

THE
PARLIAMENTARY DEBATES

OFFICIAL REPORT

[VOLUME 1]

PROCEEDINGS AND DEBATES OF THE FIRST SESSION OF THE
FIRST PARLIAMENT OF GUYANA UNDER THE
CONSTITUTION OF GUYANA.

35th Sitting

Monday, 23rd January, 1967

NATIONAL ASSEMBLY

The Assembly met at 2 p.m.

Prayers

[Mr. Speaker in the Chair]

Present

His Honour the Speaker, Mr. A. P. Alleyne

Members of the Government

Ministers

The Honourable L. F. S. Barnham, Q.C.,
Dr. the Honourable P. A. Reid,
The Honourable P. S. d'Agular,
The Honourable N. J. Bissember,

The Honourable R. E. Cheeks,
The Honourable E. F. Correia,
The Honourable Mrs. W. Gaskin,
The Honourable L. John,
The Honourable R. J. Jordan

The Honourable M. Kasim,
Honourable W. O. R. Kendall, C.B.E.,
The Honourable C. A. Merriman,

Parliamentary Secretaries

Mr. D. B. deGroot,

Mr. G. Bowman,

Mr. O. E. Clarke,

Mr. P. Duncan,

Mr. J. G. Joaquin, O.B.E., J.P.,

Mr. C. V. Too-Chung,

— Prime Minister
— Minister of Trade
— Minister of Finance
— Minister of Information (Leader
of the House)
— Minister of Local Government
— Minister of Communications
— Minister of Education
— Minister of Home Affairs
— Minister of Agriculture and
Natural Resources
— Minister of Works and Hydraulics
— Minister of Health and Housing
— Minister of Labour and Social
Security

— Parliamentary Secretary,
Prime Minister's Office
— Parliamentary Secretary, Ministry
of Labour and Social Security
— Parliamentary Secretary, Ministry
of Education
— Parliamentary Secretary, Ministry
of Local Government
— Parliamentary Secretary, Ministry
of Works and Hydraulics
— Parliamentary Secretary, Ministry
of Finance

Other Members

Mr. W. A. Blair
Mr. J. Budhoo
Mr. W. G. Carrington
Mr. R. G. B. Field-Ridley
Mr. T. A. Sancho
Mr. M. F. Singh
Mr. J. H. Thomas
Mr. R. C. Tello, Deputy Speaker
Rev. A. B. Trotman
Mr. H. M. S. Wharton, J.P.

Members of the Opposition

Dr. C. B. Jagan, Leader of the Opposition
Mr. A. Chase
Mr. Ram Karran
Mr. H. J. M. Hubbard
Dr. Charles Jacob, Jr.,
Dr. F. H. W. Ramshoye
Mr. M. Hamid, J.P.
Mr. J. R. S. Luck
Mr. D. C. Jagan
Mr. H. Lall
Mr. M. Khan, J.P.
Mr. Y. Ally
Mr. R. D. Persaud
Mr. S. M. Saffee

Clerk of the National Assembly - Mr. F. A. Narain
Deputy Clerk of the National Assembly (Acting) - Mr. M. B. Henry

Absent

The Honourable S. S. Ramphal, C.M.G., Q.C.,
Attorney-General and Minister of State
Mr. D. Mahraj
Mr. H. Prashad - on leave
Mr. E. H. Benn - on leave
Mr. R. Chandisingh
Mr. C. V. Nunes
Mr. E. M. Wilson
Mr. J. Linde - on
Mr. M. N. Poonai
Dr. S. A. Ramjohn
Mr. K. M. Stoby
Mr. M. Bagwan

**ANNOUNCEMENT BY THE
SPEAKER**

Leave to Member

Mr. Speaker: Leave of absence has been granted to Mr. Hari Prashad for three weeks with effect from today's sitting.

PUBLIC BUSINESS

Standing Order 62 (2)

The Leader of the House (Mr. Bissember): Before we start, it is my interpretation of Standing Order No. 62 (2) that the debate on the Budget Speech should really stop at 9 p.m. Your Honour has the power to interrupt the business at 9 p.m. I am suggesting to the Opposition that we should stop at 9 p.m. If it does not agree, then we can go on to 10 p.m. when the business will have to conclude.

Mr. Luck: Let us stop at 10 p.m.

Mr. Bissember: All right.

MOTION

**APPROVAL OF ESTIMATES OF
EXPENDITURE
BUDGET DEBATE**

Assembly resumed debate on the Motion moved by the Minister of Finance on 16th January, 1967, for the approval of estimates of expenditure for the financial year 1967 totalling \$110,645,905.

Mr. Speaker: When we took the Adjournment Mr. Hubbard was speaking for 15 minutes.

Mr. Hubbard: I have already said certain things about the Budget Speech and the Minister of Finance's financial proposals, and I revealed the Government's policy, exposed the Government's philosophy and showed that it is one of soaking the poor and the small, and protecting the rich and the large. I now wish to use those same proposals and that same Budget Speech in order to reveal the Character of the Government.

It is nearly a month since this National Assembly ratified the Agreement establishing the Caribbean Free Trade Area. Nearly a month has elapsed since this House voted in favour of the Agreement. Page 31 of the Agreement, Annex 'C', provides that from the beginning of January, 1967, the duty on rum from Barbados and Antigua, the other two parties to this Agreement, should be reduced by 40 per cent. I will read the relevant parts of the document. Annex 'C' states:

"1. Special arrangements are provided in this Annex for the progressive elimination by Member Territories of the effective protective element in revenue duties (hereinafter referred to as protective revenue duty) applied to such imported goods as are itemised under the Standard International Trade Classification (original) as follows:-

SITC Item No.	Description of Product
112-04	Rum."

I see nothing in the Customs Order which has been published and which increases the duty on rum from Barbados from \$34.46 per liquid gallon from rum in bottles and to \$43 per liquid gallon from rum in bulk.

But this is not the only particular in which the proposals of the Minister of Finance violate trade agreements. We have never had a debate in this House on International Affairs, and it is difficult for us on this side and for the public at large to know what is the Government's foreign policy or anything of that nature. I believe that, when Guyana attained its independence, it accepted the existing international obligations which had been in force between the United Kingdom in respect of this territory and other territories with the exception of Venezuela, and that, I know, was for political reasons.

[MR. HUBBARD.]

One of the International Agreements in force was GATT, the General Agreement on Tariffs and Trade, and GATT provides that preference should be brought to a standstill with the object of eventually eliminating it. If you look at this Customs Order you will find that, in respect of cotton prints, the preference in favour of goods of Commonwealth origin has been increased from 5 per cent to 10 per cent; so that we see the character of this Government both in regard to the actual covenanted Agreements and to old and long established international undertakings, for it regards them as scraps of paper to be set aside at will.

I am disturbed over this as other decent Guyanese must be disturbed over this because, while we know that in our internal affairs the pledged word of the Government means nothing, we are going to find ourselves in very grave difficulties if that attitude is adopted on international commitments as well.

I would like to be generous and to feel that these two lapses have been oversights but, on the other hand, it is possible for me to feel, and it is even reasonable for me to feel, that in terms of the breach of the CARIFTA AGREEMENT it might be against the policy of the junior partner in the Coalition Government to permit competitive rum from the islands of Barbados and Antigua to come to Guyana and have opportunities of sale here which match those of certain blends of locally produced rum.

2.20 p.m.

The situation, as I said, is most grave. I have no doubt that the Barbadians will do what they find necessary but, with respect to the differential in the foreign rate of preference on printed textiles, a very serious disadvantage has been cre-

ated for our own people. I know that the friends of the Minister of Finance and the Government, the big fish, do not find profit in the sale of cloth at three and four yards for one dollar, and there must be considerable pressure upon the Government to create conditions which would exclude this cheap and necessary commodity from the local market. We have seen that while the Government is insensitive to representations from other quarters, while it turns a deaf ear to everyone else, when the Chamber of Commerce barks, not one but two Ministers jump to attention and promptly give consideration to what is said.

When it comes to the question of textiles, we must understand that it is not only the fancied enemies of my friends who will suffer. It is not the socialist countries alone that have been supplying cheap textiles. Perhaps members of the Government think that cheap textiles come only from the socialist countries, but it is a wasteful practice in the United States of America that when a season ends, the unsold patterned textiles in the big stores are withdrawn from sale and sold for a song to make way for new patterns. Since this is the practice in the United States of America, it is possible for intelligent buyers to go there and acquire lots at cheap prices and bring them here for sale, to the advantage of our population.

In increasing the preference on Commonwealth supplies of textiles, the Minister of Finance is not only discriminating against socialist trade, but he is discriminating against his friends in the United States of America. I have warned members of the Government that it is a dangerous thing, to accept at face value, what is put before them by the Minister of Finance, and I hope that, now that I have underlined this, they will be more careful in the future. I cannot

believe that all the people whose faces I see on the other side of the House are contemptuous of agreements solemnly covenanted.

I should particularly like to deal with certain aspects of the Government's policy which relate to trade. I have already said how disappointed I was that the Minister of Trade should have addressed this Assembly for half an hour without saying anything at all about trade. A fiscal policy is one pillar of Government and a trade policy is another. They might be said to be the twin main pillars upon which a country's economy rests. I should have liked to have heard from the Minister of Trade what is being done in this other important field.

We have just entered into this Agreement establishing the Caribbean Free Trade Association and I have looked through the Estimates to see whether this was a Budget or whether it was, indeed, again an interim Budget. I am persuaded that it is another interim Budget for the reason, that no where in this voluminous publication can I find provision to the extent of so much as one cent for paying the cost which will accrue to this country as a consequence of the Caribbean Free Trade Association

To my mind this indicates that this Government is still playing fast and loose with this Assembly and with the people of this country. I remember that when I spoke on the motion for ratifying the Agreement I expressed some disquiet at the fact that no estimate of cost had been presented along with the Agreement. I am led to believe that this feeble effort is considered by this Government to be ended, or once again we have been treated to a fictitious statement of our financial position by the simple process of excluding from the Estimates necessary expenditure

which does not have to be incurred as from the first of January this year. Therefore we will come back early for supplementary provision. I hope that I will not hear from the Minister of Finance that money has been unlawfully spent in respect of things like this Free Trade Association and that he is having the Director of Audit pass upon it, and I hope that he will not immediately afterwards seek the approval of this Assembly for what he originally disapproved.

Internal trade and external trade are factors which affect both the cost of living and the standard of living. I have been distressed at the way in which our internal trade has declined and because certain elements of our external trade have withered away while others have lost much of their profitability.

2.30 p.m.

Because of the thoughtless remarks of an Ambassador-designate whom the Queen was delighted to honour and who is now serving abroad, we lost a very valuable market in Trinidad for plantains. People who live in remote areas on our coast in the North West District and in the Pomeroy District have been hard hit by the loss of this market. They used to get three and four cents per pound for plantains, spot cash, from sloop owners who took them over to Trinidad and sold them there. That market is gone. They now have to accept a minimum price from the Guyana Marketing Corporation and strings are attached to that minimum price. The plantains have to be of a particular size, and the persons selling the plantains have to have certain party connections; they must fit into a certain political pattern. This has caused a great deal of disillusionment, a great deal of loss, and a great deal of heartburn to people who live far in the country.

[MR. HUBBARD]

I regret that the hon. Minister of Trade (Dr. Reid) is not in his seat because I wish to put forward to him some suggestions which might be helpful. The Guyana Marketing Corporation manufactures plantain flour. To manufacture plantain flour it has to purchase prime green plantains. There cannot be any suggestion that the plantains are turning ripe. This means that plantain flour is manufactured from the most expensive plantains that are on the market, because they are the plantains that are ferried across the river from the canals Polder and places close by.

I should like the Minister of Trade to offer to those producers of plantains who live far from the market the opportunity to sell to the Corporation not plantains but what is called "Conquintay", that is, plantains stripped of their skin, sliced in to pieces, dried in the sun or in kiln — if one is available and sent down to the Corporation in plastic containers so that the moisture extracted does not become absorbed again in transit.

I know that it takes about four pounds of plantains to make one pound of plantain flour and, on that calculation, the farmers could use their family labour to earn 7 cents per pound for plantains instead of the 2 cents that they now get.

The Guyana Marketing Corporation which retails plantain flour at 56 cents per pound could easily pay 28 cents per pound for the "Conquintay". This would be a great advantage to the farmers living outside, and everybody would benefit. I am sure that the Corporation would be able to make something because the plantains it now buys are very expensive. I submit that for the consideration of the Minister of Trade who is not here, and I ask that his friends be good enough to convey what I have said to him.

I am very disturbed to find that, in spite of its experience over the past two years, the Government has continued to employ the services of Connell Rice and Sugar Company for the disposal of so-called "surplus" rice. We were made to understand that this company would dispose of all rice which was surplus to the needs of the traditional markets in the Caribbean which we have been supplying. This was my understanding. In spite of the fact that we have tabled a Question in this House requesting the publication of the terms of the Connell Agreement, we have drawn a total blank. The normal parliamentary practice of answering Questions has been set aside and we are still in the dark, so we have got to speculate rather than to speak from certain knowledge.

What disturbs me is this: Apparently, Connell Rice and Sugar Company is not acting as a disposer of surplus but as a seller of prime produce. That company tells the Rice Marketing Board what it wants and the Rice Marketing Board is producing for it. There are, I am informed, more than 20,000 bags of prime white rice lying in the R.M.B. bonds at Springlands. This rice is supposed to be sold by Connell. There are also some 40,000 bags at the Rice Marketing Board in Georgetown.

Now, the Government's justification for this Connell deal was that it had found on hand large supplies of white rice which had to be promptly disposed of. Connell Rice and Sugar Company was brought in to do the job. That company is acting not as a seller but as a purchaser, since it buys at 1 per cent commission — the first buyer I have ever heard of to get a commission for buying. The stocks have built up and there are 60,000 bags of rice unsold. Connell seems to have lost its magic wand

and the Government seems to have lost its justification. Now these things strike at the roots of our economy and I see nothing in the Budget to suggest that any attempt is being made to find a way out.

The answer is not the retaining of a company which is in the rice business, which buys cheaply and sells expensively. We gained our Independence to break away from this but, having become independent, we have recolonized our rice industry which had become independent during the period of colonialism.

2.40 p.m.

I see an item under the Ministry of Trade, Shipping and Civil Aviation for a Trade Officer at \$448 a month. I do not think that a Trade Officer at \$448 a month is going to make any impact upon the marketing problems of this country. What we need is to assay marketing opportunities, and to move in and try to get our goods sold. But a Trade Officer at \$448 a month is not, I submit likely to possess the experience necessary to point the way for the reforms which are necessary if a new pattern of trade is to develop to end our bottle-neck here.

I think that the Ministry of Trade, Shipping and Civil Aviation should go carefully into this question and see what can be done because we have got to reform, as I said, our internal marketing as well as our external marketing. The Caribbean Free Trade Area Agreement provides an opportunity for ending one little bottle-neck if the Government will only see it and use it. Barbados has a vast tourist trade which is anxious to have new foods which we can supply. It is possible to arrange for the necessary accommodation of refrigerated ships to take to Barbados the surplus of foods that we now throw away, but which its tourists would pay expensively for.

Mr. Speaker: Time!

Mr. Ram Karran: I beg to move that the hon. Member be given an extra fifteen minutes to continue his speech.

Mr. Lall seconded.

Question put, and agreed to.

Mr. Hubbard: There is nothing in the Agreement which relates, so far as I have been able to notice, precisely to trade and that sort of thing. But since you have made a union, I think it is right that you should try to see what you can get out of the union. In terms of foreign trade, I say again that it is wrong, very wrong indeed to confine ourselves to selling in markets which have been traditional to us, almost throughout our history. I say that socialist countries have been earning money in this market by way of foreign exchange and there should be a determined effort to bargain over the trade opportunities which exist here.

We have an unfavourable balance of trade with the socialist countries, but we also have an unfavourable balance of trade with Britain and we must use the principle that trade is a two-way affair in order to expand our opportunities abroad. Making deals such as the Connell deal are not likely to help us to lift ourselves out of the financial difficulties we are now in, and which will grow as this year progresses.

I should like the Government seriously to take into consideration the question of studying all markets, so as to find out what can be done to get us new customers for the goods we produce now and hope to produce in the future. As I said, I regret that the hon. Minister of Trade, Shipping and Civil Aviation is not here. I regret that he did not enlighten us on Government's intention in this field, and I hope that as this debate progresses, and other Ministers address the National Assembly, we shall learn

[MR. HUBBARD]

more about the Government's intention in other fields. Perhaps we may be more fortunate in some of them.

Mr. Singh: The Budget presented by the Minister of Finance is the first Budget presented to this independent Parliament of Guyana, and I submit that it is incontestably the best certificate which this young nation of ours can produce to hang on its halls of fame, for it communicates to the outside world — in a way no Budget ever presented by any previous Minister of Finance in this Country could have done; it communicates to the world this nation's determination and this nation's ability for achieving progress. It communicates to the world this Government's ability to spur the nation's economic growth to provide a more prosperous, a more secure life for all Guyanese regardless of race, creed or religion.

This Budget is this Government's non-communist manifesto. [Laughter (Opposition).] It is the alternative of all the Guyanese people, all, that is, except a few self-styled working-class leaders whose only avowed purpose is to wreck this fair country of ours by their vulgarised Socialism, Marxism, and other 'isms'. This Budget is our answer to Marxist-Leninist emotiveness with which we in this country, and in this House, have become only too familiar. This Budget is tainted perhaps, with only one kind of 'ism' and that is pragmatism. Unlike his predecessor, this Minister of Finance and this Government can boast of progress and pragmatism, not decline and dogmatism as their predecessors.

2.50 p.m.

I will now refer to the progress of this Government. In the period 1954 — 1959, this country's Gross Domestic Product at factor cost increased at an average annual rate of 2.7 per cent — from \$194 million in 1954 to

\$220 million in 1959. Over the period 1960 to 1964 the average rate of growth of the Gross Domestic Product was 3.7 per cent — from \$263.5 million in 1960 to \$301.8 million in 1964. Let us remember that during the period 1957 to 1964 there was in power the present Opposition, a so-called "workers Government" that said to the just demands of the Civil Servants "not one cent more!"

Let us look at the record of this Government in its two short years of life. It shows that the Gross Domestic Product which stood at \$301.8 million in 1964 rose to \$326.9 million in 1965. In one year the rise was to the level of 8 per cent. What the previous Government has failed to achieve in its 7 years of office, this Government has not only done in one year, but has done better twice over. It is an enviable record, but the story is far from complete. By the end of 1966, the Gross Domestic Product had risen to approximately \$360 million. It is a most fantastic increase of 20 per cent in the space of two years. Put another way the annual increase was 10 per cent.

This is an undoubtedly good record of progress, despite what our detractors may say. This is a record which has never been equalled in this country before. We must bear in mind that this record was achieved at a time when sugar was the sheet-anchor of this country's economy, and the price of sugar fell from \$500 a ton in the 1963 to 1964 period to about \$96 a ton thereafter. Let us remember that the Gross Domestic Product during the years 1963 to 1964 was boosted by the price of sugar at \$500 a ton.

Presumably we will be told that this drop in the price of sugar was engineered by, or with the connivance of, the imperialists and so on. But when those who would like to tell this story set about doing so, they must remember that at the same time

Cuba was dumping sugar on the world market at the same price of \$96 a ton. They must remember also that Cuba was one of the main stumbling blocks to the conclusion of a new International Sugar Agreement which would help both consumers and producers of sugar.

Let us look at the background to this Budget in another way. Let us look at the record of progress, at the optimism, at the pragmatism, on which the proposals in this Budget are set out. Let us look at the growth of the annual Gross Domestic Product which has resulted in an improvement in the way of life for all Guyanese. This is further exemplified by a look at the national income per head of population. The national income per head of population is the index of development, and it is always a good and reliable means of telling a nation's well-being, despite what others may say to the contrary. This has always been used as a means of knowing whether or not a nation is progressing.

The national income per head, which showed a fantastic decline during the period immediately preceding the present Government, has had a new lease of life since this Government came into power. Let us look at the figures. I will quote from the Economic Survey of British Guiana by Dr. Kundu. At page 43, according to Dr. Kundu,

"The per capita national income has declined gradually from 1957 —

the year the P.P.P. came into power —

"to 1959." He calculated the national per capita income as —
 "\$391 in 1957
 \$390 in 1958
 \$380 in 1959."

He also calculated the per capita income in 1960 as \$413. He said that:

"the increase from 1959 to 1960, on the other hand, is quite encouraging, — and — with — future expansion the year 1960 may prove to be the starting point of

a rapid growth in British Guiana."

It is a national tragedy that Dr. Kundu's prophecy did not come true. This country had to wait for nearly five years to see the "expansion" and the "starting point of a rapid growth of the economy. All of this had to wait for five years until the present Government came into power. Incompetence, dogmatism, and a philosophy and ideology alien to this soil, and categorically rejected by the great mass of our people, were responsible for the era of decline. These were the reasons why the past Government failed to live up to the expectations of the economists who have predicted certain things.

What has been this Government's record so far? Before I with this, let me complete the sad story of the period 1960 to 1964. Working on a slightly different basis to Dr. Kundu, the Guyana Statistical Bureau has computed the behaviour of the per capita national income for that period as follows:

1960	—	\$434
1961	—	\$432
1962	—	\$417
1963	—	\$403
1964	—	\$400."

This, you will note, follows the same pattern as the Gross Domestic Product at factor cost. It has been a tragic tale of a country run at that time by men bankrupt in everything else but their mad desire to propagate their own ideology, their own philosophy and to push things down the throats of other people.

3.00 p.m.

With a population increase of about 3 per cent per annum it seems that, far from our having an development during the period 1957 to 1964, the economy of this country took a retrograde plunge. The record of this Government's achievement in 1965 and 1966 is there for all to see. Whereas at the end of 1964

[MR. SINGH]

the national income was \$400 per head, by the end of 1966 it had risen to \$470, an increase of 18 per cent over the two-year period, or an average increase of 9 per cent per annum.

This is the outstanding achievement of this Government. The economy was obviously on the upsurge. If you allow me, sir, to use an analogy, I would say that the rocket is off its launching pad, but the Government is not satisfied with the self-propulsion. The Government will never set off any retro-rockets to slow it down but will find additional impetus, additional thrust to push it forward. I submit that the proposals outlined by the Minister of Finance do provide additional energy and added momentum to the economic machine.

The philosophy of the Budget is simple. It is to curb our tendency to excesses and extravagance in the use of valuable foreign exchange. We are realists. We recognize our weaknesses and we are determined to do our best to put them right. Some would suggest that the answer is exchange control but throughout the centuries exchange control has not achieved what it was first thought it would achieve. Our confidence in ourselves and the confidence of the outside world in our ability to be good housekeepers make exchange control unnecessary.

The Government is really putting the emphasis where it rightly belongs. Our emphasis must be on controlling our food imports and on using more of our own local foods. There are many local substitutes for imported foods and we must use these not only as foodstuff but for our manufactured articles. The philosophy, too, is to encourage local industry, to woo foreign capital and foreign entrepreneurs to come here and, when they have come, to encourage them to remain.

It is a known fact that there is a shortage of capital. All the developing countries are vying with each other for foreign capital. If we want to move ahead, our policy should not be exchange control. Some people would suggest nationalisation. Our policy should not be to nationalize. Can we afford to nationalize industries? The position is this: In every country where nationalization has been tried it has resulted in chaos. Those who advance nationalization would perhaps do better to look at the lessons of India and Indonesia, Ghana and Guinea, Cuba and Ceylon. They should look at these countries before trying to tell us that we should nationalize our major industries and pay compensation for them. With what would we pay compensation? Perhaps "Compensation" is not a word in the vocabulary of the socialists.

The answer is not nationalization. It is not exchange control. I respectfully submit that the answer is provided by this Government's philosophy and policy. It is a policy of import substitution, a policy of incentives for rapid industrialization.

Let us look at what the Budget proposes. What are the proposals? First, the proposals of the Minister of Finance call for an additional \$2.55 million to be raised by the imposition of additional import duties on a very limited range of imports representing less than 10 per cent, by value, of total imports. Of these, alcoholic drinks and tobacco provide about 40 per cent of the additional yield. In this country we make more rum than we can consume or would like to see consumed even if no other alcohol was available. We make gin, beer and stout. I have never heard anyone, even my friends in the Opposition, complain about the quality of these products.

Those who have sophisticated tastes, those who want to drink whisky, champagne and cognac, must pay for them. They should not hurt the economy of this country because of their expensive tastes. But how does this Budget affect the ordinary working man? He makes no allowance in his budget for an item such as champagne. Therefore, this does not affect the ordinary working man.

In any case, let us look at Antigua. Antigua makes whisky and sells it at half the price of the imported product. Trinidad is also making whisky and why should not Guyana do the same? We are making good rum, good beer and stout. Is there anything to prevent us from making good whisky? The time will come when we will be able to do this and then Government will be complimented on its foresight in giving an opportunity to people who may wish to establish this industry. Government has given the chance to people to go forward and establish such an industry and has provided an incentive.

Tobacco is also included in the articles to be taxed. We grow tobacco in the Rupununi and in Demerara. Only yesterday it was mentioned in a newspaper that good tobacco is grown not far from Georgetown. Therefore the Government is well justified in imposing increased taxes on tobacco. We must continue to grow tobacco locally and those who indulge in the harmful pastime of smoking should not begrudge the additional amount they will have to pay as a result of their pastime.

3.10 p.m.

Our critics have been loud in their criticism of increased taxation. This Government needs money in order to provide the amenities which it is supposed to provide for the nation. We are now a free nation. We are proud

to be a free nation. Why should we grudge the Government the opportunity to be able to get the money to provide the services which the community expects?

Let us remember that as a free nation our financial responsibilities are much greater. I think it is estimated that the cost of Independence was about \$6 million. This was not met by the introduction of any compulsory measure. This was met by taxation on those who could afford to pay it. Therefore, why should we criticize the Government for taxing those people who could well afford to pay additional taxation?

We have a situation where 40 per cent of the additional import duties, of the \$2.55 million, will come from alcoholic drinks and tobacco. A further 30 per cent, according to the Minister of Finance, is attributable to the higher duties on certain non-essential foodstuffs and articles of clothing, and the remaining 30 per cent of the increase will be raised by higher duties on consumer durables and miscellaneous manufactured goods. To those who perhaps cannot do a little bit of mathematics, let me explain that 30 per cent of \$2.55 million is \$765,000. It means that we are going to raise \$765,000 on certain non-essential foodstuffs and articles of clothing. That is all. A further sum of \$765,000 will be raised on things like motor cars, refrigerators, electrical appliances, nails and so on. I want the members of the Opposition particularly to remember that 30 per cent of \$2.55 million equals \$765,000 because I will refer to it a little later.

Contrary to statements appearing in the Press, I wish to say that the Budget is not a Budget that affects the ordinary man. In fact, the index of retail price increases is only 1 per cent or there about. The working man's budget is not affected. The things that are taxed are not things which he would normally use in his

SINGH]

staple diet. Things like tinned cauliflower and Brussels sprouts are not things that are normally in the working man's Budget. Even if things like tinned juices, salted fish, pickled beef and pork, and other such things are in the working man's budget, there are suitable substitutes which he can use.

Take margarine, for example. There should be no reason at all why Guyanese should not buy locally made margarine. We have a local margarine factory employing local people and there is no reason why anyone should buy the imported product. Buy local! In any case, in respect of such things as salted fish, there is an abundance of fresh fish and fresh meat. Those who have a sophisticated taste, those who still think that the foreign goods are better, those who still have a colonial mentality and think that all things foreign are good and things local are not good, must pay more if they want to indulge in this taste. They must pay more if they are not prepared to buy local.

I submit that the staple diet of Guyanese is not affected in any way by the Budget. Things like flour, peas, and potatoes have not been taxed. It is true that there are some who would fraudulently want to soak the poor and who would add to the price of these articles. To those people we say that the Government will have to adopt a very stringent policy, perhaps a policy of price control is needed. The Government will not hesitate to introduce price controls if there is convincing evidence of an unscrupulous pricing policy being pursued by traders in this country.

The Opposition has made a song and dance about imported nails being taxed and the cost of building materials going up. I should like to say that this Government has been in office for only two years and it has done more for the building trade and

for building than the last Government has done in its seven years in office. This can be verified by the figures in the Economic Survey of British Guiana. This Government has introduced income tax concessions on the income paid on mortgages for those who wish to build their own houses, those who wish to repair and to renovate their own houses.

Perhaps I should nail this fallacy of the cost of building materials going up because of the increase in the cost of imported nails. There is, in fact, a nail factory in Berbice and there is no reason why Guyanese should not buy the good nails which are being produced by this factory. There is no reason why they should not buy local, and support the local industry in Berbice.

I can go on and demolish spurious arguments which have been brought up inside and outside of this House, but there is little point in doing this. Perhaps I can go on to pay my hon. Friend Dr. Jacob the compliment of referring to his Budget Speech on the 31st January, 1962. I should like to quote from the Hansard of 31st January, 1962, column 763. This is what Dr. Jacob said:

"It is proposed to increase the rates of duty to yield \$6.5 mn. on the present level of imports. This increase will be concentrated on \$40 mn. of imports, which at present yield \$12 mn. in duty and comprise less-essential goods either in the sense that they are not necessities of life (e.g. alcoholic drinks, tobacco, concentrates for non-alcoholic drinks, tea, motor spirit, perfumery, cosmetics, the more expensive dress fabrics, footwear and other apparel, glassware and chinaware, jewellery, radios, refrigerators and other household electrical appliances and motor cars) or in the sense that adequate substitutes can be supplied from local production (e.g. meat, fish, butter, milk, cheese, fruit, fruit

juices, jams, coffee, confectionery, prepared paints, toilet soap, paper bags and some varieties of clothing). The actual yield of these proposals will be less than the \$6.5 mn. mentioned above, since there will be some curtailment in the volume of such imports — benefiting both local production and the country's international balance of payments; but the revenue yield should not be less than \$5.5 mn."

The Prime Minister: Read it again.

" . . . but the revenue yield should not be less than \$5.5 mn. The increased duties will add 17% to the c.i.f. value of these imports and bring the average ad valorem rate of duty on these goods to nearly 50%. The average retail price should not rise by more than 10 per cent."

3.20 p.m.

However, many of the items do not enter into the working-class budget, and therefore the increase in the Urban Consumer Price Index (which is an index of changes in the working-class cost-of-living) will be approximately 1%."

We all know the fate of the 1962 Budget. The Opposition in 1962 wanted to raise \$6.5 million over virtually the whole range of imports into this country, and now it is criticizing us for wanting to raise \$2.55 million. It is criticizing us for wanting to raise \$2.55 million on a much higher level of imports, but on a much more restricted range of articles, as compared with the \$6.5 million the Opposition tried to raise in 1962. [Mr. Luck: "But you raised \$2.5 million as well last year."] Peas and potatoes were increased. Almost every item on the staple diet of the Guyanese people was increased.

Let us summarise the position. First, we propose raising an additional \$2.55 million — [Mr. Luck: "You are being repetitious."] I repeat that this is approximately one-third of what the Opposition wanted to raise in 1962. The Budget presented by the

hon. Minister of Finance does not affect the ordinary working-classman. It affects only the wealthy people. What we are doing is shifting emphasis of importation from non-essentials to encourage the buy-local campaign.

Secondly, it is proposed to raise an additional \$5,000 by putting a higher excise duty on matches. The real effect of this is not to increase the price of matches at all, since one box will continue to cost three cents. Let us assume that people buy two boxes of matches at a time. It means that they will now have to pay one cent more on every two boxes that they buy.

One box of matches contains approximately 40 sticks. For 40 sticks of matches the working man pays an increase of one cent. If a family uses three sticks each day to light the fire thrice for cooking meals, it means that within one year the family will be called upon to pay an elephantine sum of 14¢! [Mr. Luck: "Three sticks a day! Do you know anything about cooking?"] We have not attempted to raise \$6.5 million on things like peas and potatoes and all the other things which were taxed in the 1962 Budget.

Now, we go on to another aspect of the Budget. The Budget is granting certain concessions. The Opposition has said that these concessions are for capitalists. What capitalists? They are for the capitalists of Guyana. Any Guyanese is entitled to benefit. They are for all Guyanese. Money is scarce in this country. At present, we in this country have got neither the resources nor the technical know-how so we should be grateful to those Guyanese capitalists.

Mr. Speaker: Time!

Mr. Tello: I move that the hon. Member be given an extra 15 minutes to continue his speech.

Mr. Sancho seconded.

Question put, and agreed to.

Mr. Singh: We make no apologies for the concessions granted. It would mean that rice farmers would now be able to buy their trailers cheaper. Those who want to buy prefabricated frames for building, those one-man businesses, those single individuals who are now setting up their own businesses will benefit by these prefabricated frames. The capitalists who will benefit are, in fact, those capitalists who have set up factories for manufacturing furniture, nails, confectionery, paper and plastic bags, and so on.

Another concession has been duty-free importation of industrial raw materials, provided there are not already adequate local substitutes, so that our ironmongers will now be able to develop. They will now be able to offer adequate local substitutes for articles which previously had been imported, heavy machinery. We are just rationalizing the position. Certain articles have been imported at a low preferential rate of duty, and the raw materials have been imported at a higher rate of duty. The result has been the manufactured article itself was sold cheap, and the raw material from which the article could be made locally, was sold dear. What the Government is doing is rationalizing the position so that the local foundrymen and the local blacksmiths will now be able to produce this product at a price to compete with the imported product.

3.30 p.m.

Finally, if we in this country want to attract foreign investors to create the necessary finance for new investments, we will have to offer effective incentives. We will have to modify the tax provisions relating to initial allowances and to tax holidays. The Government proposes to overhaul the Income Tax (In Aid of Industry) Ordinance, and this is essential in

order to attract investors to this country.

The position is that in the contemporary industrial scene of the Caribbean we are not in a position to compete. For example, Surinam has a minimum tax holiday period of 5 years, with a maximum of 10 years, and in addition to this it has a number of other tax relief measures. This is also against the background of low company income tax.

Barbados has a most liberal incentive with a minimum tax holiday period of 7 years rising up to 15 years in certain cases. We cannot hope to attract new investment here unless we are prepared to offer reasonably competitive terms. Those who criticize us, perhaps, would like to see State enterprises in this country. They would like to see publicly-owned enterprises. Let me ask them this question, "In their 7 years in office, how many State enterprises did they create?" The only enterprise I know of is Gimpex, and that is not a State enterprise.

This country's problems cannot be solved; this country's development cannot gain and maintain the momentum which is likely to lead to the New Road to Happiness unless there is a change of heart. Fiscal policies alone cannot achieve this. I would appeal to the Opposition to listen to this. Development is not merely an idea; it is a philosophy. Development is not governed in any country by the economic forces alone. The key to development lies in men's minds and hearts; it lies also in the institutions in which their thinking finds expression. We have provided good, sound institutions, and we appeal to all Guyanese to give us their support and co-operation so that we can make Guyana a better place in which to live.

Mr. Ally: In commenting on this 1967 Budget, I should like to ask the hon. Minister of Finance, who has

spent two years in office, to tell us who has gained more, his rich friends, or the working-class people of this country? We have seen the vast amount of lies and propaganda mentioned in *Highways to Happiness* regarding economic dynamism, but I shall not bother to repeat those things.

We have to be suspicious of this 1967 Budget. To start with some of the lies, I may mention that in 1966 it was stated that a single scale of licence duty for all kinds of goods vehicles should be by the payload. Today we are indoctrinated, and we find that "payload" means the unladen weight of the vehicle so far as the Minister of Finance is concerned. How can a Government Minister be taken into anybody's confidence? This policy which is dictated and controlled from outside is ruining our country's economy. At times when it is not dictated from outside, it is dictated from— Messrs. — Cameron — and Shephard. How much longer can this Government fool the people?

The P.P.P. started a sound foundation for the economic progress of this country, but the whole structure was changed by the greedy and avaricious policies introduced here to benefit persons inside and outside of this country. In this bid to enforce these policies on Guyanese people, bribery, corruption and nepotism have been rampant, and the economy of the country has suffered, is still suffering, and will continue to suffer. Unless the Government is prepared to introduce a policy which is suitable to the majority of the people in this country, where everyone can participate, we can see only failure ahead.

For instance, in 1965 there were 112 strikes; in 1966 there were over 130 strikes; representations by leaders of trade unions were muzzled and harnessed against the desire of the workers. We have seen unemployment, retrenchment and the spiralling

cost of living, with the "big-shot Government" fooling around and doing nothing to help the poor working-class families. I will give examples of some of the failures by this so-called "genius" of economic dynamism: (1) The Daily Chronicle; (2) The British Guiana Chipboard Company on the East Bank; (3) Food Manufacturers Limited, and so on.

But let us discuss the Current Expenditure for 1967. The Minister of Finance mentioned something about the high debt charges which are growing. I will quote from page 12 of his Budget Speech:

"Our high percentage (44%0, though not the highest, is among the highest in the world and must cause us some concern."

I understand that in spite of the advice given by the previous Government, in spite of the fact that our country's progress lies in agriculture, this being an agricultural country, apart from agriculture being the mainstay of our economy, the present Government was told that agriculture would be able to absorb thousands of the unemployed who walk the streets today seeking jobs. This Government was told of the conditions existing in our country, but it was so bent on this heavy expenditure on infrastructure that it went ahead and did all sorts of things. The result is that we have thousands of jobless people in our country today.

3.40 p.m.

My impression of a good and honest Government is not one which concerns itself with a Prime Minister who lives in splendour and gallivants with flashy-looking cars, but a Prime Minister whose chief interest is in providing bread and butter for his people. I think that when the population suffers the Prime Minister should suffer too; when the population starves the Prime Minister

[MR. ALLY]

starve; and when the population enjoys luxury then and only then should Government officials enjoy luxurious living. After all, they are the servants of the people.

What do we find? In this independent country of ours conditions are exactly the opposite. I am reminded of a story I heard while on a trip on the Corentyne Coast of a certain man who admitted he was a supporter of the United Force and helped himself as the bribery was good. But things have changed today and, after supporting the party for about two years he admitted that when the P.P.P. was in office people were getting "cockoo" or breadnuts, but now the Coalition is giving them katchar.

Coming back to the 1967 Budget, I should like to quote from the second paragraph on page 13:

"The Estimates for 1967 have been very tightly framed. Strict control and every effort at economy will be necessary if expenditures to be kept within its bounds."

How can we accept this hypocritical statement when the Government wants to pay an Attorney-General \$4,000 a month for doing nothing? How can the Government pay one man that amount of money when there is not enough to employ persons to stop the spread of the national killer disease, gastro-enteritis?

Let us look at vehicle licences. The Government is determined to suck the blood of the poor in this country. The roads on the Essequibo Coast are in a dilapidated condition and residents there are still called upon to pay increased licence duties. I urge the Government to have some sympathy for the poor. If members of the Government have any shame they would see to it that the owners of buses, cars, vans and other vehicles on the Essequibo Coast, receive a rebate of licence duty until the roads are in perfect order.

I should like to read the last paragraph on page 14 of the Budget.

"From the foregoing, it is evident that insofar as the Current Budget is concerned results last year and prospects this year give no cause for concern."

How callous can members of the Coalition Government be? This increase does not give them any cause for concern. What about the spiralling cost of living and the high cost of foodstuff? Bookers is selling beef at 84 cents per pound. I defy this Government to pass legislation to prevent Bookers from selling beef at 84 cents a pound.

What about the increase in the rent for rooms and houses? What about education for our children? What about this Government's responsibility for health services? What about Government's attitude towards the mounting unemployment of Guyanese? What is the position of the nation, faced with a circle of promises from the Coalition Government and nothing more? All of this causes the Government no concern. I am afraid we are on a sinking ship and may God help us!

When these things happen, who suffer? The workers suffer because there is no employment. It does not matter how cheap goods may be selling, if there is no employment, they are still expensive and the Government should realize this. The price of foodstuff has reached an alarming height. This should be the chief study, but, as I said before, the members of the coalition have no consciences.

There have been strikes and retrenchment of workers. When a worker strikes it is not because he loves to strike. He loses money when he strikes; he strikes in justification of his own cause. Among the people who suffer are the smaller shopkeepers. There is an artificial shortage of goods, an artificial shortage of foodstuff. Yet people are called

upon to make a living when they are being pressed by a Government that has no conscience. The housewife is faced each day with a spiralling rise in the cost of living. Farmers have no markets for their produce; they receive no encouragement. The previous Government tried to encourage farmers to plant cabbages and gave them a bonus as an incentive. The bonus was taken away. In spite of the fact that the Coalition Government is telling us that it would like to sell local produce, the Guyana Marketing Corporation is importing cabbages to sell.

I should like to quote again from the Budget. I read from the fourth line in the second paragraph on page 15:

"First, our development needs are so pressing and so huge that even the generous level of assistance made available to us on soft loan or grant is insufficient ..."

What about all the promises made about big loans by the Minister of Finance? He made big promises at election time to the effect that if he was elected to office he would secure \$900 million as loans and would pay wages of \$10 a day. He said farmers would be given 30 acres of land, they would receive better prices for rice. A number of stooges were bribed and fooled in order to obtain their votes.
3.50 p.m.

The Prime Minister (Mr. Burnham): I rise to a point of order. Under the Standing Orders no one is allowed to impugn the honesty of any Member and I ask that the hon. Member be made to withdraw his remarks about Mr. Peter d'Aguiar in this House.

Mr. Ally: I withdraw the remarks, but in referring to this same gentleman the Prime Minister mentioned that he was pregnant in wealth but sterile in political honesty.

The Prime Minister: I rise to a point of order again. I do not deny

having made that statement but the Standing Orders of this House state that you cannot impugn the honesty of any Member.

Mr. Speaker: If the Prime Minister did make that statement it was in your place to object. No one objected, but in this case an objection is being made and I have to take note of it. Please refrain from making such statements.

Mr. Ally: Thank you. This coalition is plunging this country into bankruptcy. This appears on page 18, paragraph 5 of the Budget Speech:

"Of this short-term indebtedness of \$17 mn. at the end of 1966, about \$15 mn. was supplied by the banking system."

Now this indebtedness has resulted from the Government's policy with respect to the rice industry. The industry was profitable until the Government undertook sweeping dictatorial changes and brought the whole economic structure of the industry down to what it is today. The Government has created more unemployment in the rice industry than was there before. This is a credit to the coalition. But time will tell. It is said that God does not make a person suffer more than he can.

I urge this Government to reconsider its policy and let its motto be that the workers are brothers, regardless of race, colour or creed. I put that to the Prime Minister. You may try to fool the workers some of the time, but the moment they have one common goal they will stick together. Our motto should be: "Unite with Guyanese first and outsiders after".

The Government said that we must support local industries. I am sorry that the ex-Minister of Trade is not in his seat because he is a certified tanner and he can tell you the amount of hides that are wasting in this country. The Government has

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turned a blind eye to this kind of industry. This coalition is not concerned about building our economy locally. Tons of hides are being wasted.

There was a lot of talk about the committee which was set up, headed by Sydney King, to investigate the high cost of living. That committee was set up in August. This is January, and the poor man still has to face the high cost of living. The members of that committee would never make recommendations to bring about price control because they are afraid; their hands are tied. We can clearly see how the coalition is serving the people of this country. The workers in this country are having a very hard time.

Bookers is selling beef at 84 cents per pound and the Government is not bringing about price control. This is a challenge to the Government. The Government should take into account that whilst the prices are going up and there is rising unemployment, the poor people are feeling the pinch. The Government should change its policy and do something immediately so that the workers can receive some benefit from the country which they have served.

Mr. Speaker: This sitting is suspended until 4.30 p.m.

Sitting suspended at 4.00 p.m.

4.33 p.m.

On resumption —

Mr. Budhoo: Mr. Speaker, I rise to support this Budget. [Mr. Luck: "Well, tell us why now."] When one considers the years 1962, 1963, 1964, 1965, 1966 and 1967, this is not such a harsh Budget. The Opposition should take into consideration the fact that Guyana is now independent and we should have a Budget of this nature. Fortunately, we got off from two years. I can do nothing but com-

pliment the Government and the Minister of Finance. The whole nation expects a harsh Budget. But the cost of living has gone up just one point.

A speaker once said that when the P.P.P. took office, it started with a sound policy. Of course, the history is there with the sound policy from 1953 — 1964! Members of the Opposition said that in 1965 there were 112 strikes, and about 130 strikes in 1966. They also said that there is a lot of unemployment. But I think members of the Opposition should know that since this Government came into office it has found employment for over 10,000 persons, and it is daily trying to increase that figure.

Agriculture can absorb thousands of people. The hon. Dr. Jacob said that agriculture has been killed. That is one of the five points he made. The second point was that subsidies are withdrawn from the farmers; the third was that the country is in a state of stagnation; the fourth was that production has dropped, and the fifth was that tomato paste is being taxed. Those are the points of which he spoke. The hon. Dr. Jacob was somewhat misleading in his statements. When he said that agriculture was killed, I wonder what item he meant! Is it rice, cassava, plantain, sugar-cane, corn or coconut? The statement which he made about agriculture being killed is to my mind a statement of hearsay, a statement made by members of some irresponsible clique with as little knowledge of agriculture as the hon. Member himself. It is quite impossible for a Government to kill agriculture, for without agriculture no country can progress.

The hon. Member knows from the bottom of his heart that our newly independent Guyana is progressing. Agriculture is not being killed by this Government. Farmers are being encouraged to produce more, and also

to diversify their crops so as to earn more for themselves and the nation as well.

The hon. Member stated that subsidies are withdrawn from the farmers. But he did not say in which sector the farmers are suffering. As a rice farmer, I know that the rice industry is over-mechanized and more than 75 per cent of the gasolene machinery is being replaced by diesel machinery. Therefore, Government withdrew duty-free gasolene, and most conscientious farmers agree in principle with the withdrawal of the gasolene concession.

4.40 p.m.

I have contacted a few rice farmers and discussed the problem of duty-free gasolene with them. They agreed that duty-free gasolene was sold to car owners and that most of the car owners owned gasolene tractors.

On the third point, Dr. Jacob said that this country is in a state of stagnation. What the hon. Member said is nothing but a catch-phrase, and he is trying to imitate other irresponsible persons. To my mind the statement by the hon. Member has nothing in it. May I borrow a word from our hon. and learned Attorney-General. I will refer to a catch-phrase which the hon. Attorney-General called "bubbles" from irresponsible hon. persons. To my mind the hon. Member's statement is nothing but bubbles. The hon. Attorney-General said so the other day when he referred to the Amendments made by the hon. Mr. Ashton Chase to the Detention Bill.

The fourth point was that there is no production, and production has dropped. This statement is also nothing else but bubbles. Certain circumstances are due to weather conditions and scarcity of water, and no one can be held responsible. It is true that members of the Opposition toured the whole country and induced

farmers not to plant produce for export, but merely to plant enough for their own domestic purposes. In other words, they must plant enough to feed themselves. That is what the members of the Opposition told the farmers all over this country. The members of the Opposition have failed in their efforts to stop production, and production is mounting steadily.

Point 5, the tax on tomato paste! An hon. Member stated that tomato paste is heavily taxed. Guyana is a country that produces tomatoes in large quantities. I am from the Corentyne, and I can tell this House that Corentyne produces a lot of tomatoes. It is rather unfortunate that we should have to import tomatoes from other countries in order to supply our domestic needs. Such an item should be heavily taxed in order to protect our local industry and to boost employment in the country and the nation as a whole.

It is also rather unfortunate that the Budget is being attacked by the Opposition in such a fierce manner. I have seen a demonstration of it. Demonstration for what? I am conscious of what the Bible says, "Father, forgive them; for they know not what they do". I am sure that the majority of the Indian society will never disagree with me for saying so. There is also the saying: "A fool is always happy in a fool's paradise". People who are ignorant do not understand certain things, and the members of the Opposition can tell them anything because they are really blind. [Interruption.]

Some time in 1930 a missionary from India came to this country and he went about preaching. He met a Muslim on the Corentyne who told him: "I am very happy in my religion; the Koran says so and so". The missionary asked him if he had read the Koran from cover to cover. He said "No". The missionary advised him to

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go and read the Koran from cover to cover. The Muslim attacked the Bible and said that so and so was not so and so. The Missionary asked the Muslim again if he had read the Bible from cover to cover. The Muslim said "No". The Missionary advised him to read and study the Bible from cover to cover. The Muslim said that it was not necessary for him to read the Bible from cover to cover, as he was very happy in his own religion. The Missionary said that a fool is always happy in a fool's paradise.

I do not want to elaborate any more on the Budget, but I know that this is a tremendous Budget. When you examine it, you will see that it is a good Budget. I must compliment the hon. Minister of Finance and the Government of an independent Guyana for introducing such a Budget, which is not harsh on the nation.
4.50 p.m.

Mr. Lall: - The hon. Minister of Finance, in presenting his Budget for 1967, once again exposed his callous attitude towards the working-class people in Guyana. He has deliberately hidden items in the Budget by inserting code numbers. What hypocrisy! Let me quote from the Evening Post, which is friendly towards the Government. The Editorial in the issue of January 18 commended the Government very much on the Budget. I read from page 3.

"Freedom Budget"

"After what the public had been geared to expect - a tightening of the belt to meet heavier demands on the purse-string this year - the 1967 Budget proposals have come as a sort of anti-climax bringing a feeling of profound relief to the poorer classes."

What good phraseology! The next paragraph states:

"It is a high credit to the framers of the Budget that they

have been able to find means of adding a prospective \$5.4 million to the national revenue without making the impact felt (as in previous years) by the masses - that is, as far as we know, because there are certain items of foodstuffs "hidden away" in the Budget proposals that need some more investigating.

"With the single exception of matches, the cost of which has been increased by half a cent on every box, there has been no other attempt to make the lower income group feel the weight of the new taxation, except he prefers to reach out for the questionable benefit to be derived in the taste or preference for imported goods."

That was on the 18th January. On the 19th January the same Evening Post, with the same editor, carried an item with the caption "Up Goes The Cost of Living". The editor of the Evening Post did not discern everything because the Minister of Finance referred to items by their code numbers. Even I was disturbed because I could not borrow an Ordinance to see the code figures. I think it was gross dishonesty on the part of the Minister of Finance.

The Minister said we must change our habits. He, too, should support local commodities in preference to foreign commodities. What is a substitute for tea? The Minister of Finance was drinking tea not coffee, during the interval and yet he tells us to change our drinking habits. What is to be substituted for coriander seed? This has been used by many people in this country. Even Europeans have taste for coriander seed. There has been a 5 per cent increase on coriander seed, massala.

We are also told to change our eating habits. I should like to mention a few of the items which will have increased duties. Spices What will be substituted for spices? The blame is shifted from one person to the other, but as politicians it is our duty to

scrutinize the increases and see by what percentage the tax has gone up. Every time the Minister presents a Budget he says that the cost of living has risen by one point. During the two years that this Government has been in office the cost of living has gone up 7 per cent.

Let us see what other items have been mentioned. Tea, tomato paste, margarine, lard, lard substitutes, cocoa powder, sago — what will be substituted for sago? — canned soup: I know that crab-soup can replace that — canned peas, canned vegetables, canned tomatoes, ginger — what is to be substituted for ginger? — curry powder, preserved fruits, jam, marmalade, orange juice — we can use our own oranges — grape-fruit, pickles, sauces, yeast. What is to be used in the place of yeast? Other items are baking-powder, vinegar, cigarettes and matches.

5.00 p.m.

There are many others but I do not wish to spend too much time on this. I would say that it is a public disgrace that the framers of this Budget should tax something like matches. I think their consciences went out on holiday. The Minister was using the other side of his heart to frame this Budget. Stockings, underwear and brassieres! What an indignity to the feminine class of our country for this gentleman to tax an item like brassieres!

Maybe that is why two friends are on the war-path. It is not I who called the framer of the Budget Hitler; it was the President of the Chamber of Commerce. Let me read this headline which appears on the back of the Sunday Graphic On January 22, 1967; "Gajraj fires a Budget blast at Govt". I remember that the other Gajraj had put the screw on us when he was a Speaker here. When the P.P.P. Government presented its Budget in 1962 it taxed the poor and

it also taxed the rich, but the rich had to bear more of the taxation because they could afford to bear it.

Let me read what the President of the Chamber of Commerce said. [Mr. Bowman: "Give me your views."] The hon. Minister of Finance (Mr. d'Aguiar) helped to make this gentleman the President of the Chamber of Commerce. I am quoting from the Sunday Graphic of January 22, 1967:

"The president of the Georgetown Chamber of Commerce, Mr. M. B. Gajraj, in a hard-hitting statement yesterday, accused the Government of pandering to the emotions of the Guyanese public by not telling them why the cost of imported commodities were being increased.

Mr. Gajraj, himself one of the leading Water Street merchants, said that not only had there been a rise in the basic cost of foodstuff produced locally and abroad, but also an increase in the freight rates, and a fantastic rise in the charges made by receiving warehouses for the slow handling of cargo."

I am not, for one moment, defending Mr. Gajraj. It is dishonest of him to throw the blame on one side. This Government is also to be blamed because it encouraged these capitalists to milk the life-blood of the working class in this country, and today these same people are turning back on it. Two brothers are fighting now.

I was pleased to hear the statement by the hon. Minister of Trade (Dr. Reid) that the Government is keeping an eye out for the big fish. We do not want to hear words; we want to see something done. Since last year March the hon. Minister of Labour spoke about setting up a high-powered sugar commission. Soon it will be March 1967 and nothing has been done about setting up this commission.

I admire the Minister for what he said about catching the shark that is trying to swallow the sardines.

[MR. LALL]

But let him make this a reality. On the same afternoon the Budget was presented. I went into a shop and I noticed that the price of flour had increased by two cents per pound; the price of peas had increased by two cents per pint; the price of salted fish had increased by four cents per pound; the price of condensed milk had increased by four cents per tin and the prices of sardines, salmon, corned beef and corned mutton had all been increased.

I am saying that these merchants are raising prices because of the way the Budget was framed. When you raise licence duties, you are giving the business men loopholes. You are raising the licence fees by \$5, but you are saying, "Boy, you have an excuse. Raise your goods, the cost of living is going up". This is what is happening. The Minister of Finance has raised the licence duties in respect of shops so that the shopkeepers will have an excuse to raise their prices. If the Government is honest then it should control all the staple commodities that are used by the working class people.

The rates of duty on cotton fabrics were increased from 8 per cent to 10 per cent preferential, and from 11 per cent to 13 per cent general. Now the rate of duty on the same cotton has been increased to 15 per cent, but the Minister says "Printed Cotton". Cotton is cotton. We know who wears cotton, whether printed or not. The rates of duty on nylon and other expensive clothing were reduced to bring them on a par. This is how the Government loves the working-class people. This is how it professes to be a working-class Government.

5.10 p.m.

Let us take a look at some financial masquerading. I shall now quote from page 15 of the Budget Speech:

1966 CAPITAL ESTIMATES

"Capital expenditure last year totalled \$30.4 mn. — \$6.3 mn. more than in 1965 and \$20.8 mn. more than in 1964."

In making this reference the Minister of Finance spoke about 1964. He always speaks of 1964 because everyone knows that 1964 was a bad year. Why quote 1964? Why does he not quote 1961, 1962 and 1963 when he was burning the town? [Mr. d'Aguiar: "Any year for the P.P.P. is a bad year."]

He said that in 1966 capital expenditure totalled \$30.4 million. This year it is \$39.2 million. It is obvious that it is \$8.8 million more than last year. If money is spent in a country on a development programme, then it means that more people have to be employed. But let us scrutinize the year 1966. Hundreds of people were walking the streets without jobs. The unemployment figure in 1960, when the P.P.P. Government was in office was 13,797, but at the end of 1966 this had risen to 36,644. How is it you had this gross unemployment figure? [Mr. deGroot: "That is not correct."] These are only figures.

When he said that he was spending \$30.4 million, that included plenty of the second-hand machines they got from the United States of America, and some of the money had to go back to "Uncle Sam". That is why we had gross unemployment in this country in 1966. Five hundred persons were retrenched from the Ministry of Works and Hydraulics and the sea defence projects. Quite a number of people were retrenched from d'Aguiar Bros. Limited. Up to the other day three were thrown out and they said, "We want GAWU to represent us". I said, "Peter is a hard nut to crack. Only Perry and the other boys can solve the problem with Peter the Great."

In 1966, hundreds of workers were thrown out by Sandbach Parker because business was bad. You said you were spending \$30.4 million and still money was not circulating in this country. Where has all this money gone? The Minister of Finance put the blame on my unfortunate friend "Uncle Kasim". He is casting the blame on Kasim in order to create a smoke-screen. But I know that Kasim will still be the Minister of Works and Hydraulics after the Budget debate, and if you do not like it, well, there will be a good coalition between the P.P.P. and the P.N.C. Have you heard the saying, "Old firestick don't take long to catch?"

Every year in the sugar industry thousands of workers with 30 and 40 years' service are thrown out of employment under the pretext that they are not qualified. Time and again I have drawn this to the attention of the Ministry of Labour and Social Security. My patience is exhausted. 1967 will be a year of action. I mind what happens at the "in-cous pen".

The poor people are being exploited day after day and nothing is being done to help them. Nothing is being done by this Government to show some of its socialist policies. It likes a few people in the United Force to lead it by its nose. This reminds me that the P.N.C. allowed itself, by the action of the United Force, to change its policy from a socialist one to a pawnbroker's one.

Mr. Speaker: Time!

Mr. Lall: The "Financial Wizard" purchased Chronicle House. What happened?

5.20 p.m.

Mr. Speaker: Time!

Mr. Ally: I beg to move that the hon. Member be given 15 minutes to complete his speech.

Mr. Chase: seconded.

Question put, and agreed to.

Mr. Lall: The hon. Minister of Finance purchased "Chronicle House" and today people with 40 to 50 years' service have been thrown out on the road. What has he done to help these people? Because of his greed in purchasing "Chronicle House" he has made 59 families suffer while he is at home eating ham and eggs. These people cannot get even crumbs from his table. He encouraged the people to join a co-operative society. Where is the money that these people lodged with the co-operative society? They did not get a refund; what they got was retrenchment. These are things we must expose in this honourable House.

I do not expect a leopard to change his spots but, at least, the socialists over there can change their attitude. At least they have vowed that they will do everything within their power to elevate the working-class people of this country, and we are looking to see when they will do this. There is nothing to prevent them from doing it. If they need our assistance we will come to their rescue, because we know that when we come to their assistance-together we will be able to build a working-class paradise in Guyana.

Mr. Tello: (Deputy Speaker): This Budget is presented with such clarity that already it is supported eloquently. All I am now doing is fulfilling my obligation to the Electorate. The fact that this Budget was presented in an atmosphere of peace is undoubtedly an immeasurable achievement. Every effort had been made by the past Government to impress upon the working class people that violence is a necessity. This Government has completely reversed that idea, and certainly it is hurting my friends across the Table to see that peace and tranquility is possible in Guyana in spite of their

[MR. TELLO]

efforts to keep things rough. At the moment there is peace and tranquillity in this country.

Today the hon. Member, who has just taken his seat, has again supported the Government in the acceptance of the principle of tariff protection for our local industry and employment. My good friend the hon. Mr. Lall went out of his way to say that it is right and proper that local industry should be protected. Unfortunately, he was not aware that the commodities that were protected could be obtained locally. I am surprised that the hon. Member never heard of plantain flour. Most of my children and grand children grew up on plantain flour.

I want to say to him that those lady friends of his who are worried about "Bras" must be informed that there is a local "Bra" Factory in this country. Tell them that the reason for the special concessions on raw materials is to encourage the local manufacture of certain commodities. As further evidence that the members of the Opposition believe in tariff protection for local industries, I recall that when the very popular diet, imported potatoes, was heavily taxed in a Budget introduced by the past Government there was a great hue and cry in this country. Alloo is well known to all of us, and it is one of the most popular diets in the country. It is one of the items of food used in every strata of society, so there was a hue and cry all over the country. The Jagan Government, faced with this compunction, was forced to drop the tax on imported potatoes. I recall that this honourable Parliament was picketed, and the main slogan was "Hands Off Alloo." I also recall that a Canadian Mission arrived here and classified that unfortunate tax as a "virtual embargo on imported potatoes".

None of the items that are taxed today is equal in popularity to Alloo. I want to say that the hon. Member Dr. Jagan, then a Minister of the Government, rose to defend the tax on alloo, offering as a reasonable and acceptable excuse that local production must be protected, consumption of local foods must be fostered, and local farming must have every possible support. Yet today we find these hon. Members opposite, instead of accepting the leadership they themselves set in 1958, are trying to impress upon us that it is wrong to protect local industry.

My very good friend is wont to classify himself among the representatives of labour but cannot see the value of ensuring local employment. The rice industry faces a recession and Government is now trying to impose new taxes for the protection of local industry. Let us suppose that the local and West Indian consumers had given preference to Burma rice, and rice produced in India. Would the rice industry have grown into our third largest export? Never! We all saw the value of protection. We all saw the possibility of this peasant crop growing into one of our major industries. I say there is still the possibility that all our minor industries, which we are now trying to protect, may move up into the real industrial strata in this country.

What items do we find taxed? My hon. Friend, Mr. Fielden Singh, went into details. I will refer to them again for emphasis. We are inviting consumers to give preference to the use of local products. What is wrong with that? What is wrong with drinking good rum, good beer and making sure that profits remain in this country so that the burden of the small man may be eased by a higher income tax collection?

ask again: What is wrong with taxing imported cigarettes? I rather see it as the duty of these labour champions to encourage the working-class people to demand cigarettes made of locally grown tobacco. They know it is their duty to do so in order that the peasants, the farmers and the factories may be benefited and the rate of employment grow faster.

I ask: What is wrong with my good friends joining us in this huge "Buy Local" campaign and advocating the use of local matches in preference to imported cigarette lighters? The price of three cents per box for local matches is competitive with prices throughout the Caribbean. That is fair enough. Nothing is wrong with paying half a cent more for a box of matches in order to keep a few hundred girls employed. If it is true that the match factory is making excessive profits, then the owners will pay excessive income tax. These are simple facts and some people rather choose to blind their eyes to them for the sake of opposition, for the sake of cheap propaganda. But the facts are always there; however we try to twist them, they remain facts.

I thought the hon. Member would have recognized the fact that in order to invest money in foreign lands one must have some confidence in the Government and in the people of those countries. That is a basic fact; that is elementary. Any man who invests money abroad, or even locally, must have confidence in the behaviour of the populace and the behaviour of the Government. We have seen that such confidence is not established simply by writing to the Press or expressing it in conversation. We have seen that this confidence is expressed by increased investment of money. We have seen — and the records support it — that even persons who live overseas, who could have found investment opportunities with better inducements than those offered in Guy-

ana, have shown a preference for Guyana knowing full well that Guyana was on the verge of Independence. They were fully confident that our leadership would have taken Guyana into Independence as a truly independent sovereignty with sincere relations between Government and populace. They had no fear to invest \$100 million in 1966, while in 1964 the amount invested was \$40 million. I am no scholar or student but I would not be surprised to hear that this sharp rise in investment is a world record.

This investment has been made, as I said, by foreign-owned companies, men with experience and knowledge. These persons do not make their decisions from conjecture and fantasies as my good friends have so much a desire to do. They come to firm decisions from knowledge and experience and out of that knowledge and experience they have decided to invest in Guyana.

Here is the trend again. In 1964, foreign companies invested \$20 million; in 1965 investment rose to \$25 million, and in 1966 it rose further to \$35 million, which, in effect, is an increase of \$15 million in two years. Is it not because of the leadership that we are offering? Is it not a true incentive to our own people, the small few who confuse their minds with their prejudice? Is it not an inspiration to them to begin to take a true interest in Guyana, to have confidence in the Government, and to collaborate with it as long as it is in power because it is their duty to do so? (Mr. Ram Karran: "Puppet.") Words like puppet and so on have lost their meaning since they have been used so often by people who themselves do not fully understand their meaning. (Mr. Hamid: "You were in the interim Government.")

5.40 p.m.

This confidence is expressed not only by foreign companies; we also

[MR. TELLO]

see the trend continuing locally. One of the easiest industries to measure is building and construction. A little while ago there was nothing but space in some places but now buildings are there. They are not there momentarily; our children will see them. In 1960 the sum of \$14 million was spent on building and construction, and something must have been radically wrong with the ensuing Government because we find that, in 1964, there was a terrible slump from \$14 million to \$7 million. In 1966, possibly for some very good reason, the people's confidence was revived and the figure rose from \$7 million to \$12 million. What more convincing evidence of foreign and local confidence do you want?

I want to say that these figures were obtained from our local Statistical Bureau. These are official figures which can always be obtained. The Government, realizing its responsibility to the community, did its full share, did its part fully and honourably. Within the period 1964 to 1966, the Government spent \$12 million on building and construction, an average of \$6 million per year. [Interruption by Mr. d'Aguiar.] The hon. Minister of Finance has said that the figure has gone up by \$18 million. He has not said anything to discredit what I have said. All he has said is that I have not given you the full story.

Despite this rapid spending of money and acceleration of economic growth of the country, there was no impact on consumer prices. Statistics will prove that there was a constant rise annually on consumer cost. We find that, in 1962, the figure was 4.1 per cent higher than in 1961. In 1963 it was 1.2 per cent higher than in 1962. In 1964 it was 0.8 per cent higher than in 1963. In 1965 it was 2.2 per cent higher than in 1964. In 1966 it was 2.8 per cent higher than in 1965. These are normal rises but

what was abnormal, and pleasingly abnormal, is the figure that the hon. Member Mr. Singh quoted that the national income per capita rose from \$400 in 1964 to \$470 in 1966. These are creditable attainments and achievements and, indeed, it is disappointing that hon. Members cannot see the value of these things and enlighten those who need enlightening. I make these points simply to clarify what this honourable House is fully aware of and to enlighten the Members of the public who have been induced to accept a deceitful story

Further to the Government's credit — this is an outstanding and impressive achievement; a light should shine perpetually — in the fact that, in two years, this Government raised the sum of \$21.5 million locally through Treasury Savings Certificates and debentures. Do you know what that record is equivalent to? It is equivalent to the collective achievement of twenty-five years' previous efforts. Imagine that a Government is achieving in two years what the Governments took twenty-five years to accomplish! [Mr. Ram Karran: "That is perfect rubbish."] I am not responsible for your ignorance.

I want to say — and the hon. Member knows this — that what this figure further represents is this: this voluntary contribution, this voluntary investment in the confidence of the Government is equivalent to more than four times the amount that the last Government sought to raise by legislative compulsion. What is another pleasing fact to me and what should please my good friend is the fact that, in this investment, we have created a record of workers' investment and the investment of workers organizations. Never in the history of this country, or of any island in the Caribbean, have workers been so interested in voluntary investment! This has resulted in increased em-

ployment. [Interruption.] Do you understand the meaning of these words? The statistics do not support my hon. Friend. These are facts and I would prefer to accept these official figures than those manufactured at a moment's notice-

5.50 p.m.

The figures as officially stated are:

Increased employment-

Government 1964	— 13.6 thousand
1965	— 16.5 "

The general figures are a little more impressive, and I deliberately sought the 1963 figures because the hon. Member across the Table accused us of quoting only the 1964 figure, and not the previous year's.

General 1963	— 121.9 thousand
1964	— 122.7 "
1965	— 128 "
1966	— 132 "

The figures I have just given represent an increase of 6,000 in 1965 and about 10,000 in 1966.

The year 1967 looks rather promising for we see that there is Government expenditure for:

Drainage, irrigation and agriculture	\$2.1 mn
Roads, including Atkinson to Mackenzie	\$9.5 mn.
Railways, steamers and Atkinson Runway	\$3.4 mn.
Several Surveys	\$3.7 mn.
Housing and building land development all avenues of employment	\$1.1 mn.

Out of all this voluntary subscription, and the proper management of the Budget, this happy situation has arisen.

We find that while the past Government had resisted increased wages and Salaries in the Civil Service, this Government agreed to step up wages from \$3.04 to \$4 a day. That increase had a tremendous influence

on commercial and industrial wages. This is what has resulted. In 1965 —

Mr. Speaker: Time!

Mr. Sancho: I beg to move that the hon. Member be given an extra fifteen minutes.

Mr. Blair seconded.

Question put, and agreed to.

Mr. Tello: I was on the verge of conclusion. In 1965 wages collected by the working-class people of Guyana rose by \$35,000 per week and by about \$1.68 million for a 50-week year. In 1966 wages rose to \$57,600 per week and about \$2.88 million for a 50-week year. The amount collected for the two years rose to \$4.56 million. This is a tremendous achievement for a working-class Government. This is a faithful service to the workers of Guyana, all resulting from proper budgeting and proper planning.

Mr. Luck: This Budget, as one may expect, reveals no coherent political philosophy, nor does it follow the strategy so brilliantly laid down by Sir Arthur Lewis in the British Guiana (Guyana) Development Programme 1966 — 1972. Rather, it reveals the vicious in-fighting that has been going on in the Government between two coalition partners of opposing political philosophies, and of opposing interests. On the one hand we have the Leader of the United Force pulling and tugging for his wealthy friends, and on the other hand we have the P.N.C. demanding that vast sums be spent by the Government on various things, for the P.N.C. would wish to appear to be doing something for its supporters.

The hon. Minister of Finance in presenting his Budget started off with an examination of the economy and what this Government has been doing. He has painted a very rosy picture of the economy as it is, and as it has been functioning. The impression he would like to convey is one of wise,

[MR. LUCKY]
careful, indeed brilliant management of the Country's finances. But I would wish an assessment of the usefulness of this Government and the Minister of Finance, after I have examined the figures. His greatest boast of fame, aside from the 1962 and 1963 rioting, is on page 16 of this Budget Speech; it reads:—

"The response to the Government's efforts to raise local loans is very heartening. In the two years 1965 and 1966, \$21.5 mn. was raised by the issue of Treasury Savings Certificates and debentures more than was raised in the past 25 years by voluntary subscriptions, and nearly four times the amount raised by forced subscriptions in 1962 and 1963."

6.00 p.m.

I have sought to calculate the terms on which these loans have been made, and I have brought figures, which are irrefutable, to show that the Treasury Savings Certificates yield, to a person who pays 70 per cent income tax, compound interest at the rate of 26.6 per cent. It is a very simple calculation to those who know mathematics, and those who do not know will accept from me that the effective rate of interest, before tax, to a wealthy person who pays 70 per cent income tax is 26.6 per cent. Insurance companies, or companies which have money to invest in Government Treasury Savings Certificates — one assumes that they are paying income tax — will get 14.5454 compound interest. These are staggering figures, and one wonders which insurance company would lend to a private investor money for the purpose of a mortgage at the rate of 8 per cent when they could get from this Government, before tax, interest at the rate of 14.5454 per cent! Those who want to work out this calculation can do so. [Interruption.] I say with out fear of contradiction that the effective rate paid to insurance com-

panies on the hon. Minister of Finance's much vaunted Treasury Savings Certificates is 14.5454 per cent compound, and this must lead to the gravest financial repercussions in this country. It is a formula for bankruptcy.

In this Budget Statement the hon. Minister of Finance gave us carefully chosen figures and fraudulent figures, and on all points he gave us a false impression as to how the economy has been performing under this Government. At page 14 of this Budget the hon. Minister of Finance would have us believe that capital inflow from trade will increase in view of the sharp rise in 1966. The figures of \$15 million is fraudulent. The hon. Mr. Tello used the correct figure. The Economic Survey of Guyana, 1965, which was published by this Government shows that for the year 1964 the investments in this country amounted to \$20.5 million and not \$15 million. But why take the figure for 1964? The investments in the country in 1960 amounted to \$35 million.

At page 5 of the Budget Speech the hon. Minister of Finance says that production rose from \$300 million in 1964 to \$360 million in 1966. The Development Programme written by Professor Arthur Lewis is accompanied by a letter of transmittal by the Prime Minister himself, and one must assume that it is an authoritative document published by this Government. It reveals that the production figures rose in 1959 from \$219 million to \$263 million. In 1961 it was \$289 million; in 1962, with Mr. d'Aguiar and Mr. Burnham marrying in the street and the city burning down, it was \$307 million. What was the consequence of this marriage? There was inevitably a decline in production.

What is the truest indication of the economic health of this country?

Having regard to the fact that we must embark on heavy investment and that the machinery from abroad, which is an integral part in this investment, can only be bought from the surplus in our exports over our imports, the truest indicator of our prosperity is in our export figures and our visible balance of trade. Has the hon. Minister of Finance given us any figure that we can go on? He has not done so, but I will give this House some figures.

In spite of the boasting of this Government as to what has been done since 1963, I have to point out that the figure for export in 1963 was \$175 million, whereas in 1966 the figure for exports was only \$180 million. But let us consider the balance in our trade, that is, the excess of exports over imports. It is from this excess that we have to finance our development programme. What are the figures for the year 1961? The surplus was \$1.7 million. (Mr. Fielden: "From what are you speaking?") I am quoting from the Economic Survey of British Guiana, 1965. For brevity let us call it "Thomas' Book" and call the other one "Sir Arthur Lewis' Book". I was saying that in 1961 the surplus was \$7 million; in 1962 it was \$37.4 million; in 1963 it was \$52 million; in 1964 it was \$13 million; and in 1965, the year in which this Government took office, it was \$17 million. Why this was so we do not know for sure, but one thing is certain and it is that there will be a staggering deficit in our balance of trade. Earlier I adverted to the figures used by the hon. Minister of Finance, and I said that some were carefully chosen and some were wrong.

6.30 p.m.

In a statement made on page 6 of the Budget Speech, the hon. Minister of Finance would have us believe that, due to the policies of the Government, there is now such a high

level of production that national income per head of population has risen to undreamed of heights. He has given national income as \$400 per head of population in 1964 and \$470 in 1966. In a document by Sir Arthur Lewis, a very sound authority on the economic position — and supported by the Prime Minister himself — the figure of \$459 is given per head of population in 1960. The hon. Minister of Finance would have us believe that it was \$400. The national income was not \$400 per head of population but \$459 in 1960 and this figure appears on the first page of the document. In 1961 the figure was \$477 per head.

Inasmuch as my hon. Friend has just awakened, may I remind him that I am quoting from page 1 of British Guiana (Guyana) Development Programme (1966 — 1972) under the heading "Economic Review". Gross national product at prices of 1960 was set down as \$459 in 1960, \$477 in 1961 and \$496 in 1962. Yet the Minister of Finance claims that, at \$477 per head in 1966, this Government is performing miracles.

I am aware that persons can arrive at different figures. The hon. Member, Mr. Fielden Singh, quoted from Kundu, who said that the national income per head was \$430 in 1960. He was quite right that Kundu said so. Mr. Singh went on to say that national income last year was \$470 per head. What the hon. Member Mr. Singh did not mention was that Mr. Kundu said that the figure \$413 was a figure arrived at after correcting the calculation of the 1959 prices. That made a substantial difference in the figures.

The statement by the Minister of Finance, in his speech for the uninitiated, — those who do not understand these matters — about the buoyancy in revenue as an economic indicator, was impressive. Revenue,

[MR. LUCK]

he claimed, was impressive. Revenue, he claimed, was buoyant; the economy was prospering. I know of one good indicator of a prospering economy — the level of income taxes. That is the true indicator in this country. A rise in customs revenue means only this: we are living beyond our means. That is what it will mean until this Government goes out of office. The rise in customs revenue only means that people are consuming much more than they used to consume. A true indicator would be the gross collections in income tax.

Using the figures given by the hon. Minister of Finance, I come to an opposite conclusion, that is, that Guyana is in serious economic trouble. We are living beyond our means, importing more than we export. In these figures I do not even include the very large amount that must be paid towards the national debt — our external debt burden. I say it here: this country already in two years, under this Coalition Government, has altered the pattern of frugality, of careful Government expenditure. That pattern has been altered to one of public extravagance, ostentatious expenditure, a pattern of living beyond the means of the country. This must some day cause the gravest disaster for this country.

If we look at the current expenditure — and this is a very vital figure — we see that in 1964 current expenditure rose from \$70 million to \$90 million. Now, I refer again to the document I have mentioned, the British Guiana (Guyana) Development Programme, and I shall quote from the letter of transmittal signed by the hon. Prime Minister in the month of February, 1966. This is what he had to say:

“Consequently, the Government has decided to emphasize and encourage the following bases of national reconstruction:

“1. Revenue surpluses for contribution to the capital needed for the financing of the public sector.”

There is no hope of revenue surpluses. The healthy position left by the last Government has in one year been overturned by this Government. Whatever might have been its faults, the previous Government left in the Public Treasury the sum of \$5 million. This year, in addition to the indebtedness of \$21 million on Treasury Certificates, the Government owes to the banks, not of this country, but foreign banks that operate in this country, \$50 million and \$20 million to a bank that operates here.

I want to say that there is no substitute in any independent country for hard work. The policy of this Coalition Government seems to be that the United Force supporters should become rich and supporters of the P.N.C. should idle but be paid for their idleness — with the government in respect to everybody, this is what I see with my own eyes. I would like to see hard work. Rather than painting a picture of an economy that is flourishing, let the true facts be presented, namely, that our country is pauperised and we must work harder.

6.20 p.m.

Consider the effects of this. Consider the effects of having a realistic assessment of our economy and realistic plans for improvement in the country. One way out would be revenue surpluses. I am entirely in favour of that. Since I am sure that I will come under the time limit rule, I ought to press on. How could we have created revenue surpluses? One would have, as I have said, serious economies in Government.

Another sound proposition would have been increasing the export tax on bauxite. The bauxite industry in this country is well established and has been established for over a score

ears. The hon. Minister growls, Jamaica gets more from her 'te company, which is newly es- lished, than this country which has had a bauxite company operating for a score of years. Surinam gets more money per ton from the bauxite industry, putting aside the vast hydro- electric project, the Brokoponds project. I speak on the authority of people who know. I say without fear of con- tradiction that the bauxite industry can carry a much heavier tax. This has been the advice of all the experts. It is a highly profitable industry. It is also true that we are bedevilled with too many imports, and consumer durables form a very large percentage of these imports.

One wonders why this Govern- ment has not as yet introduced hire- purchase legislation controlling hire- purchase credit. This legislation should be introduced for two reasons: regulating hire-purchase which has got out of hand, and also for restrict- ing hire-purchase firms from robbing the people who buy on hire-purchase terms. One wonders why hire-purchase legis- lation has not been proposed and passed in this House, and one's wonder is increased all the more when one recalls — that, in the life of the previous Government, the hon. Prime Minister himself introduced a Motion calling for hire-purchase legislation

One wonders all the more when such a Motion was proposed by the hon. Member Mr. Chase, passed by this Assembly a year ago and nothing has yet been done, because the re- striction on hire-purchase credit, wise, good and necessary as that measure is would tread on the corn of the wealthy supporters of the United Force. If the P.N.C. can be supported by Public Works schemes which yield benefit to no one — many of my friends in the P.N.C. work in the housing schemes and they say that they do nothing all day — then the U.F. must get its benefits too. That is the nature of this Government.

The most important question of all is this: If the Government is to restrict its efforts at infrastructural development and if it is to gather to itself all available local capital, as it must, if it pays interest at the ruinous rate of 14.54 per cent to in- surance companies and other com- panies, from what source will the capital come to take advantage of the infrastructure now being created?

ADJOURNMENT

Resolved, "That this Assembly do now adjourn until Tuesday, 24th Jan- uary, 1967, at 2 p.m." (Mr. Bissember.)

Adjourned accordingly at 6.30 p.m.