore, this tax suffers from the fact that it does not comply with the principle of reasonable compliance. It would be extremely difficult to follow all gift transactions; it would be extremely easy to evade, either by making it appear as a sale, or by other means. It is easier to evade a tax, for instance, on the giving away of jewellery than it is to evade a tax on the gift of property which is more noticeable. So that when we take these taxes — the Gift Tax, the Net Property Tax, and the Capital Gains Tax — the total amount of revenue which is supposed to accrue from them is only \$1 million, but for the sake of that \$1 million there will have to be a tremendous amount of administrative work, and worse than that, there is bound to be a tremendous deterrent to the growth of the economy, especially in regard to both foreign and local investment.

Then we come to miscellaneous taxes from which it is expected to collect \$6 million. They are Export Duty, \$1 million, Licences, motor vehicles, etc., \$1 million, increased Stamp Duties, \$5 million, and increased Income Tax on life insurance companies, and miscellaneous increases, \$3 million, a total of \$6 million. The Advertising Tax has already been withdrawn, at least in part, but it remains on prestige advertising. In effect it is not so much a tax as the elimination of the charge for advertising against profit, and of course it increases taxation. The reason for eliminating prestige advertising seems to be a little hard on those who depend on that type of advertising, and it will be difficult to decide what is prestige advertising and what is not. It imposes a burden upon the taxpayer, upon the Commissioner of Inland Revenue, and indeed upon the Courts, because it is very difficult, and there must be borderline cases between what is prestige advertising and what is not. The amount of revenue increase from it will be so small that it would be far better to eliminate any advertising tax whatever.

Then we have the tax on life insurance companies which in the original Budget was 30 per cent, now reduced to 25 per cent if it is a mutual company, and an increase of 45 per cent if it is not a mutual company. Here the hon. Minister of Finance does not seem to realize the extreme value of the life insurance companies in accumulating savings and investing those savings in the country. The local companies invest an enormous amount of their income in mortgages, and in modern countries the Government goes so far as to encourage that by guaranteeing certain levels of mortgages for working-class people, or at least guaranteeing the upper amount, so that the companies are encouraged to lend, and in some cases to take a greater risk than would be normal, to encourage the ownership of homes by working-class people. In

Trinidad the tax is 15 per cent as it was here. Here again it will be a serious deterrent to saving, and, furthermore, one would have thought that as these local companies are in effect co-operatives, because they have no shareholders but policy holders, there is absolutely no difference between an ordinary co-operative and a mutual insurance company, Government would have encouraged them in the face of foreign competition, by possibly reducing the level of their taxation so as to increase the amount of saving going into the economy, and to increase the amount of money available for mortgages so as to encourage people to own their own homes.

Finally, in this analysis of the taxes we come to compulsory savings. This compulsory saving is of course contrary to the democratic principle of freedom of the individual. An individual should have the free choice of how and in what to invest his own savings. Some people may choose a more risky investment while others may choose a sound investment or a solid investment, but the balance between the two creates a fine balance which keeps the economy going. Those who invest in risky undertakings help to develop new ideas and a new impetus to production, new industries, and they create an impetus for development, while those who follow traditional methods create stability in the economy. So that freedom of the individual can contribute far more to the development of the country than a compulsory levy from an individual's pocket.

Does any hon. Member honestly believe that if the Minister of Finance of Trinidad had introduced a compulsory savings scheme the Government could have realized a capital formation of \$264 million? Our Minister of Finance calculates to pump into savings through compulsion, through force, a total of \$4 million in the revised Budget — \$6 million in the original Budget. If the tax is bad in part it is bad in the whole.

Since Government has decided to amend the proposal so that it will affect only those who are working for \$300 a month and over, it means that Government has admitted that it was a bad one. If it were bad in a small part, in the greater part it becomes worse and not better.

6.20 p.m.

These taxes which have been introduced at a certain level will soon find their level going down. For instance, the exemption from income tax has already taken a downward trend, and it will not be long before the exemption of \$300 is reduced until it comes right back to the original proposal in the original Estimates.

I have examined these Budgets in relation to certain basic principles, in particular the principle which is essential for the economic growth of any country — the principles that economists say are so essential: (1) The necessity of creating a high rate of local investment to be diverted into industries; (2) The necessity of creating a high rate of foreign investment; and (3) The necessity of establishing sufficient development by Government in order to create a background in which industries can flourish.

It is possible that Members on the Government side can argue that their Budgets fulfil these requirements. First of all, in relation to the creation of a high rate of local savings, the hon. Minister of Finance may argue that he is not leaving it to chance or to the whims and fancies of the individual to invest his money in industry, but he is going to compel him to do so by taking money out of his pocket compulsorily as he proposed to do at page 4, paragraphs 90 to 98, of the Budget Statement. He says, and I quote:

“... The additional funds that will accrue to the Development Fund from this levy will enable the programme of public industrial enterprise to be accelerated, so that any capital so diverted

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from private industrial development by the levy will be devoted to equivalent high-yield public industrial development."

A compulsory levy of \$4 million for high-yield industrial development! What is Government dreaming about? In Trinidad \$264 million is given voluntarily, but the Government of British Guiana wants to take \$4 million by compulsory methods. In 1956 there was voluntary investment in this country in the sum of \$16 million from local savings. If Government goes through with this compulsory levy it may collect \$4 million, but the other \$12 million may not be forthcoming and may be difficult to collect. I do not know what the figures were in 1960 and 1961, but I am certain that if Government goes through with these proposals it will collect only \$4 million in 1962 when it was able to collect \$48 million in 1956. The hon. Minister of Finance will only be able to collect \$4 million by force. Instead of endeavouring to stimulate the economic growth of the country along democratic lines, he will merely collect \$4 million as a result of his compulsory levy.

As regards the investment of foreign capital, it cannot be denied that the hon. Premier went to the United States of America on a mission to borrow money. He asked for a loan of \$250 million, but he returned with nothing. I have grave doubts that he will ever get more than a small loan. It can be argued that this Government may find a means of generating economic growth through the package deals we hear so much about. Therefore I would like to examine what these package deals mean. We have had a number of foreign gentlemen visiting this country from Poland, Czechoslovakia and elsewhere presumably to negotiate for this so-called package deal. There has been a lot of talk about such a deal for the establishment of a glass factory in British Guiana.

Sir, this is how such deals are carried out. Countries like Czechoslovakia or Poland will ship to us and erect a

glass factory in this country. The price of the factory will be fixed by the seller and not by the buyer, for there will be only one seller in the country where it is purchased. The Government there owns the factory and will fix the selling price. If we were to purchase a similar glass factory from Western sources, we would get competitive bids from competing industries in the same territory. Many small territories have found out, after going in for these package deals, that they could have obtained cheaper and better equipment from Western sources. When one buys from a Western source, one is permitted to bargain for the price of the item purchased.

However, when small countries go in for these package deals they are told not to worry about paying for the machinery in cash or in hard currency. They are encouraged to pay by crediting some of their raw materials, for instance, rice to the people who have provided the machinery for setting up the factory. Then this is what happens: the territory that makes the deal takes the rice and very often turns it over to one of the country's own purchasers, for instance, Cuba or Trinidad. When that happens the country is deprived of the sale that it would normally have got. In the case of Burma, the rice was dumped at a lower price on another country and the economy of Burma was disrupted. That is what happens when we take advantage of this so-called package deal. We have not seen such package deals in Trinidad and Surinam, but we have seen a growing economy providing more and more jobs for the people.

Mr. Speaker: I think it is about time that we suspend the sitting for dinner. Hon. Members, the sitting is suspended until eight o'clock.

The sitting was suspended at 6.30 p.m.

8 p.m.

On resumption—

Mr. d'Aguiar: Your Honour, before the suspension, I was examining our Budget in relation to the three basic needs for economic progress. First, the need for a high level of local investment; secondly, the need for a high level of foreign investment in industry, and thirdly, the need for Government to carry out sufficient public works to create a country in which industrialization can reasonably take place, and I had examined some of the possible statements that might be made by the Government to support the theory of economic growth in relation to its Budget.

I had said that the Compulsory Savings Scheme might be held to be an instance where Government is taking no chances. It is seeing, by compulsion, that savings are created and generated in industry. I had pointed out that the compulsion to save \$4 million for Government would hardly be a means of developing capital formation when it might retard the development of voluntary investment which, in the past, as far back as 1956, had already reached \$16 million. I went on to say that, possibly, Government might state that it can overcome its lack of foreign capital by encouraging the package deals from the Communist countries that its members have often spoken about.

I pointed out the flaws in these package deals—namely, that you pay, in the end, more for the new plant than it is really worth. Secondly, very often, the machinery is not suited, and I was about to point out, too, that very often the type of industry does not create profits or surpluses or whatever name you may care to give to them. It is the profitability of industry which creates the growth necessary for sustained development. The glass factory idea, for instance, might, instead of creating profits, create losses similar to and even greater than the losses which are generated by all the industries in which Government is at present interested.

But I would think that it is far better to follow the example of Surinam and Trinidad where economic progress has definitely and demonstrably been created by encouraging the investment of foreign capital in industry, capital which you do not have to repay, which costs Government and the taxpayers nothing and where there is no risk of loss taken by the people. Further, it might be claimed, for Government will admit as it is bound to admit—it cannot deny its failure to acquire capital from the Western democracies, so it will have to admit that it will get capital from Communist countries. A year or two ago we did, in fact, hear about a loan of \$7 million U.S. from Cuba, but recently, this has been suppressed and we have heard absolutely nothing more about it.

However, it may soon come about that we will hear about the possibilities of Soviet aid, and I would like to examine this in relation to the possibilities of developing a take-off into an economic growth. It would be salutary, I think, to examine the two types of Soviet aid — Soviet aid to a country which gets aid from Western democracies as well, and Soviet aid to countries which depend entirely upon Soviet aid. Let us examine these two circumstances because it may well be said that it will be through Soviet aid, as it must be admitted it cannot be through Western aid since none is forthcoming, that the foreign investment necessary to generate growth of our economy will be achieved.

Take the instance of India which is a country that has had both Western and Soviet aid. In fact, one of the hon. Members of the Government, the Member for Leonora I think, spoke about the Soviet development of an iron and steel works in India as if that was the only investment by any foreign Government in India. But let us examine some of the facts. After the war in 1945, India had the benefit of £2,500 million

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(\$12,000 million) on United Kingdom credits which had accrued to the credit of India during the war years. This was subsequently drawn upon in spite of the gaining of Independence by India from the United Kingdom. To add to this, aid from the United States of America up to 1960 totalled £1,936 million, over \$9,000 million, and aid from other Western democracies, such as West Germany, Canada and Japan, totalled £158 million, a total of \$758 million. So that, in effect, India has received in aid from Western sources \$10,000 million and she has received in aid from Soviet sources £100 million in the second five-year plan and a promise of a further £100 million in the third five-year plan, a promise which has not yet been honoured. So, you have a comparison between £100 million and £9,000 million in U.S. aid alone.

One should seek the money where the money is, and according to the hon. the Premier himself in a broadcast, he admitted that two-thirds of the world's wealth is held in the Western democracies that have succeeded already in generating an economic growth which tends to increase year by year.

8.15 p.m.

Those are the countries which have invested millions in Trinidad and Surinam, and have already carried them to the point of moderately rich countries while we remain a poor country.

Therefore, I cannot see that it would be a reasonable answer to the point that we cannot raise funds from the Western democracies, that we can raise it from the Soviet bloc, because the Soviet bloc has never been very generous towards those countries which accept help from both sides. What about those countries which depend al-

most exclusively on Soviet aid? Good examples of such countries would be Cuba and Albania. In Cuba they are depending now exclusively on Soviet aid, whereas previously they depended upon United States aid. Clearly Cuba proves that a country, even if its more advanced than ours, needs foreign aid to maintain economic growth and to maintain a reasonable degree of prosperity.

What is the situation in Cuba today? Dependent upon Soviet aid, the situation is that the Soviet Union is paying Cuba one half of the price she used to get for her sugar when she sold it to the United States, and the Soviet Union is following the policy originally promulgated by Goebels, who said: "If you cannot give them food, give them guns", and indeed the Cuban economy is wealthy with guns, but all those guns can do is to destroy life. They cannot make life better or more worthwhile. In Cuba there is indeed a surplus of arms, but there is a lack of food. I would like to quote from a magazine which has been quoted by the hon. the Premier himself. On page 18 of *Time* of April 6, one reads at the bottom of the page:

"Canadian Correspondent, Gerald Clark, of the *Montreal Star* recently returned to Cuba for his first visit in a year. He was stunned by the 'shattering disintegration.' An entire nation is on the edge of starvation', he wrote, and he recalled what a Cuban had whispered to him. 'I want some boots', said the man. 'How many pairs?' asked Clark. 'One or two?' 'Seventy thousand', said the Cuban — 'filled with Marines.'

They seek deliverance from Soviet domination which has strangled their economy and reduced them to the conditions which were not even known in the darkest days of the war, reduced them to the point where they cannot buy a single necessity of life without permission of the Government, without a ration card; reduced them to a state which was known in this world a thousand years ago, when men's lives were held at ran-

som by tyrants who captured them and said "You can buy your life with money." That is an example of a country dependent upon foreign aid from Soviet sources.

I would like to refer to the case of Albania. I have here a typescript of an article which I believe appeared in the B.B.C. Bulletin, but I will quote it as my own opinion, because I am not certain about it. It says:

"Countries which have been counting the cost of Soviet trade and aid have found themselves compelled to reckon in political as well as financial terms. For neither aid nor trade is offered by the Communists except in the expectation of gaining political influence."

The article goes on to say:

"These tactics have now been sharply demonstrated against Albania, whose economy, hitherto geared to that of the Soviet Union, has been seriously undermined by Soviet pressure resulting directly from political differences.

In September, 1959, the Albanian leader, Hoxha, said that Soviet aid would 'always be a decisive factor' in the development of his country's economy. Little more than a year later, when Soviet-Albanian relations had worsened, Hoxha told the Moscow Meeting of 81 Communist Parties how Soviet economic revenge had brought Albania to a point of starvation. 'Only 15 days' supply of wheat remain in stock', he reported. 'After a delay of 45 days the Soviet Union promised us 10,000 instead of 50,000 tons, or 15 days' supply of wheat ... These are unbearable pressures. The Soviet rats were able to eat while the Albanian people were dying of hunger."

That is another example of a country which places its faith in Soviet aid and is led, like Cuba, to the point of starvation. So I have in the course of my speech shown, first, that economic growth is the basis of prosperity in any society, and I have shown how it is measured by gross national income, and by national income per person. I have shown how territories near to and

similar to ours have already achieved far greater prosperity, and how that prosperity can be actually measured, just as you can measure the speed of one athlete who is faster than another. I have shown how such territories have planned their objectives, to stimulate economic growth which is a necessary prerequisite to prosperity. I have just finished examining our own Budget to show how it can succeed or fail in stimulating economic growth in our country, and I have shown that it cannot succeed because compulsory savings cannot take the place of voluntary savings, and in any case the amount projected by the Minister of Finance — \$4 million — is pathetically small in relation to the needs of the economy and in relation to what can be achieved voluntarily, and what has been achieved voluntarily in neighbouring territories, as for instance, \$264 million in Trinidad.

I have shown how the statement that "If we cannot get Western aid we will get Soviet aid, or we will get Communist package deals to generate economic growth" can only lead us into the tragic circumstances in which Cuba and Albania find themselves, and how communist aid in countries which depend mainly on Western aid is never very much in the forefront. In India aid from the Soviet Union is \$100 million as against \$9,000 million in United States aid alone.

Finally, I would like to draw some conclusions — what can be done in our country. There are two principles for success in any sphere of activity, and those two principles are simply these: you have to take advantage of your assets, and you have to overcome your liabilities. Now the greatest asset in our country is its land. Here we have a country of 52 million acres, of which only 300,000 have been developed. According to the statistics of the Department of Agriculture there are five million acres of fertile land, more than

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is at present cultivated. We are not using the greatest asset that our country has; 99½ per cent of our land remains unused. The obvious thing to do — and it is so very obvious — would be to formulate a plan to construct roads to create accessibility to five million new acres of land. When that land is made available to farmers, as was suggested by the hon. Member for Berbice River (Mr. Blair), they would develop it with their own hands, if necessary, and it could not be worth less than \$100 per acre, so that five million acres would be worth at least \$500 million which can be used both as security for a development loan based on a sound plan, and as the means for repaying the loan out of the increased productivity of the country due to the development of its greatest asset.

A plan can easily be developed to make our country a land that will attract Guianese to come back to instead of running away from, as they are doing now. There is enough in this great land of ours to provide for all of our people not only the basic needs of life— food, clothing and shelter—but enough and a surplus for the pursuit of pleasure and such other benefits as the individual may wish for himself. There is enough to provide for our people, and even for others from the West Indies to be attracted to our country instead of to the country of our former colonial masters—the United Kingdom. But we cannot deny that we have serious liabilities to overcome.

8.30 p.m.

Racialism is responsible for this. The Members of the Government whether they wish or not — I am not accusing them here, and I am not saying that they brought it about — are in effect representing a racial group in this country. The racial rift in this country widens. An effort at reconciliation should be made by those who

have the power to do things — it should be made by the Members of the Government. A bold gesture should be made by them to do something positive and practical in this matter.

I would suggest to the Government that inasmuch as dynamic economic growth cannot be established without a united national effort, and inasmuch as the Budget cannot promote economic growth as it is now presented—in any case it cannot promote economic growth without the harmony of the people — the hon. Premier should withdraw the Budget and consult with the two Leaders of the Opposition with a view to presenting a revised Budget based upon the principles of economic growth which have demonstrably been so successful in Trinidad and Surinam our neighbouring territories.

Further, that the hon. Premier should request the Leader of the Government of India to send a top team of economists here, as was done in Trinidad, to advise us on the best means of financing and developing this country so that our people will live in harmony and enjoy the fruits of this great land and the fullness thereof.

The Parliamentary Secretary to the Ministry of Works and Hydraulics (Mr. Mann): It was Russell who once observed that he did not agree with Plato, but he said that if anything could make him do so it would have been Aristotle's arguments against the matter. Similarly, while I admit that there are aspects of the Budget which are novel and the validity of which will face the acid test of their applicability, if anything can make me fanatical about it, it would be the arguments of the hon. Member for Georgetown Central against it. I hope that his pride survives the destruction of his arguments. To understand the Budget one has to place it in its proper historical and economic perspective; one has to relate it to the

circumstances of the country after the General Election in August last year. In this context it will be appreciated that the overtures of the Government of British Guiana to the Government of the United States of America met with no success. If the United States of America, fed by information from people like the leader of the United Force, were not prepared to disgorge one red penny to help the people of this country, whose fault is it? This meant that one of the vital sources of economic development was cut out, namely, foreign aid. That has thrown this Government back to the context of seeking developmental funds for this country within the country.

Sir, we have to examine the two propositions upon which the Budget stands. I want to quote from the original Budget Statement, for this Budget was not only intended to raise revenue. The hon. Minister of Finance says at page 5, paragraphs 15 and 16:

“ . . . The first is the problem of underdevelopment. To overcome this, current revenue from taxation must be higher to meet the needs of a dynamic community with a rapid growth of population and its requirements for speedy economic and social development. The inadequacy of public revenue restricts expenditure in such fields as health and education and makes impossible the financing of developmental projects.

The second major reason for fiscal reform is to curb economic inequality by redistributing wealth and income in the interests of social stability and the constitutional evolution of a peaceful, democratic society.”

I quoted that, sir, to make the point which, apparently, has escaped the notice of the hon. Member for Georgetown Central, that is, the Budget is attempting to redistribute the wealth in British Guiana. The Budget is not to be blamed for the occurrences on February 16 and their historical antecedents, because we can distinguish sharply between the Budget in terms of its intrinsic validity as an economic pro-

position from which the benefits which could be derived to help the population in this country and the circumstances succeeding it.

I say that, because it is now evident that the Budget was used by a section of unscrupulous merchants and other people in the community to hamstring the inhabitants of British Guiana for highly political reasons as well as for profit-making. It is clear that a section of the merchant community whose economic vision is limited to the circumference of a shilling is prepared to sacrifice the interests of consumers to the interests of profiteering and black marketing. That is why the Budget has met with such a tremendous semi-popular uproar. Items like matches, rice, sugar and oil, which were not taxed in the Budget, all skyrocketed because of the monopoly in the grasping hands of a pampered handful of sharks who are prepared to browbeat the entire population into contributing further to their coffers. It is for this reason the Budget has been distorted out of all proportion to its meaningfulness. It is for this reason that it has been used by unscrupulous politicians to whip up dying support and to prop up dying political machines.

The hon. Member for Georgetown Central refers to the Budget as if it were an instrument of oppression foisted on the working class of this country. I sometimes wonder whether he thinks that the overwhelming majority of the population in this country is prepared to accept his proposition—I almost said hypocrisy—which calls for the support of the working class. Does this hon. Member who was up to recently taking this Government to court to test the legality of the Exchange Control—[**Mr. d'Aguiar:** “That is still *sub judice*.”]

Mr. Speaker : If the hon. Member says it is *sub judice*, it is not eligible for discussion here.

Mr. Mann: I am not challenging the decision in the case to test the legality of the Exchange Control, but I am talking about its validity in the context of being able to curb the serious drain of capital from this country. The fact remains that any serious drain of capital from this country deserves control. In whose interest, then, is he fighting the Government? How many people in this country can afford to have \$50,000 changed into pounds sterling? The hon. Member for Georgetown Central is the mouthpiece for huge, vested interests which have a stake in obscuring truth. His servile scribe, *the Daily Chronicle*, says and I quote:

“Every unmarried person earning over \$66.66 per month or \$15.40 per week . . . or \$3.20 for 5½ days a week must pay income tax.”

I do not know where he learnt his arithmetic, but it is clear that he should go to school. Personal income tax does not fall upon income below \$880 a year. When one multiplies \$66.66 per month by 12 one gets a total of \$799.92. In short that is a falsehood, but, in any event, as my colleague the hon. Minister of Communications said earlier, what is the extent of the taxes involved? In this particular case it would be a tax of 6% on any surplus above \$800—in short a negligible amount.

8.45 p.m.

It goes on, in section 2, to state:

“All married persons with an income (joint) over \$116.50 per month or \$28.00 per week must pay income tax.”

This is another one of the methodical miscalculations which conspire to create vast deceit. The fact is that amount represents a total annual income of \$1,398, which is less than the \$1,400 exemption limit.

It goes on to state:

“Every working person must submit a list of all they own each year. This list must include the following:—Property, lands, houses, machinery, shares,

debentures, mortgages, I.O.U.'s, furniture, jewellery, cash on hand, cash in Banks, etc.”

I have never heard of a more hypocritical proposition than this. The Commissioner of Inland Revenue, as everybody knows, has a fairly complete inventory of those people who qualify for tax liability and those who qualify for its exemption. It is not necessary for the Department of Inland Revenue to indulge in this kind of detailed collection of statistics such as this newspaper would infer.

This is nothing but a deliberate attempt to excite members of the community into out-of-hand rejection of the proposals which many of them have not, perhaps, assimilated or understood. What then is the function of a newspaper such as this? What is the function of a daily newspaper which misleads, which is hypocritical, and which serves merely the interest of the big business community? This is one of the deadly sins in this country. The sooner people realize it must be scrapped, the faster we are going to get ahead with national unity and development. I think it should be scrapped, and that is what I am going to do now. *[At this stage, Mr. Mann tore up the copy of the Chronicle from which he had been reading.]* — *[Laughter.]*

This is the kind of propaganda which, for a long time, has done a tremendous disservice to this country. This is the kind of propaganda which is exported wholesale to Washington and Western capitals in an attempt to sabotage the development of this country. The Budget itself was a simple measure, well intentioned, well conceived, and designed to adjust the levels of income and, indeed, to promote greater social equity between the various planes of income.

The hon. Member for Georgetown Central (Mr. d'Aguiar) railed against the tax on capital gains. He said that

it was imposing an undue hardship on people who had to buy and sell property. How many members of the working class can afford to accumulate property to speculate in real estate? How many members of the working class can afford even to provide themselves with the basic necessities and luxuries of life, let alone speculate in real estate? But it sounds a very impressive Gallery gambit when the hon. Member gets up and says that it imposes an undue hardship on the people of British Guiana. Which people was he talking about? The tiny handful who, for a long time, dominated positions in banks and insurance companies on the basis of colour, for example? The tiny handful who, for over a century, were the big landed proprietors who trafficked in people's sweat and blood? The tiny handful who expropriated peasant property and rights and who ground upon the working-class people of this country?

I suppose it is natural for them to feel some nostalgia for the old vitality of this class. I suppose it is natural that a class should seek to preserve itself from its destruction. But its destruction is inevitable nonetheless. Nor can it prop itself up on the basis of terrorism, on the basis of force—this Fascist force! It was they who were politically responsible for the recent upheavals. Even now, they are still up to their dirty tricks. They circulated a missive this evening which reads as follows:

“Beware of Red terror

It has come to our notice that a certain Cuban-trained terrorist organisation plans to infiltrate the demonstrating crowds this evening to stone the Ministers.

Beware of these Red terrorists. Their plan is to start trouble and to make it appear that it has been started by the demonstrators.”

It is signed “United Force”.

Mr. Speaker: What has that to do with the particular subject which we are debating?

Mr. Mann: It has relevance in that I am showing that it is part of their tactics to adopt terrorism to stifle constitutionalism and democracy. In short, they are Fascists, and Fascism, however uneuphonic, has academic validity.

Mr. d'Aguiar: Point of order. I do not know about the validity of the document. Anyone can type a letter, but I would like to know if it has a signature. [*Pause.*]

Mr. Speaker: You may proceed, hon. Parliamentary Secretary.

Mr. Mann: These agents of the devil cannot succeed by force where they failed by constitutional means. They thought that when the Budget was first promulgated a demonstration by a section of the working class, inspired and excited by their own artifices, could terrorize the Government into resignation. We exercised considerable restraint. This must not be interpreted as a sign of fear. This Government wants but to recall the returns at the last Election when 93,000 people voted for it.

The Government cannot be terrorized nor can its supporters be intimidated by a Fascist display of incendiary and terrorism in the city. It is the measure of our respect for democracy that we withdrew the taxes on those consumer items which were said to affect the working class, even though we did not agree with the criticism. We withdrew those taxes because we felt that no party such as ours could afford to have a sizeable section of the working class demonstrating against it, however unjustified the demonstration.

I want to turn to some of the arguments which the hon. Member advanced. I doubt that his pride can survive when I am through with the facile propositions that he has put up. He began by saying that the increase in national income was the measure of

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economic development. I am quite sure that he did not read this in Professor Rostow's book, for even Rostow was sophisticated enough to observe that national income is not the criterion for economic development, but its redistribution. He also said that the national income of Trinidad had swollen during the regime of Dr. Williams, and he similarly cited the example of Surinam.

May I inform this savant that the redistribution of national income is what is important in the social growth of any single territory, whether it is the United States or the U.S.S.R., and I am telling you axiomatically—[*pointing in the direction of the hon. Member for Georgetown Central*].—

Mr. Speaker: That really should not go into the records because you were not addressing the Chair.

Mr. Mann: I beg your pardon, sir. No discourtesy was intended by me to you.

One has to look at the example of Jamaica whose economic development has frustrated even the hirelings paid by the Premier of Jamaica. In Jamaica, although national income has grown by some one-third, the fact is that even the opaque Premier realized that the gap between the "haves" and the "have nots" was growing wider.

Mr. Speaker : The what Premier, did you say?

Mr. Mann: Opaque.

Mr. Speaker: I would like to say this: here in British Guiana, we have internal self-government and we have a Premier. In Jamaica, there is a Premier as well, and it goes with very bad grace indeed for any hon. Member of this House, and particularly one who is so closely associated with the Government of our country, to be speaking in

terms of disrespect of the Premier of another country. Please speak of the "Premier" and nothing else.

Mr. Mann: If I make pointed criticisms of the Jamaican Government, if I make pointed reference to the politicians who comprise the Jamaican Government—

Mr. Speaker: Criticisms are all right, but you are not to use terms which are derogatory.

Mr. Mann: I apologize. The Jamaican economy and the growth of the Jamaican national income have frustrated economic experts the world over, for although Jamaica's national income increased by one-third, simple economic surveys were able to establish that real income *per capita* was actually decreasing below a certain social level. In short, what was happening was that the income in Jamaica was being concentrated in a tiny economic ball at the top, and the Jamaican working classes were being ground further into the mire.

Jamaica is a graphic example of what could happen to British Guiana if one were to accept the theory of the hon. Member for Georgetown Central. Indeed, in Jamaica the increase in the number of factory units has been striking over the last five years. I am afraid I am no longer *au fait* with the exact statistics, but it was so striking as to direct the attention of the American and Time magazine carried a long two-page story of Jamaica's economic development. But what happened? Still today Jamaica's chief export is its manpower to the United Kingdom; still today Jamaica is subject to tremendous poverty, illiteracy and disease, and on top of this the last Government in Jamaica had the temerity to talk about increased national income. They built a housing scheme in Mona in which a single house cost £30 per month rental, and the Premier got on the radio and said it was a lower income housing scheme.

In short, national income, like sharp-edged tools, is not an instrument which should be played around with by fools. One has to be able to understand which levels of income are increasing with corresponding increase of the national income, and until this is analysed, until it is assimilated, the national income remains just another one of those nebulous terminologies.

The hon. Member referred to Trinidad. Up to two years ago Trinidad derived \$22 million in revenue from its oil fields. But what sections of the Trinidad population benefit from that revenue from the oil companies? Trinidad's middle and professional classes! Trinidad teachers getting salaries of \$400 per month! Doctors and other professional people drawing huge incomes! This is what the Premier of Trinidad does with the revenue he derives from oil. If you go to Trinidad every teacher will tell you that Premier Williams is a great man. Every Trinidad doctor will tell you how great "little Eric" is, but go to Laventille, or Shanty Town, and there you will find seething discontent with the general trend of Trinidad's economic development.

It is true that the Premier of Trinidad is still in the saddle, and I suppose it is equally true and fair to say that he talks increasingly that in the years to follow there will be equitable redistribution of the national income of Trinidad. But the position today is that the distribution of national income in Trinidad is almost as inequitable as it is in Jamaica. I am glad that the hon. Member cited Trinidad as one of his examples, because it is very interesting to note that for all of Dr. Williams's talk about joining with the Western bloc, he is progressively acquiring several major companies, for example the Angostura Bitters Company, the Telephone Company, and just recently, the British West Indies Airways. I hope the hon. Member accepts this as

a pointer for nationalizing profitable concerns in the interest of Government capital formation.

But let us for a moment turn to his proposition of capital formation.

Mr. Speaker: This is a good point to ask for a Motion.

The Minister of Works and Hydraulics (Mr. Ram Karran): I move that the hon. Member be allowed an extension of 15 minutes to continue his speech.

Question put, and agreed to.

Mr. Mann: The hon. Member said that capital formation was a prerequisite for economic development. Nobody quarrels with this *clique*. Any schoolboy recognizes that unless capital is generated, development is impossible, but where we join issue is when the hon. Member says that the mere presence, the mere evidence of growth of capital formation, means that a country has acquired the prerequisite for its economic take-off. This is a fallacious proposition, for the simple reason that capital formation in itself is not as important as where the capital forms. For example, if capital formation in this country amounted over the next five years to say \$30 million, and this was concentrated or reflected in the growth of large landed estates, or in the growth of huge private bank deposits, the country, although statistically accumulating capital, would be very far from being able to take off, for the simple reason that this capital formation would be concentrated in the hands of private individuals.

Capital formation for economic development can only have meaningfulness if such capital is accumulated by people who are willing to invest productively, and/or if the Government is the agency which is repository of such formation. We in this Government have always been in favour of the latter proposition. We have always been in favour of State accumulation of capital, so that we can plan, we can sit down at the

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centre and plan just where and just how much should be spent in each sector. Another thing is that capital formation, even if such capital is invested, may prove wasteful and unproductive. In this country we are faced with the existence of tremendous waste. People who have accumulated some money are increasingly duplicating services in which we are well off. At nearly every street-corner there is a cakeshop or drug store owner in competition with his neighbour. This is a waste of capital. In short, what has been happening is that money is being expended on services with which the community is already saturated, perhaps super-saturated. I mention these things to disprove the contention that capital formation is inherently a sign that a country is ready to make a major economic take-off.

The hon. Member further contended that the tax increases were too steep. He said that the taxes on alcoholic liquids were in some instances increased by upwards of 50 per cent. The point about steep taxation is this. If over a number of years a particular item, or group of items, has been under-taxed in relation to its revenue-bearing potential, the steepness of the taxation reflects such under-taxation. British Guiana has *per capita* the highest rate of consumption of liquor in the British West Indies. I recall a Jamaican economist who pointed this out. I am not going to pretend that alcohol, in a country like this, is not a considerable source of entertainment for a large section of the population, in lieu of other social facilities, but certainly alcohol must be considered a luxury, and indeed, since its universal consumption makes it an item of potentially high revenue, it must be taxed accordingly. In British Guiana, up to now, a bottle of rum still costs less than a bottle of rum in Jamaica, and our overall cost of living is much lower than the cost of living in Jamaica.

In any event, another thing about the taxation is this, and indeed the Minister of Finance in Trinidad, who was quoted by the hon. Member for Georgetown Central in part, said that in many cases the taxes need not have been passed on to the consumers. In the original Budget the Minister of Finance anticipated an increase in the price of a bottle of rum of a mere 50 cents. I understand they are selling it in liquor restaurants with an increase of \$1.20, which means that they have passed on more than the proportionate increase as the result of the tax.

9.15 p.m.

Similarly, the tax on beer has been reflected in the consumer index by a greater proportion than it should have been in terms of its tax. Government has to consider what has to be done with certain taxes, a large number of which could be borne by the manufacturers and are now being passed on to the consumers. This Government is alert and alive to the tremendous social hardships which are created by this kind of activity on the part of the merchant community. [Mr. Correia: "Nationalise the rum shops".] The whole bulk of the proposed taxation will not fall heavily on the working-man and woman in this country. A substantial part of the taxation falls upon those who can afford to pay.

The property tax is to be levied upon a net value of over \$50,000, yet the hon. Member for Georgetown Central is complaining about undue hardships. The gift tax is to be levied upon *inter vivos* transfers of over \$2,000, yet the hon. Member for Georgetown Central complains about the hardships which will be engendered by this tax. How many poor people can afford to transfer a gift of \$2,000 in a year?

Sir, what I have been trying to illustrate is the difference between the Budget intrinsically and the way it has been presented by unscrupulous sources.

I am trying to distinguish between the applicable effects of the Budget upon the poor working class and its impact upon those who can afford to pay. I am trying to show that those who talk in a general way about the hardships accruing from this Budget are really trying to save their own skins. Many of them are trying to protect their own privileges and positions which they realize will vanish. Many of them have come to understand that they cannot play fast and loose with the P.P.P.; that they cannot blow hot and cold; it is no use straining at a gnat and swallowing a camel. If they are prepared to live in a country such as we are going to make it—a country in which poverty is to be understood in the context of sincere Government—then privilege and position are not to be based upon money power; it will be a society in which income is not to be the sole index of social influence and prestige. When they understand these things, they can live happily in British Guiana; they will understand the aims and aspirations of the people in this country; they will understand that this Government does not intend to throw hardships upon the working people for whom it has fought for so long. Indeed, what the Members of the House are witnessing today is nothing but part of a universal phenomenon.

A short time ago I was reading what is going on in Latin America recently where the gap between huge income-earners and those who earn little was so contrasting and obvious as to provoke rebellion, and to provoke the imagination of the American Government to talk about an alliance with certain politicians. That is not because they have any altruistic interest in Latin America. That is because they realize that certain people will be overthrown unless a few dollars can be handed out—unless in fact the levels of income can be adjusted in favour of those whom they

want to be quiet. This, sir, is a part of the phenomenon which we, in British Guiana, are witnessing today.

I know it is inevitable that those who are shorn from their positions of privilege will cry out. It is inevitable that this country must pass through this revolutionary phase in which privilege, so far as money power is concerned, is less often the decisive factor. I know that some people are crying out against Government's attempts to reduce their status and relieve them of some of their ill-gotten income. *[Interruption by Members of the opposition.]*

Mr. Speaker: May I say to hon. Members on the Opposition side of the Table that, if they do not wish to listen to what the hon. Member is saying and they desire to have their own discussions, the Lobby is the place to carry on private discussions.

Mr. Mann: This Government does not intend to ride rough-shod over the rights of anybody. All it intends doing is to ensure that it revolutionizes—

Mr. Speaker: Please address the Chair. Your remarks apply to this end of the Table as well.

Mr. Mann: I am sorry, sir. I was saying that justice and democracy will be maintained, and this Government intends to see that one day the working class achieves its just inheritance.

Mr. Kendall: Mr. Speaker, the hon. Minister of Finance, in introducing his Budget Speech on the 31st January, started off by telling us that it was the first time an elected representative of the people was presenting a Budget Speech in this Legislative Assembly; that the occasion was not without some historic importance; that the break with the colonial past would begin to be felt almost immediately, and he promised in his Budget Speech and in the proposals

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contained therein that the economy of our people would have been strengthened and our living standards improved.

Sir, you will recall the events which followed after that Budget Speech — events which I am persuaded to believe will ever remain as dark spots on the political horizon of this country. I feel that some of us, who looked forward to the day when an elected Minister would have taken charge of finance and would have had a greater say in the government of our country, thought that taxation proposals of this nature would be such as would enable citizens of this country to have a greater feeling of freedom, liberty and happiness in the future. But the reactions to the hon. Minister of Finance's taxation proposals show misgivings and that fears have been heightened. [Mr. Ram Karran: "The loyal Kikuyu."] I am now satisfied that I was correct in expressing my fears when I was referred to as a loyal Kikuyu eight years ago by the P.P.P. My hon. Friend the Minister of Works and Hydraulics reminds me that I am a loyal Kikuyu.

In my view the proposals submitted by the hon. Minister of Finance have failed to create confidence in the Government of this country. I do not think that even the amended proposals will allay the fears which have been created. These tax proposals do not indicate that it is the intention of this Government to strengthen the economic position in this country or to aim at better living standards for the people.

It will be recalled that in para. 5. the hon. Minister of Finance went out of his way to say that it is the intention of the Government to see that the country has a diversified economy. I will quote what the hon. Minister of Finance said:

"... Our most important task is to diversify our economy, so as to be less dependent on a few staple exports, which

are exposed to the vagaries of the world market, and less dependent also on imports for so many of our essential needs."

9.30 p.m.

If these words meant anything, I would have been the first to congratulate the Government because I think it is the desire of all responsible citizens in this country to see British Guiana emerge on the road to self-sufficiency.

But what do we find? The provisions which a previous Government introduced so that minor industries might be encouraged in this country are provisions which this Government is endeavouring to repeal. I refer to the tax holiday. It was meant as an incentive for people in British Guiana to use their financial resources to establish new and minor industries and to produce goods which we now import. By repealing the tax holiday provision, the Government is robbing those people of that incentive and is allowing capital which can be used profitably here to go away.

In Jamaica, Trinidad, Barbados and Puerto Rico, there is provision for tax holiday. It is not for five years; it is for seven years, and, in all these territories, we find the establishment of minor industries giving opportunities for people to be employed. It also creates the same diversification which this Government is trying to impress upon us it is interested in.

In paragraph 7 of the original Budget Speech, Government indicates that the year 1960 was a good year. 1961 was also a good year, and it turned out in some respects to be as prosperous as was 1960. It goes on to state that although the weather was less favourable for agriculture in 1961 than it was in 1960, exports of domestic produce were higher—\$142 million as against \$125 million in 1960—and that rice, which is a favourite of the Government, had increased by \$4 million, 25 per cent higher than the previous year.

Members of the Government say that in their Budget proposals they are endeavouring to have an equitable distribution of the wealth of the country and an equitable distribution of the contribution by individuals towards its development. Yet, for some reason or the other, no attempt has been made to have people in the rice industry — which has made such vast progress and from which the supporters of the Government have made fortunes and become so affluent — contribute directly to the development of British Guiana.

I understand that over 14 million bags of rice were produced last year, and a large portion of our development funds is to be concentrated on drainage and irrigation. If this Government really wanted everybody to contribute to its Programme and make sacrifices — in the same way as it was able to receive such a very good response from its supporters when it suggested that they supply one bag of padi each to the party which is in power — it would have asked these same farmers and supporters to contribute 50 cents from each bag of rice sent to the Rice Marketing Board. Thus, we would have been able to collect easily over \$3½ million. But, in spite of the fact that this industry has been spoon-fed all these years and all of us have to contribute to it, still at this stage, when the Government is in a hurry to see its development plans materialize overnight, there is no desire to have these fortunate citizens contribute in a tangible manner to the Development Programme.

In that very paragraph, the Government has admitted that there is lack of confidence on the part of the people of this country because this is what is stated on page 3:

“It appears that while foreigners continued to invest money in our country, some of our own residents were increasing the scale of their investments abroad to an extent which our balance of international payments could not support.”

[*Interruption.*] Whether it is John or Peter, the fact remains that there is lack of confidence, and people are being forced to take their hard earnings outside of their own country because of a feeling of insecurity.

And so it is with other phases of these tax proposals. The Government says it has no reserves. A previous Government gave it millions of dollars in reserves. What has it done with them? For over five years, it has been unable to create new development or reserves which will demonstrate confidence, and its Members sit on the other side of the House and say that they are capable of running a government.

Among these tax proposals is the savings scheme. I feel it is the duty of any Government to introduce taxation which would help it to run its affairs. But when it comes to a point that you are forced to compel someone to put money into the Government's coffers and in a manner which is not strictly honest, you are attempting to force people to save before they pay their just debts. If this savings scheme was based on the net incomes of individuals, one would have seen that the Government was somewhat appreciative of the various demands those individuals have. Even before you pay your income tax, you have to invest a certain percentage of your income in securities which I am led to believe may not be very sound and which cannot be used for securing loans.

Those are some of the proposals submitted by the hon. Minister of Finance who is a representative of the common man and whose Government has always said it is interested in the common man. All the hon. Members on the Government side who have spoken have indicated that it is a Budget of the poor man. But it must be remembered that the poor man has to depend on another man for employment and liveli-

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hood, and if the person on whom he depends loses interest in the country and in the Government, the incentive to spend so that the poor man may benefit will be reduced considerably.

9.40 p.m.

I wish to spend a few minutes on Communications. The hon. Minister of Communications (Mr. Wilson), in a characteristic manner, indicated how important it is to have proper communications in a country "because they increase prosperity and help to develop the country." Those are very good words, and I am wondering what the Minister was thinking about — whether he was really serious in his observation — because the party which is the Government has been in power for five years but has been unable to improve the coastal roads of our country. Before the party came into power criticism of the country's roads was one of the main planks of its platform, and it promised that if given the opportunity to rule it would see to it that better roads were built. But that promise, like many others, was only made to gain support for the party, and has been forgotten.

I do not know whether this Government is still a member of the International Road Federation. If it is still associated with that body I think it should use its good offices to get assistance for Government's road programme. When the hon. Premier went to America he should have contacted that body, and instead of giving an unknown firm the contract to build our interior road to link with Brazil, he should have sought the aid of United States agencies to have the Pan-American highway extended to British Guiana. Then the money being spent on the construction to the interior road could have been used for the construction of our coastal roads to create the type of communications which the Minister of Communications indicated in his Press release.

Under Telecommunications it is very heartening to observe that the "Cadillac" building and its equipment have produced so much profit that the present Government is enamoured with the results achieved, so much so that it is difficult to obtain telephones. The Minister, however, seems to have forgotten that there is a place called Berbice, from which 45 per cent of the country's revenue is derived. There is no provision in his programme for an up-to-date telephone system in the County of Berbice. Maybe it is because New Amsterdam, and certain other parts of Berbice, have never supported the Party in power, and in spite of their contributions as citizens of the country, the people of Berbice may have to wait until the end of the four-year term of this Government to get some measure of consideration. [An hon. Member: "Shame".] I would remind the hon. Member on the other side who said "Shame", that the equipment for the New Amsterdam Telephone Exchange was purchased years ago, but remained in England and was destroyed by fire after this Government had paid thousands of dollars for storage in the U.K. I trust that the Minister of Communications will see to it that during his term of office a new Telephone Exchange is installed in the County of Berbice.

We have had a package deal in connection with the Demerara Electric Company's power station, and the hon. Minister of Trade and Industry (Mr. Hubbard), who is not a member of this House, has said that the new Electricity Corporation is working so well that Government has been able to make repayments under the deal faster than was anticipated. I do not know whether the Premier can negotiate a similar deal in order that we might have the necessary improvement of communications before his term of office expires. The Minister of Communications and Works in the previous Government of 1957-1961 promised that he would review the

five cent rate for telephone calls after a period, when Government was able to determine the number of calls made by subscribers. Now that Government is making so much money on Telephone rentals it has forgotten its promise to reduce the five cent telephone call rate.

9.50 p.m.

So far as the Transport and Harbours Department is concerned, there has been a recent derailment of a train. I wonder whether the derailment is due to the lack of rolling-stock, or lack of maintenance of the rails and sleepers? I have a suspicion that it is due to the fact that the Government took away about \$ $\frac{3}{4}$ million from the amount located for the renewal of stock in the Transport and Harbours Department in order to give an unknown firm an opportunity to survey the railway embankment to see whether a new highway could be built there. Government has done that when it has other highways which are not maintained properly. I think it is the responsibility of the Government to see to it that the lives of individuals are protected, and that nothing should be done to interfere with the maintenance of the railway.

With regard to the Harbours, I saw in a newspaper — I think it is the *Daily Chronicle* — that the Reynolds Metal Company offered to assist the Government in deepening the Berbice Harbour. I understand this Government suggested that, instead of Reynolds spending money in deepening the Berbice Harbour, which would improve communications and create prosperity on both banks of the Berbice River as well as in the town of New Amsterdam, the Company should send their bauxite overland through Kwakwani to the road adjoining the Demerara River. If this is a means of diversifying our economy and decentralising activities by the Government so that their impact will be felt all

over the country, I am afraid that the Government is by-passing New Amsterdam and the West Bank of the Berbice River mainly because of the fact that it has never been able and will never get the support of the people up there.

So far as the ferry stelling is concerned, for five years this Government has been waiting on a report to determine whether the stelling in the northern part of New Amsterdam, or the one in the southern part should be improved to meet the increase in the ferry service. I hope we will not have to remain another five years before that report is considered by this Government. These are things that will bring in money. If the Government has no money, it is not the fault of the people in this country; it is due to Government's inability to create the necessary confidence so that people will be encouraged to invest money here. *[Interruption.]* I am dealing with things in the Budget, and it is unfortunate that a Member of the Government cannot appreciate that I am dealing with things relating to his own Ministry and he should be conversant with them.

The hon. Minister of Labour, Health and Housing says that one has to take into account the level of the country's economy, and when that is done one must approach the matter with a sense of responsibility. I do not know whether meeting the Members of the British Parliament gave the Minister an opportunity to make such a wise statement. But I sincerely trust that, from the statement he has made, his colleagues will realize that the Budget proposals submitted by the hon. Minister of Finance will not be in accordance with his wishes as expressed in that statement.

As I have said before, sir, these areas of Berbice are not areas where the P.P.P. has been able to get support, and the people will not be given sympathetic consideration. But no matter what

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done; it does not matter whether the people in New Amsterdam do not get what they deserve, that will not prevent them from holding the stand that the Government in power is not the type of Government that will carry this country to prosperity.

Mr. Speaker: Time!

Mr. Burnham: I beg to move that the hon. Member for New Amsterdam be given 15 minutes more.

Mr. Carter seconded.

Question put, and agreed to.

Mr. Kendall: Your Honour, the hon. Members on the other side of the Table have indicated that the proposals in the Budget are revolutionary, new and historic. I hope it will not be sordid history. However historic the Budget is, this Government is on trial and it will have to prove not only to British Guiana, but to the world that on the eve of Independence and nationhood the Leaders of the Government are capable of showing that sense of responsibility as suggested by the hon. Minister of Labour, Health and Housing.

Sir, we are living in a challengeable age, and the conditions in British Guiana should not always be compared with highly developed countries that have had both political and economic evolution. It is the duty of this Government to increase the freedoms and liberties of the people, and to present such tax proposals as would not create hardships on anyone whether he be a supporter of the Government or otherwise.

10 p.m.

The Guianese, quite unlike the Barbadian or the Jamaican, is a person who likes to remain in British Guiana and when we find Guianese, the cream of our

society, leaving, we have to be fearful for the future of this country. Here is a country with about half a million persons, nearly 40 per cent of whom is below the age of 21. If so many adults are leaving, those of us who are forced to remain in the country will be unable to meet the Budget proposals as presented by the Government, and any Government with a sense of responsibility, as suggested by the hon. Minister of Labour, Health and Housing, should sit down and realize that under the existing circumstances it is necessary to modify some of these hard proposals, so that those of us who remain will be able to make our contribution and those who have left may be attracted back. [Mr. Wilson: "Still building the stellings."] The stellings will be built if the Members on that side of the House can stop being less idealistic and more practical in their approach to running the Government.

No amount of idealism can help British Guiana today. You have to be practical; you have to be realistic and you have to face the problem as it is. I do not know if the Government realizes this, but it will be unable to collect 50 per cent of the revenue it envisages. I am beginning to suspect that it is the wilful intention of the Government to create confusion in order to carry out its designs. But it is well that the Government be told now that the eyes of the world are upon it, and whatever designs it may have to subjugate this country and take it from one type of imperialism to another will not be permitted to be carried out.

I know that what I have said is not pleasing to the ears of those who are still able to hear, but I am speaking as my conscience dictates and I know that I am voicing the sentiments of a good many responsible citizens in this country. It is easy for Members on the other side to say that it is their purpose to stop certain people from continuing to be

rich and affluent. But this is a country where, quite unlike some other countries, the opportunities for employment are not present. We saw only a few days ago that for 30 vacancies for domestics, there were over 1,000 applicants.

This is an indication of our present economic situation and if the Government is unaware of these conditions, then it is a Government that is not capable of running a country such as ours. I hope that what is said by Members on this side of the House will help the Government to appreciate how serious the situation is. Although it took so many months to present the first Budget of an elected Government, the people can give them another opportunity, without Kaldor, to come down to home truth and present a Budget that will create confidence and assist us on the road towards nationhood.

I am very worried over the future of this country. I am worried as a parent of a very large family, a family I was happy to produce because I felt that British Guiana was a place to live in and to die in. But now I see that even the strong supporters of the Government — supporters in Demerara and Berbice — who have contributed thousands of dollars to the coffers of the Government party are spending thousands more to send their families away at great sacrifice. Why? Is it because they are satisfied that the contribution they have made to the party is justified? Is it because they are satisfied— [Mr. Ram Karran: "Looting!"]—We had no looting in Berbice, and there will be no looting in Berbice because the Government in power has no influence in New Amsterdam. [Laughter.]

These are things which the Government must take seriously when their own supporters — affluent people, responsible people in the community — are running out of British Guiana. They started by sending their moneys out, as the Govern-

ment has admitted in its Budget statement. Now, they are going. You find people living near our Ministers leaving their homes to go to the United Kingdom, some of whom take six or seven children at a time. Why? Is it because they have faith and confidence in the Government? Is it because they have faith that an independent Guiana will be a safe place to live in? I say "No". [Mr. Wilson: "They are afraid of the broom."] I think, Your Honour, and I am satisfied, that the broom would not have done what the cup is doing.

10.10 p.m.

British Guiana is our home. We want Independence, but we do not want the type of Independence that will make us slaves. I think it was the Parliamentary Secretary to the Ministry of Natural Resources (Mr. Bowman) who said that we have lived too long easy and free, and that it is the purpose of this Government to enforce such discipline as exists in countries of the Eastern bloc. But I have spent too long a time as a Westerner, and no matter what the disadvantages have been in being in the Western Democracies, I will not swap it for all the nice things that the East has promised.

I think I have said enough, and I am saying now that the proposals put forward by the Minister of Finance in his first Budget Statement which he said was history-making, coming for the first time from an elected Member, are not a credit to any elected Government that has the welfare of the people at heart.

The Minister of Home Affairs (Mr. Rai): A perusal of the Budget Speech will, I think, disclose to any reasonable person that the Government in its proposals therein outlined is struggling manfully to solve the problems with which it is beset. It is true that there are many persons constituting the minority in this House and outside of this House,

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who are opposed to certain features in the Budget, but the policies which they fear are embedded therein. It is quite true to say that those persons, or some of them in any case, must realize that 17th century capitalism cannot solve the problems of this country.

My hon. Friend from New Amsterdam, the Deputy Speaker, says he does not wish a new form of slavery. Right here in this House we have persons who are advocating a vicious form of slavery, a severe form of slavery which will give to investors, under the guise of providing employment for people, the opportunity to secure for themselves enormous dividends. I have read in the Press recently where a certain beer company declared a dividend of 40 per cent. I take the view that where a man has invested his money, and where in this society he has taken some risk owing to factors of competition and some unknown factors, he is entitled to a fair return from the capital he has invested. But this does not mean that such persons are entitled to collect for themselves 40 per cent in dividends.

My friend said that this Government has embarked on a wrong policy in withdrawing tax holidays. This beer company is enjoying tax holidays. The object of the Government in granting tax holidays was, I take it, to enable the company to compete with foreign beer and to make a success of its venture, but not to exploit the consumers of this country, from whom 40 per cent dividends have been taken. So that we must be careful when we hear persons say they are opposed to the Budget, that tax holidays do not encourage monopolies, and that people who are saying that Government does not care for private enterprise do not themselves collect 40 per cent dividends from the ordinary man in this country who drinks beer.

Many Members, constituting the minorities, are saying that the Government must try to restore confidence in the country; that people are leaving the country and so forth *ad nauseam*. But some of those who are making these charges are the guilty parties in this respect. They are spreading fear. That is one of their psychological weapons — spreading fear in the community, fear of insecurity; sowing distrust and spreading racial animosities and tensions in the community. We are all agreed that for this Government, or any other Government, to successfully govern this country there must be substantial harmony among all the races who live here. (“Hear, hear”). There is no antipathy between the major race groups of this country, none whatever, and this is merely something artificial which is being created to keep the working-class people apart.

The hon. Member for Kitty (Mr. Joaquin) touched on a few points relating to the Department of Local Government and my responsibility for Local Government, and said that Government, in lending money to local authorities, used some years ago to charge only 4 per cent interest, but today it lends at commercial rates. The Central Government is rendering service to the local authorities, and it lends them money to enable them to execute works of a capital nature. Much of that money the Central Government has to borrow at commercial rates of interest, and does not make any profit in lending such money to local authorities.

The hon. Member also asked: why doesn't the Government pay rates? He also says that local authorities should pay rates. My friend knows that local authorities do not rate themselves, and as a member of a local authority and a member of the Local Government Board he should see to it that local authorities levy rates on their own properties in the villages. He utters the false analogy

that this Government does not pay rates while the Government in the United Kingdom pays rates, but many of the services in the rural areas and in local government areas are rendered by the Central Government which does not charge the local authorities for those services, as they do in the United Kingdom. As a matter of fact, to put it more correctly, many of the services performed by the Central Government in this country in respect of local authorities, are in the United Kingdom performed by local authorities, for example, educational services, health services and police services. So while it may be true that Government does not pay rates on its properties, it nevertheless subsidizes services in the form of police, education and health facilities. But Government is not unmindful of its position, because last year there was an *ad hoc* increase of 25 per cent to local authorities which were collecting administrative grants from the Central Government.

The hon. Member for Campbellville (Mr. Bissember) seems to be very fond, when he speaks in this House, of attacking me and the Ministry of Home Affairs, so far as my responsibility for Police and internal security is concerned. I do not think he should bring his professional grievances into this forum; he should take those grievances to the Courts, and should not attempt to make unfounded charges against the Police who are only there to serve the community irrespective of race. The Police are doing a very difficult job under difficult circumstances, and doing it to the best of their ability.
10.20 p.m.

I have said this publicly, and I am taking the opportunity in this House to say it again. Their task is not a very pleasant one; having to arrest someone, to search someone's premises, or to prosecute someone for the infringement of the law. We must view the task of the Police in that light. They are hired to serve the whole community and to

give protection within their ability. There have been many reports and complaints, for instance, about choke-and-rob. What is happening everyday in this City regarding choke-and-rob? Here, again, the Police have a very difficult job to do, and hon. Members on the opposite side of the House as well as the people in the community should assist the Police in performing a very difficult task.

I wish to say that there has not been and there will be no interference on my part or on my Ministry's part with the Police in respect of their duties. But the Minister, who is in charge of or responsible for security, public peace and order, has a very heavy duty to perform in relation to every person in the community. It is his duty to see that he is properly informed on matters coming under his portfolio, and that persons, so far as the Police are concerned, receive proper treatment at all times.

Some politicians are saying today—
[*Interruption.*]

Mr. Speaker: Hon. Members, let us carry on with expedition and dispatch, please.

Mr. Rai: Some politicians are saying that we should not have had the Emergency Order. I have not heard any arguments to show why the Emergency Order should be withdrawn, but I take it that they are saying that they cannot go about their lawful business without fear in their hearts. I have heard of "Double Delight" on the radio — X.M. Rum and Pepsi Cola. I saw another "Double Delight" on Friday, 16th February, 1962 — arson and looting were rampant in this country. The Emergency Order is not there to curtail the civil rights and liberties of persons in the community, but to protect the civil rights and liberties of persons in the community; to protect

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the lives and properties of peaceful citizens against whom some might otherwise commit aggression.

The Government has no interest in continuing the present state of Emergency brought into force consequent on the civil disturbance which took place on Friday, February 16, 1962, longer than is necessary consistent with its responsibility for safeguarding the security of the country and for maintaining public peace and order.

In keeping with this policy two companies of troops which had been flown in into British Guiana to help the Police in maintaining order have returned to the United Kingdom and all Her Majesty's ships have been relieved of duty in the country. The Proclamation relating to gatherings, meetings, assemblies and processions in a small defined area around the Public Buildings was not renewed after its expiry on the

14th March, while the B.G. Volunteer Force will soon be disembodied.

Despite the existence of Emergency Legislation there has been no curtailment on the right to hold meetings, public or private, or processions, and indeed meetings and processions continued to be held as before 16th February, 1962. The Legislation is intended to enable the Government to protect the civil rights and liberties, the lives and property of peaceful citizens against whom some might otherwise commit aggression.

The Government has the position under constant review and will remove the Emergency in part or altogether as the state of Public Order warrants, and appeals to all persons in the country to assist in bringing the Emergency to a speedy end.

ADJOURNMENT

Resolved "That this Assembly do now adjourn until 2 p.m. on Friday, 13th April, 1962." [Mr. B. H. Benn.]

Adjourned accordingly at 10.36 p.m.