

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

19th Sitting

Monday, 9th April, 1962.

LEGISLATIVE ASSEMBLY

The Assembly met at 2.30 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	<i>—Premier and Minister of Development and Planning (Member for Corentyne—East)</i>
The Honourable B. H. Benn	<i>—Minister of Natural Resources (Member for Demerara Coast—West)</i>
The Honourable Ram Karran	<i>—Minister of Works and Hydraulics (Member for Mahaica)</i>
The Honourable B. S. Rai	<i>—Minister of Home Affairs (Member for Demerara Coast—East)</i>
The Honourable R. Chandisingh	<i>—Minister of Labour, Health and Housing (Member for Lower Demerara River)</i>

- Dr. the Honourable** **Robb, Jr.** —*Minister of Finance (Member for Vreed-en-Hoop)*
- Dr. the Honourable** **W. Ramsahoye** —*Attorney-General (Member for Canals Polder)*
- The Honourable E. M. G. Wilson** —*Minister of Communications (Member for Boerasirie)*

Parliamentary Secretaries

- Mr. G. Bowman** —*Parliamentary Secretary to the Ministry of Natural Resources (Member for Corentyne—Central)*
- 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. Shakoore** —*(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. N. J. Bissember** —*(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. E. E. Melville** —*(Member for Rupununi)*

Mr. I. Crum Ewing—Clerk of the Legislature

Mr. E. V. Viapree—Assistant Clerk of the Legislature.

ABSENT :

Mr. E. F. Correia (Member for Mazaruni-Potaro)—On leave.

ANNOUNCEMENT BY THE
SPEAKER

LEAVE TO MEMBER

Mr. Speaker : Hon. Members, I wish to announce that leave for today has been granted to the hon. Member for Mazaruni-Potaro, Mr. Correia.

PRESENTATION OF PAPERS
AND REPORTS

The following Paper was laid:

The Minimum Wages (Laundry Employees) Order, 1962. (No. 28).
[The Minister of Labour, Health and Housing.]

STATEMENTS BY MINISTERS

PREMIER'S VISIT TO ISRAEL,
TANGANYIKA, ETC.

The Premier and Minister of Development and Planning (Dr. Jagan): I have a statement to lay on the Table.

Mr. Speaker: Hon. Members, the report of the Premier on his visit to Israel, Tanganyika, the United Kingdom and the United Nations has been printed and is now being circulated to Members. I therefore order that it be placed on the records.

STATEMENT

I made an official visit to Israel from December 3 to 7. During the course of my stay I had discussions with the President, the Deputy Prime Minister, the Deputy Minister of Defence and other Ministers and officials of the Government. Facilities for a full and interesting programme which included visits to agricultural co-operative and land settlement schemes were placed at my disposal by the Government of Israel. An integrated agricultural and industrial project in the Lachish area, a previously uninhabited region, was visited. This is an interesting experiment where new immigrants coming from over seventeen countries are being adjusted to a new way of life.

I also had the opportunity of visiting the Hebrew University and the Weizmann Research Institute. Interesting and informative discussions were also held with the Executive of the Histadrut, the Labour Federation.

The Government of Israel has offered to the Government of British Guiana technical assistance and scholarships for post-graduate and technical training. As a result of my visit, Dr. Arie Oron, Israeli Minister to Venezuela and Mr. Ben Ari, Land Settlement Co-ordinator recently visited British Guiana.

I attended as this country's representative the Tanganyika Independence Celebrations which lasted from 7th December to 12th December. There I had the opportunity of meeting and holding discussions with the Prime Minister and other Ministers of the Government. I had the pleasure of meeting for the first time His Royal Highness, the Duke of Edinburgh, who represented Her Majesty the Queen at the Independence Celebrations. Other personages whom I met included Jomo Kenyatta, Sir Milton Margi, Prime Minister of Sierre Leone, Joshua Nkomo, Dr. Hastings Banda, D. N. Pritt, Sir Grantley Adams who represented the W.I. Federation.

During the course of my stay in Tanganyika I paid a visit to the Kovikoni College. This is an interesting experiment in adult education. It was started a year ago. The first year's enrolment was about thirty-five students. These are drawn from various parts of the country and include activists from political parties, Trade Unions, co-operatives and local authorities. They attend the College for a one-year course in social and economic history, English and political science. Support for the College comes from Government and private sources.

In London I had a discussion with Mr. Maudling, Secretary of State for the Colonies. I succeeded in getting from him

[THE PREMIER]

neither a firm date for the Independence of British Guiana nor a firm date for the Conference on Independence. All he said was that the Conference was likely to be held early in the New Year. Not satisfied with this decision I approached the Fourth Committee of the General Assembly and was allowed to address it as a Petitioner.

As a result of my talks with the U.N. I was also able to finalize an application to the U.N.T.A.B. for technical assistance in the field of economic planning, statistics, oil exploration and industrialization.

PUBLIC BUSINESS

BILLS — SECOND READING

APPROPRIATION BILL

BUDGET DEBATE

Mr. Speaker: Hon. Members, before I invite the Assembly to resume the debate on the Motion for the Second Reading of the Appropriation Bill, I would like to call your attention to something which was brought to my own attention since our last sitting. That is, the hon. Minister of Finance drew to my attention two typographical errors in the statement which he was given permission to make on the last occasion on 3rd April. They are as follows: on page 2, paragraph 64 — insert the words “alcoholic beverages” between the words “non-alcoholic beverages,” and “tobacco” in the second line; on page 3, paragraphs 80 and 81 — substitute the figures “1961” for the figures “1962” in the third line. I have had those corrections cyclostyled, and they have been circulated to Members.

The second point I should like to bring to your attention is that since our last meeting, the hon. Member for George-

town Central (Mr. d’Aguiar) came to see me and, indeed, he did leave with me a letter in which he questioned the correctness of the ruling that I gave on the points of order which he himself had raised.

2.35 p.m.

After that I submitted the points raised by the hon. Member to the Attorney-General for legal advice. On the basis of that advice I shall ask the House to continue the debate on the Motion for the Second Reading of the Appropriation Bill, but I hope that perhaps tomorrow, or the day after, I shall be in a position to read to the House the letter from the hon. Member for Georgetown Central, so that it should form part of the records, and simultaneously I hope to be able to read my own views on the questions which have been raised, which I shall reduce to writing. With that assurance I now ask that the debate on the Motion for the Second Reading of the Bill intitled: “An Ordinance to appropriate the supplies granted in the current session of the Legislature” be now proceeded with.

Mr. Carter (Werk-en-Rust): It is my view, Mr. Speaker, that we in this country are passing through the darkest hour in the history of our country. We have known calamities of a political and economic nature in this country: we have survived them, but in those calamities we have always had what I may describe as a national spirit to withstand them. Today, however, we find this country in a state of division; we find the country torn by racial strife, by tensions of a nature and of a kind we have never experienced in British Guiana. We have been proud that we have been able to establish a party system in this country, but when one considers that today party alignments are based upon racial loyalties rather than upon the good works of leaders, I think that should be a source of great disappointment to every true Guianese.

Further, we find that there exists in this country a total lack of confidence in the Government of the day, and we have

evidence of this in various ways; first the exodus of Guianese from British Guiana. The Premier, at one of his Press Conferences, attributed the departure of Guianese from British Guiana to the fact that some were going on holiday, and that some were going to further their education. I am sure that the Premier cannot believe such a statement; it is a mere attempt to gloss over the feelings of people in the country today, the lack of confidence which they have in the Government and the future of this country; that our Immigration Department is being bombarded for passports, and people are resigning their jobs both with the Government and with private and commercial firms, and leaving the country for the West Indies, the United Kingdom and the United States of America.

2.40 p.m.

This, I submit, is evidence of the lack of confidence which the people have in the Government. Further evidence is to be found in the fact that there has been a run on the Government Savings Bank. There has been a flight of capital from this country. Some of the staunchest supporters of the Government have been in the forefront of persons who have been taking their capital out of British Guiana. This flight of capital from British Guiana, the run on the banks as well as the run on the Building Society — I am told there is also a run on insurance companies, and that people are either surrendering their life insurance policies, or borrowing to the hilt on their policies. All of these things indicate that, in this country today, people are doing their best to leave.

The Premier has said that he accepts full responsibility for everything. Certain persons, newspapers and hon. Members have tried to throw the blame for this state of affairs on his adviser or advisers. Of course, he has to take full responsibility. Who else can take responsibility for the dark days through which we are now passing? Together with this flight of capital and the exodus of persons from British Guiana, we find that the Government has

failed to attract any foreign aid either from people in foreign countries, or from foreign Governments.

I understand that the Premier visited the United States of America and had a conference with the President, Members of the Congress and the Senate. There was a televised broadcast in an effort to secure aid from the United States of America for this country. We have been told that a Mission would be coming to British Guiana, but up to now we have not seen any signs of a Mission coming to this country from the United States of America.

The Government, in its Budget Statement and in its manifesto at the last General Election, said that it was part of its policy to promote private investment. Again in this field we find that, rather than attracting private investment, Government's actions are scaring it away. Whether the investment is from a local or foreign source the Government is scaring it away. Members of the Government have spoken a great deal in this House as well as outside about aid from the Communist Bloc of countries, but up to now we see no aid whatsoever forthcoming from that avenue. We have a situation in which not only local persons, but people outside British Guiana are showing lack of confidence in the Government. Foreign Governments are also showing the same lack of confidence in the present Government. I lay this down as a premise, Mr. Speaker, because if the Government is going to carry out any development programme then, as it admits, there must be financial support from outside British Guiana.

2.45 p.m.

The Minister of Finance, in presenting his Budget on the 31st January, 1962, said in the second paragraph:

“No poor country like ours, however, can hope to lift itself up by its own bootstraps. It must seek help from external sources, mainly from the developed countries;”

[Dr. Jacob: “Read on.”] You want me to read on? Very well.

“but it must make sure that such aid is not used to create an economy which is slavishly complementary to, or merely an appendage of, that of the lending countries. We have to aim at the creation of an internally-balanced, diversified, self-sustaining economy.”

The latter part of the paragraph does not assist in any way in making the point or in detracting from the point which I am trying to make. That is, that this Government has not shown in any way since it has been the Government, in the present Legislature or in the past, that it has been able to attract capital to British Guiana.

Further, the Government has failed to capture the imagination and the energies of the Guianese people. It has failed to arouse a national Guianese spirit which is a prerequisite to the carrying out of any development programme in this country. In the first place, we have to get money. In the second place, we have to arouse the enthusiasm of Guianese in order to stimulate them to work on the development programme, if this development programme is to succeed. The will to succeed has gone from Guianese, and that is why I described the times in which we live as our darkest hour. And all this is happening on the eve of Independence.

Every other country — Ghana, Nigeria, Ceylon — has approached Independence with an air and feeling of confidence and hope. We, on the other hand, are entering Independence with fears and doubts about the future. As I have said before, these fears and doubts are shared by some of the most dedicated supporters of the Government. You will remember the last bond issue when Government tried to raise \$2 million. All we were able to raise locally was the sum of \$194,000 or some sum in that vicinity, and a substantial part of that amount was raised by one big company in this country.

We all know that many of the supporters of the Government are wealthy merchants, wealthy landowners, rice producers and peasant farmers — people who own a lot of property. This is known to us. This is known to the Government. So much so, that the Chairman of the People's Progressive Party, who is the Minister of Natural Resources, in a letter to his Group Secretaries on the 2nd January, 1962, castigated the Group Secretaries for not getting supporters of the Party to subscribe to this bond issue. So, there is full knowledge on the Government side that Guianese are not ready to participate, at least by putting money, in any Government scheme.

The fears that exist relate not only to material things. They relate to things like personal freedom. Guianese are afraid that with Independence there will be serious limitations upon their personal freedom. They are afraid that an attempt will be made to establish a dictatorship in this country, supported and backed up by a national army comprising Government supporters only. Those are fears which it is the business of the Government to remove if we are going to have any sort of progress in British Guiana.

Parents are afraid for the education of their children because they are aware of the ideology of the Government. They are afraid of brain-washing, and all the time Government takes measures which support that fear. For instance, we are to withdraw from the University College of the West Indies. What is to be put in place of that? We are told that we shall have a College of Liberal Arts and Sciences. One of the reasons given by the Minister of Education when he was in Jamaica for withdrawing from the University College of the West Indies was that graduates of the U.C.W.I. take no part in politics. They make only one exception to this rule, and I think those of us around the Table are aware of who that exception happens to be.

You will create a College of Liberal Arts and Sciences, but what about the other Faculties which the University caters for? We, in the Opposition, are very concerned about education because if we are going to carry out an economic programme, it means that we need personnel to carry out that programme. It means that we must have people equipped to do the new kind of skills which would be required for the development programme; and when we are going to withdraw from the University College of the West Indies and create a College of Liberal Arts and Sciences that will cater for only a limited number of Faculties, it means that we shall be the losers.

The Government is not clear in its mind yet whether this College is to be attached to the University College of the West Indies. There is some talk about the British Guiana College of Liberal Arts awarding degrees—degrees which will be recognized, I submit, only in British Guiana and nowhere else in the world. And when we know of the Government's plans for bringing secondary school teachers from Kerala and from places in the East — these things cannot be overstressed — then there is need for worry and anxiety among the people in British Guiana.

When the Minister of Finance presented his Budget on the 31st January, he described it as history-making. He was very prophetic, but it was history-making in a way that he did not anticipate. In the tradition of colonial Budgets, this Budget dealt a mortal blow to the working-class man. It was on this issue that we opposed it, although the Party in Government tried to say that the People's National Congress had aligned itself with Big Business and was protecting big business. I want it to be made very clear in this House and I want it to go on record that our opposition to the Budget was based upon the grievous blow which was struck the working-class man in this country. *[Interruption.]* "You cannot make, my Lord, I fear, a velvet purse of a sow's ear."

The working-class man responded in a way that made history. Government and commercial workers, manual and white collar workers, all staged a strike, the likes of which have never before been seen in the history of this country. I am told that the Ministers of the Government quaked with fear during that week and, cap in hand, the Premier implored the United Kingdom Government to send British troops to this country. I submit that there was no justification whatsoever for bringing troops to this country, and I hope that the Premier will take steps to remove the remnants of the troops at the earliest possible opportunity.

I see the Premier smiling. I do not know whether it is in agreement with me. *[The Premier: "I was only doing what you did in 1953."]* The Premier refers to 1953. This is a significant *volte-face* by the Premier. In 1953, when the troops were brought, the Premier was loud in his denunciation of the bringing of troops to this country. He had slogans like, "Limey go back", in reference to the troops. But this same Premier who spoke of "limeys" in 1953 was hiding behind the "limey" bayonet in 1962, and still calling for Independence.

However, I am sure that the Premier and his colleagues learnt a very salutary lesson from the events of February 16. They ought to have learnt that no one could ride roughshod over the interests of the working-class man in this country. In the circumstances of February 16, I submit that any decent Government that recognized and appreciated the conventions of the two-party democratic system would have resigned and gone to the polls on the basis of the Budget. But this Government took the coward's role and retracted by withdrawing most of its tax proposals.

We, on this side, recognize that there must be taxation and that taxation must fall on those who can best bear it. We want rapid economic development in this country, but we also realize that there is a limit to human sacrifice, and the price

[MR. CARTER]

of development cannot be the lowering of the living standards of the common man which are already very low.

3 p.m.

We know that it will be necessary, if the Development Programme is to get into its stride, for Government to seek help from outside. I have already referred to paragraph 2 of the Budget Statement of the 31st January with regard to this, but what steps has this Government taken to ensure external help? This Government from its actions and from its behaviour, and the behaviour of its top officers, has alienated the sympathy of the Western world. I have already made references to the visit of the Premier to the United States of America, but it is a very odd situation in which we find the Premier of this country going to the United States to seek financial and technical aid for this country, and yet find his wife in Cuba taking part in anti-U.S. demonstrations in that country going on side by side. The Premier makes an appeal to Canada for help and again his wife attends communist Peace Rallies in Canada. Now those things are inconsistent, and it is a very strange way of seeking help, sympathy and support. [A Member: "What is wrong about peace?"] Members of the Government on these trips openly associate with known communists, and the Government appoints as its representatives in various places known and dedicated communists. I want to know if this is how we are going to ensure foreign aid for this country when these things continue.

I think the time has come when this Government must appreciate the realities of the international situation. The Premier has described his foreign policy as one of neutrality. While we have no quarrel with such a policy, neutrality must mean neutrality; it cannot be neutrality in favour of the communist bloc, or in favour of the Western countries. It must be absolute and not limited neutrality, and

the Premier must remember that when he seeks aid from the President of the United States the President has to get the approval of Congress for any such aid, and if on international issues this Government takes only the side of the communist bloc countries and the United States are the "whipping boys" on every international issue, we are bound to meet with tremendous obstacles in the way of getting aid from the Western countries. If we are going to develop our country, if we are to get aid from outside, it means that we have to compete with the other emerging territories which are also seeking aid from outside. There is competition for the capital that is available for development in emerging countries, and when we behave in a certain way it means that we are withdrawing from that race and from that competition, and that is true about capital, both from the public sector and from the private sector. In paragraph 6 on page 2 of the Budget Statement the Minister of Finance says:

"...In our case, the expansion of the public sector will proceed in one additional direction—public enterprise will play a greater role in the production of goods and services."

This is a welcome and courageous statement, but it presupposes the availability of capital and personnel. Later in his Budget Statement the Minister of Finance said he proposed to invite private capital to join in this public enterprise. All this is very praiseworthy, but I submit it is just wishful thinking, because here we have the situation of people leaving the country and taking their money out of the country. We have Government's extension of Exchange Control to put an end to this flight of capital, and yet this Government, like an ostrich with its head in the sand, is speaking about private capital joining in Government ventures.

The second point of development is the question of personnel. One would have thought that if Government were going to undertake this tremendous Development Programme it would have had a

scheme of training to qualify persons to take over those new ventures which will be established by the Government, but up to now we are not aware of any such scheme. Possibly the Premier will explain this when he replies at a later stage, and tell us what he hopes to do in the way of personnel—whether he intends to import foreign personnel, and from where; what training he intends to give to local personnel, and how quickly he expects to give that training. All these are questions which are necessary to be answered. Countries do not merely develop by wishes and phantasies.

There must be a real practical programme for development. Up to now we do not know where the money is coming from; we are not clear what these programmes are; we are not clear where the personnel is to come from, especially as we know that in the Civil Service today efficient material is becoming very thin, and there are not enough competent persons to fill Civil Service posts, much more to secure persons to fill posts in the new public ventures which the Government intends to undertake. So that we are faced with this situation in a nutshell: there is great uncertainty about foreign aid; there is no investors' confidence, hence no money from private enterprise to establish private enterprises or to join with the Government in establishing public enterprises, and there is no personnel to carry out the Development Programme.

Mr. Speaker Time!

Mr. Kendall : I move that the hon. Member be allowed an extension of 15 minutes to continue his speech.

Mr. Blair seconded.

Question put, and agreed to.

Mr. Carter: I will not be very much longer, Mr. Speaker. Government has complained over and over again that the Opposition is over-critical, and that we show no sympathy, but how can we help people who are not willing to help themselves? The Opposition would like to

give all the assistance that is possible, but the Government must first show that it is willing to be assisted. We are willing to assist a truly socialist Government, but the point is whether this Government, which pretends to be a socialist Government, is truly a socialist Government, or is something else. One must remember that socialist principles must be applied to the realities of the situation in any particular country, and our Government must use the awareness and the sensitivities of the Guianese people and people abroad, if it is going to get the assistance which it will need for any Development Programme. Because, unless the Government can somehow stimulate the enthusiasm of Guianese, unless the Government can gain the sympathy of foreign countries it would seem that the proposed Development Programme will not even begin, much more to get into gear, and then we would have nothing to look forward to but economic and social disaster for this country.

That is why I say that we are passing through very dark days in this country, and I think even the Members of the Government, if they are honest with themselves, and if they review the situation of the last few months, will themselves confess and admit that these are very difficult times, and that these are very dark days.

Mr. Campbell (North West): It is my irksome duty today to register some severe criticisms of the Budget we are discussing. There is no confidence in the Government, so much so that thousands of people have left this country, and others are preparing to fly away. Our Premier has said that he wonders why these people are running away. I sometimes ask myself whether he is as simple as all that. People are running away and will continue to run away. It is not that I agree with their running away, for there is no man in British Guiana to chase me away from my native land.

[MR. CAMPBELL]

3.15 p.m.

At my age I will not carry my bones and lay them in a cold climate; I prefer to be buried on a lonesome trail in my native land. If the Government cannot understand why people are leaving this country of their birth. I will tell it why. It is due to the fact that the economy of the country is being menaced by this Government. Why? Because of the ideologies of the Members of this Government—Socialism, Marxism and all sorts of “isms” are doing the trick.

Sir, the “Kaldor Budget” has proved to all and sundry that it is a Marxist Budget, and that the Government intends to put certain things into practice. This is, of course, only the beginning and worse things will follow. In Socialist countries, in Eastern Europe or in the Eastern Bloc which this Government admires, sir, things are referred to as a wonderful economy, wonderful agriculture and so on. I do not want to travel to the stars; I would like to keep my feet planted on this earth. I do not admire the Russians or the Americans flying to the moon. Perhaps when I die my spirit will fly among the stars. [Laughter.] I would wait until then. I believe in that, but some Members in this House do not believe in God.

They talk about capitalism. Capitalists, like my hon. Friend on my right (Mr. d’Aguiar), have invented religion. Today the Socialist, Communist, Marxist and Leninist are going to make supermen, I am told. They tell us that when the last stage of communism is reached it will be a heaven and earth for everybody—everybody will be happy and satisfied; things will be so wonderful that every person will be able to work according to his likes, according to his beliefs and so on. They do not believe in the heaven the Christians believe in; they believe that heaven is on this earth. They can tell that to the marines. They cannot build a heaven on this earth in the next million years.

I am of the opinion that Fascism, Communism, Leninism and all other political “isms” are the same. Our people are afraid of Socialism, Communism, Marxism and Leninism. What we find in some parts of the Budget is an indication of things to come. We will have bloodshed in this country. That is why the people are flying away in order to save their skins. From time to time we bear the complain that we, on this side of the Table, offer destructive and not constructive criticism. I want to give the Government a bit of constructive criticism on the basic things that make this year not “Freedom Year” but “Fearful Year”. The people are filled with calculated fear, planned fear, and that is what the Government has been doing for the last 10 years. Government has been putting fear into the heads of the people.

I have heard the Premier and his Ministers announce over the radio, at the hustings as well as at Bourda Green, that one-fifth of the population of the world has two-thirds of the world’s wealth. How wicked, they say. The capitalists were able to get on because they have used the best methods of bringing about economic production in the light of the conditions which prevail under the Western democratic freedoms. [An hon. Member: “Exploitation.”]

After the recent General Election the Premier went on a money Mission. He contacted, I am told, the President of the United States of America and told him that British Guiana needed a portion of the \$20 billion which was provided for assisting underdeveloped countries. Instead of saying I will be very thankful if you help my country, the Premier said: Listen old boy, there must be no strings attached to the loan; just hand over the money and let me spend it as I please. I am superman, a super economist; I know how to spend money, so do not ask me anything about how I am going to spend it. The Premier used words to that effect.

Sir, \$20 billion has been provided to help the South American countries. Today the Americans are saying: We have been giving millions of dollars to countries all over the world year after year—to South America, Asia and so on—but we find that most of the money is being channelled through the hands of crooks and racketeers. From now onwards it will be necessary for people who desire loans to give us a cut-and-dried plan so that we can satisfy ourselves that the loan will be spent in such a manner as to help everybody in the country, whether it is Ecuador, Argentine or Brazil. The Americans feel that the money should be used in a manner that will help the people who are hungry and suffering. What is wrong with that? Any man with commonsense will be willing to submit a plan showing that he is prepared to spend the money to the best advantage of everybody. If I were in the place of the hon. Premier I would have said that. Of course, I will not be a Premier in the next million years. [*Laughter.*]

Sir, perhaps he does not want American money because the Americans are Imperialists and they believe in Colonialism. Therefore it has been decided to make it as hard as possible to get money from the United States of America, Canada and even England. The last Mission which visited this country was Lord Rootes' Mission. He said that we had great hopes for receiving financial aid, but up to now we have not received any money. Some Members of the Government want to go to the Eastern Bloc to get money without any strings attached. I feel that chains instead of strings will be attached to such loans.

I did not want to talk; they insisted that I should talk, and I will talk on this matter. With regard to the question of taxation, I know that it is necessary for us to have money to develop this country. Government wants to tax the people in British Guiana in order to develop the country; taxation of the people must provide the capital to develop our own

land. That is the argument used by the Members of this Government. I am not an economist; I have never studied the subject, but my commonsense tells me that capital to develop this country cannot be supplied by the hand-to-mouth people in British Guiana. There are a few rich ones here, but if Government squeezes the money out of them it still will not be sufficient to develop the country. It will take hundreds of millions of dollars to really develop this country.

3.30 p.m.

You cannot get adequate capital from the Guianese. You may get a tiny sum of \$5 million or \$6 million. But what is that? Can that develop the country? One project alone could absorb \$30 million or \$40 million. Can \$5 million or \$6 million develop the whole country? How stupid and silly that sounds to me!

I believe in taxation, but not this kind. I believe taxation should be imposed on a people, but it should be reasonable. Even if they grumbled a little, it is good for the country, and it is good for people to stand up to their responsibility as responsible citizens and pay taxes to develop this vast country. Can 500,000 poor Guianese supply all the millions that are necessary? I think taxes should be levied to service loans. Borrow from that \$20 million, and then fix your taxes so that you will be able to show that you are sincere in paying back the loan and interest as time goes on. And it is about time you got the loans if your friends were the Western people—those people whom the Government seems to dislike. It has a special love for the people of the Eastern bloc, and a special abhorrence for the Western capitalists.

Mind you, we cannot do without capital, without money, machinery and equipment. When I say "capital", I think it means cash, machinery and everything else. We cannot do without those things.

[MR. CAMPBELL]

Americans have all these things. I would say, change your approach. The approach is wrong; you can never get loans from the West with that kind of approach, unless you are just making a camouflage so as to go to the East; so as to make Guiana a Cuba. Where Communism comes in, starvation comes in. In Cuba, the people have to queue up for rations—three eggs for a month; three bits of fish for a month; a cake or two of soap for a month.

How would the Guianese feel queuing up to get the barest necessities? Queuing up in the sun and rain until the official gives them the necessary supply? Wherever the Marxist-Socialists have held sway, people starve. They have it in Red China, and I have met Chinese right here who got away only with their heels. That is the kind of thing that we are supposed to be hankering after. I do not agree that we should not pay reasonable taxes, but Kaldor's advice has blown the lid off on February 16. Now, it has been modified because of that, but we do not have confidence even in the revised Budget.

The Parliamentary Secretary to the Ministry of Natural Resources (Mr. Bowman): I want to comment mainly on the points raised by the hon. Member for Werk-en-Rust, but before I do so I want to make one or two remarks on some of the main points raised by the hon. Member for North West. I have no doubt that many of the points raised by him will be highlighted tomorrow in the mouth-piece of his party, the *Daily Chronicle*. Be that as it may, he has, indeed, mentioned one or two truths. I do not want to go back to what took place recently in our country, nor do I want to begin this afternoon by trying to lay blame at anybody's feet because the time will come when all this will be taken care of in the appropriate quarters.

There are two things which he said with which I agree very strongly. He said that in his opinion all "isms", whether

it is Marxism, Capitalism, Socialism, Fascism—but he conveniently forgot to mention dynamism—led to killing, destruction and bloodshed. As I have said before, it is not my purpose to lay the blame for what took place, but I distinctly remember that the leader of one party which supports one of these "isms" took a great part in the same thing that he condemns today. But as I said, this is something which will be taken up later on.

He said that there was calculated fear, planned fear. I agree with this. One has only to open the *Daily Chronicle* every day and one will see that, even at this stage when one would have thought that, ordinarily, any group of decent-minded persons would have desisted from this sort of thing, the same type of calculated mischief is being printed in that paper from day to day.

3.40 p.m.

What the hon. Member said about Cuba and Communists this afternoon I need not reply to, because it is the usual red herring which we read about every day. There is not one day that the Guianese public is not bombarded with this sort of thing in the newspapers. One has not to argue with them because there are two major blocs in the world today, and there are two groups of countries, the "haves" and the "have nots". Some say there is a battle going on for the loyalty of those people, but the harsh fact remains that the large majority of the people in the world are in our position, or worse off than we are, and in the final analysis the system which is able to provide the greatest good for the greatest number in the shortest possible time will win the loyalties of the uncommitted countries of the world. In the end this will be the outcome. So that when the hon. Member talks about Communism and Socialism, it is not something we should argue about, because time will tell which system can provide quickly the greatest needs of the

broad masses of the world, and will decide the issue, whether in British Guiana or outside.

Let me now refer to the speech made by the hon. Member for Werk-en-Rust (Mr. Carter) who started off by making the point that this country is now passing through its darkest period. This is something we do not intend to argue. The only thing is that he paints it as being the darkest rather than a dark period in the history of our country, and in doing so he subtly tries to lay the blame in the usual manner at the feet of the People's Progressive Party. Well, I suppose that is the function of the Opposition, and it is his right. He went on to say that the country is torn by racial strife. I am glad he has made that observation, because there is some truth in it, and there is some truth also when I say that this hon. Member has certainly done his bit, if not to bring this about, to fan the flames. We all know and remember vividly the speeches made by various members of his party during the election campaign. We know of the open stand they took, and we are all quite cognizant of the fact that their party today has not the slightest semblance of a multi-racial party. So that we can rightaway point our finger in the right direction. But I am glad he made that observation because it is a good sign when we see that in the upper bracket of that party people are beginning to have second thoughts. This is good, and I hope this trend will continue for the future benefit of the country.

The hon. Member went on to say there was a total lack of confidence in the Government and the future of this country, and to emphasize this point he gave the following example. He said that so many persons were endeavouring to leave the country that the Passport Office was bombarded with so many requests for passports. No one can argue about that, but in the same breath the hon. Member says that the Government is responsible for this. This is not the only country from

which people are migrating. Large numbers of people are leaving the West Indies and going to the United Kingdom. I do not know what numbers are leaving this country for the West Indies, but I do know that very many more persons are leaving the West Indies for the United Kingdom than those leaving British Guiana for the United Kingdom. That is the trend in the world today, and I have no doubt that because of developments in the United Kingdom this rush to the United Kingdom will boil down to a mere trickle.

We all know what is going to take place in the very near future. Every country in the world today which is about to achieve Independence, reaches a turning point in its history. There is naturally a certain amount of apprehension among the people, a certain amount of anxiety, especially in a country with a polyglot population like ours, but to add more to it is making the situation worse. We have in our midst people who are prepared to exploit these fears, and this is what is wrong in our country today. There is all this talk about racialism. I have no doubt that it has existed for a long time. We have people of various groups and organizations set up for the purpose of perpetuating this sort of talk. We have always spoken against this and made repeated pleas for unity in this country. but every time we have come forward we have been turned down by the same people who talk about the need for unity, political and otherwise.

To come here and say that the P.P.P. is responsible for this; that there is racial strife in the country and because of this the P.P.P. Government should have resigned, is to distort the facts and try to mislead this House. It is my considered opinion that all this racialism in the country today is being encouraged to a great degree by people who are seeking to profit by it. One has only to go along the streets at night, particularly at weekends, into the bars and restaurants and

[MR. BOWMAN]

see how much racialism there really is in the country today. There you will see Guianese, irrespective of race, colour or creed, mixing together and having a nice time at work and elsewhere, and one comes inevitably to the conclusion that this racialism is only skin deep. But because we have people in our midst who, in order to get a place in the political limelight, are deliberately going about fanning the flames, we have a Member coming here today and saying that the country is torn by racial strife. Perhaps that is the impression some people want to create abroad for their own purposes. Many of those persons have been in politics for a long time and had a certain line. They have not achieved that line but their ideas have not changed. That is why every now and then we find their real nature being reflected in their speeches.

3.50 p.m.

The hon. Member said that Government has failed to attract foreign capital. This point was also made by the hon. Member for North West. I want to advise certain Members that, unless they understand the mechanics of this matter, it is not a good thing to talk glibly about a Government — particularly a Government in an underdeveloped country — failing to attract foreign capital. This is a highly technical matter and things are not always what they seem to be at first glance.

Today one hears about organizations like the European Common Market. Those of us who follow things closely know that there is a rush for investment in Europe today. We also know the reason for this. It is quite easy to say that, because of a Communist-oriented Government, no one wishes to invest money in this country. When one looks carefully around the world today one finds that it is not merely a question of people wanting to invest money in underdeveloped countries, but they want to invest money in

countries with a reasonably large population and market. The country must be in a position to absorb the consumer items and gadgets it produces. Therefore, wherever one finds a large population in Europe with a reasonably high standard of living, it will be easier to get people to go there and invest their money in the hope of selling the things produced and making big profits than to come to countries such as ours. Today cheap labour is not the only matter to be taken into consideration so far as attracting foreign capital is concerned. There are several other important considerations to be dealt with.

One has to understand the mechanics of this matter in order to be able to follow things carefully, before coming to this Assembly and saying that because of the orientation of this Government money will not be invested in this country. To such people I address this question: In the days prior to the advent of the P.P.P., why was not large sums of money invested in this country? Many reasons can be advanced for this, and we know the real reason. Therefore to say that we must change our policy and go hat in hand to the United States; get on our knees and repent and, having done that, we will receive money is to take a one-sided view of things. The persons who advocate this line of approach want to disarm us morally, but we will never do that.

The hon. Member also referred to the flight of capital from this country and the reluctance of foreign capitalists to invest money in British Guiana. How can one expect us to imbue confidence in would-be investors when, right here in our midst, there are influential persons who made it their duty, before and after the election campaign, to deliberately advise them to leave the country? The time will come when we will be in a position to point our fingers directly at many highly-placed persons in this country who, during and after the election campaign, have tried to encourage persons to leave this country instead of investing money here. How can one, fairly, accuse the Govern-

ment of having a policy which is frightening away investors, when people are indulging in back-stabbing? Anyway, time and history will tell.

We now have the case of persons in this country who are being told outright over the telephone and otherwise: We know you want to invest money here, but we are going to get you out. That complaint was made to me a couple of days ago. That sort of thing is done in order to frighten away capital from this country, so that some hon. Members can say in this Assembly that it is Government's fault that capital is not coming here.

What we are experiencing in this country is similar to what the Labour Government experienced in England during its first term of office. It was squeezed financially and otherwise. This is something calculated, and I agree with the hon. Member for North West when he said that there was calculated or planned fear. We know from which quarter it comes, but it will not succeed because the majority of Guianese cannot be fooled. The P.P.P. will always be present to debunk and expose them at all times.

The hon. Member for Werk-en-Rust said that we want economic development, but he laments that the price of development will mean a lowering of the living standards of the people.— [Mr. Carter: "The working class."]—I agree with him when he interjects to remind me of the working class. At one time we were told that certain people were demonstrating in the interest of the working class because the people were being oppressed, and as a working-class party it was their democratic right to stand up for their rights. I wonder who the hon. Member represents.

This Government is a working-class Government, and it has taken certain steps to remove the burdens from the backs of the working class. But after the so-called representatives of the working class went on the streets hand in hand with the capitalists — the real persons on whom

the proposals in the Budget would fall — the Government had to reconsider the matter and make certain modifications. I am wondering which party would have been leading the people, if the situation had been allowed to deteriorate further. I suspect that, after the situation started to deteriorate and assume such proportions, it was decided that something should be done to obviate the possibility of leadership changing hands. Some time ago I said in this Chamber that when a party neglects to educate the people, then any demagogue can come and lead them. I observe that, day by day the influence of a certain party is waning, whereas the influence in another party is waxing warm.

Reverting to the remarks made by the hon. Member for Werk-en-Rust regarding the lowering of living standards as a result of the price to be paid for development, I would say that it is an academic argument. First of all, unfortunately for us, our country can be placed among countries in the underdeveloped category. This means that we can develop in two ways only. First, we must endeavour to raise ourselves by our own bootstraps or, like other underdeveloped countries and aspiring territories, look forward to disinterested aid from other developed countries.

Mr. Speaker: Hon. Members, it is four o'clock, and I am suspending this sitting for tea. The sitting is suspended for half an hour.

4.30 p.m.

On resumption —

Mr. Bowman: When we adjourned briefly, I was referring to the point made by the hon. Member for Werk-en-Rust that we want rapid economic development. He went on further to make the point that the price of such development must not be the lowering of the living standards of the people. I made the point that this country, like other underdeveloped countries, can only be developed in two ways. Either, we try to lift our-

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selves up by our own bootstraps, or we look towards the more developed, towards the metropolitan countries, for disinterested aid.

We, in this country, are aspiring to complete sovereignty and self-rule, although some in our midst do not agree with this. It seems to me that the right thing for us to do, therefore, is to show would-be investors, mainly from those countries to which I have just referred, that we, in this country, intend to try to help ourselves because you will hardly find persons or Governments willing to help people who do not show any inclination to help themselves. So that when they unfairly criticize the measures taken in the Budget, they must remember this point: that if we want to borrow money or to be in a position to ask people to help us, then we must in turn show that we are willing to help ourselves.

But, further, let us consider this point. I remember clearly that during the election campaign the question of money for the development of the country was very much in the air; the question of amount also was very much in the air. One party said that we needed \$100,000 million. The other Party said that they did not dispute this, but that this sum was an impossible sum to acquire as one.

4.45 p.m.

But I remember clearly that the party, of which the hon. Member for Werken-Rust is a member, strongly advanced the point that money for the development of the country can be found here in this country. This was the point which was bandied about throughout the country; it was one of the main planks in his party's campaign, that the question of wanting foreign aid was so much eyewash; that the money for development was right here. I ask, in all fairness, whether that is not exactly what Government set out to do, to raise part of the money right here?

So I want the representatives of that party to understand that we are merely trying to put into action some of the points advanced by them during their campaign, because we feel, like the true socialists we are, that our people must assist themselves if they want to be assisted. If they want to go back on their policy that is a matter for them, but we feel that it would be unfair to any would-be investor, to any nation or group of nations who may be sympathetically disposed towards us and would like to assist us, for us to ask them to invest large sums of money in this country without first showing that we are willing to raise locally part of the money we need. We have to bear in mind at all times that, unlike the islands of the West Indies, this country is a part of the mainland of South America and is beset by tremendous problems which have to be tackled in a big way. We have to bear in mind that this country can only be developed on the basis of heavy capital investment, and high technical skill, something which we are unable to provide, so that the main part of the funds for development must come from external sources, and if we ask other people to invest their money in our development we must, like men, show them that we intend to help ourselves at least half the way.

For a country such as this to be developed, the first thing which is necessary is a desire for development emanating from the people themselves. I do not refer merely to the man in the street who daily has to face the realities of unemployment and under-employment, and all the other exigencies of a poverty-stricken life. I mean also the people at the top who must show a strong will before development can take place — a willingness to make sacrifices. If this is lacking our country can never move forward. There are people in our midst who feel that merely to shout that development is needed is all that is required, and that development will fall suddenly from the skies. But that is not going to take place in our country because these are not the times for such

miracles. I feel that a more realistic approach is necessary. Whether they belong to one political party or another our people should begin to realize that what the Government is trying to do is being done with a sincere desire to rouse the people to begin to make the necessary sacrifices for the upliftment of themselves and their country.

Unfortunately, because of the fact that for a long time our country has been in a bad state, and many of our people are oppressed economically and are very anxious for relief, and not seeing relief coming to them, they have been led to believe that the measures taken by the Government in the Budget were designed to oppress them further. The fact that the working-class movement was rent asunder in 1955, the fact that the political party which controls the urban proletariat has since neglected to provide political education for its people, it was quite easy for those who otherwise would have been rejected not only to creep back upon the political stage but to dominate it more or less. That is the sorry picture in which we find ourselves today.

Mr. Speaker: Time!

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

Question put, and agreed to.

Mr. Bowman: That is the sorry picture in which the country is cast today, in that parties and persons who otherwise would have been utterly rejected if the right brand of political education had been continued among the masses in the City and elsewhere, have today found themselves in very dominant positions. Of course the argument will be advanced later on that the People's Progressive Party was responsible for the victory of a certain party at the last election in two City constituencies, but in this matter our conscience is quite clear. We had made it

quite clear from the outset that we were contesting the elections on a scientific basis, and I remember people highly placed in the other political party shaking a defiant finger at the other parties and claiming that the City was theirs by transport. So that is not a point to argue about, for if the enemy, using better arms, were able to throw down the gate it is not our fault. We have shown that in our fortress we had what was required for victory.

This is the point I am trying to make — that it is wrong to say that capital is going on a helter skelter flight from British Guiana because of the P.P.P. Government. That point, if not examined critically, might appear to be very valid, but there are many factors to be taken into consideration. We have often said that Members of the Opposition are too critical and unwilling to co-operate, and that their criticisms are often not constructive. We have good reason for saying that, and there is much truth in it. We all know that for a long time the People's Progressive Party has seen the need for unity, particularly of the two major political parties in the country. We have lamented from time to time the fact that the working-class movement today is split in two, and I have said over and over that a very unique situation exists at the moment, in that we have two working-class parties, or two parties having a large measure of support of working-class people, opposing each other. Apart from this my party's executive has made repeated appeals for unity, but our plea has fallen on deaf ears.

On this question of co-operation, after the election, apart from the sham congratulatory statement by the other major party, there never appeared any statement in the Press to the effect that they had fought and lost; the People's Progressive Party was in power and they were going to co-operate. There was no such statement. Instead the P.N.C. brought a series

[MR. BOWMAN]

of election petitions, and right up to the present sessions there is this atmosphere of non-co-operation. So that when the hon. Member comes here and says that his party has always been willing to co-operate but that we say they are always criticizing us, the facts do not bear that out. They have never shown any real spirit of co-operation. Now and then, if a measure is brought before the House which is designed to serve the best interests of the people as a whole, it would be difficult for them to oppose it. If they call that co-operation well it is so, but they have never shown any real desire to co-operate with this Government. I hope that what I have said will not fall on deaf ears, and in future there will be an effort on their part to co-operate with this Government.

5 p.m.

Let me say, seriously, in conclusion that there is a tendency in this country today for people to say: Look here, the Members of the Government presented a Budget and we were able to make them withdraw it. They may be priding themselves on that victory at the moment, in order to whip up opposition against us in the light of what has taken place in this country recently. In my opinion that is not a victory for anyone. It is a sad thing for British Guiana in that it has shown that we are unwilling to help ourselves — unwilling to try and lift ourselves up by our own efforts, and we have shown that we are not brave people.

Sir, only a few weeks after our Budget was ridiculed and there was a disturbance in this country as a result of the measures adopted by politicians — measures designed to hinder rather than assist progress in this country — we have seen a Budget along similar lines presented in Trinidad. Of course, that is a matter of opinion. [An hon. Member: "No compulsory savings!"]—The Government of Trinidad has decided to raise a

certain amount of money for the purpose of developing the country. I am looking forward very eagerly to hear the results of the Trinidad Budget. I think that some of these people, who claim that ours was a harsh one, should look around and see for themselves that some of the items which were taxed by us are also included in the Trinidad Government's tax proposals.

However, this is British Guiana a country in which almost anything is possible. I say that because I feel this is the only country in which people enjoy such a large measure of freedom. [*Laughter.*] The measure we enjoy in this country with regard to speaking is so wide that people can do almost as they please.— [Mr. Burnham: "You think it is wide!"] —It is said that freedom stops where the other man's nose begins, but in this country it goes further than that. Recent events have proven this. I know that further action is behind it, but quick, powerful reaction will soon take place and the people in this country will certainly know who have been acting in their best interests.

There have been people in this country before who have been idolized and whose faults the people found out after a time. Today we can see some of them humiliated and so on. But if I know Guianese well, I am sure that the time is not far distant when they will begin to see that, as in so many other cases, the P.P.P. is right.

Mr. Jordan. (Upper Demerara River): Mr. Speaker, at a very early stage in the life of this Assembly when this Government presented its Policy Statement in the Governor's Speech it said, and I quote from its Monetary and Fiscal Policies these words:

"All these developments will require the stimulus and support of appropriate monetary and fiscal policies. The Government proposes to examine, with expert help, the possibility of regulating the sup-

ply of money in the public interest by means of a Central Bank and appropriate fiscal measures that will, while helping to secure a more equitable distribution of income among the people of this country, provide the national exchequer with additional funds for the public welfare."

That is where this Government ended. What does it mean by its Monetary and Fiscal Policies? When I read it at the time, I thought that it was rather vague.

It is reported at Column 116 of the *Hansard* of the 18th October, 1961, that I said, and in the light of what has happened since, it almost seems prophetic:

"All through this Speech, very relevant material facts that should be brought to the knowledge of this Assembly and to the knowledge of the inhabitants of this Colony, have been skimmed over and we have been left, perhaps, to grope in the dark."

I also said in reference to the word "appropriate" which the Government has been using so often:

"Even if "appropriate" were a colour like blue, we need to know whether it was sky blue or navy blue. But this Government shrouds its real intention and we are left to grope."

We groped from then until the 31st January, and we learnt how very appropriate Government's measures were. We saw what sort of an expert the Government brought to this country — an expert who, no doubt, is an excellent theorist. But economics requires something more than theory, and when he tried to put into practice what he tells his students — perhaps he did a little better because he warned this Government that what is very good in theory is often very bad in practice. This Government wanted to prove that, despite the fact that it had the experience of what had taken place in India and Ghana.

The Members of this Government come here and tell us that they are always anxious to see things done here as are done in Ghana and other places. Even

after their expert, Mr. Kaldor, told them what they would have to expect, they still wanted to prove it. To go closer into the details of what this Government has proposed regarding the various taxes, it has, so far as income tax is concerned, deemed it fit and appropriate to reduce the personal allowance from \$900 to \$700 at first, and now to \$800 for a single individual. Only today I learnt that, while this Government is reducing the personal allowance to \$800, it is going to ask this House to vote \$900 for a dog. This matter will come up for discussion later on. \$800 for a man, and \$900 for a dog! That is what this Government is asking the people in this country to stand for. A man must live on \$800, but a police dog must get \$900! [Laughter.]

Mr. Benn : On a point of order, sir. I would like to correct this misrepresentation by the hon. Member.

Mr. Speaker : If it is a point of correction, you may proceed.

Mr. Benn : The point is that \$800 is not the amount that a man is supposed to live on; it is the personal exemption from income tax.

Mr. Speaker: That is not a point of order.

Mr. Jordan: That is not a point of order, and I hope the hon. Minister will learn something about the procedure in this House. The hon. Minister does not know what is a point of order. At a time like this, this Government which calls itself a working-class Government is trying to show that it can ride on the backs of people who work for a little more than \$60 or \$70 per month. It goes further and restricts dependent relatives to 4 persons. Let us look at this matter in ordinary terms as we understand it. A working man who has a family—a mother, a father, a wife, her mother and her father, very often an old aunt or old grandmother or grandfather — is now allowed

[MR. JORDAN]

no income tax exemption for these relatives, and the whole burden may soon be thrown on the Government by way of having to accommodate old people in The Palms. Since the Government is given assistance in this matter, I fail to see why any reasonable Government should not allow an income-tax exemption for all *bona fide* dependents. I hope that this Government will note what I have said, and will say why this number has been restricted to 4 persons only.

Regarding the capital gains tax, this Government goes on to say at page 23, para. 81:

"The capital gain will be defined as the excess of the value of the property at the time of disposal over its value at the time of acquisition, or at January 1, 1945, whichever is the later date."

There is no doubt that very often a lot of people make money on certain transactions, but in some cases capital gains are really revenue gains. The Government must bear in mind those people who are trading in real estate, and see to it that they make up their income tax returns as such. But the Government is trying to create an unnecessary hardship on some people. A man who owns a property may buy a second one, and for one reason or another after a period of three years the value improves and he sells the second property and makes a profit. This Government is now saying that the difference between what he paid for the house and what he sold it for should be added to his income for that year, and he should be taxed accordingly. That can hardly be fair. Wherever a capital gains tax occurs, it is always on a flat rate and never added to the income of an individual for a particular year. If this is going to be so, it will be manifestly unfair, because Government will be taking advantage of poor people.

5.15 p.m.

The capital gains tax may very well be in order. [*Interruption.*] If I am casting pearls to swine, they should keep

quiet. But I will say this. In countries where people trade in stocks from time to time and those stocks, over short periods of time, accrue into much more than has been invested, one can seriously think of a capital gains tax. And even in those countries, this is always a flat percentage tax and is never added to the person's income or the individual's income for the year concerned. This Government is always anxious to tell us "as is done here and as is done there". I hope it will tell us where else this is done.

Now, to come to this compulsory savings business. The Government says in paragraph 90, page 27, of the original Budget:

"In order to increase the flow of resources for developmental purposes, it is proposed to introduce a scheme of compulsory savings such as already exists in some Latin American countries (e.g. Brazil) and which has recently been introduced in Ghana. Even without the destimulating effect on the economy caused by the capital flight, a savings scheme such as the one to be outlined is highly desirable."

I have been looking around to see where else I can find something similar to this detestable scheme. I have been unable to prove that it does exist in Brazil, but we all know the kind of reception it got in Ghana. Although this Government likes to talk about Fascism and Fascists, I find that the first man who introduced a scheme very similar to this was a Fascist. He was no other than Benito Mussolini who, when he wanted to support his war in Abyssinia in 1934 and 1935, decided it was a good thing to compel people not only to give all their savings but to hand over their jewellery; and he took the women's wedding rings and gave them iron rings.

Perhaps, this Government may consider doing the same, but if this Government wants to know if it is dictatorial, that is a dictatorial measure because that is not a tax; that is confiscation. If people are saving for the good of this coun-

try, such a scheme must be voluntary. If people are free in a country, they must be free, not as the Parliamentary Secretary to the Ministry of Natural Resources thinks that people are too free in this country. Let him understand that people are not free enough, and the freedom that we have we will maintain. [**Hon. Members:** "Hear, hear!"] When a Government seeks to say that it is going to take 5 per cent out of somebody's salary, whether the salary is \$100 or \$300, the principle is bad. If it is \$1,000, the principle is bad, and if we sit down here and let these hon. Gentlemen — [*Laughter in the Public Gallery.*]

Mr. Speaker: The persons in the Public Gallery must understand that they cannot laugh or make noise during the debate.

Mr. Jordan: If we let them do this, posterity in this country will view us with grave dissatisfaction.

The Government says 5 per cent this year, but what is to prevent its saying 10 per cent next year? What is to prevent its saying 25 per cent the next year? What is to prevent its saying \$100 or \$50 will be allowed? And what is worse about this whole business of the compulsory savings scheme is that the Government itself does not seem clearly to understand what it wants.

In the first place, the hon. Minister of Finance, in paragraph 91 of the Budget Speech, said:

"Similar to the Ghana scheme, the one I propose will be administered in close relationship with the administration of income tax. Contributions will be deducted weekly or monthly (as the case may be) from the wages and salary of employees along with the Pay-As-You-Earn deductions; and from all others (the self-employed, business partnerships and companies), they will be assessed and collected in the same manner as income tax."

As soon as you begin to associate a savings plan with income tax, anybody with any sense at all — I do not care how

acid it sounds; I do not care what sour note it is, it is a fact — sensible people will begin to say that the ultimate end of Government's grabbing hold of this 5 per cent, or whatever percentage it is, is to confiscate it.

When the Minister goes on to speak further, he puts his foot into it. In his revised Budget, he says, on page 4, that the scope and form of the savings scheme will be revised. Yes, it will be revised. He says:

"As a national development savings scheme it will be levied on the income before tax of companies at the rate of 10%; and on the income of individuals in excess of \$3,600 per annum—salary or wage income at 5% and other income at 10%, the income of the self-employed in excess of \$5,000 per annum to be regarded as falling in the higher rate category."

What do we find here? As soon as the Government gets ready to start its national savings scheme, it starts out with discrimination—plain, rank discrimination. The man on whom you can put your hand, who gets his cheque or his salary at the end of every month, where you can rest assured that you will collect, you tie down to \$300. But the man who is planting rice, where you do not know how much he is going to reap; you do not know how many bags he will "duck", you allow \$5,000.

If this is going to be fair—and there is no fairness here—the first thing is that it must be voluntary, and if it is not voluntary it is no good. If it is voluntary, it must be clear that whether you are self-employed or if you are employed by somebody else the same amount must come to bear for this deduction, for this tax. Government must understand that even its mentor, Mr. Khrushchev in Russia, has not yet started a compulsory savings scheme, and I would like to know if it is trying to out-Khrushchev Mr. Khrushchev. Government must understand that though this thing is good for Ghana — I understand it was rejected in India — we here in Guiana are not like the people in Ghana, even though we may look so.

[MR. JORDAN]

This compulsory savings scheme smells of dictatorship and because, as I have said before, this type of thing was first started by a dictator, and a Fascist dictator at that, this Government ought to be ashamed to bring it here in this country. On page 4, paragraphs 90 to 98 of the revised Budget, it is stated.

"The savings bonds (to be issued as at the end of each calendar year in respect of the total contributions made in the year) will bear interest at 4% . . ."

The first thing that is very bad about it is that although it will be a compulsory saving, the individuals concerned will, at no time, be able to use it as collateral security because it will not be transferable. Therefore, nobody will want something as collateral security that is not transferable.

What kind of a saving is that? If a man has an insurance policy; if he has shares in a company, it is a saving and is good collateral security. But this kind of thing, these bonds that Government plans issuing, if they are not transferable, no one will want them as collateral security. Therefore, they will hardly be worth the paper they are written on, because it is the subtle intention of Government to get out of this business and never repay the money once it gets its hands on it.

If the Government is honest, it will make the scheme voluntary, and if people like me or people who support my party will not support the scheme, then the people who support the party of the Government should be the first to join the voluntary scheme for the good of Guiana. But the Government knows very well that not one red cent of its best supporters' money will it get, and it is going so far as to take steps to avoid stepping on the corns of its best supporters. Because it knows how many of them are self-employed, it puts a fence around them—not \$3,600 for them, but \$5,000.

It says:

"The bonds cannot be encashed before maturity except on emigration, retirement from employment for more than six months, (in which case half the value of a bond may be encashed at six-monthly intervals as long as the unemployment subsists), or at death."

There is so much that is vague in that. Take emigration. Somebody says, "I am leaving British Guiana." He goes and draws all the money and goes away for six months. What does the Government propose to do about that?

The first reason why this Government should make no such introduction into this country is this: at a time when people who have voluntarily put their money into the Post Office Savings Bank are drawing it off — and despite all the protestations of Government Ministers that this is not so, we know that people are drawing their money off the Post Office Savings Bank — is not Government using force to try to get its hands on money that it could not get voluntarily? Is that democracy or is it a mild form of dictatorship? This compulsory savings scheme is nothing short of dictatorship. If any employer had dared to do a thing like that, this Government would go crazy, but yet it sets out to do the same thing.

I hope this Government will see the sense of withdrawing this measure, or, at least, if it has faith in its supporters if not in anybody else's supporters, just make it voluntary, not compulsory. If the Premier wants to know if he is a dictator, let him be told that the first man who introduced a system like that was Mussolini. He is following closely in his footsteps and I would hope that he does not continue.

5.30 p.m.

The Minister of Finance says in his Budget Statement:

"Expenditure on advertising will only be allowed as business expense in so far as it relates to the sale of such goods

and services which produce income... and not to general or "prestige" advertising..."

I want to know, and I feel this House is entitled to know, what the Minister means by "prestige" advertising. Is the interpretation of that going to be passed on to the Commissioner of Inland Revenue in cast iron terms? Anybody who has been following the activities of this Government can readily understand that when in the first instance it said it would allow advertising to a limit of one quarter of one per cent. and subsequently backed down and increased it to 75 per cent., there was plenty more in the mortar than the pestle.

What did Government intend when it decided to restrict advertising to a quarter of one per cent.? I am not concerned with the change to 75 per cent.; it is the original intention that I am concerned about. What would happen if advertising was restricted to one quarter of one per cent.? The first thing is that newspapers would go out of business, reporters and printers would be sent on the road, and advertising agents would have to close their business. The radio stations would have to be fully Government controlled, because we all know, and every schoolboy knows, that radio stations and newspapers exist through advertisements. Let Government tell us what was its original intention to tax advertising. The only conclusion a thinking person can arrive at is that the intention was sinister, and that Government was stupid in introducing such a tax at this time and showing its cloven hoof.

As regards entertainment expenditure the Minister of Finance says:

"Entertainment expenditure will be explicitly disallowed by adding to Section 14 of the Ordinance."

Imagine Government telling us that, while allowing the hon. the Premier an entertainment allowance of \$200 per month tax free! I am reminded that he also enjoys a free house. Is it not discrimination that

the Premier should be given an entertainment allowance of \$200 tax free while businessmen are to be denied a similar concession? Businessmen know how important it is to spend a dollar in entertainment in order to make a dollar, but Government does not understand that, or is just plain spiteful. After saying things like that this Government is presumptuous enough to tell us that the Premier must get an entertainment allowance of \$200 per month tax free. I am wondering whether the Minister of Finance has not found it necessary to introduce a similar provision for himself.

On page 18 of the Budget Statement there is talk about the extension of Exchange Control.

Mr. Speaker: Time!

Mr. Bissember: I beg to move that the hon. Member be allowed an extension of 15 minutes to continue his speech.

Mr. Joaquim seconded.

Question put, and agreed to.

Mr. Jordan: On the matter of Exchange Control the Minister of Finance states in paragraph 58 of his Budget Statement:

"58. The extension of Exchange Control to cover sterling area countries has been forced on the Government because of this outward movement of capital. Our international reserves have fallen by some \$15mn. in the last two years. This form of control is not unique to British Guiana; nor is it the prelude to anything "sinister," as enemies of the Government would have the people believe...."

Since I was a little boy my father used to tell me that he who excused himself accused himself. Paragraph 58 goes on to state:

"Indeed, such controls exist in countries of the Western Hemisphere, as well as in Australia, New Zealand, India, Ceylon and Ghana. Only last week the British Colonial Secretary, while in Trinidad, was reported to have supported the Government's exchange-control policy. Mr. Reginald Maudling said:

[MR. JORDAN]

"Exchange controls are disliked by investors. But they are necessary things. Every country must have the right to control its finances by laws if necessary."

Cripples looking for a crutch! Exchange Controls are the right of any Government, but when a Government finds itself having to take such steps, that Government is a cripple and is using exchange control as a crutch. A healthy Government does not need to control money. People would be anxious to bring money into the country, and even if they were not, the people in the country who have money would at least let it remain in the Post Office Savings Bank. We all know that there was a time when the Post Office Department advertised to find out whether people who had money in the Savings Bank were still alive. That time has passed with the coming into power of the P.P.P. In paragraph 99 of the Budget Statement the Minister of Finance refers to the setting up of a central bank:

"99. If the community is to make the best use of its real resources in the public interest, it is necessary that it should have a sound monetary system which can be controlled so as to complement and facilitate its development policy. It is therefore proposed to set up a central bank, which will issue the national currency, regulate the flow of money and credit so as to assure a balanced growth of the economy, administer the public debt and exercise other functions normally undertaken by central banks in other countries. The central bank's operations can also contribute to the appropriate distribution of investment in the economy."

Very significant, but in such an important statement Government is so vague, just like in the Speech from the Throne. In an emerging country like this Government talks about setting up a Central Bank, but it does not tell us to what currency the money in this country will be linked, and we are left to imagine anything. I observe that Trinidad is also proposing to establish a Central Bank, but the Government of that country made it quite clear that it will be linked to ster-

ing. We have not yet had a pronouncement from this Government as to what currency its money will be linked. Is it going to be linked to the French franc, the American dollar, Russia's ruble or the Cuban peso which, I am told, is not worth the paper it is printed on.

If this Government desires to engender confidence in people abroad and in this country it has to come out very clearly and make a statement, because any schoolboy knows that British Guiana's currency cannot stand alone, but will have to be linked to that of some imperialist or metropolitan country. To attempt to let a British Guiana dollar stand on its own is to court disaster before we start. I wonder if we will still call it a dollar. In paragraph 6 of the Budget Statement the Minister of Finance says:

"With the approach to Independence, it is natural and inevitable that the role of the Government as a producer and as a provider of services should expand. Indeed, the freedom to decide on the best allocation of the country's resources—what should be left to private disposal, what used to meet present communal needs and what devoted to the future development of the nation—is the most valuable benefit that flows from political independence...."

Until now it has been our experience that the Government has not done very well in industry. Even though it has reduced the price of milk I note that last year \$104,000 went down the drain. We also know that last year B. G. Airways lost \$84,000. When "Art" Williams ran that service I do not think it could have survived a loss of \$84,000 in any one year. Government-run industries always lose money, and the taxpayers have to pay. The whole Budget is clouded in suspicion. Government is not sure of itself.

5.45 p.m.

The Budget is something that a Government does not put forward as a feeler; it puts it forward with confidence, but this is truly an historical document and the hon. Minister of Finance will go down in history as the first and only

Minister of a Government to put forward two Budgets in such a short time. When the history of this country is written, the people will remember that the Minister of Finance had submitted two Budgets and still remained a Minister in the Government.

Sir, it is very unfortunate at a time like this that a Government should set about deliberately to discourage investors from coming to this country. In this document Government indicates that it is willing to have private investors, but what do you expect investors to do when lackeys of the Government say that they do not like private investment? A lackey said, apparently, with the voice of authority that this Government frowns on private investment. Don't these people understand that people outside of this country are reading the newspapers published in British Guiana, and will take as authoritative what is written in them?

This Government must be warned that, even though it has revised this Budget or put forward a new one, the state of mind which prevails is such that the people still have a certain amount of fear. Money follows confidence, so Government may collect less than it anticipates. If there is no confidence in the Government, what it anticipates it will collect by way of excise duty, income tax and other taxes, will be reduced considerably. The Government will collect less in the courts, because people will prefer to go to gaol rather than to pay fines. Government must understand here and now that it will not be able to collect the revenue it anticipates.

We would have expected this Government to excuse itself, because it boasts that this is an historic Budget. It has been historic already in more ways than one, and it will be even more historic when it goes down in history as the first Budget which collected so little of its anticipated revenue. I look forward, if this Government is still around, to seeing

what it will tell us later. This is a Budget that should not have been withdrawn in parts. It is one that this Government should have had the guts to withdraw *in toto*. I hope that by the time we get down to making amendments in the Budget — doing this patch work — we will be able to toddle along for a year. *[Interruption.]*

Mr. Speaker: Again, let me remind those citizens, who are sitting in the Public Gallery, that it is not permitted for you to cheer, speak loudly, or to show by any sound what your views are on the speeches made in this House. You must remember that this is a meeting of Members of the Legislative Assembly, and members of the public are permitted to come here out of courtesy. You can listen, appreciate and learn, but you must not give voice to your sentiments or emotions.

Honourable Members, there is still enough time for another Member to speak before we reach the hour for suspension of this sitting.

Mr. Jagan (Suddie): Mr. Speaker, I was rather surprised to hear the speech made by the hon. Member for Upper Demerara River. I do not know whether he is the "Shadow Minister of Finance for the Opposition", but I was surprised to hear him attacking the proposals in this Budget. I would have expected some of the hon. Members of the United Force to attack some of the proposals the hon. Member spoke about. First of all, I will deal with the capital gains tax to which the hon. Member referred. He said that the income made from capital gains should not be taxed on the same basis as income tax. The property gains tax was levied so as to prevent people from evading income tax. The basis of income tax or of taxation proposals is that the people who can afford to pay taxation must pay. Whereas in this country people are accustomed to paying taxation on wages and salaries, we find that investors who have invested their money in property do not pay any taxation whatsoever.

[MR. JAGAN]

Sir, the Government's proposals state that investors should only pay taxation on the profits made from the properties they have purchased and sold. For instance, if an investor purchased a property for \$10,000; made improvement to it on the basis of \$5,000, and then sold it for \$20,000, he would only be required to pay tax on the excess profit of \$5,000. So far as the Government is concerned, it does not see any injustice in that.

The hon. Member, apparently, did not read the statement correctly, because it is stated that whereas the present basis for income tax is 60% and with the modification would most probably be 70%, so far as the property gains tax is concerned the maximum would only be 45%. I wish to refer to the relevant paragraph on page 24, para. 81, where it is stated quite clearly that the highest rate of tax will be 45% and not 50% and 60% as for other income.

So far as the National Savings Scheme is concerned, there again I think the hon. Member did not understand the statement correctly. Take the ordinary wage earner who makes \$300 a month or \$3,600 per annum. The hon. Member is, apparently, under the impression that a wage earner—he said that Government would be able to collect income tax easily from a man who worked for \$300 a month whereas the exemption for a farmer was \$5,000 instead of \$3,600. But that is not correct. The exemption of \$5,000 which is referred to is in respect of professional persons and persons who are not wage earners; it only refers to self-employed persons, and if their salaries do not exceed \$5,000 per annum, he will only pay 5%. If a self-employed person is earning \$5,000 per annum, he will only pay 5% on \$1,400. If the self-employed person is earning more than \$5,000 per annum, he will have to pay 10% instead of 5% on his earnings. The hon. Member, apparently, thinks that the \$3,600 and the \$5,000 exemptions apply only to rice farmers.

The National Savings Scheme had to be introduced because the Government needs finance. There is nothing sinister in the scheme. The Government does not wish to take away the people's money as it is alleged. The bonds will be repayable at the end of seven years with interest (tax-free) at 4% per annum. In my view this is even better than if one has money in one of the banks in this country—[*Laughter.*]—so far as interest is concerned, because one would still have to pay income tax on the interest gained from the banks. But there are also provisions here whereby persons would be entitled to encash their bonds although they are not transferable.

6.00 p.m.

Mr. Speaker : I believe that there has been some measure of agreement for a Motion to be moved at this stage for the suspension of the sitting at this hour.

The Minister of Natural Resources (Mr. Benn): Sir, it has been agreed among the hon. Leaders of the Opposition parties and myself to give some of the hon. Members on the other side of the Table an opportunity to prepare their speeches better, that we adjourn at this hour, and I beg to move that the House do now adjourn until eight o'clock.

Mr. Speaker : The Motion is for the suspension of the relevant Standing Order to enable me to suspend the sitting until eight o'clock.

Question put, and agreed to.

Sitting suspended from 6.02 p.m. to 8 p.m.

8 p.m.

On resumption —

Mr. Jagan: At the suspension, I was dealing with the question of the National Savings Scheme. I was saying that although the bonds were not transferable.

they could be encashed at certain periods. For instance, bonds that were issued at the beginning of a year, bearing interest at 4 per cent per annum tax free, could be encashed at the end of the seventh year. But that is not the only way in which they can be encashed. If a person decides to leave the country, he can also have the value of the bonds paid to him in cash. Provision is made, too, in the case of retirement from employment for more than six months, and at death.

It was surprising that when the Budget Statement was first read here, we read a lot about the National Savings Scheme in the *Daily Chronicle*, but in no part was it stated under what conditions the bonds could be encashed. Readers were misled because they were left with the impression that after the amount was given, it would be forfeited and the Government would confiscate it. In the case of death, a person could ascertain the value of the bond and could give it out to his relatives as if it were cash, and when he dies the person to whom the bond was given could have it encashed.

I was a bit surprised, too, at the speech made by the hon. Member for Upper Demerara River in his criticism of Government's tax on newspaper advertisement. Of course, he dealt chiefly with the provisions which have now been more or less repealed or amended. He said it was an indication that the Government intended to close down newspapers. We have no such intention. In fact, speaking for myself, it would be beneficial to this country if the *Daily Chronicle* ceased publication. For instance, we all know that the propaganda that is being printed in the *Daily Chronicle* is really putting forward the views of the United Force and it creates a bad impression on foreign Governments. Not too long ago, my learned friend, the hon. Member for Ruimveldt, had called on his supporters to boycott the *Daily Chronicle* because of its policy.

But the amended tax on newspaper advertisement, in my view, cannot be criticized. I think the Government was very generous in allowing 75 per cent deductions on newspaper advertising. As far as local products are concerned, an advertisement in foreign countries to stimulate and increase the sale of such products will be allowed the full deductions. This has been done because Government is trying to promote local industries.

8.15 p.m.

However, I was happy when I did not hear the hon. Member for Upper Demerara River criticizing the other two proposed taxes — the Property Tax and the Gift Tax. I do not know whether I should assume that he was speaking for his party, but since his speech dealt mostly with the proposed new taxation I presume that his party agrees with the Government so far as those two taxes are concerned. But in passing I will deal very briefly with those two taxes, because I am sure that hon. Members of the United Force will attack the Government on those two proposals. No one can deny that the Property Tax and the Gift Tax are proposed for the purpose of bringing about more equity in taxation of the people of this country. It is not fair for wage-earners to pay taxes and people who at death should pay estate duty, try to evade taxation. Of course people are privileged to so arrange their business as to avoid taxation, but because of those loopholes Government has introduced a Gift Tax, for instance.

In British Guiana, if a person distributes his property within three years of his death the beneficiaries are liable to taxation on such property, but if he distributes his property more than three years preceding his death he does not have to pay estate duty. For the benefit of some of my friends who criticize the Government's proposal, I wish to state that in the United Kingdom the period is five years. What the proposed new tax is designed

[MR. JAGAN]

to prevent is a person making gifts of his property at the time of death, thereby evading the payment of estate duty. But no tax is payable if the value of the property does not exceed \$2,000.

Government has also amended its original proposal so that any expenditure on the maintenance and education of a taxpayer's children, or the maintenance of dependent relatives, will be exempted from taxation. For instance, a person may have his children at a university, and the money spent on their upkeep will not be regarded as a gift.

So far as the Property Tax is concerned, the Government intends to levy a tax on the net income of the property. Here again I must make reference to the misleading articles that appear in the *Daily Chronicle*. That newspaper tries to give the people of this country the impression that a person would have to pay tax so long as his property is valued \$50,000, regardless of whether there is liability on the property or not, but it is very plain from the statement read by the Minister of Finance that taxation would only be levied after deduction of liabilities, and would only be paid on net assets. For instance, if a person owns a property valued \$60,000, which is mortgaged for \$12,000, he would not be required to pay any taxation on it, because after deduction of the mortgage of \$12,000 the net value of the property would be \$48,000. The rate of tax proposed is very small and will not affect any working-class people in this country. One will have to look very carefully to find a working-class family in British Guiana owning property in excess of \$50,000.

The Gift Tax also will not affect the working-class people of this country, nor will the Compulsory Savings Scheme. That is why I was rather surprised that the hon. Member for Upper Demerara River (Mr. Jordan), a member of the People's National Congress, should attack

these proposals. I would have expected—in fact I expect the hon. Member for Georgetown Central (Mr. d'Aguiar) to do so. I must, however, sympathise with the hon. Member for Georgetown Central, because I am sure he has now found himself in a predicament. When the tax proposals were first announced on the 31st January it was said that they would affect the working-class people mostly. Now that most of the alleged taxation on the working-class has been withdrawn, I wonder what stand the hon. Member for Georgetown Central will take. I am sure that the interests he represents will force him to attack the new proposals. He therefore has to be sympathized with, because he will find himself attacking taxation which will affect the capitalist class as distinct from the working class.

The hon. Member for Upper Demerara River also attacked the Government's proposal with respect to personal allowances for income tax purposes. He asked how a person could be expected to live on \$800 per annum? We do not expect a person to live on \$800 per annum. I am sure that many of my friends on the Opposition cannot live on \$800, but a deduction of \$800 is only proposed so far as their taxable income is concerned. For instance, there is an allowance of \$600 for a wife, but we all know that many ladies spend more than \$600 per annum. The new income tax proposals will not affect the working-class people of this country. In most cases a working-class man with a wife and two or three children will not be required to pay income tax on the salary he earns. I am sure that hon. Members of the Opposition will not attack the Government for increasing income tax to 70 per cent, for people in the upper bracket whose income exceeds \$13,200 per annum, because it will not affect their supporters of the working class. To those Members who may feel that 70 per cent. is very high I would say again that in the United

Kingdom, where a person's income exceeds a certain sum he pays 19s. 6d. in every pound as income tax.

Throughout the Budget proposals, if they are read without any bias, one will see that the intention of the Government is to tax those who can afford to pay, and at the same time to encourage local products and local companies. I wish to refer, for instance, to the proposed tax on insurance companies which, in our view, previously paid the very low rate of 15 per cent. In the Budget Statement which was presented on the 31st January it was proposed to increase this tax to 30 per cent., but in view of representations made by the local insurance companies that they should not be taxed on the same basis as foreign companies because they invest their profits in the country and the people of this country derive benefit by way of mortgages, etc., Government has decided to differentiate between local and foreign insurance companies.

8.30 p.m.

I was informed that the local and foreign insurance companies had a meeting, and the local companies pointed out to the foreign companies that, because they derived their profits in this country, they should endeavour to spend some of the money needed in this country. The foreign companies did not agree to this suggestion. They said that, while seeing the Government's point of view, their policy was to invest their money wherever they thought they would derive greater profits for their shareholders. If that is the intention of foreign countries this Government cannot quarrel with them, but it will endeavour to protect the local companies that are assisting the inhabitants of British Guiana. Because of that this Government has reduced the proposed taxation of 30% on all companies to 25% on mutual companies and 45% on proprietary companies. Government has also stated that in future companies would be required to invest 75% of their net in-

come in this country. If the foreign companies are unwilling to do so, then they would either have to cease operations in British Guiana or let the local companies carry on their business.

I was happy also when I did not hear any criticism from my hon. Friend for Upper Demerara River so far as the import duties are concerned.

Mr. Speaker: May I have a Motion to enable the hon. Member to continue?

Mr. Downer (Berbice—East): I beg to move that the hon. Member be given 15 minutes more.

Mr. Hamid (Demerara-Central) seconded.

Question put, and agreed to.

Mr. Jagan: I take it for granted that the Opposition—when I refer to the Opposition I mean the P.N.C., because I do not really recognize the U.F. as the Opposition—are agreeing with the Government so far as taxation is concerned. It is known that the prices of alcoholic drinks have gone up, but those who like to drink will have to pay more for their drinks. Government will be criticized no doubt for retaining the tax on imported coffee, but this has been done to protect the local production of coffee. The revenue to be collected from imported coffee will be very small, but we have to protect our local industries.

Government has been criticized for not encouraging industries in British Guiana. It has been alleged that Government does not protect local industries. This is an instance where the Government is endeavouring to protect the coffee industry. No one is prevented from importing Nescafe and So on, but those who want to drink that type of coffee must pay for their delicate tastes.

Although Government has increased the tax on motor cars and motor cycles, it has exempted the tax on auto-cycles. It has not increased the tax on auto-cycles

[Mr. JAGAN]

because auto-cycles and bicycles are used by the working-class people of this country. Motor cars, with very few exceptions, are luxuries, and those who want to use them must pay the increased taxation. I have seen in the Budget proposals in Trinidad that Dr. Eric Williams has also increased taxation on motor cars.

This Government has also increased taxation on insurance companies, pawn-brokerages, hotels and so on, but this type of taxation will not affect the working-class population of this country. I understand that money-lenders will now have to pay a tax increase from \$150 to \$250. The other increases in taxation can be found in paragraph 67 of the Budget Speech, and I need not read them out at this stage. As one looks at this paragraph one will see that the taxation proposals will not affect the working class.

The Government has been criticized for disallowing exemption for entertainment by directors of companies. It is known that, in some cases, the money spent or allowed for entertainment did not bring about any business. The Government has also been criticized for giving the hon. Premier \$200 per month tax-free entertainment allowance, but my hon. and learned Friend the Member for Ruimveldt has already agreed that the amount is not too large.—[Mr. Burnham: "What is that?"]—I was saying that the hon. Member for Ruimveldt does not think that \$200 a month tax-free entertainment allowance for the hon. Premier is too large.—[Mr. Burnham: "Not if he knows how to spend it."]—But one cannot compare the entertainment allowance for company directors with that granted to the hon. Premier.

I am happy to find that Government has not been criticized so far as the treatment of part-time directors are concerned. Government is aware of tax evasion so far as private companies are concerned. It is known that many private companies are

evading income tax. If one looks at the membership of some private companies, one will find that they are mostly family companies and in many cases the directors are being paid fabulous salaries because the rate of taxation is cheaper so far as individuals and companies are concerned.—[Mr. Burnham: "What about C. R. Jacob?"]—That is a very good way to evade taxation.—[Mr. Burnham: "You should know."]

I must make reference in passing to what my hon. and learned Friend the Member for Werk-en-Rust has said. He mentioned that some of our supporters, no doubt because of fear or stupidity, have taken away their money from this country.—[Mr. Carter: "Quite true."]—So far as the Government is concerned, it can see no justification in that statement.—[Mr. Carter: "C. R. Jacob did it."]—I am sure that if the members of the P.N.C. were on this side of the Table the same people would have taken away their money from this country. The P.N.C. claims to be a Socialist Party, and I believe it is. I am willing to accept what my hon. Friend says on this matter. I assume that if the members of the P.N.C. were on this side of the Table they would have endeavoured to put forward socialist principles, and would no doubt have found it necessary to introduce exchange control legislation in this country.—[Mr. Carter: "That is unnecessary."]—The hon. Member for Upper Demerara River has criticized the Government for introducing exchange control legislation, but I am sure that such legislation will not affect P.N.C. supporters.

8.45 p.m.

No doubt, we will hear more about it when the hon. Member for Georgetown Central speaks here, but so far as the Government is concerned, we have stated that people who try to take away their money from this country have no justification for doing so. Perhaps, Dr. Eric Williams may also have similar

legislation and some of those who may have taken their money from this country to Trinidad will find themselves in a predicament.

In closing, I wish to state that the three main new taxation proposals—the capital gains tax, the property tax and the gift tax—would not affect the working class of this country. As far as the National Savings Scheme is concerned, the working class need not worry about that either. [Mr. Burnham: “For the time being.”] I do not know whether my learned friend, the hon. Member for Ruimveldt, thinks that the P.P.P. will always be in power, but if he thinks so, maybe that is why he may have some fear. [Laughter.] But I may assure him that he need not be afraid for the tax, as it stands, obviously would not affect any of his staunch supporters, although, I must say, it would affect one or two of his colleagues on that side.

Mr. Speaker: Members of the legal fraternity apparently. [Laughter.]

Mr. Jagan: To clear the doubt that was also in the mind of the hon. Member for Upper Demerara River that we were trying to legislate adversely so far as persons other than rice farmers were concerned, I wish to tell him that that part of the taxation — the compulsory savings scheme — was apparently misunderstood by him. The \$5,000 to which he referred only applies in so far as self-employed persons are concerned and has nothing to do with the \$3,600 to which he also referred. In fact, self-employed persons, as long as their incomes exceed \$5,000, would have to pay 10 per cent on the same basis as companies.

As regards the income tax, we have taken into consideration the fact that the new proposals would not adversely affect the working class of this country. There again, the upper bracket of 70 per cent

which was imposed would only affect people whose incomes were over \$13,200.

Mr. Speaker: If the hon. Member will be much longer it will be necessary for us to have another Motion.

Mr. Bissember (Campbellville): I beg to move that the hon. Member be given an additional 15 minutes to complete his address.

Mr. Carter seconded.

Question put, and agreed to.

Mr. Jagan: I am very happy that my hon. Friends on the opposite side agree so fully with what I am saying that they wish me to continue for another 15 minutes.

Mr. Speaker: Apparently no fees are involved in this appearance. [Laughter.]

Mr. Jagan: No doubt, my learned friends in the Opposition will, in the very near future, have briefs for some of their capitalist friends who would wish to evade some of the taxation. But nothing is wrong if members of the legal profession use their skill to so instruct their clients to have their business arranged in such a way that it is not caught by the taxation.

Mr. Speaker: That will not be evasion. It will be avoidance. — [Mr. Burnham: “The Speaker knows!”]

Mr. Jagan: But I am sure that in the following year, the Government will take that into account when it proposes new taxes.

[*Interruption from the Public Gallery.*]

Mr. Speaker: Quiet in the Public Gallery, please.

Mr. Jagan: Because of some of the representations that were made with respect to some of the proposed taxes,

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the Government had to amend the previous statement, and we now find ourselves in the position of having to curtail the Development Programme. We all realize that the taxation that was proposed would have affected not only the persons in the upper brackets, but also the working class to a certain extent. But most taxation will affect the population at large.

We cannot proceed with this Programme unless we obtain aid from foreign countries. There was the criticism that aid was not granted to this country because of the policy of the Government. But I do not really think that that is the reason why we were unable to obtain aid so far. This is only a red herring as usual. In closing, I wish to assure the hon. Members of the People's National Congress that we also have the interest of the working class at heart and our taxation proposals would not affect the working class which they represent.

Mr. Hugh (Georgetown South): I could not allow this position of honour to go by without speaking immediately after my hon. Friend, the Member for Suddie. If I am not mistaken, it has taken seven months for this most likeable Member of the House to make his maiden speech, and I think we all relish what this most inoffensive, most likeable Member of the House has said. I do not think anyone will grudge me for taking the first opportunity to congratulate him on what ought to be considered a very fine and deliberate speech.

But I want to say that my hon. Friend seems to presume very quickly that because no one on this side belonging to the People's National Congress has said anything derogatory about the only three taxes that the Government has introduced in what it has described as a Socialist Budget — namely, the gift tax, the net property tax and the capital gains tax — we agree *in toto* or

that we do not agree. After all it is lamentable that this Socialist Budget could not produce something more positive than these three taxes.

Contrary to what some people believe, we of the Opposition are not here to tell the Government how to run the country. They were elected to govern; we on this side are here to needle them to see that they govern properly. It is the habit of hon. Members on the other side to refer to Dr. Eric Williams, Dr. Nkrumah and others, but I am afraid the hon. Member for Suddie misunderstood the hon. Member for Upper Demerara River on the points he made yesterday with regard to the proposed National Savings Scheme. Dr. Williams, as far as we know, has not adopted such a scheme, and we are asking Government to tell us which country in the world has introduced a Compulsory Savings Scheme. Our view about it is that it should be voluntary and not compulsory. As a matter of fact, to be quite blunt I do not think this is the proper time for such a scheme. I do not think it is psychologically correct to introduce a National Savings Scheme at this stage.

I wish to make it clear that I am not arguing the merits or demerits of a National Savings Scheme, but when one considers the economy of the country one comes face to face with a series of taxation. To my mind, and contrary to what the hon. Member for Suddie says, this National Savings Scheme will affect the wage-earner or salaried man, including civil servants of a certain bracket and many employees in Water Street who earn \$300 per month. With an allowance of 16 2/3 per cent. for life insurance, if taken up in full, plus 5 per cent. for the National Savings Scheme, it means that 21 per cent. of a man's salary will be counted out, and that must have some adverse effect on his economy. That is why we feel that some further consideration should be given to the proposed National Savings Scheme before it is intro-

duced. I observed that my hon. Friend, the Parliamentary Secretary to the Ministry of Natural Resources (Mr. Bowman) was honest today in admitting that his party was adopting the policy—

Mr. Speaker: The hon. Member's remark carries the inference that at some time the hon. Parliamentary Secretary might have been dishonest. It is unparliamentary, and I cannot allow the hon. Member to make such a remark. He can make his point without such an insinuation.

Mr. Hugh: I withdraw the word, sir, but I would like to say that my friend was very truthful when he said his party was adopting certain policies from the *New Road*, the programme of the People's National Congress, a fact which seemed so difficult in the last seven months for him to admit. To have such an honourable gentleman admitting that, gives some satisfaction to us on this side who belong to the People's National Congress.

It does not seem clear whether these modifications to the Budget are intended to amend the relevant paragraphs in the original Budget Statement, or are substitutes for those paragraphs. It therefore ties us down in criticizing the Budget as a whole. And I wish to say at this point, that even though it has been said that the Budget Statement is the handiwork of Mr. Kaldor, I think I see the hand of a senior member of the Civil Service in it. I say this because very often the newspapers and certain people look in the wrong direction for people to attack. I have very special reasons for making that observation, but in any case I do not propose to disclose the identity of the person I suspect.

In all seriousness I say that the Budget is without imagination. I could not consider any Government a socialist or one of strength, which yields to pressure and modifies its taxation proposals. Whether the Government recog-

nizes it or not, in modifying its original taxation proposals it has fallen back on something it says it detests — a colonial Customs Tariff, a *bourgeois* Customs Tariff which needed change ever since Gregory's departure. [Hon. Members: "Hear, hear".] It is no use my best friends saying "Hear, hear". The fact is that the Government has cowardly allowed certain people outside of this House to pressurize it into restoring what it should have destroyed. I do not see where the Government deserves any pat on the back or any congratulations, as some of its Members have suggested. Even the leader of the United Force could see that the heaviest taxation —

Mr. Speaker : In this House he is the hon. Member for Georgetown Central.

9.15 p.m.

Mr. Hugh: The hon. Member for Georgetown Central could have seen that the heaviest taxation would fall on the working class, on food and clothing, and because of pressure from certain organizations Government was forced to fall back upon what it would normally call a *bourgeois* Customs Tariff of the colonial type. If you were to examine them you would find that they do not fit in with what is described as a Socialist Budget. In the original proposals of January 31, the Government had proposed some harsh taxation. What it is asking this House to accept today is the same taxation as was in existence before January 31. For the first items, bacon and ham, the tax proposals of January 31 were 20% and 36% respectively; but the proposals are now \$5.50 per 100 lb. and \$8.10 per 100 lb. When one looks at Order No. 15 of 1962, which this House will be asked to accept finally, one has to ask oneself what is it all about.

Sir, on every occasion and everywhere one can hear the Members of this Government and its Back Benchers talking about encouraging local indus-

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tries. I remember not so long ago there was a Committee appointed in this House to examine and report on the pig industry.

Mr. Speaker : I think that was in the Legislature before this one.

Mr. Hugh: Thank you, sir. If one calculates this 5½c per pound duty on imported ham which, if my information is correct, is about 72c Canadian c.i.f., then I cannot see how anyone can attempt to say that this 5½c per pound duty is a measure to protect the pig industry from foreign competition. As a matter of fact, in the Estimates for 1962 at Appendix J, page 39, Head 36 — Ministry of Trade and Industry—Sub-head 7, dealing with bacon, ham and the processing factory, one sees an estimated deficit of \$152,004 to be voted for.

From my own experience, I know that the peasant farmer in this country is crying out for some sort of assistance in the pig industry. When the pig market is bad and there is a scarcity of pigs, I am told that the Manager of the Produce Depot or the Processing Factory uses up a lot of travelling time going to known pig-rearers asking them to step up production in order to ease the situation. He tells them that he is willing to pay what he considers is a fair price. But as soon as the peasant farmer begins to increase his production and supply becomes better, he is told, after the pigs are about 5 months old, that an officer will come to look at them. Unfortunately, he does not see this officer for another 3 months when the pigs are too heavy and he has to suffer a loss. As a result interest in the pig industry is lost, and the industry recedes again. Therefore, I cannot see what could have forced this Government to step down from its proposals of 20% and 36% duty on bacon and ham, sausages, etc.—
[An hon. Member: "Consumer goods."]

Sir, if we were to compare this attitude with the attitude taken towards soluble coffee, the revision of the proposed rate on soluble coffee is said by the Government to be a measure for the promotion and protection of the coffee industry. But while the principle is a worth-while one to be adopted, one has to ask oneself what is happening to this factory that we have been hearing so much about. We have to face the facts and decide whether it is desirable to ban soluble coffee or to force the people to grind their own coffee. It would then be necessary to decide whether to reduce the duty on imported hand-operated coffee mills. The average man today is so busy that he has no time or will not care to find the time to percolate coffee, and it is in this respect that the Government should collect some worth-while duty. I am sure that such taxation will find justification ultimately.

I believe that we can improve the coffee industry and put it on a better footing, if we will only stop quibbling about this soluble coffee factory. The sooner the Government makes a positive approach to these problems and gets the support of the people, the better it will be for all concerned. While this duty is put on soluble and roasted coffee, one finds in the Customs Tariff, which is now No. 15 of 1962, that roasted coffee substitutes and chicory are down to 20%. I am sure that the Government did not examine the entire tariff which those organizations, comprised mostly of businessmen or the servants of businessmen, have forced it to accept. I cannot see the justification in placing so high a new tariff on soluble coffee while allowing roasted coffee substitute and chicory to come in at the old rate.

Sir, in the proposed duties presented to us on January 31 in Order No. 5 of 1962, we find that the Government gave, as an excuse for increasing taxation on milk and milk products, the same old story about protecting the local milk industry

and so on. It is true that, with the type of supply of milk in this country, it is in the best interest that the Government maintains the old rates of duty on milk. We know that, while the Government says it had intended to improve and protect the production and quality of milk, it does not seem eager to take measures whereby in due course of time it will be necessary to impose the proposed rates of duty on imported milk which are set out in Order No. 5 of 1962.

Mr. Speaker: Time!

Mr. Blair (Berbice River) : I beg to move that the hon. Member be given 15 minutes more.

Mr. Merriman: (La Penitence-Lodge) seconded.

Question put, and agreed to.

9.30 p.m.

I was saying, sir, that in as much as it is desirable that heavy duties be placed upon imported milk to encourage and foster our own industry here, we cannot do this. And the Government does not seem very keen on taking the development of the dairy industry in a very positive and serious way. I see in its Development Estimates for 1962 on page 11, Head 1—Agriculture, subhead 9: Dairy Industry, that all that this Government proposes to spend on the dairy industry is a total of \$20,000. How can this promote an important industry like the dairy industry?

I agree it is essential to tax imported milk. The dropping of the retail price of pasteurized milk was intended to help and further the sales of local pasteurized milk, but when you come face to face with the facts, you find that, in 1961, there was a deficit of something like \$104,000 in the Milk Pasteurization

Plant and there is an estimated deficit to be voted in 1962 of \$152,615. But I venture to say that the price is not the real trouble with marketing the milk.

The dropping of the retail price of milk is not going to promote the sales of milk or save the department much money when, I am reliably informed, a special van has to take half pint of milk for the Minister's cat each day. There are also these rumours about the Manager of the Milk Plant being made to buy milk of poor quality. There is nothing that the Government can say to disprove that. We know that it is true. I do not know who is responsible for it, but there is a tremendous amount of money owing to this Milk Plant.

I would not like to call names, but a gentleman in Kitty owes a sizeable amount. He was given a van by the Milk Pasteurization Plant and milk to sell. He had to return the van but still owes for milk. What is alarming is, I understand and verily believe, that the Milk Pasteurization Plant used to hire a van from this man previously. But the Plant could have given him Government's van, upkept it free of cost, and milk to sell, and he does not pay. There is a gentleman at Anna Catherina who owes a sizeable amount, and another in New Amsterdam who owes nearly \$10,000.

One has got to face up to some facts. The mere manipulation of taxation on the excuse that you want to promote an industry is not enough. You must have your development plans so geared that you will have the desired effect in a short time. No one can doubt that it is desirable to tax evaporated milk, but how can you tax it when you are giving people dirty milk, milk which sours before you receive it? You vote \$1,230,217 for Agriculture, of which only \$20,000 is for the dairy industry. Surely, the dairy industry is worth more than that.

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But while Government is not putting a lot of emphasis on the dairy industry, I notice it is putting a lot of emphasis on beef cattle — St. Ignatius, Ebini and those places. I agree with that policy. It is necessary, but I have been trying to find out whether the Government recognizes the need to investigate these places, particularly St. Ignatius where it plans to spend some \$142,000 in 1962, an increase of \$63,803. I wonder if the Government has gone to the trouble or intends to take the trouble to make very discreet investigation of the people for whom it is spending this tremendous sum of money.

Government will be well advised to consider immediately setting up something like a Grazing Board or some other board to investigate that particular area, because I am afraid that even Government officers going there in a very short while will fall victim and not do what ought to be done. I am not in a position to call names, but those who travel in the Rupununi areas only have to listen and make some inquiries and they will find out what takes place there. The Government is spending \$142,000 this year at St. Ignatius. It is perhaps justifiable expenditure, but I only hope that this Socialist Government—I believe it is Socialist—will take the necessary steps to set up Socialist safeguards to prevent and curb exploitation in that area.

9.40 p.m.

Now we come to corn and fruit. If my memory serves me right there is some regulation banning the importation of corn, but this Government proposed on the 31st January by Order No. 5, to levy a duty of 20 per cent. on corn (canned). It now proposes to ask this House to approve of the old order of a tax of 2 cents per lb. on canned corn. So often have I heard the farmers in the Pomeroon crying out for a market for their corn. Canned corn can bear a

higher duty than 2 cents per lb. Let us be honest about it. Government had no right to step back so far from its original proposal.

Can anyone imagine that our Customs Tariff used to allow the importation of apples free of duty while duty had to be paid on other fruit? Somebody apparently believed in the slogan "An apple a day keeps the doctor away". Government proposes to allow apples to come in free of duty under the Preferential Tariff, with a duty of 50 cents per barrel of 160 lb. under the General Tariff. This is the sort of thing which makes people scared of the Government. The hon. Parliamentary Secretary to the Ministry of Natural Resources (Mr. Bowman) took the hon. Member for Werk-en-Rust (Mr. Carter) up on the lack of confidence in the Government, but this sort of thing makes me wonder if this Government is really and truly socialist. What can be the reason for this Government making certain taxation proposals, admittedly high, and then going right back to Customs duties which were bad and discriminatory?

According to Order No. 15 it is proposed that grapes, mangoes, Avocado pears, pineapples, cashew, bananas and plantains may be imported and a duty of 5 per cent. paid on them. I cannot see any Socialist Government, or any strong Government in the past, proposing such a thing. A proper Government would try to protect the farmers of the country and local industries by protective tariffs. When we suggest to this Government that it should resign it says "No." I cannot see how Government can accuse people of being imperialist or having a colonial outlook when it behaves in the same manner.

Mr. Speaker: Time!

Mr. Bissember: I beg to move that the hon. Member be allowed an

extension of 15 minutes to continue his speech.

Mr. Merriman seconded.

Question put, and agreed to.

Mr. Hugh: Let us compare the old duties on fruits and fruit juices with those which we are now being asked to approve. The duties this House is being asked to approve for fruit juices are 30 per cent. and 46 per cent. as compared with 5 per cent. for fruits. This protective tariff on fruit juices is to enable local people to manufacture fruit juices here, but how do these rates compare with the rates of 23 per cent. and 43 per cent. on imported jewellery? But the position is worse in the case of fruit juices fortified with spirits, in respect of which the proposed duties were 40 per cent. and 60 per cent., and are now retained at 20 per cent. and 40 per cent. I would have preferred Government to adopt a compromise between its proposals and the existing wicked system of Customs duties. It will now pay people to buy fruit juices fortified with spirits. These things prove conclusively that this Government, out of sheer fright, decided to accept these proposals from the merchants and the organizations that serve them.

9.50 p.m.

While this Government is allowing edible nuts including coconuts at \$2.20. per 100 lb., it has only estimated \$50,000 this year for coconuts in its Development Programme — an increase of \$15,000 over last year. I repeat that the Government must not be shortsighted, and it must take things firmly in hand. I am sure that the Government will get support from this side, but we are not going to support any half-hearted attempt to do things. What is the Government afraid of? If the Government has a policy it should go through with it.

It is interesting to note in the Estimates for 1962 at Appendix 1, page 37, that there is an estimated trading loss

of \$90,000 on deodorised and crude coconut oil. Instead of stepping up expenditure in the coconut industry regardless of criticism, all this Government intends spending on the coconut industry is \$50,000. The largest amounts are \$21,000 for the purchase of nuts, and \$15,000 for wages which make a total of \$36,000. This is not the sort of approach I would expect from a Socialist Government. This is the approach of a Colonialist or Imperialist mentality. There is need for the setting up of a strong coconut industry, so why grumble about spending money on it? Government has estimated for a deficit of \$90,000 for other people's coconuts and crude oil.

Next comes the question of jams, marmalades, fruit jellies and so on. Here again what I have already said must apply to these items. If anyone has a special taste for strawberry jams in preference to guava, or apricots in preference to psidium, he must pay for this English preference. We do not grow strawberry, apricots and peaches here. If one has a preference for such luxuries one must pay for them in the same way as people are paying the luxury tax on cosmetics. This is a case where our people should be educated to produce more guava jams and jellies, and the Government cannot escape criticism for this state of affairs. Why has Government made a right-about-turn to accept a colonial type of tariff. This thing hurts me very much. If any workman is so unwise as to use some of these items—if he prefers English marmalade to local orange marmalade, then nobody should be sorry for him.

The same thing applies to the question of laces and ribbons. Laces and ribbons are used by dressmakers in order to make a living. I do not know whether Government considers it necessary for ladies to wear laces and ribbons on their dresses, but when one looks at the rate of duty charged for laces and ribbons as well as the rate of duty on

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jewellery, one has to criticize this Government very severely. Jewellery, when manufactured, is known to be sold at a tremendous profit. The dressmaker has to show her customer the bill for the laces and ribbons, and she includes that in the cost of making the dress. I remember an old man once told me: "Whenever you see a jeweller, you see adulteration." He tried to tell me that jewellers will adulterate an article, and when he sells an article for \$8 the purchaser merely gets \$1 in value. That is not so in the case of a milliner or dressmaker. Items for the manufacture of gold jewellery should carry a higher rate of duty. I know that the hon. the Minister of Finance is not very keen on jewellery because the property gains tax will soon take it away.

We now come to the question of carpets and linoleum. Everyone here knows that linoleum is an item a working man buys to put in his house, but this Government is putting the same rate of duty on carpets and linoleum. I cannot understand the reason for this. This is supposed to be a Socialist Government, and yet it is putting the same rate of duty on the poor man's goods as on the rich man's goods.

With reference to the new tax on motor cars, my party takes a definite stand on it. The members of my party feel that it is all right for Government to put the new tax on motor cars of a certain weight or a certain horse-

power. I notice that my hon. learned Friend the Attorney-General has a nice car, but I do not know what is its horsepower. Cars for the Mini and some of us over here can carry that high rate of duty. However, a civil servant who works for \$300 a month and desires to own an Austin 7 should not be asked to pay this high rate of duty on it. We feel that such cars should remain at the old rate of duty. It would be well for Government to give further consideration to this matter, because there are many working-class people with small families who live a good distance from the place where they work, and it is necessary for them to travel by a small car.

I observe that the duty on metal beds is different from that on wooden beds. I think this tariff was introduced by the last Government and the party now in power. The duty on wooden beds is 36% whereas the duty on metal beds is 20%. Sir, I think I will have to continue tomorrow.

Mr. Speaker : Tomorrow the hon. Member will be allowed to complete his speech in accordance with the Motion which was moved to permit him to speak.

ADJOURNMENT

Resolved, "That this Assembly do now adjourn until Tuesday, 10th April, 1962, at 2 p.m." [Mr. Benn.]

Adjourned accordingly at 10 p.m.