

THE  
PARLIAMENTARY DEBATES

OFFICIAL REPORT

[VOLUME I]

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

36th Sitting

Tuesday, 24th January, 1967

NATIONAL ASSEMBLY

*The Assembly met at 2p.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. Burnham, Q. C.,	- Prime Minister
Dr. the Honourable P. A. Reid,	Minister of Trade
The Honourable P. S. d'Aguiar,	- Minister of Finance
The Honourable N. J. Bissember,	Minister of Information (Leader of the House)
The Honourable R. E. Cheeks,	- Minister of Local Government
The Honourable E. F. Correia,	Minister of Communications
The Honourable Mrs. W. Gaskin	Minister of Education
The Honourable L. John	Minister of Home Affairs
The Honourable R. J. Jordan	Minister of Agriculture and Natural Resources)
The Honourable M. Kasim	Minister of Works and Hydraulics
The Honourable W. O. R. Kendall, C.B.E.	Minister of Health and Housing
The Honourable C. A. Merriman	Minister of Labour and Social Security

*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

*Parliamentary Secretary, Prime  
Minister's Office*

*Parliamentary Secretary, Minis-  
try of Labour and Social Security*

*Parliamentary Secretary, Minis-  
try of Education*

*Parliamentary Secretary, Minis-  
try of Local Government*

*Parliamentary Secretary, Minis-  
try 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. D. Mahraj

Mr. T. A. Sancho

Mr. M. F. Singh

Mr. R. Tello, Deputy Speaker

Mr. J. H. Thomas

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 Karan

Mr. R. Chandisingh

Mr. H. J. M. Hubbard

Dr. Charles Jacob, Jr.

Dr. F. H. W. Ramsahoye

Mr. E. M. G. Wilson

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. M. N. Poonai

Dr. S. A. Ramjohn

Mr. E. M. Stoby

Mr. S. M. Saffee

Clerk of the National Assembly - Mr. F. A. Narain

Deputy Clerk of the National Assembly - Mr. M. B. Henry.

ANNOUNCEMENT BY THE  
SPEAKER  
LEAVE TO MEMBER

Mr. Speaker: Honourable Members, leave of absence has been granted to the hon. Minister of Trade, Dr. P.A. Reid, from the 25th to the 31st of this month.

PUBLIC BUSINESS  
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. Luck had used up his time; he had spoken for half an hour.

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

Mr. Ally seconded.

Question put, and agreed to.

Mr. Luck: Yesterday I said that, to his obvious self-satisfaction, the hon. Minister of Finance quoted the figure of \$21.5 million which he raised by Treasury Savings Certificates and Debentures. It is quite clear that the Minister of Finance is prepared to let his reputation as a financial wizard stand or fall by these Treasury Savings Certificates.

As I pointed out last evening, the effective rate of interest before tax to a person whose income tax rate is 70 per cent is 26.6 per cent, and to companies the effective rate before tax is 14.5454 per cent. Both of these rates are calculated at compound interest. Today, I will give to this

Assembly an even more curious result of this financial wizardry. Assuming that a person who pays 70¢ in the dollar in income tax goes to the Bank and borrows \$100,000, he pays each year 8 per cent interest on the loan. I have worked these figures out, and I challenge anybody on the opposite side to confute these calculations. Such a person at the end of 9 years, paying interest to the bank at the rate of 8 per cent punctually, would make a profit of \$78,400 without having advanced a single cent out of his pockets. The mathematics behind this reasoning are simple.

Let us assume that a man borrows \$100 at 8 per cent interest. His liability for tax to the Inland Revenue is reduced by \$5.60 because of his having to pay interest of \$8. Therefore each year, by borrowing \$100, the very wealthy person, such as the hon. Minister of Finance, pays \$2.40 on \$100. After nine years therefore on \$100 he pays \$21.60, but after nine years he goes to the Treasury and gets \$100 on the \$100. This is not a big amount for people like the Minister of Finance. If he does this on the scale of  $\frac{1}{2}$  million, without the expenditure of one cent out of his pocket — by just putting collateral in the bank — he can make money. It is very easy for wealthy men to get loans for nine years. On such loans a man would make a profit of \$392,000. A few people like the Minister of Finance could make a profit of \$392,000 without doing any work other than signing a name on two notes: one note at the bank from which he borrows the money, and he sends the other note to the Treasury, and after 9 years he makes \$392,000.

The position with companies is almost the same. If a company which is prospering borrows \$100,000 from the bank, buys Treasury Savings Certificates, and pays interest promptly to the bank, it would make a profit of

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\$60,400. [Mr. Singh: "How would you raise money?"] The prospective Minister of Works and Hydraulics wants to know how we on this side would raise money. Let me say this: any prudent person, even if he could borrow money, would not borrow at these ruinous rates. One result is that there has been a contraction of local credit. No large Insurance Companies would advance loans to house owners at 8 per cent when all they have to do is to make one lump sum loan to the Government and get interest at the rate of 14.5454 per cent.

Keynes pointed out the importance of credit in the development of any country. All prudent persons would now be constrained to invest in these Debentures and Treasury Savings Certificates because they yield a fantastic rate of interest. To what purpose are these investments being used? Government investment is mostly on infrastructure, and it is well known that in the best of circumstances improvement will not be felt until after the expiration of 42 years.

In this country, due to the squandering, excessive waste, and fiddling which goes on, I would suggest that the Government would not recoup its expenditure until after the efflux of 63 years. Therefore every dollar we borrow at the expiration of 63 years is multiplied to the 7th power.

2.20 p.m.

At the time when the Government recovers the first dollar it borrowed it will owe \$64 on the same dollar. The hon. Member does not read. Even in the best countries, investment on infrastructure such as road and sea defences is recovered only after 42 years. Who, in their right senses, would make an investment which repays itself after 42 years and who would borrow at a rate of 26.6 per

cent interest? This is not financial wizardry; this is foolishness.

Let us see how this Government has raised its revenue. The hon. Member, the crypto-defector, said that this year it is proposed to raise by additional import duty the sum of \$2.55 million only and he compared this figure with the Kaldor Budget which was designed to raise approximately \$5 million. What the honourable Member, the crypto-defector, forgot to mention to this Assembly was that last year there were higher duties on imports to bring in \$2.54 million. The position is not the same as at the time of the Kaldor Budget. The total is over \$5 million from additional import duties.

Let us see what is taxed. The proposal here is for higher duties on cigarettes. I shall read from page 21 of the Budget Speech of the hon. Peter Stanislaus d'Aguiar, which was delivered in this House of Assembly on Tuesday, 5th April, 1966. We note what duties have gone up — the duty on whisky, on imported liquor and on tobacco. Rum is omitted. With that in mind, I shall read from page 21 of last year's Budget Speech, delivered not on All Fool's Day but on 5th April:

"The import duties on alcoholic liquors, like the excise duties also, are extremely high. The sharp increase in 1962 in the rate of excise (by 50%) and of import duties on alcoholic liquors has reduced consumption below the 1961 level. However, imported spirits can bear some small increase — 5% on the retail price . . ."

This year, without giving a single reason, the Minister has put an increase of \$1.50 on each bottle of whisky.

What did he say last year about tobacco? I read again from page 21:

"The duties on tobaccos are also very high. However, again

I feel that while tobacco imported for making local cigarettes and thus generating local employment and income should not be further taxed, those of us who want the imported brands can be reasonably expected to pay a little more for them."

What has he proposed in this Budget?

**Mr. Speaker: Time!**

**Mr. Lall:** I move that the hon. Member be granted an extension of fifteen minutes to permit him to continue his speech.

**Mr. Persaud seconded.**

**Question put, and negatived.**

**Mr. Bowman:** I listened to the remarks made by the hon. Member, Mr. Luck. He has given a number of figures and has made an attempt to show why certain items should not be taxed. Not only Mr. Luck, but other Members tended in their speeches to point out that the Budget proposals which were brought to this Assembly by the hon. Minister of Finance are unreasonable and that the burden will fall on the smaller man.

From time to time I have tried in this House to encourage Members to exercise a great degree of objectivity when they look at proposals, particularly if those proposals impinge on the well-being of the nation. All Members on the other side know that as long as the production level remains where it is, so long will successive Governments be forced to introduce taxes in an effort to balance the Budget.

I remember certain measures were introduced some years ago and they caused a furore in this country. Whenever budgetary proposals come before this Assembly there will be criticisms. Members will rise and say, "Yesterday you were in the Opposition and you were campaigning for the relief of the small man and now that you are in power you are introducing

whom you are supposed to represent." This brings out the point — I have said this before but I want to say it again — that as long as production remains at its present level, whichever Government comes into power will be forced to tax. To my mind, the position in this country can be equated with a cup of milk with reasonably thick cream at the top. All that successive Governments have done year after year is to look around to see how much more of that cream could be skimmed off. All we have done is to ask ourselves whether the items taxed the previous year can carry a little more tax.

For the past 40 years the economy of this country has been based on rice, sugar and bauxite with a few auxiliary products like timber. This pattern has not changed and this is the crux of our troubles. As long as our production remains dependent on mono-culture we will have, year after year, to tax items which we feel can carry more taxation. This is a fact.

2.30 p.m.

Let us take, for example, some of the remarks made by the hon. Member Mr. Lall yesterday. He said that the Government is displaying a certain callousness towards the working class and, as a labour leader, he feels that this is wrong. I want to remind Members of this House that, sometime ago, we had the responsibility of preparing the minds of our people to accept the new responsibilities which we were to bear when Independence came. We went all over this country telling them what was to be expected.

Those of us who wanted to be objective went so far as to put them on the alert as to these facts: (1) that after Independence is granted, we will have to carry this country financially and otherwise; (2) that after a while all the grants and aids and all the help we receive as a matter of

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year to year, will gradually be cut off and, after a period of five years, some of these grants and aids will be cut off completely. When this comes about it means that we will have to find the money to carry on and we will have to find it from our own resources. We told the people these things. It was our duty to prepare this nation not only for the political responsibility but also for the financial responsibility which Independence naturally brought. What is taking place today — and what will continue to take place, regardless of which Government is in office — is that we are beginning to feel the physical assumption of those responsibilities.

There are certain people in this House whom I sincerely believe are quite incapable of believing that there are others who can put their country before everything else. We have seen — and I mentioned this before — an instance in this House where a certain gentleman, who was called names for many years, rose to the occasion when his country called for it. There are some of us who take our country very seriously. There are others who come here merely for the sake of talking because they have the right to speak. [Mr. Luck: "Whom are you representing here?"] People.

I should now like to refer to some of the remarks made by the hon. Member Mr. Luck. He is a teacher and he takes a certain delight in quoting figures. He said that the figures as presented by the hon. Minister of Finance (Mr. d' Aguiar) are fraudulent and that he was able to prove this. He made some of his own calculations and he went on to quote Arthur Lewis and others. He also said that the rise in customs duty could mean that our people are consuming much more than they produce. This is where the entire argument he was trying to build up collapses, because the crux of our difficulty is that we

are consuming much more than we produce. Our people's propensity for consuming more than they produce must be curbed. That is why I agree with certain proposals made in this Budget Speech. [Mr. Jagan: "Certain?"]

I should now like to quote from page 24 of this Budget Speech:

"The Government has, with the assistance of the USAID, established a fund (the Private Investment Fund in the trusteeship of the Bank of Guyana) for financing industrial development. The fund will eventually build up to some \$6.4 mn., available as it revolves for helping to finance worthy industrial projects. It is also proposed to set up a small fund whereby the Guyana Development Corporation can participate to some extent in new industrial developments."

I continue to quote from page 25, paragraph 2 of this Budget Speech:

"The pace of industrial development must be accelerated. The Government appreciates that it must demonstrate directly by its tax policy that it is prepared to maintain the right climate for investment."

In one instance something is being done to maintain the right climate for investment and, in another instance, funds are being provided for financing industrial development.

Now this is what we need because when our population was quarter of a million we existed on two primary products. Now that we are rapidly approaching our million mark, we are still existing on these two products. We cannot exist on these two products for ever. There has to be an improvement somewhere. Therefore, the solution to the problem is not for us to come here and quote all the figures relating to investment and then say that they are fraudulent, but for us to remain and participate in the development of the country.

What are we going to do as regards the thousands of young people leaving school every term? What are we going to do as regards the thousands of young men and women who have already left school and who are in search of jobs? I want the Members on the other side to know that we have a large army of young men and women looking for employment. They come to us day after day. What are we going to do about these young people? These are the questions to which we should be addressing our minds. Rather than "cleaning up" when Independence was just around the corner, the Members opposite should have come up with suggestions for alleviating the position and solving these problems. These problems are with us and they will remain with us for a long time if we do not do something about them.

2.40 p.m.

One of the hopeful things mentioned in this Budget is the fact that it is proposed to make funds available to the Credit Corporation for the assistance of, and for the promulgation of information about, agricultural development. This is indeed a hopeful sign. It is something which should be carefully watched by all, and it is something which should be encouraged. People who sit in their warm seats in the day, who have guaranteed salaries, and who rule over large corporations and decide which carpenter should be pulled off because he happens to be affiliated to somebody else — [Interruption.]

All the proposals in this Budget Speech are merely put here as a means of carrying on, and hon. Members ought not to come into this House and spend a long time harping on the proposals and talking about juggling of figures, political trickery and so on. I have often heard it said that when you have a position in a country where people in responsible posi-

tions are prepared to win all the time, the real issues become cloudy and they are never solved, and that is exactly what is happening in this country. Men come into this House and waste time talking of little things — [Mr. Wilson: "As you are doing now."] — and trying to parade before the public as though they are sincere about what they say. Mr. Luck himself does not believe some of the statements he made.

The question of the figures is immaterial. Look at the importation figures for the last five years. Go further back and you will see that year after year we have been condemning one Government or another in this House for the large volume of goods imported. If you were to look at the latest figures which, I think, are for 1966, you will find that the volume has gone up in some cases. Why is this? These are the questions we must tackle. The only person on that side of the House whom I have found with a deep and abiding interest in the statistics, as regards production, is the Leader of the Opposition. All the others are a pack of "flamboyant peacocks". They come in here and "prune" their feathers. When he starts to "prune" his feathers, well then — [Mr. Luck: "Preen, not prune."] How many of them take the time to buy a copy of the import-export directories? How many of them have availed themselves of the opportunity of obtaining a free copy and studying it? I will never tire of talking about production in this country because that is the cause of our difficulties.

An hon. Member stood up there and read out a list of items which he felt, in all honesty, should not have been taxed. Now, how are you going to stimulate local production? Last year I was in Trinidad and I was ashamed when I was taken on a guided tour of various plants and shown what was being done. They are canning what we buy in the mar-

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kets here, green peas, soup and so on. A lot of canning is going on in Trinidad because Trinidadians think about Trinidad first, and then politics. All over Trinidad today there are new industries opening. Cottage industries are being encouraged in Trinidad by the Government.

I went to a factory called Metal Box and I was shown the process by which cans are produced. When I was taken to the storeroom, to my surprise, the largest stock of cans was marked for this country. We were importing the largest stock of empty cans. Members of the Opposition should not come here and say that "this" should not be taxed and "that" should not be taxed because they know full well that we have to start somewhere. Let me go further and say that Government has exhibited a marked degree of courage in putting on a partial limitation. I remember some years ago when the former Government exercised its objectivity over a similar matter and put a limitation on things like Irish potatoes and so on. We had to go from corner to corner and explain the reasons for it, and after a while we had to "back-pedal" on it because it was felt that the blow had fallen too heavily.

What the Opposition should say is, "Look, when we were doing this you were saying that it should not be done. Now you are faced with the harsh and basic facts, you are forced to re-implement, although in a partial manner, some of the measures we were trying to implement some time ago." Why is this so? In this country, irrespective of the persons who sit in the seat of Government, certain harsh and basic facts will always rear their heads and once these facts come to light they must be tackled. The growing of certain items should be encouraged, and in

some partial plan will have to be imposed.

2.50 p.m.

I happened to be in Brazil in 1950 when that Government established one of the biggest leather factories in the world. A lot of hides can be obtained from the abattoirs in Argentine and Brazil. An English specialist was employed and Brazil established a leather factory in 1950.

This brings to my mind some of the questions raised by the members on the other side of the House. They said that we must have a Bureau of Standards, and that the local items do not come up to the standard of the foreign ones. However, when the leather factory was established in Brazil under the management of an English expert, it was found that the shoe soles deteriorated a few months after the finished product came off the mills. The Brazilian Government then had to put a ban on the importation of foreign leather and to use the factory for the splitting of motorcar tyres. Everyone in Brazil had to wear the shoes manufactured there.

This shows that the people must have an abiding loyalty to their country; one must speak objectively and not use flamboyant language merely for the sake of publicity. There are some of us who will remain in this country under all sorts of conditions, while others will go around in devious ways trying to get passport visas in order to go to Canada. [Mr. Luck: "Do not worry about that."] Some people are going behind the backs of their comrades and doing everything possible to get visas to go to Canada. This explodes the bubble of this Bureau of Standards projected in the Press. We are not saying that we must not have proper standards, but we must abide with what is produced in this country.

It must be remembered that for



countries in the area were set aside as the dumping ground for goods manufactured in the metropolitan countries. We have been an appendage to the metropolitan countries; therefore, when a country becomes independent they are going to give way grudgingly. Herein lies the question of trade secrets. You may be given a formula, but there are certain trade secrets which will never be given to you along with the formula. You will have to find out certain things by trial and error; you will have to experiment — and this will take time — until you get the correct formula. You must realise that mistakes will be made but, eventually, you will solve the problem.

I have no desire to speak much longer, but I want to say that some of the members who get up in this House and make long speeches are merely doing so because it is known that we have five days in which to speak. Let us endeavour to make a contribution towards solving the problems of this country rather than criticise the Government for what it has done. I know that the arguments coming from the other side of the House must be partisan, but we must endeavour to reach that sophisticated level at some time where the interest of the nation must come first. (Mr. Luck: "Look at the Member who is speaking about that!") Certain persons are planning to leave this country, and we can leave them aside. There are others who will always remain here. I know that some hon. Members in this House are capable of making constructive criticism, and such persons are to be admired. I feel that if the objectivity to which I have referred is exercised in this House, then we will be able to make a better contribution towards solving the problems in this country.

**Mr. Saffee:** The Government's policy of trying to induce investors to take an active part in the develop-

ment of the economy of this country deserves, to some extent, my compliments. I feel that if the Coalition Government had behaved more responsibly during the past two years, then the climate for private capital to develop this country would have been more encouraging. The frequent quarrels between the two parties in the Government — accusing each other of failing to keep mutual agreements — have done tremendous damage to the efforts to encourage private investors. The Government's inability to deal with labour problems has also resulted in an unusual number of strikes. There were 112 strikes in 1962, and 130 strikes in 1966. We have never had so many strikes in the history of this country. Political considerations no doubt played an influential part among those who are responsible for this state of affairs.

In his Budget Speech on page 4 the hon. Minister of Finance said:

"This success is attributable to the bauxite-alumina industry. With the assurance given by this Government when it assumed office of a stable basis for development, the industry has increased its annual production by \$20 mn. (30%) since 1964."

But we have the chief of the bauxite industry in Guyana, Mr. J. G. Campbell saying these words. I wish to quote from a report in the *Guyana Graphic* of the 14th January.

3 p.m.

"It is deplorable that at this point in Guyana's economic development, an investment programme as large and as vital to national well-being as ours should be hampered by unnecessary labour unrest."

This is what the boss of DEMBA had to say about what the hon. Minister described as an effort to find a stable basis for development. This is a contradiction of what the Minister has said. Further, the Reynolds Metal Company claims that if the labour un-

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rest continues the company may have to close down operations. Speaking at a meeting, Mr. Fuller said:

"Our company is rapidly expanding and our operations in Guyana will continue to expand."

He added:

"We must have the suitable political climate."

These are the big investors. On the one hand, they are complaining that the climate for development is not suitable. On the other hand, the Minister is saying that the Government provides a stable climate for development. I am one who sincerely believes that private enterprise should be encouraged to take an active and progressive part in the development of the economy of this country. I am not one of the ideological zealots who think that nationalisation will secure for us a magic lamp which will help us to procure everything we need. I think that the state, with the full co-operation of private investors, can provide the answer to our economic problems. The co-operation of the state and private enterprise in the development of the country should be pursued more actively. Shouting from the housetops about nationalising this and that industry, without exercising realistic consideration of the many implications and difficult factors that are involved is just puerile and senseless. If Government can raise capital, it is easier to use such capital in promoting new industries which will provide jobs for the unemployed, for that is the biggest problem in this country.

What is needed is that Government should find more capital and channel it into productive fields of new enterprise. A more serious effort should be made by this Government to find capital to develop the country, for it was the members of this Government who gave an assurance during the elections that they would be

able find all the capital needed for development. It is the duty of this Government to try to find more and more capital for development. What we see is a failure on its part to find the necessary capital. As a result we are laden with further taxation, which the people can hardly carry.

What has this Government done during its two years in office? I wish to make an examination of what the two parties represent. I looked at the manifestos, *Highways to Happiness*, issued by the United Force, and the P.N.C.'s *New Road*. I tried to analyze these two documents to see what the two parties represent. I could score out completely the word "Happiness" from the first manifesto because, from what the Minister of Finance has said, that party, the United Force, can no longer claim that it is pursuing a course that could be called "Highways to Happiness". I should like to quote from the *Sunday Graphic* of January 15, 1967, from the copy of a letter which was sent to the leader of the United Force by Mr. Mohammed Kasim. I read part of the letter:

"Above all, it was in the belief that we were working towards ensuring, through democratic processes, that the reins of government should be transferred to capable and trustworthy hands.

"I believe that we were jointly committed to bringing to our country a period of peace from the political squabbling and contentions of the past in which there would be time and opportunity to develop our resources and expand our services to the people of the country so that all the people, but particularly those who were in need, — who were unemployed, who were sick, or who were aged, would benefit from good and capable government.

"In my work as a member of the Government and in all I have done as a member of the United Force, I have been guided by these principles, but I have

gradually become more and more saddened and disillusioned with the recognition that they no longer occupy the place they once did among the leadership of the Party."

That was said by the hon. Member, Mr. Mohamed Kasim, about the United Force, so it is from the horse's mouth. I do not see how they can claim that they are still pursuing happiness. The manifesto *The New Road* is regarded as leading to *Highways to Happiness*, and therefore I can excuse the members of the People's National Congress, but taking the two manifestos together and condensing all the words into one sentence we get this: "The New Road is a Highway to Nowhere".

3.10 p.m.

We must first get a picture of what we are going to get from this Government. In spite of its promises, we are not going to get anywhere with it. We are today examining its performance to see what it has done during its two years in office. This is what we are doing here today. [Interruption.] My friend says this is not what we are doing here today. He does not understand that we are examining how the nation's business was carried on for the past two years by the parties in power.

This Budget is an unchallengeable indictment against the Government for practising hypocrisy on a mass scale. It is a true account of the misdeeds of the Government which now stands condemned before the bar of public opinion in this country. It is an admission of dismal failure on the part of this Government to come to grips with the serious economic problems which confront this country at the present time. This Budget is a grim spectacle of what a man can do against his brother when his mind becomes callous, his sense of reasoning blurred, and his vision darkened to such an extent that he cannot re-

alise and see the injustice that he perpetrates against his less fortunate brother. This Budget represents a glorious disservice that is being rendered by an unbending and uncompromising Government.

The architect of this distorted document, which is compiled with statistical half-truths, is a man who is dedicated to the proposition of flirting with half-truths. Every citizen in a community should be called upon to make his or her contribution to the Government's coffers so that the nation's work can be carried on. Every responsible member of our community is, I think, perfectly aware that unless he pays a fair share of taxation the nation's business cannot be carried on. This would be detrimental to all. But when taxation is pushed to the point where it becomes very burdensome and oppressive, people are bound to question its imposition and examine its implications.

We are dealing today with what I regard as the burden of excessive taxation. For two successive years we have been witnessing merciless and vicious assaults on the taxpayers of this country by callous and remorseless Government. This Government is imposing taxation which the people, the masses in particular, are unable to carry. The man who once paraded as a valiant champion of the workers, who was against what he called oppressive taxation, is now the principal figure terrorising the people of this country with oppressive taxation.

Let us look at the wide range of items which have been taxed. The Government has increased the taxation not only on imported items but the licence fees in respect of motor vehicles have also gone up. This is money which will be raised by local taxation. Motor car licences, in some cases, have been increased by 25 per cent. The rates of duty in respect of

[MR. SAFFEE]

motor vehicles, motor-car parts, tyres and inner tubes have been increased, so when the members of the Government say that they have only taxed non-essential items and things which can be produced here, they are only trying to cloud the issue. There are many items which are produced here which have not been taxed.

For instance, why did not the Government tax beer and rum? Why tax food stuffs? Beer and rum are luxuries. I am pretty sure that the Government could have taxed beer and rum instead of taxing foodstuffs. The argument that this taxation does not interfere with essential foodstuffs does not hold water because once you tax things like motor vehicles and increase the licence fees, automatically freight charges will jump up. The people who use these vehicles as a means of transportation will have to pay more; people who use them to transport their goods to the markets will have to pay more. Automatically, the prices of their goods will go up.

Members of the Government are trying to tell us that essential foodstuffs has not been taxed, therefore, we should not worry. The Minister has told us that the cost of living will go up by 1 per cent only. I wish to ask him whether he has taken into consideration the fact that freight charges will be increased as a result of taxation on motor vehicles, motor-car parts, tyres, and tubes, and as a result of increase in the licence fees in respect of motor vehicles. The Minister should tell us whether he has taken all of these things into consideration. The taxes on certain items of clothing have gone up, therefore, the statement by the Minister that he has only taxed those items which are not essential does not bear out what is actually taking place.

3.20 p.m.

The position today is that this Government made certain promises; it gave the assurance that once it got into power it would have funds available for development and so on. Now it discovers that because of all those fine promises it is in a spot. It cannot find the money to finance its development programme. Therefore, it has to turn to taxation. [An hon. Member: "Where did you get that?"] The Minister of Finance said that. I wish to quote what was said by the hon. Mr. d' Aguiar, on Thursday, 10th January, 1963, in this Chamber. -I am quoting from the Hansard.

"It is admitted by the Government that the 1962 Budget was an austerity Budget; it was admitted that it had, indeed, imposed heavy burdens upon the working class. This 1963 Budget does not remove a single burden and, therefore, the hardships which the working class have to bear must continue by Government deficit. The fact remains that the working class were not able to bear the burden of increased taxation on consumer goods."

I have here another Hansard dated Friday, 11th January, 1963, from which I wish to quote what the then Leader of the Opposition said during that debate.

"The P.N.C., for instance, never objected to increased taxes on big motor cars because these are luxury items, and they represented money frittered away which could have been added to the savings which we need for the economic progress in this country. If persons want to have large motorcars, expensive motorcars, then make it difficult for them and let them make a substantial contribution to the Government. The P.N.C. does not object to that. It objects to the duties which were imposed on foodstuffs for which no alternatives have been found. It objects to the extra duty on the

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small car which the small man has to use to transport himself from his residence to his work."

Today, we have taxation on all cars.

Mr. Speaker: The hon. Member has exhausted his time.

Mr. Ally: I beg to move that the hon. Member be given an extension of ten minutes to continue his speech.

Mr. Speaker: Agreed?

Mr. Bissember: The hon. Member suggested ten minutes. I beg to move that the hon. Member be given an extra ten minutes to conclude his speech.

Question put, and agreed to.

Mr. Saffee: I have here the **British Guiana Development Programme 1966—1972**. The hon. Prime Minister contributed to the Preface of this Programme. In paragraph 4 he stated the following:

"Guyana is faced with a rapid population growth of over 3% per annum, with an economy that grew at the rate of only 4% per annum. Because of a number of artificial factors, including deficient planning and latterly instability, this produced a high incidence of unemployment reaching 20.9% at the end of 1964. Unemployment is our most malignant social evil, bringing in its train many a concomitant and untoward consequence. The plan aims at increasing the gap between the percentage annual population increase and the percentage annual rate of economic growth so that by 1972 the economy, on a modest estimate, should be growing at the rate of 5 to 6 per cent per annum, reducing the unemployment figure steadily and substantially until there is full employment."

We were told by the hon. Minister of Finance that the gross domestic product totalled \$300 million in 1964, and it increased to \$360 million in 1966. Today, we find that the Development Programme which this

Government has formulated is only a sham, it is only a name; the country is not moving forward. The hon. Minister tried to paint a picture of progress, but when it is examined in detail, one finds that the country is moving at the same rate as it was moving during the past five or six years. Therefore, in spite of all the manipulation with the figures and statistics, the harsh reality of the situation is that the country is not moving more than four per cent as it did in 1960, 1961 and 1962.

The Minister of Finance, in his Budget Speech at page 19 said:

"The present economic structure and circumstances require that the main assault be levelled at imports."

This is the position at the moment. The Government failed to raise capital and it now finds itself in a difficult situation. It cannot find the money which it promised to get once it was in office. It has now decided to "clap on" heavy taxation.

3.30 p.m.

The main assault has been levelled at imports. In other words, he cannot get the money from outside, therefore, it must be raised by taxation. What is the position? (Mr. Bowman: "Do you want to live in a tax-free world?") I have heard a member on the Government bench asking whether I want to live in a tax-free world. In my opening remarks I said that everybody will have to pay taxes so that the work of the nation can be maintained.

What is the position in this country? Only the other day the hon. Minister of Finance told us that \$1½ million had been wasted or badly spent. He said that the money was spent without authority and wastefully spent. I think those were his exact words. If we are going to pay taxes, then for God's sake let us spend the money wisely and properly. The hon.

[MR. SAFFEE]

Minister of Works and Hydraulics said in his letter to the Leader of the United Force that not only in his Ministry had money been squandered. He said that the Leader of the United Force had accused him and, I suppose, he had to defend himself. This is what Mr. Kasim said in his letter tendering his resignation from the United Force:

"Mr. D'Aguiar keeps talking about fraud and waste. Why is he always referring to my ministry? Is it a personal vendetta? Surely he must be aware that we all know about frauds in other ministries and departments, in those which come under his portfolio, namely, the Customs Department."

I agree that we must pay taxes and contribute to the running of the affairs of this nation, but I want to ask whether the Government is spending our money properly. Faced with this disclosure by a front bench member, can this Government say that it is spending the money that we pay in taxes honestly and properly? Let the hon. Minister of Finance answer this question and defend himself. He said that \$1½ million was wastefully spent.

I notice that, immediately after the hon. Minister of Finance made the shocking statement in the House, the hon. Prime Minister came to the rescue and said that he took the responsibility on his shoulders for what had been done. He is the head of the Government, and he said that he agreed to the expenditure. We are examining things to see what this Government has done in the past two years. We want to know what the Government has done with the taxpayers' money. It is our democratic right to examine these things. Money has been spent wastefully, and mention has been made of frauds and corruption in ministries. Where are we going?

In his Budget Speech the hon. Minister of Finance said --

Mr. Speaker: I am afraid that you have no more time.

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

Mr. Ally seconded.

Hon. Members (Government): No

Mr. Persaud: Throughout this debate speakers for the Government have been trying to convey to members on this side and to the nation as a whole that the taxes mentioned in the Budget aim at helping local commodities. I want to say at the very outset that Opposition supports the Buy Local campaign. I make bold to say that it is the P. P.P. that initiated the idea of supporting local commodities manufactured in this country and it is wrong for members of the Government to attempt, as they have been attempting during the course of these debates, to tell us that we have levied taxes against certain foodstuffs merely because they were out to protect local commodities. We support wholeheartedly, as we have always done, the question of protecting local commodities.

I want to tell this Government that it is unfair to hide behind this slogan of "Buy Local Campaign". It is wrong because some people are not examining the implications of the Budget realistically. If they examine the Budget realistically they will find that the cost of every item in this country is being raised today.

Some members made the point about the increase in freight as well as the increase in transport fares. There is also an increase in the cost of motor vehicle licences; there is an increase in the cost of spare parts for motor vehicles, tyres and so on. As a result of these increases, persons producing local commodities in

the country will have to use some sort of transport in order to bring their produce to Georgetown to be sold, and it will be necessary for them to increase the prices of local commodities. (Mr. Bowman: "Certain things have not been increased.") Let the members of the Government go to the markets and tell the people that.

The hon. Mr. Bowman told us during the course of his speech that the members sitting on this side of the House do not understand what is happening. This remark should be directed to members of the Government, because if they go into the markets they will see that all of the local items have been increased since the introduction of this Budget. The very people whom you are claiming to represent will have to pay more for everything and not only for the commodities that have been taxed. We agree with taxation. A young nation needs taxation if it is to develop, but a Government must not tax everything at one and the same time, and that is what this Government has done. As a result the ordinary worker is called upon to pay more for goods than he can afford.

3.40 p.m.

The Prime Minister is reported in *Hansard* of 13th April, 1962, at column 15 39 and I quote:

"... the distribution of taxation would have been such as to take care of those who have the ability to pay rather than to include those who have been aptly described as the disinherited of our society whose faces have been ground for so many years."

I concede that the Prime Minister is a good speaker, but I remind him of these words and draw his attention very forcibly to what he said in 1962, because this Budget does the same thing to which he objected at that

time. Taxes are placed on the ordinary worker and this is our objection.

As for the "Buy Local Campaign," we are prepared to go to public meetings and ask our supporters to buy local commodities in preference to foreign foodstuff. Members of the Government are arguing that there has not been an increase in all items. Our argument is that as a result of the increase in customs duties on several items, as a result of the increase on motor vehicle licences, as Mr. Gajraj has said - and we will come to that later - merchants will charge more for all commodities so as to recover their expenses and to raise money to pay the increased licence duties.

This was the very argument the Prime Minister put forward very ably in 1962, at column 1543 of *Hansard* of 13th April when he was in the Opposition. He said:

"Our opposition was mainly directed to those customs duties, the imposition of which resulted in the increased cost of widely used commodities, and this increased cost would have meant the lowering of the already low standards of the working class."

These were the arguments put forward in 1962 because customs duties and indirect taxation were to be increased. It was said that workers would have to pay more for all their commodities and foodstuff. The position is the same today; it has not changed, and while workers were in a better position in 1962 they are worse off today. There is more unemployment.

During the course of his election campaign the hon. Minister of Finance said that when he got into power he would pay a minimum wage of \$10 a day. If workers were receiving \$10 a day I would agree that the taxes could be justified, but they are receiving \$4 a day and they are called

[MR. PERSAUD]

upon to pay more for everything sold in the shops and the markets.

I do not wish to bother with the Prime Minister this afternoon. He is in a good mood and it might be fitting for him to repair to his office and have a cognac. The cost of living has risen but wages of workers have not increased. On page 4 of the Budget Speech we read:

"But we have been trying, especially in the past year, to take more out of the economy than we have put in. We are tending to live above our means."

The Minister of Finance would be doing a good job if he addressed this remark to a number of the members of Government who are living above their means. This country is poor. It is heavily indebted; it may even be bankrupt. Yet if we examine the Estimates we will find a provision under the head of Office of the Prime Minister for Government Entertainment for 1967. The amount is \$9,600. In 1964 the P.P.P. Government spent only \$1,822. If the country is poor, if workers have to pay more for their goods, if taxes have to be increased, then it is reasonable to assume that expenditure on entertainment must also be cut. That is all I am saying.

The Government does not care if workers wear flour bag clothing or nothing at all. I am not saying that the Government must not make provision for entertainment, but unnecessary spending in this field must be avoided until we are developed. The Government cannot deny the charge that it has been spending too much money on the decoration of buildings. I have read the speeches of a number of Members who were in the Opposition in 1962 and 1963. They should reflect on what they said in those years. It will be seen that the hon. Prime Minister, when in the Opposition, criticized the Premier at the time for taking \$200 a year as entertainment allowance.

3.50 p.m.

We come again to the fact that the Minister of Finance, who is the custodian of the finances of this country, is not satisfied with the way in which the money is being spent. He has made that statement in this House. He retracted his statement a few days ago and he said: "I am now asking this House to approve of the expenditure of \$1½ million because if the money is not approved now the people will not be paid." Up to now the hon. Minister has not explained to this House whether the money was properly spent or not. The hon. Minister of Finance said that the money was spent without authority. He wrote a very nice letter asking for the removal of the Minister of Works and Hydraulics (Mr. Kasim).

This is not satisfactory to this House. We are not concerned with whether or not the hon. Minister of Works and Hydraulics remains. We are entitled to know the full facts. What has happened to this \$1.5 million? [The Prime Minister: "Spent."] Spent on what? [The Prime Minister: "On the road."] [Mr. Ally: "The New Road."] Even the Guyana Graphic which is friendly to the Government is exposing the bad conditions of the road. So it is not reasonable for us to believe that all the money was spent on the road. d' Aguiar is saying so. [The Prime Minister: "Mr. d' Aguiar."] Mr. d' Aguiar is saying so.

I am saying that the members of the P.P.P. support the "Buy Local Campaign" and we are prepared to ask our supporters to assist in this field to improve the economy of this country. We are also prepared to support reasonable taxation like the gambling tax. In his 1966 Budget Speech the hon. Minister of Finance said that he was not prepared to tax local cigarettes, and in that very Budget Speech he said that, in respect of liquors, he would examine



the licence duties. Why has he not taxed liquor? This is a non-essential item. People do not need rum, but if they want to drink rum they must pay more. The persons who are smoking are called upon to pay more for their cigarettes. The prices of matches, bolts, nuts, etc. have been increased. Look at the Budget. I do not have it before me but I am quoting from the Official Gazette. [The Prime Minister: "You get that free of charge."] I am entitled to it.

The Minister is not taxing stoves with two burners but as long as you have a stove with three burners you have to pay more. Families consisting of four and five persons usually try to buy three-burner stoves. So that if the poor worker wants to better his position and buy a three-burner stove, he must pay more. I notice from this Extraordinary issue of the Official Gazette that electric stoves are not taxed. The poor man who wants to buy a three-burner stove must pay more, but those who purchase electric stoves — like the Prime Minister (Mr. Burnham) and the Minister of Local Government Mr. Cheeks) — do not have to pay more. Our charge against the Budget proves that the Government, and in particular the Minister of Finance, has been fit to tax items which will affect the working man only.

I should now like to refer to the taxation on motor cars. An hon. Member quoted from Hansard to show where the Minister of Finance said, some time ago, that a small car is no longer regarded as a non-essential item but as a necessity. The Prime Minister said so. Many of the workers today do not want to ride bicycles, they are trying to buy motor cycles and motor-cars. The Opposition is not against the taxation on big motor cars which can be described as luxuries, but a small motor-car is a necessity.

I want the Government to defend the tax on transistor radios. When the hon. Member Mr. Saffee was speaking, the hon. Member Mr. Singh commented across the Table that Mr. Saffee was using some big words. I am speaking in simple language so that everyone can understand. Why did the Government tax radios, the only means of communication in this country? The majority of people in this country are not reading the newspapers. Only 14,000 copies of the Guyana Graphic newspaper are sold daily and there are 700,000 people in this country, so the majority of people are not reading newspapers. Their only means of education, communication and entertainment is the radio. Even if we are prepared to go along with the Government on the taxation on radiograms, we cannot honestly support the taxation on radios and, in particular, transistor radios. Let the Government defend this.

The hon. Member Mr. Singh spoke about taxation in 1962. Let him go back and examine the taxation proposals and he will see that the majority of items taxed in 1962 were non-essentials. [The Prime Minister: "Butter, flour, cheese?"]

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

Sitting suspended at 4 p.m.

4.32 p.m.

On resumption —

Mr. Speaker: Mr. Persaud.

Mr. Persaud: Earlier in my speech, I showed where almost all items have been taxed and, as a result, the workers will have to bear the very high cost of living. The Minister of Finance, during the course of his Budget Speech said that the money that Government spends is coming out of the pockets of all of us, and we must see that it is spent economically. I noticed in the Estimates that there is

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a new provision of \$2,000 for the upkeep of the Prime Minister's residence. Surely, the workers from the Ministry of Works and Hydraulics work on the Prime Minister's residence. You tax the workers and at the same time you create a new provision to give the Prime Minister \$2,000 a year for the upkeep of his residence.

Some time ago the point was made in the House that the flowers in the Botanical Garden are taken to decorate and redecorate the residence of the Prime Minister. This is free too. Why ask the House to vote another \$2,000? The workers are called upon to pay more for everything. If the Government had retained the gift tax in its original form if it had retained the capital gains tax, if it had refrained from modifying the net property tax and if control exchange were retained, then the workers would not have had to face the burden of such exorbitant taxation. It is because of the removal of these taxes, which affected only the rich and those who could afford to pay, that the workers are called upon to pay on every item, including food items.

Then we come to a very important aspect of the Speech made by the Minister of Finance. During this Speech he referred to the operation of the Credit Corporation and this is what he said on page 32:

"The Credit Corporation has now completed a comprehensive stock-taking of its activities and loan cover with a view to assessing the resources available for further development of its functions. Since its establishment in 1954, \$16 mn. in capital has been put into the organisation and \$4 mn. lost or in jeopardy through bad and doubtful debts. While some such losses are inevitable in an institution of this kind, which must have an eye to development potential and not merely to financial security, high losses of

this kind arising from unproductive use of these funds harm the economy by diverting real resources from productive use and drying up the fund which supports these loans."

Then he went on to suggest that the Credit Corporation should now give loans to secondary industries. The Minister of Finance should be aware of the fact that the ordinary man can hardly afford to own his home without getting help from institutions like the Credit Corporation. I concede that this may be unproductive, but it is necessary to raise the standard of living of the working masses of this country.

This statement is clouded with ambiguity and I hope that Government will make a clear statement with respect to what the Credit Corporation will do during the course of this year and in future years if this Government continues in office. - I hope that nothing will be done to force the ordinary man to pay exorbitant rents in the city and even in rural areas. I am told that house rents have gone up by over \$5 for small rooms, and perhaps more for apartments and cottages. Those workers who may have saved some money while the P.P.P. was in office can do well by applying for a loan from the Credit Corporation and by building houses of their own. I do not agree that people should borrow money and repay it. I do not want to be personal, but very recently a member of the United Force, a Member of this House took a big loan from the Credit Corporation. After this loan was granted to this person, the Corporation said it did not want to lend money to the ordinary worker. This loan was approved by the very member — a Director of the Board.

We only heard of dishonesty in one ministry, but a careful study will show dishonesty in other departments. We have a right to say how

Government funds should be expended, and we shall not refrain from so doing.

4.40 p.m.

In the Estimates for last year the Government had quite a reasonable sum for the promotion of youth work in this country. It took the Government two years to reconstitute the National Youth Council despite the statements here and there by the Minister of Education and sometimes by the hon. Mr. Clarke who does not get an opportunity to speak in this House about youth activities. There is nothing concrete in the Government's programme for the promotion of youth work in this country.

While this Government is allowing the killer, liquor, to go on without taxation and to destroy the youths, it is doing nothing whatsoever to encourage the youths to engage in community work. I have not seen the Government doing anything in respect of rural youths in the villages and estates. I know that we have a number of community centres, and that the Government has given recognition to the Assembly of Youth — the chairman of this body is a member of the Youth Council. However, the Minister, or the Parliamentary Secretary concerned with these activities, must see to it that during the course of this year something is done for all youths in this country.

Then we come to the question of culture. Last year over \$40,000 was spent on culture, and the money was expended through the National History and Arts Council. With the exception of a few items here and there during the course of our Independence celebrations so far as I can recall, and on a few other occasions, the programme was at a standstill. I have not seen anything of importance done by the National History and Arts Council. We want the Minister concerned to tell us what cultural activities will there be during

the course of this year, because there is a provision in the estimates for \$54,000.

All along the hon. Minister of Finance has been saying that the economy of this country can only make progress if the people of this country are united. Culture can play an important part in the unity of the nation. I believe in unity and diversity. All of the cultures of this land must be brought before the nation, so that out of all the cultures a common culture may evolve. The Government is not doing anything in this respect.

So far as race relations are concerned, the hon. Minister of Education and Race Relations has done nothing in the matter.

Mr. Speaker: Time!

Mr. Ram Karran: I beg to move that the hon. Mmember be given 15 minutes to complete his speech.

Mr. Ally: seconded.

Question put, and agreed to.

Mr. Persaud: Last year when I spoke on culture, the hon. Minister of Education and Relations said that she was going to appoint a committee and she would ask me to serve on it. One year has passed and the hon. Minister has not done anything in the matter. This is clear evidence that this Government is not concerned with race relations in this country.

The policy pursued by this Government in employing people through the Labour Exchange clearly shows discrimination. Unless every Guyanese is satisfied that he is entitled to play an important part in the life of this country we will make no progress. It is necessary for this Government to give consideration to the aspirations of all of the people in this country so that the motto "One People, One Nation, One Destiny" can become a reality. If the Government pursues

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a policy of discrimination, of vindictiveness, or callousness, then I have no doubt that there will never be a reality of the words "One People, One Nation, One Destiny". The Government has a challenge before it, it should do something positive.

I repeat that the hon. Minister did nothing for race relations in 1966. Now \$54,000 is provided in the 1967 Estimates for culture, and we expect to hear something about the youth corps. In the Estimates it is stated that a Youth Centre will be built, and \$75,000 is provided for it. Apart from this Youth Centre, we would like to know what the Government intends to do in order to develop youth activities in this country?

When the hon. Member Mr. Benn was the Minister of Education he initiated "History and Culture Week", and the P.P.P. Government endeavoured to get all the cultures of the land in schools and at functions in order to encourage people to think about Guyanese history. I note that the name has been changed from "History and Culture Week" to "Guyana Week". We do not know the reason for the change of name, but we would like the Government to tell us why it does not favour October for the observance of "History and Culture Week". Why has the Government changed the date to the 9th of February or between the 19th and 25th February?

The fact remains that if Guyana Week is to have any meaning, a programme should have been published already inviting all of the people to take part. Nothing has been done in this direction, but a date has been fixed for the observance of Guyana Week. The children in schools and the people looking after social and cultural organizations should have been on a programme to take part in the History and Culture Week celebrations. It is not enough for one to say

that Guyana has made history when it has a history in which many of our people were enslaved; many were imprisoned, and even present-day politicians underwent severe punishment during the course of the building of the history of this land. I hope that during the observance of History and Culture Week politics will not play an important part, and that recognition will be given where it is due without any political consideration.

4.50 p.m.

If a member of the Opposition, or of the Government, deserves recognition during the course of Guyana Week he must be recognised. If any citizen has done anything outstanding then it would be fitting if his activities were brought to the attention of the nation. Even in West Indian history, recognition is given to certain of our politicians. I therefore hope that this so-called "people's government" will give recognition where it is due during "Guyana Week".

I make this observation because the Government can make no denial if I charge it with being very narrow with respect to matters of this kind. We have seen this happening at many public functions. When Dr. Kaunda came here, the Leader of the Opposition was not invited to welcome him at Atkinson Airport. This is a narrow attitude. The members of the Government cannot deny that the Leader of the Opposition had the unique privilege of meeting Dr. Kaunda when his country attained independence and when Dr. Kaunda visited us the Leader of the Opposition was denied the right of welcoming him at Atkinson Airport. I have no doubt that the Government will attempt to make arrangements for Guyana Week in the same spirit. I am attempting to change this callous attitude and to let history and actions, not politics, callousness and discrimination be the motivating factors for the promotion of historic events.

I was looking through the Estimates for a special provision for the education of people in road safety measures, but there is none. The provision is the same as last year's I have said that rum could be taxed. According to statistics, most road fatalities are caused by drunken drivers or pedestrians. In view of this, if liquor were taxed, if rum — in particular local rum — were taxed, I am sure this would act as a deterrent to those who want to drive vehicles and walk on the streets under the influence of drink. So rum remains untaxed and there is not provision whatsoever in the Estimates to give education in road safety.

The hon. Minister of Health and Housing offered to publish the "Do's and Don'ts" with respect to gastroenteritis. I have no doubt that the Editor of *The Mirror* would be again willing to offer the pages of this national newspaper to educate people on road safety. It is in the hands of Government to show in the Estimates that there is an intention of doing something during this year. The licence duty on hire cars, buses, motor cycles has been increased. Some of the money so raised would be well spent in the field of road safety education. Nothing is being done by this Government and I urge it to do something about this.

During the course of the debate on the Budget Speech last year I pointed out to the Minister of Communications that he has very little knowledge of the functions of his Ministry. He does not understand the Ordinance that governs roads. I pointed out that provisions is made nances for the appointment of a Road Advisory Board. I have drawn this to his attention on more than one occasion but up to now no Board has been appointed. As a result the issuing of licences is in chaos.

The time is ripe for members of the Government to reconsider their

position and to take note of what the Opposition is saying. The Opposition will be willing to support any progressive measure initiated by the Government, but if the Government is going to be content to play ball with the Minister of Finance merely to keep the Government going, then that is not in the interest of the country and if it is the intention of members of the Government, as the Minister of Labour said, to keep together merely to keep the P.P.P. out of office despite the fact that the economy will go to ruin and the country will make no progress, then members of the Government can properly be indicted for working against the interest of the masses.

I therefore suggest that the Government should pay heed to our advice and give consideration to the things we have said from time to time. I can name instances when people have been discriminated against or have been chased out of the country. Some hon. Members feel hurt when we refer to Dr. Chandra and others who have had to run from the country. The Minister congratulated the Committee that arranges Radio Bingo, but the Minister must be honest and admit that during 1966 there has been a decrease in the sale of Radio Bingo tickets. This is evidence of the fact that the Government is losing support even in activities dealing with entertainment. Fraud is another important feature. [Interruptions.] In appointments, political considerations are used.

**Mr. Speaker: Time!**

The Parliamentary Secretary to the Ministry of Education - (Mr. Clarke): As I listened to this debate I got the impression that the members of the Opposition were not really serious about their criticism of the Budget. With few exceptions, I got the impression that they were only interested in repeating the same old

[MR. CLARKE]

gans to which we have become accustomed in this Assembly.

5 p.m.

When the Budget Debate began on Friday, 20th January, the hon. Member Dr. Jacob clearly set out the points which, he said the P.P.P. was going to oppose. These were the points he made. He said that there was rising unemployment. I have sat here and heard that point rebutted by several Members on this side of the House. He said that there have been unfilled positions in the Civil Service. He did not tell the House that, during the period 1961 to 1964, the P.P.P. gave special instructions, by circular, that vacancies in the Civil Service should not be filled because it wanted to conserve money to pay salaries.

In relation to this question of vacancies in the Civil Service, I should like to quote from the first Report to the Nation which was given by the hon. Prime Minister [Mr. Ram Karran: "Try to be original."] in June 1965. On page 2 of this little booklet, the Prime Minister said that when this Government assumed office in 1964:

"There were over 500 such vacancies in the professional and technical posts alone. There was such a serious shortage of surveyors, surveyor assistants and draughtsmen in the Ministry of Forests, Lands and Mines that 1,378 surveys remained undone at the end of 1964 — surveys which were necessary to discover and explore our mineral and forestry resources; surveys which were necessary to implement the much advertised land development programmes.

In the Ministry of Works and Hydraulics there were 170 vacancies; one engineer had to do the job of two or three. Two architects had to do the job of four architects and six architectural draughtsmen. There was a perpetual bottle-neck in this Min-

istry and it took over one year to get plans up to the stage where tenders could be invited.

In the Medical Division of the Ministry of Health and Housing there were 54 unfilled specialists posts. Medical and surgical equipment and drugs were in short supply.

In the Ministry of Agriculture, a Government which advertised its solicitude for and emphasis on agriculture permitted 70 specialists posts to remain unfilled."

[Dr. Jagan: "Tell us how many are filled now."]

I know this will hurt the members of the P.P.P. and I want to remind them that when the hon. Member Dr. Jacob gets up and speaks about unfilled posts in the Civil Service, he must remember that it was the P.P.P. which, in order to balance the Budget, refused to fill posts in the Civil Service. [Interruption.]

Mr. Speaker: The hon. Parliamentary Secretary is making a quotation.

Mr. Clarke: Since this Government assumed office, we find that 533 posts were filled — [Mr. Luck: "On whose authority do you make that statement?"] — by the Public Service Commission in 1965. In 1966, up to the month of October, 631 posts were filled by the Public Service Commission. This is not the figure for the end of the year. In its two years in office, this Government has filled 1,164 vacancies — vacancies which this Opposition, when in Government, left unfilled. So it is not in the mouth of the hon. Member Dr. Jacob to tell us, in this House, about unfilled posts in the civil Service.

The hon. Member went on to speak about the total dependence of this country on imperialist aid. The previous Government could get imperialist aid neither from the East nor the West. It got \$1 million from Cuba, or from GIMPEX. The hon. Member said that we are dependent on this aid to balance our Budget. Let us examine this aid. The hon. Minister of Finances said that we got \$16

million from overseas last year for development — \$11.1 million in the form of grants and \$5.7 million in the form of loans. This means that not only are we able to get money from abroad but because of the confidence which the people abroad have in this Government and in this nation, they have given us money. We do not have to borrow all the money we need. The previous Government could not get any imperialist aid at all, neither from the Left nor the Right.

This is what I want to make clear. [Mr. Luck: "Tell us about the Youth Corps now."] When Dr. Jacob speaks like this, he must also understand that, despite what the hon. Member Mr. Luck said, we have been able to raise \$21.5 million locally. This is a fact and he cannot dispute it.

The Minister of Finance, in his Budget Speech, was very clear when he said that we were able to avoid contractor-finance arrangements. We know that this country is in debt because of the contractor-finance arrangements which were made by the members of the previous administration who are sitting over there and criticizing us today. Look at the arrangements which they entered into in respect of the Bank of Guyana and the Electricity Corporation [Mr. Hamid: "What do you know about that?"] I am speaking of the cock-eyed financial arrangements!

The hon. Member Dr. Jacob also spoke about fiscal discrimination against the working class. This is a broad and wide field and several Members who have spoken on this side of the House have touched on this. When he speaks of fiscal discrimination against the working class he leaves me to wonder — [Mr. Luck: "You must wonder; you do not know what it is wonder; you do not know what it is."] — because, in 1962 — this was mentioned before — the members of the P.P.P. were not only discriminating against the working class but they were discriminating even against themselves and not one of them over there belongs to the working class.

The hon. Member said that agriculture is being strangled, and in the

same breath he went on to say that the coalition has been killing rice, as if rice is not a part of agriculture. But this is how the Members over there think! As far as their thinking goes, the only workers in this country are the rice workers, and the only working-class people are the people who are engaged in the rice industry. This is clear, because when Dr. Jacob said that agriculture is being strangled, in the same breath, he said that the coalition has been strangling rice.

5.10 p.m.

Agriculture is not being strangled. The position is this. The present Budget makes provision for the licence duty on trailers which are to be used in agriculture to be reduced. It also makes provision for the Credit Corporation to provide money to stimulate agricultural development. But no one over there wants to speak about these things.

Now, Dr. Jacob failed to mention a number of important provisions in the 1967 Budget. For instance, he has not mentioned the proposal to introduce a tax on idle land in order to make such land productive. He did not mention that there has been a tax on betting shops. The hon. Mr. Persaud just mentioned this in passing. He did not talk about it in any detail. Why not tell us whether you agree or disagree with such taxes?

The sum of \$2,500 per year is payable by all betting shops. But the provision goes further than this. It says that it is the first step towards the revision of the gambling houses. I need not mention that funds are to be made available by the C.D.C. for this organization to participate in industrial development. No one made mention of the fact that there is a proposal to introduce legislation extending the period on inter vivos transfers. [Mr. Luck: "Explain that to us."] You know what it means. The hon. Member has not said a word about all these provisions in the Budget. But he spoke glibly on all sorts of red herring matters. No conscious and serious attempt has been made by the ex-Minister of Finance to tell

[MR. CLARKE]

this House where the P.P.P. agrees and where it disagrees with the proposals in the 1967 Budget.

The P.P.P. Opposition which over the years has been trying to give the impression that it is so solicitous for the working class has now joined the band of people whom it has been criticizing for years and years. It has joined the band of merchants in the import and export business. These gentlemen in the Opposition like to point accusing fingers at the merchants in Water Street. They call these merchants "sharks" and all sorts of other names. But they have now joined the band of sharks! GIMPEX in Regent Street! [Dr. Jagan: "Is that logic? Even your own supporters go and buy cheap at GIMPEX." The fact is that they have shown solicitude for the working-class people and if they want to help them they must not exploit them.

The Opposition has not proved a case against the 1967 Budget. Guyana is now an independent country. Its citizens, I am sure, realise that with Independence has come greater responsibilities. Money must be found to pay for a number of new services, and every working man and woman must help to find this money. I feel that what we need to develop this country is an attitude towards thriftiness. We must learn to save. We have been spending money that we can ill afford to spend on imports. The hon. Member Mr. Bowman was very clear on this point when he said that this country is consuming more than it is producing and, therefore, it has to produce more. The only way we can produce more is if a conscious attempt is made by every citizen to give of his best in the interest of the nation.

The hon. Member Mr. Persaud mentioned a number of irrelevancies, but among them was the question of motor cars. He failed to give the true picture to the House. He said that all motor cars are taxed, but this is not so. [Mr. Luck: "Explain what has been taxed."] The smaller cars have not been taxed. [Mr. Jagan:

"Who said so?"] What is happening is this. A surtax will be paid — [Dr. Jagan: "Isn't a surtax a tax?"] Larger cars have been taxed much more heavily than the smaller cars, and the smaller cars have not really been taxed to the extent that the hon. Member has been saying. He told the House that, because taxes on motor cars have gone up, everything else will go up. But this is not true. The hon. Member knows this is not true, and he has been deliberately misleading the House.

The hon. Member also mentioned the National Youth Council about which he knows very little. He said that the National Youth Council has not been reappointed for two years. This is a very long and tardy question, and I would prefer to get straight to the point. The previous administration made several blunders in the setting up of a National Youth Council in 1963. It decided that it would scrap the then British Guiana Youth Council, and set up the National Youth Council in its place, with the same authority. Therein lies the mistake it made. At the end of the first year of operation, nothing was discussed.

5.20 p.m.

There were 86 members on the Council, and at almost every meeting no business could be done for want of a quorum. This Council was given executive authority; it had no staff, so how could it do any work? Most of the people on the Council were P.Y.O. activists and many of them were just lacleys; some were representatives of certain organisations, but no attempt was made to get the cooperation of people who had done voluntary work and who had been associated for years with that kind of work. They could not rely on certain people for assistance, therefore, when this Council fell through in 1964, as it was doomed to fall through after two years of doing nothing this Government immediately after it came into office decided to resuscitate the Council, but to give it advisory status only.



I feel that the hon. Member should read the Official Gazette in order to see what is taking place. The Council was re-opened either in November or early December last year, and its role will be merely advisory. We know that it can do nothing else but advise. We have decided to vest the authority for all executive powers in the ministry concerned, and the National Youth Council will be advisory to the Minister responsible for youths. Mr. Persaud knows all about this, and that is why I point my finger at him. He knows that the Council has been re-organised on a sound footing. The Maha Sabha is also represented on the Council. [Mr. Persaud: "How many meetings have been held during the year?"] We have held two meetings. We have been carrying on a programme for the young people of this country, and if Mr. Persaud wanted to be honest he could have told the House about it. He could have told the House that there is a programme which is in operation at the moment, and it is catering for the young people of this country in two specific ways.

Mr. Persaud's reference to the Catherina Scheme is very timely. The young people are doing a useful job and they are contributing to the economic development of this country. They have a farm and they are producing things. You can go there and have a look, and you can join them. As a matter of fact, I would advise Mr. Persaud to get some of his youths to join them and to do something useful for the community. The programme is something which is very important and we hope that when it gets going this year the members of the Hindu Youth Organisation will participate in the programme. [Mr. Persaud: "I am not secretary to the Youth Organisation."] I apologize. In any case it is a movement to which he is connected. I hope he will tell his members to participate in the programme when they are called upon to do so. I am looking forward to their co-operation and participation, and I hope that all of us will get down to the serious tasks which face this country.

The 1967 Budget is clearly in the interest of all of the people of this country. Everybody must realize that the time has come for everyone to make a serious effort to contribute to the development of the nation, and I hope that the P.P.P. Opposition will join the rest of the country in supporting this Budget.

Mr. Khan: The 1967 Budget Statement, as presented to this honourable National Assembly by the hon. Minister of Finance, to my mind illustrates a fairly reasonable account of the precarious financial and economic position of our nation. Time and again it has been pointed out to this Government that the continuation of such policies as it has been introducing would merely add more and more burdens on the Guyanese who are less able to pay, while those sections of the Guyanese people who are capable of contributing far more to the economy are deliberately allowed to escape the eyes of the Government.

5.30 p.m.

As a consequence of this policy, further deterioration of the economy must, and will, take place in the years to come. What is quite discomforting to us is that the conclusions and predictions contained therein leave much to be desired.

Certain aspects of this Budget Speech will require clarification when examined. I trust that the hon. Minister of Finance will provide us with answers to some of our questions. He said that total investment had risen from about \$55 million in 1964 to about \$100 million in 1966. Let us accept that this may be true and let us ask: "In what directions has the increased investment been expended?" Very little, if any, has been expended in the productive sectors, while the major portion of it went into the nonproductive sectors. What have been the results of this increased investment? What are the facts of life facing this young nation? Give the trade unionists, the peasants, farmers, workers, housewives, civil servants, school teachers and even the policemen, an opportunity to speak fully

[MR. KHAN]

that there has been increased unemployment, there has been an increase in the cost of living, more people and more money have left this country and undoubtedly there has been all round depression in agriculture.

It is unfortunate that when hard facts are about to be presented the hon. Minister of Finance should choose to leave his seat. Yesterday, the hon. Deputy Speaker, Mr. Tello, made bold to give some figures about employment. He made us believe that in the period during which this Government has held office some 10,000 people have gained employment. Assuming that figure is correct, let us find out what proportion of 10,000 are in full employment. I hope that the Minister of Labour will do this Assembly the honour to give us the complete breakdown because, from our information, workers are being employed for a week and then being laid off; some are given two weeks' or one month's work and then thrown on the streets. Workers with 14 and 18 years' service are being retrenched; others are employed and will work only for one week or a month. That is how employment has increased and that is how the Minister arrives at the figure of 10,000.

Only yesterday *The Mirror* reported that retrenchment was taking place among workers on the East Coast road. Let us hear what the District Engineer told such workers in a letter. I quote from the first page of *The Mirror* of Monday, 23rd January, where, under the caption "More to be Laid Off", there is a copy of a letter from the District Engineer to workers I read:

"I wish to advise you that it has unfortunately become necessary for retrenchments to be carried out for some of the personnel employed in the road maintenance gangs attached to this district, and hereby give you requisite notice that your services will not be required after 31st January . . . ."

and what is heartless is this continuation of the letter:

"and to wish you happiness in the future."

You are retrenching workers and in the same breath — [Laughter] This is no situation for laughter; this is a serious matter. Hundreds and hundreds of workers are being laid off every day all over the country and the Government permits the District Engineer to send such a letter to workers telling them that they are retrenched but wishing them happiness. You are taking away bread from the mouths of workers and their children. They do not know whether they will find employment and you are wishing them happiness.

Added to this, let us face the fact that there is a great deal of retrenchment as a result of mechanisation in the bauxite and sugar industries. There is also retrenchment in the Ministry of Works and Hydraulics. This means that unemployment and under-employment have increased. That is not all: what about the large number of children leaving school year after year? Are they not in the field ready to be employed? What is this Government doing about the rising unemployment in this country?

5.40 p.m.

The general depression in agriculture has also caused man-power to be idle. My good friend Mr. Wharton is fully aware of what is happening in Western Berbice. If this Government is honest it should permit Mr. Wharton to speak up and tell this National Assembly about the grave economic position facing the people not only in his district but all over the country. The workers have got to pay more for everything sold in this country. [Mr. Budhoo: "How much more?"] I will come to that in a minute.

Members on the other side should look at the students on the front benches in the Gallery, who are still attending school, and think of the extra burden their parents have to bear. School fees have gone up and the cost of school books has also gone up. Is this not an added burden on the workers? Transportation costs have also gone up. Let the parents

tell you how much more they have got to pay for their children to attend school to get a little education.

Let us leave the workers aside for a while. The prices of baby food and drugs have sky-rocketed. I have made it my duty to carry out a survey of the prices of certain items sold by the business firms and in the Stabroek and Bourda markets. I had hoped to speak yesterday but, unfortunately, time ran out. To make sure that my conscience is clear, I rechecked on the information which I am about to give. If you will permit me, I will now go through the list of main items to show what was the position prior to the introduction of the Budget and what it is now [Mr. Merriman: "Go ahead."]

Flour: from \$10.20 and \$10.60 to \$11.90 and \$12.00 per bag [Mr. Bissember: "Name the firm, we have not taxed flour."] [Mr. Persaud: "He is not an informer."] I am dealing with the commodities that people use everyday.

Salt from \$3.25 to \$4.75 and \$5.00 per 100-lb. bag. [Mr. Merriman: "Name the firm."] If these figures are not accurate, all you have to do is to prove me wrong.

Split peas: from \$13.00 and \$13.50 to \$14.75 and \$15.00 per 90-lb. bag.

[Mr. Tello: "How do we know you have not manufactured these prices?"]

Salt fish: from \$40 and \$42 to \$53 and \$60 per 100 — lb. bag.

Cooking oil: from \$2.52 to \$2.84 per gallon.

Onions: from 8 cents and 10 cents to 14 cents and 18 cents per pound.

Garlic: from 34 cents and 40 cents to 75 cents and 88 cents per pound.

Soap — locally manufactured — Zex and O.K.: from \$9.25 to \$10.50 and \$10.80 per box of 120 cakes.

Cooking butter: from \$3.75 to \$5.00 and \$5.25 per 5-lb. tin.

Table butter: from \$10.80 to \$13.20 and \$13.50 per dozen 1-lb. tins.

Salmon: from \$22 to \$33 and \$34 per case of 48 ½-lb. tins.

Corned beef: from \$25 to \$35 and \$36 per case of 48 12-oz. tins.

Sardines: from \$11.75 to \$14.50 and \$15.00 per 100 ¾-oz. tins.

Tea: from \$2.10 and \$2.25 to \$2.30 and \$2.35 per pound.

Cocoa: from \$13.75 and \$14.00 to \$15.75 and \$16.25 per case.

Ground coffee: 90 cents and \$1.00 per pound.

Lard: from \$10 and \$11 to \$13 and \$14 per 37-lb. tin.

Quaker oats: from \$4.60 to \$6.00 and \$6.50 per doz. tins.

I will now say a word about cigarettes. The ordinary workers smoke two brands mainly, Broadway and Lighthouse. The "big boys" use State Express 555. Let us compare the increases. The workers will have to pay 15 per cent more while the "big boys" will pay only 2.5 per cent more. A vast difference — 15 per cent on the one hand, and 2.5 per cent on the other hand!

It is very difficult for those in high places to understand the harshness and difficulties the workers and peasants face in their everyday life. How some of them exist on their meagre earnings only God knows! Yet, this is of no concern to those of you who now hold the reins of power. You continue to prattle that you are working in the interest of the working masses. Unfortunately, it is just the opposite. Will this Government doubt the fact that more people left this country between 1965 and 1966 than in 1963? What are the figures? The figures show very clearly that in 1963, 17,662 persons left Guyana. Up to September of 1966, 16,022 persons left the Country. Is this the display of confidence that the hon. Minister of Finance spoke about? This Government really ought to re-think its position.

[MR. KHAN]

What about money? The hon. Minister of Finance talks about resurgence of confidence in this Country. Why does he not tell us how much money left these shores, and who sent it out? It is the wealthy friends of those of you who sit on that side of the House who are doing this. Let them demonstrate this resurgence of confidence that the hon. Minister of Finance spoke about. The hon. Minister of Finance said, "Keep the money at home where it can multiply and fructify." This is what he is telling the Guyanese people to do, while he and his friends are shipping the money out of this country. He knows this is a fact.

In days of old it used to be said, "Don't do as I do, but do as I tell you to do." Apparently, we are now told what to do, while those who tell us what to do are doing just the opposite. The fact is that the friends of this Government who have helped it to get into power have shipped out their money from this country. Their friends who have helped them to get into office have not as yet started to rebuild the burnt-out buildings in Water Street. Either their friends are falling out with them or they have no confidence in each other. The Government on the one hand and the Georgetown Chamber of Commerce on the other hand are now at each other's throats.

I should now like to turn my attention to that aspect of the Budget where much emphasis has been placed. It has been argued that we import too much foodstuff — nearly \$30 million yearly. The 1966 figures are not yet out, but I am told that it is nearly \$34 million. Both sides, the Government and the Opposition are agreed on this. We have no quarrel about this. As a matter of fact we agree that agriculture is the backbone of our economy. We are also agreed that there should be diversification of agriculture.

But let us examine what this Government did in relation to this sector of the economy, on which it is now placing emphasis. In so far as quan-

tity is concerned, the value has dropped considerably. Let us examine the figures for crops other than rice. The previous Government had initiated and implemented its belief in the diversification of agriculture. It had started to produce various crops. The farmers were given bonuses, they were offered loans and technical help. We offered them help in every aspect so as to encourage the production of other crops, and if you would permit me, sir —

Mr. Speaker: Time.

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

Mr. Chandisingh seconded.

Question put, and agreed to.

6 p.m.

Let us examine the figures for 1961 to 1965 and compare them with the figures for 1966. I am referring to the 1965 figures, because the 1964 production was realized in 1965.

#### Plantains

Year		Pounds
1961	—	62 million
1962	—	65.7 "
1963	—	40 " (approximately)
1964	—	45.6 "
1965	—	51.9 "
1966	—	43.1 "

[Mr. Clarke: "From what are you quoting?"] These figures were obtained from the Statistical Department of the Ministry of Agriculture.

#### Cocoa

Year		Pounds
1961	—	331,000
1962	—	375,000
1963	—	392,000
1964	—	—
1965	—	400,000
1966 (Nov.)	—	367,000

There will be a greater fall in 1967 because no encouragement or assistance will be given to the farmers in 1976. This is not a farmer's problem; it is a question of the attitude on the part of the Government to the people who produce the crops.

**Coffee**

Year	Pounds
1961	1 million
1962	1 "
1963	1.4 "
1964	2.4 "
1965	2.5 "
1966 (Nov.) —	1.8 "

**Citrus Fruits**

Year	Pounds
1961	20 million
1962	24 "
Year	Pounds
1963	17.9 million
1964	25.3 "
1965	27

**Cabbage**

Year	Pounds
1962	120,000
1963	149,000
1964	320,000
1965	385,000
1966 (Nov.) —	325,000.

**Ground Provisions**

I have been able to obtain figures relating to some of the main items to show that, due to the encouragement which the previous Government gave to the diversification of agriculture, a great improvement has been made. This Government has now realized that this matter must be given priority in 1967. The P.P.P. Government was, in fact, encouraging the diversification of agriculture from 1961 onwards. Let us look at the figures.

**Ground Provisions**

Year	Pounds
1961	131 million
1962	130 "
1963	71 "
1964	83 "
1965	73 "
1966 (Nov.) —	70.6 "

**Black eye Peas**

Year	Pounds
1963	135,000
1964	246,000
1965	198,000
1966 (Nov.) —	143,000

**Corn**

Year	Pounds
1961	1.1 million
1962	1.8 "
1963	1.9 "
1964	2.7 "
1965	2.7 "
1966 (Nov.) —	1.9 "

**Coconuts**

Year	Pounds
1961	52.9 million
1962	49.3 "
1963	45.9 "
1964	53 "
1965	35.5 "
1966 (Nov.) —	27.9 "

We are not surprised at these figures because this Government has paid no attention to the farmers during 1965 and 1966. There was a large amount of predial larceny and the farmers were discouraged. The farmers were not receiving payment for their crops, and they had to leave their crops to rot in the fields.

**Tomatoes**

Year	Pounds
1963	407,000
1964	1.2 million
1965	1.5 "
1966	1.1 "

When you examine the statistics for items such as milk, beef, chicken pork and so on you will find that there has been a progressive increase from 1961 to 1965, but as we reached the year 1966 the production definitely declined. The Government merely gives lip-service to the diversification of agriculture, and it makes no honest effort to assist the farmers or to encourage them to produce more in order to reduce the importation of foodstuffs. That is the only way in which the importation of foodstuffs can be reduced.

This Government has increased the duties on certain commodities, and this has caused every item in the shops to be raised. At a time like this when there is no encouragement to produce more, then the price

[MR. KHAN]

of the limited amount of locally grown food will definitely skyrocket. This sort of thing will certainly result in an increase in the cost of living in this country.

6.10 p.m.

When I look at the 1967 Estimates, I find that there is hardly any improvement in the provision for agriculture either for the Current or Capital Estimates. In 1966 the amount provided for agriculture under Capital Expenditure was \$1.5 million and in 1967 all the provision made is \$1.7 million. I would like to quote from the Budget Speech exactly what the Minister of Finance said. I read from page 7:

"We can not take out of the economy more by consumption and investment than we put in by production or can entice from abroad. We can consume more only if we produce more; we can earn more only if we produce more. To think otherwise is to delude ourselves."

Something is really wrong; it is either that the Minister of Finance is deluding the entire Cabinet into the belief that by saying "Tax the imported foodstuff that can be grown here" automatically the 1967 production will increase. The members of the Government are living in a fool's paradise because the farmers are already frustrated. Farmers have to wait many days and weeks to obtain money for their produce. Buyers are unstable. I am speaking of such products as oranges, bananas, plantains and corn, which are produced by farmers. Let the hon. Members go into the North West District, let them go across to the Canals Polder. Fruits are rotting on farms and yet the Government has not been able to make adequate arrangements for transportation of produce. In the North West District and in the Pomeroy, the labour of the farmers can not be rewarding when their produce is rotting on the ground.

I urge the members of this Government to heed the advice of Pro-

fessor Sir Arthur Lewis if they really intend to implement the 1966-1972 Development Programme. In that document Sir Arthur recommends that diversification should be given priority, and by diversification he does not mean just speaking about it. Give farmers the technical advice, improve extension services in the field, reimburse the farmers for their outlay and reintroduce the bonus scheme, ensure that farmers have stability and adequate prices, make adequate transportation arrangements for the farmers all over the country where farming exists so that they may produce more and more.

Mr. Speaker: Time!

Mr. Ram Karran: I beg to move that the hon. Member be granted an extension of five minutes to finish his speech.

Mr. Lall seconded.

Question put, and negatived.

Mr. Khan: Has it been agreed, sir, that I be granted an extension of five minutes?

Mr. Speaker: The floor has been taken from you. Next speaker! [After a pause.] If no speaker is coming forward I shall call upon the Minister of Finance to reply.

Mr. Ram Karran: The arrangement is for a member of the Government to speak. That is the arrangement made with the Leader of the House.

Dr. Jagan: You recall, sir, that we agreed there should be five days for this debate and the arrangement was that hon. Members on both sides of the House should speak in an alternative arrangement. If members of the Government are not going to speak they should allow Members on this side to complete their speeches, because there is adequate time.

Mr. Speaker: The arrangement was that main speakers be given an extension and main speakers have been given extensions. If there are no more speakers coming forward I shall call on the Minister of Finance.

**Mr. Stoby:** Every year Budgets are presented in this Assembly but I have noticed that this is a fictitious budget. I cannot understand it; it is like a jig-saw puzzle. It contains percentages, decimals and numericals and will deceive the general public. This is a national Budget, but it does not impress us as having a national identity. It makes provision chiefly for the wealthy classes, merchants, large wholesale dealers and big businessmen, but consumers who form a large section of the population will have to carry a heavier burden.

I should like to make reference to something which I feel has been done deliberately to create a situation in our country whereby people will live year after year discontented and frustrated. I know much of the interior and the problems that face the people who live there. I shall direct my attention specifically to these problems.

6.20 p.m.

Now the members of this Government have been in office for the past two years. They said that they have friends in Europe, Germany, the United States and so on and that they are capable of getting millions of dollars. In fact, they have received some vehicles, tractors, bulldozers and road equipment. They have also received money but we saw that a large amount of it went down the drain.

One member of the Government said that, during its term of office, the P.P.P. Government got no money from the East, West, Right or Left. How were the people existing if no money was brought in and given or lent to them? How were they living? It is clear to me that if the members of the P.P.P. were allowed to carry out their policy, they would have been able to raise the living standards of everyone. They would not have allowed the minority section of the population to get wealthier and the majority section to get poorer.

I should like to say that this Budget hardly makes provision for the people who are playing an important part in the sawmill and lum-

ber industry. Members of this House often make reference to the sugar, rice and bauxite industries. But the logging industry is unimportant. Let us see how the people in this industry survive. They cut the trees in the forests and they fetch the logs to the sawmills. How do these people exist? I will make reference, in particular, to the North West District. Despite the rising cost of consumer goods every year, we find that the volume of labour is the same.

For quite a number of years, the sawmills situated in the district have been paying 28 cents per cubic foot for crabwood logs. The Forestry Department collects 8 cents per cubic foot and yet one cubic foot B.M. of crabwood lumber is being sold for over 24 cents. I want the Government to review this matter carefully and to make certain recommendations. For instance, the Government should appoint a control board in the Interior. Prices on essential commodities should be controlled.

One of my colleagues made reference to the prices of certain commodities in the stores. Shopkeepers in the North West District and remote areas have to pay the additional freight charges. Last year we saw that steamer freight charges were increased. This increase is added on to the actual cost of the foreign imports and all of this is passed down to the consumer. In the Interior a shop is like a market-place. You have to get all your essential items there. In the markets here you can get fish or meat to buy but in a shop, especially in the rivers, you have to call for corned beef, sardines, and so on to get a quick meal. I feel that, in remote areas, the Government should either subsidize or control the prices of these items. For instance, in the North West District, one tin of corned beef is sold for \$1.20 per tin. One 3¼ oz. tin of sardines is sold for 25 cents.

I do not know what the Government is doing. I think that, instead

[MR. STOBY]

of paying attention to the people on the coastal belt only, the prime Minister and his Government should visit all parts of the country to find out the real problems existing. It is not only the people on the coastal belt who would like to survive in this country; all of us would like to survive. Just now a Minister said that the people do not pay taxes. They pay direct and indirect taxes and I can assure the Government that the Income Tax Department has already sent down the forms for 1967. I do not know how a Minister can say that the people do not pay taxes. What I am saying here is true and I can prove my point.

Mr. Speaker: The sitting is suspended until 8 p.m.

Sitting suspended at 6.30 p.m.  
8.05 p.m.

[Mr. Deputy Speaker in the Chair]  
On resumption —

Mr. Deputy Speaker (Mr. Tello):  
At the suspension the hon. Mr. Stoby was speaking. If he desires to continue, he may do so.

Mr. Stoby: The Minister of Finance said in his Budget Speech that we are living beyond our means. I should like to state that we are forced to live beyond our means. In all sections of the community — middle class and working class — the people have to live on a system of credit. They owe the shops, pawnbrokers and other persons who usually lend money. The system is bad. The Budget is not geared to suit everybody. It is not geared to have an equitable distribution of the wealth in the country.

I think that since this is the first national Budget, attempts should have been made by the hon. Minister to give us something really national in outlook. But the Minister of Finance and the Government are insisting that we must be guided by the old systems. The cost of living has increased considerably from year to year. Production has been declining year after year.

Now, in the Moruka area, which is a part of the North West District, people are forced to sell their coffee berries at fifty cents for a five-gallon tin. A five-gallon tin of coffee berries when processed gives an average of three pounds of coffee beans. Therefore, if you divide fifty cents by three you will get a little over sixteen cents. For thirty gallons of coffee berries a person will only get \$1.02. How can these people exist when they have to sell their produce at such low prices?

8.10 p.m.

As I mentioned before the Sitting adjourned, a tin of corned beef will cost you \$1.20 up there. These people do not have cattle, sheep and goats in that area. During the present heavy rainfall, fish is scarce; the people cannot get their daily diet, and they have to live on cassava bread. That is the picture I would like to present to this House so that the Government and the nation will know what is happening in certain parts of the country. Some people in Georgetown are living happily and they do not know anything about what is happening in the remote areas of this country. They will go to Europe and to other Islands in the Caribbean, but they do not know anything about their own country.

I should like to urge the people in Georgetown to go into the Interior and see whether I am speaking the truth. I feel that the hon. Minister of Finance should have made provision in his Budget to take care of this sort of thing. That is why I am appealing to this House for some kind of assistance for the poor people in the Interior. I am not criticizing the Government, but I am talking facts.

I should now like to deal with an urgent matter on the Essequibo Coast. The reason why I am doing so now is that I have failed to get the Speaker to agree that it is a matter of public importance. I am, therefore, taking the opportunity, as part of my speech on the Budget, to make comments on the road. Cer-Charity and Adventure are very bad. I think this is due to lack of proper



supervision, because inexperienced men are supervising the maintenance of roads and bridges and, as a result, millions of dollars are doing down the drain.

The hon. Minister of Finance has said that we must economise in spending. What is the use of economising when we were told quite recently of what is happening in one ministry. The people employed there are trying to help themselves. He said that we must help ourselves by producing more, and yet other people are perhaps helping themselves by converting public funds to their own use. I feel that one-fifth of the sum alleged to have been wastefully spent would have been sufficient to repair the bad roads in Essequibo.

There is also a section of the West Coast Berbice Road which needs repairing. Transportation is one of the chief means of communication for the people living on the coast. Buses, trucks and other vehicles are lying in pot-holes and mud. While I was travelling yesterday I saw two trucks and a jeep attempting to pull out a bus. Passengers were pushing it. Why should passengers have to push a bus? The bus owners should be complimented for operating these vehicles under such conditions. These vehicles cost thousands of dollars, and the drivers are forcing these vehicles to work on bad roads with the result that the clutches and gearboxes of these vehicles are quickly damaged. Passengers have to pay \$1 to travel in buses, and yet they have to take off their shoes and push buses at the risk of catching "ground-itch". I feel that a Budget of this kind should include provision for solving these problems.

Since last year, without giving proper notice, the Government took off the Airways Service in the Pomeroun Area. How can these people get to town to do business? I feel that the Government could arrange for a steamer to go to the Pomeroun area every week to take passengers, produce and so on. The farmers must have gasolene to bring their produce to the market at Charity; they must

have kerosene oil for their lantern to prevent them from living in darkness. The people are becoming discontented, and nowadays even the supporters of the parties in the Government are crying out. They are crying out that the Government has failed to live up to the promises made to them.

I have already mentioned how much assistance, financial and otherwise, the Government has received from abroad. In the riverain area there is a saw-mill. A man was given credit by the Corporation to erect this saw-mill, but he cannot get logs to operate it. The river is filled with weeds, and this man cannot get logs to operate the saw-mill and enable him to meet his commitments. The Government used to collect 8¢ a foot on Crabwook. Why cannot a part of this money be spent on river-cleaning? The workers should be assisted so that they can work on the saw-mill.

8.20 p.m.

In November last year I went to the Venezuelan border to a place called Yarakita, and I was shocked at the conditions existing there. People have complained that they have never seen a doctor. They have never seen Agricultural Officers and live on a subsistence diet. They produce only for their own consumption. I see that very little money has been allocated for the Interior, which falls under the Ministry of Home Affairs. A paltry sum has been set aside for these people, yet they are staunch supporters of this heartless Coalition Government. Members of the Government are not even visiting them and explaining the position to them. I do not think that the Minister of Works and Hydraulics has ever visited the area much less held a meeting there. These are facts which I am stating and I hope that they will not hurt anybody.

At one time there were nine out-board motors at the Kumaku-Landing; each boat had at least a 40-horse power engine; there was a large loud-speaker equipment. What is happening today? Let the Ministers visit the

[MR. STUBY]

~~men with their loud-speaker equipment — I tell the people something. The People's Front New Party is trying to apologise to these people for this state of affairs and is trying to give them some hope for the future. However, what has not happened in seven years has happened in two years. Today our country is really going from bad to worse.~~

I have said before in this House that the pattern is to change society. What Mr. Peter d'Aguiar is trying to do is to arm his people with wealth — and that is power — and to disarm the masses, and that is poverty leading to weakness. He has made it — as to agriculture, a subject that is not pleasant. Subsidies have been reduced by the Government. I am not altogether against the reduction of subsidies to agriculture in certain sections. I do not mean that subsidies should be taken away generally; that is wrong. The peasant farmers, the small plot holders who have only an acre or two, should be subsidised in some form or other.

Mr. Deputy Speaker: Please try to wind up in another minute.

Mr. Stuby: Excise taxes and other taxes are levied, and the whole population feels the squeeze. Most of the taxes fall on consumers. A number of lies are told on both sides of this House; I would not say on one side. I know who will have to answer for their sins, but the chief sinner is the Minister of Finance, because he has presented something here which is really untrue. It would be unfair to accuse the Government only of lies. There are personal attacks on both sides of the House.

Mr. Deputy Speaker: You have exceeded your time.

Mr. Ally: I move that the hon. Member be granted an extension of fifteen minutes to continue his speech.

Mr. Deputy Speaker: You are being unkind to the speaker. [Interruptions.] If no hon. Member wishes to speak I shall call on the Minister of Finance to reply.

~~Mr. Deputy Speaker: The Government has taken off a year have been presented with three Budgets and if one were to study them one would come to the conclusion that they are all anti-working class. In them we will see where the rich are protected and the poor remain exposed to be exploited. The figures with respect to taxation, provide interesting reading.~~

In almost every country there are two main sources of revenue, that is, by direct taxation — for example by way of income tax — or by indirect taxation.

\$30 p.m.

In 1964, import duties yielded \$22 million and income tax also yielded \$22 million. In other words, the two main sources of taxation were rated to yield \$34 million this year, whereas income tax yield is estimated to be \$27 million. All of us know who carry direct taxation. The fellows who can afford to pay will pay income tax after they are given certain allowances. With regard to indirect taxation, no allowances are given.

The figures provide interesting reading. The Minister of Finance had anticipated that, in 1966, he would have collected \$33 million by way of import duties. He collected \$32 million, \$1 million less, which all goes to show that the members of the working class, having been called upon to pay \$33 million, were unable to carry the burden. What was the income tax yield for the same period? In 1966, the income tax yield was estimated to be \$20 million and, without an increase in the rate of taxation, it did in fact yield \$25 million by way of reorganization. This year it is estimated to be \$27 million plus. The figures are there.

While there is no tax levy in the present Budget on people who had paid no increased taxes, the people who are unable to pay the indirect taxation are now being asked to pay another \$2.5 million. Within a period of two years the Government hopes to extract \$5 million from the masses of this country — men, women and children — because they are all in-

involved in the pay and interest rates. They buy shoes, watches, shoes and so on. How long is the Government going to press the ordinary people and ask them to pay more and more?

When the rich should have been paying just taxes, those taxes were removed. For instance, in 1964, \$1.3 million was collected by way of property tax. That tax has been removed. What justification has there been for abolishing the property tax? The hon. Minister of Finance said that it would stimulate investment, but has it, in fact, stimulated investment in this country? Even an economist analysing the Budget in the *Guyana Graphic* had to admit that the role of private investors in investing money in this country has been very very disappointing. Where is the stimulant? The only people who have invested money in this country are the people in the bauxite industry and they did not invest money in this country because the property tax had been withdrawn, or because of particular patronage to Guyana, but because they were given special concessions. Probably, if special concessions are given to local private investors they may invest also.

When these concessions are given, money is invested, and all the figures seem attractive on paper, but we must understand that there is always a greater amount that is taken out of the country year by year. We will soon reach a stage where we will merely toil and work, toil and work, because these investments are only providing jobs. The Government has promulgated no policy whereby it can take control of the economy and hold on to the wealth of the country in order to let it remain here so that the economy can swell and become buoyant and everyone can share in the wealth.

Our case is like a cistern where the tap that runs into the cistern is smaller than the tap that runs out of the cistern. If profits to the tune \$50 million are being sent out of the country every year, when will our economy swell, when will it become

buoyant as it were? This will never happen. We will find ourselves in the position of every other underdeveloped territory. Some of these territories are now borrowing money to pay interest rates, some of them are borrowing money to meet budgetary deficits.

This is taking place because all of these countries fall under the American economic empire and every time they seek advice on organization and measures to benefit their territories, they find themselves being led by Western oriented economists who advise them

a way that American and imperial interests are preferred. That has been the pattern in other underdeveloped countries. It is why Pakistan has learnt to her dismay that, with all the money she has borrowed, her balance of payment position has gone adverse to the same tune that she was receiving from the United States. The same story is true of all the underdeveloped territories.

The pattern in this country, as in Ghana, Malaya and Brazil, is that the prices of primary products, things produced in this country, are going down, whereas the prices of manufactured goods coming into the country are going up. We must call a halt to this and the only way we can do this is by sitting together with the other underdeveloped territories and formulating policies whereby we can stop this trend of money flowing out all the time from underdeveloped to developed territories.

We may not know much about what is taking place today in respect of economics, but I should like to mention something that I read in the Press. It took some American film producers \$10 million to \$12 million to produce four James Bond films. In a matter of two years, those producers had collected \$150 million, and 75 per cent of that money came from underdeveloped territories. This is only in a simple matter of producing films. You can just imagine what the big combinations, the big monopolies like oil make and take back to the United States.

8.40 p.m.

We cannot sit down and hope that we are going to build this country's economy like that of the United States of America. We will never be like the United States because we will never have the amount of money that country has. But even if we were to have that amount of money, we would not have the empire to invest it in.

We are now told to buy locally. This is a good thing because our money will accumulate here. But you must not put taxes on things like apples and so on, when all can share in them. If you are calling on the masses to be patriotic, then you must be prepared to be patriotic. When you ask the people to eat local foods, you must also eat local foods and ban certain articles. What is the use of telling the people to eat local foods and then you turn around and eat all the luxury items that are imported? If apples are coming into this country, then the price must be such that all can afford to buy them. Is it because the people are poor that they are being condemned? Are they sub-human?

The Deputy Prime Minister said that when people go abroad they cultivate the taste for things foreign and, therefore, they must cultivate the taste for local products. All I am saying is that if we are going to eat local products, and if it is to be considered an act of patriotism, then all of us must do so. We must not get the people to smoke "Clipper" and "Broadway" while we smoke "Salem" and "Kent". I am definitely against this Budget. This is indirect taxation. If you do not want these imports then you should ban them. Let us raise taxes by way of direct taxation.

When one goes through the Budget one sees that a rosy picture is painted. But when one looks at the figures and one faces realities, one finds that \$30 million has gone down the drain. I will show you how. It is not in the ordinary course of events that a Government must have a grant to make up for budgetary deficit.

A Government must be able to balance its Budget. It is not an achievement when you get a grant of \$4.8 million; you must not tell yourself that you have balanced your Budget, because, obviously you are in the red. The same thing happened in 1966. Money that was given by way of grant for developmental works, and capital expenditure was dishonestly used by the Government to balance its Budget. When the United Kingdom Government gave a grant of \$3 million around the middle of the year, did it know that the Budget was going to be unbalanced to the tune of \$3 million? It did not know at the time.

In the middle of the year when no one knew that there was going to be a deficit, \$3 million was given. The Minister of Finance did not state in the Estimates that there was going to be a deficit of \$3 million, and that he was hoping to get it by way of grants. When the United Kingdom Government gave the money, it did not know that there was going to be a deficit at the end of the year. How did this become a special budgetary deficit grant? It is because the Government took what should have been a grant for developing the country. The same thing can be said of 1965. Therefore, in the two years, the Government has misused capital funds for recurrent expenditure.

When this Government took office at the beginning of the year, it found a general revenue balance of \$5.2 million which was put in there at the end of 1964. Having exhausted this \$5.2 million it went further and took short-term loans to the tune of \$17 million. Everyone knows that short-term loans are not necessarily loans for development. They are loans given to accommodate the Government but at the end of the year these loans have to be met. Here, however, to the great embarrassment of the Government, this money was used, and then it was neatly fixed inside the Budget.

8.50 p.m.

Now add the \$17 million that the Government took in short-term loans

to finance the running of the Government to the end of the year, and you will get a total of \$30.2 million. Now, \$17 million was taken from the banks as a short term loan; \$5.4 million was taken from general revenue, and the amounts to which I have already referred will give you a total of \$30.2 million. Had it not been for the manipulation of Government figures, and if the Government were honest in preparing a straight forward Budget, it would have found itself in the red to the tune of \$30.2 million. Had it not been due to fortuitous circumstances that the Government was able to collect \$.2 million by way of arrears of income tax, the total would have been \$34.2 million. That is the truth and no one can doubt it. Anyone of you who wants to take time off and study the figures can do so.

I did not fabricate these figures. If you will read the Budget statements for 1966 and 1967 you will see the figures. It is no use telling people that money has been invested here and there and the economy is buoyant, when the stark truth is that the Government is faced with a big deficit and it has to resort to retrenchment. The Government has curtailed irrigation; it has no money for further development work whereby it can continue to employ the people who were employed in 1965. Despite the buoyancy of the economy, why cannot the Government keep people employed? Where is the wealth that has been generated? There could not have been any buoyancy in this country's economy. We know that the economy has fallen flat; there is stagnation and unemployment. Added further to the Minister's shame and disgrace is the balance of payments in this country. This was in our favour from 1961 to 1964, but has now turned against us. If the Government cannot balance its Budget, do you not think it should resign?

Let us turn to the question of enterprises. We know what took place when the 1966 Budget was presented

in this House. It will be recalled that prices skyrocketed all around. It became so obvious that prices were going up that the Government appointed the King Committee to investigate the matter. I do not know what was the Committee's report on the matter, but from what took place one can easily realize that the prices of things go up again.

That every item in shops has a price tag, what is the Government going to do? The Government seems to be a Government by the Prime Minister who says that the Government will handle the sharks and jail them. The big sharks have already got him in its mouth and that is the irony of the situation. There is no use shouting that you are going to handle the big sharks and jail them because there is no Price Control Order to deal with them. You have to introduce a Price Control Order and then charge people if they infringe it. I do not think that you want to stretch the National Security Bill in order to put people at Sibley Hall for such offences.

Let me turn to another item in the Budget. Even if you say that you want people to buy things locally produced in this country, can the hon. Minister of Finance say why he decided to put an increased tax on cotton fabrics? If one goes to the schools and factories, one will see young women wearing cotton fabrics. Cotton fabrics are used on beds; pillowslips are made from cotton fabrics, and so on.

The hon. Minister of Finance told us at a Press Conference that in putting the tax on cotton fabrics he was not concerned with money, but with uniformity. Such an argument is full of guile. If you want to standardize cotton fabrics with something else you can bring the other item down to the duty on cotton fabrics and standardize it. Standardization does not only work upward. Why not reduce the other item down to the level of cotton fabrics? As a result of the economic situation in this country the Minister of Finance was forced to increase the tax on cotton fabrics. Why

[MR. POONAI]

did not he increase the tax on Terylene and let the people who can afford to buy it pay? Why cannot the people who wear Terylene and silk pay more? Why is it that an item used by over 80 per cent of the population should be taxed to enable the Government to have more money to squander?

Deputy Speaker: Yes!

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

Mr. Chatterjee seconded.

Question put and agreed to.

9 p.m.

Mr. Poonai: I should like to refer to other areas in which taxation has risen, that is, on the transport charges on immovable property, from 1 to 2 per cent, and on movable property, such as shares and bonds, from  $\frac{1}{4}$  to  $\frac{1}{2}$  per cent. Who deals in shares? If somebody is going to invest in a company he buys shares and those who can afford to invest \$5,000 in a profit-making venture will be required to pay  $\frac{1}{2}$  per cent of the consideration when they transfer shares. Who deals with immovable property? It has become the pattern in our communal life in the villages for persons with \$3,000 or \$4,000 to acquire a plot of land and build a house. It may afterwards occur to them that they could go into more salubrious quarters, so they sell their property. Therefore, when the poor man takes his earnings and tries to make a little castle of his home to get some security, he is called upon to pay two per cent of the value if he transports it to someone else, whereas a man goes into a profit-making venture, where he may make as much as \$5,000 when he invests in shares, is required to pay  $\frac{1}{2}$  per cent if he sells. We must remember that he will sell only at a profit or to invest in some bigger transaction.

What kind of taxation is this? Is it not obvious to all of us now that these tax measures are being levied against the poor? Is it not obvious

to non-Members that the tax on the transport of property is levied against the poor? Why cannot the people who transfer shares pay two per cent of the consideration. We must remember that there is not only a tax on the transfer of immovable property; there are taxes to be paid on mortgages. When an unfortunate person goes to a bank or to a money-lender and obtains a loan against his land and his house, he finds that he has helped to enrich a Government that will waste money.

When one takes all these things into consideration how can one honestly or with any conscience support this Budget? Whenever a Budget is presented there are rumblings and these are signs of what is taking place. When we see certain things we can draw conclusions as to what is happening. It seems very obvious to me that the hon. Member, Mr. Henry Thomas, who is leftist — these are inferences that I am drawing — was thrown out of the Ministry because he took some strong line against the Budget proposals. I shall not say why the hon. Member Mr. Deeroop Mahraj was relieved of his Ministry. Probable a Daniel has come to judgement. We have not yet reached that high stage where it can be said of men who are required to resign their seats that ill-health forced them to tender their resignation.

The hon. Minister of Works and Hydraulics (Mr. Kasim) is also to be thrown out, but his is the most pathetic dismissal of all, because the Prime Minister stretched out his neck to save him and even made a release in the Press that he, as Prime Minister, authorised the spending of \$1.5 million. Then came a tug-of-war. When Guyana went to bed that night everyone was asking what would be the result of the tug-of-war. Those who study Guyana politics will know that the one who wields power in this land is the Leader of the 12 per cent U.F. and not the leader of the 40 per cent P.N.C. That is why Mr. Kasim's case is pathetic.

The ramblings, the reshuffling and all these sad stories are a result of the constant tug-of-war between the Coalition parties. The Government is unable to frame a proper policy to lead this country or pull it out of the economic doldrums into which the members of the Government have pushed it. Having brought it to this position, they offer to save Guyana. If they are Guyanese, and if they have one bit of nationalism left, there is only one honourable thing for them to do and that is to resign. [Applause]

The Parliamentary Secretary to the Prime Minister's Office (Mr. de Groot): In supporting this Budget I would say that I am satisfied and most convinced that everyone in this Chamber appreciates the fact that more than adequate thought was given to present a Budget with which every right-thinking Guyanese would be thoroughly satisfied. What we should recognize is that when this Government assumed office it did not take over what could be described as a clean sheet. Therefore, we were forced to adopt measures to correct certain imbalances which had been inflicted on the economy of this country by the activities of our predecessors.

The physical and fiscal resources were in a state of chaos. [Dr. Jagan: "I read your speech. It is not allowed."]

The story goes further. We can all appreciate the fact that our predecessors made themselves impotent and failed to carry out any clear-cut policy on any facet of government. Over the past 26 months this Government has been confronted with a situation where it has had to carry out a cleaning-up exercise. After carrying out such an exercise for two years, the Government has not yet completed it. After all, the dust of seven years was collected during the regime of our Opposition. I say that the last Government was the most inept Government which was ever thrust upon the people of this country.

Just now we listened to Mr. Poonai who attempted —

Mr. Deputy Speaker. The hon. Member Mr. Poonai.

Mr. de Groot: Just as I mentioned to the hon. Member who was asked to give a speech, the Government has led this country to economic disaster. Let us examine what the Government did when it assumed office. It found that nearly every Government building was in a state of complete repair. There was also the same there now, a mile or so under the sea. It should have been...

...the Government made an attempt to build a road. I will recall to you that we have out a contract to build a road — [Mr. Chase: "Come to the Budget."] — to go to ... That contract resulted in wasteful expenditure of nearly \$3 million. The partnership between the imposters in the previous Government and Del Goo has left a perpetual burden on this nation. This Government also found that the sea defences were completely run down and breaches were expected any moment. Our airport terminal building was the laughing-stock of the Caribbean.

There was also the situation that there were about 600 vacancies in the Public Service. The hon. Member Mr. Clarke spent some time on this earlier today. We will all recall that the Prime Minister, in his first Report to the Nation, dealt with this subject at some length. [Mr. Khan: "Change the tune."] What the hon. Member Mr. Clarke failed to say was that when the Prime Minister made this public announcement, no member of the Opposition objected or protested against this allegation. [Dr. Jagan: "We agree it was an allegation."]

I want to emphasize that the measures which this Government has adopted and which are presented in this Budget are measures which follow naturally as a result of the physical and fiscal depression to which I have already referred. I submit that it is the right of every good Government to correct any deteriorating sit-

[MR. DE GIJOT]

uation and this Government has always acted firmly and swiftly in all relevant matters. The measures which this Government has adopted and has adumbrated in the Budget Speech — [Mr. Chase: "Read on."] — are less severe than those which have been adopted by other developed nations. There are several measures which a Government can adopt to put right a country's economic situation. I should like to emphasize that it is the right of Government to take such measures if it sees a remedial situation.

9.20 p.m.

The hon. Mr. Poonai, in speaking made reference to what he felt was economic chaos. He reminded me of the man who, while living in his house, neglected to pay attention to maintenance. During their term of office, the members of the Opposition refused to maintain Government buildings. This very building was in such a state that when we attempted to paint it, we found all the plaster was loosening. This is the story all over the country.

Mr. Poonai was trying to make the point that we were not able to balance our Budget. But that is no point at all because we were left with the cleaning-up operation. Any Government with any sense of pride and decency could not continue in office and have buildings falling apart, roads and services not being attended to, and so on. We had to do all these things. If the money is expended on capital works, you do not expect it to be in the bank.

I submit that there is no necessity to criticize this Budget, but if members of the Opposition must criticize it, I want to plead with them to be true to themselves and offer constructive criticism. Do not criticize for the sake of talking. Members of the Opposition should refrain from using this house as a forum for politicking. The half truths that they have peddled, the points that they attempted to make, can only be summed up as a classic example of puerility. If

we are to run this country's business we ought to be a bit more serious because it is as much the right of the Opposition, as it is the right of the Government, to try and promote good government.

I, therefore, want to repeat that the Opposition should not insist on being so puerile in its attempts to criticize the Government.

9.30 p.m.

Mr. Hamid: As I stand to make my meek and humble contribution to the fiscal policy proposed by the hon. Minister of Finance in this House it tends to remind me of the year 1962 when the P.P.P. also introduced its Budget to this House. In 1962 when the P.P.P. introduced its Budget it led to riot, burning and looting in Georgetown. The hon. Minister of Finance, who was then in the Opposition, said that he was in a position to say that the Budget was oppressive to labour. The hon. Prime Minister, who was also in the Opposition, said that he would not oppose the capital tax but only the consumer tax. But what happened? Immediately after these two gentlemen got into office in 1965 things began to change. The first thing they did was to ease the rich by abolishing and drastically reducing the capital tax the previous Government had imposed in 1962.

What did they do in 1966? They hit the consumer to the tune of \$2.7 million. This year they have doubled the burden and it is now \$5.4 million — a gift concession to the rich. When they did this, they said that the index to the cost of living rose only by 1 per cent. This is indeed a very subtle way in which the Government is using its powers to confuse the people of this country. The entire Budget is a farce and is very cleverly devised to mislead the people.

In 1966 the Coalition Government was administering its operations. It borrowed money. In other words, the Government was living above its means. It shows that the Government was in a state of insolvency:



overdrafts were not liquidated at the end of the year, and that should always be done by Government so that it would start off, at the beginning of another financial year, with a clean sheet. Eventually this led to an overwhelming amount of burden on the taxpayers.

Let us look at what has happened. Today we see that private firms are refusing to give credit to the Government on the grounds that it cannot balance its Budget. The Government cannot get cars on hire from Bookers, the same firm that assisted this Government in the past. It assisted Government in the looting, raping, and murder that took place in 1962. Today things are not working well, and we see that the best of friends are parting.

Of the additional tax of \$5.4 million introduced in the Budget Speech, \$3.4 million will have to be borne by the poor classes of the population. Nothing is said of the balance of payment; nothing is said about the reserves for 1965 and 1966. The statement that the present Government is spending more than the previous Government should not be taken very seriously, because the taxes imposed on the ordinary people in this country are bound to create hardship. The Government stresses that it is trying to substitute local products for foreign ones. This is, indeed, a very good suggestion. The Government should endeavour to make us believe that whenever it imposes a tax it is something in relation to the national economy of this country.

The hon. Member Mr. Tello and the hon. Member Mr. Singh said that the previous Government taxed potatoes and split peas. Let me say from the inception that the P.P.P. Government felt that if this country were to be developed economically, then attention should be paid to the agricultural sector of the economy. As soon as the Government took office it endeavoured to implement that policy. Let me tell you what is said here. I refer to page 15 of the P.P.P.'s manifesto.

"Since agriculture is the main form of occupation, the Party will (1) maintain control of rents; (2) carry through land reforms; (3) improve marketing facilities; (4) encourage co-operatives for credit, processing and marketing; (5) provide more extension services to increase output; and (6) take action in the sphere of currency and credit to reduce high interest rates and the high burden of farm debts."

That is something to think about, and it shows that the previous Government had its mind on improving the agricultural sector. Farmers were given an incentive bonus and encouraged to diversify their crops. A school was established at Mon Repos to train farmers so that they would be able to produce more. This encouragement led to the Government having to find markets for the things produced by the farmers. When the P.P.P. Government imposed the tax on potatoes it had a substitute.

Deputy Speaker: Name one.

Mr. Hamid: Are you asking me a question? I should be very happy if you would not interrupt me; I was just about to make a point.

9.40 p.m.

I should like to stress that when we imposed a tax on potatoes and peas, the situation was somewhat different from what it is today. The Government is imposing taxes on imported produce and is not making any improvement in the agricultural sector so that we could see what is being substituted for the taxed imports. The Government has imposed the Agricultural Loans Act which has made farmers afraid of losing their investment. The Act makes it clear that if a farmer tries to improve his standard his produce will be confiscated because of the system of not giving any assistance to farmers.

The Agricultural Loans Act serves one purpose: if a farmer is to improve his holding he must apply for a loan through the Ministry. It goes further to state that if the person who is lending the money is of the opinion that the farmer is not pro-

[MR. HAMID]

ducing as the lender thinks fit then he can go in and confiscate the farmer's produce and cause additional expenses and so ensure that the individual, who has already cultivated his land will not be able to pay back the loan.

Firstly, I will say that the Government introduced a Bill and it immediately killed the Bill. It destroyed the relations between the Government and farmers. The Government has taken away incentives and subsidies. Farmers are not happy. The Government has presented a Budget and, in order to fool the people, this is stated in page 21 of the Budget Speech:

... rates of duty on trailers for agricultural use will be dutiable at 5% preferential and 10% general, instead of the present rates 20% and 40% respectively.

This is all nonsense, because farmers do not purchase trailers. The people who purchase trailers are firms like Bookers. Ordinary farmers make their own trailers. What the Government has done is to reduce the rates from 20 per cent and 40 per cent to 5 per cent and 10 per cent for firms like Bookers and Sandbach Parker Limited, which use a large number of trailers. The Government is trying to lead people to believe that it is assisting and encouraging farmers. Instead it is destroying the relationship that existed.

The Ministers of the Government are doing a lot of mischief. A mass of figures is presented and these confuse the population. As I see it, the country is in a state of insolvency. We will always remember the manner in which members of the Government tried to push legislation muzzling their supporters. They tried to prevent Members on this side of the House from speaking and refused to give us the information we sought. I am speaking of the National Security Act which was meant to squeeze the People's Progressive Party and the supporters of the Government. Their

own supporters cannot now raise a voice to make a complaint against the Government because it has reached such a stage that if a supporter makes a noise they will muzzle him and send him to Sibley Hall.

This is how this Government intends to administer the country. What do we find? There is an overdraft of \$17 million. Last year it was a little less. There is not enough money to staff the hospital when epidemics break out. Children are dying for want of drugs and care; no money is available. Instead the Ministers are fighting among themselves. The Minister of Works and Hydraulics and the Minister of Finance are at logger heads because of squandermania. This is nothing new. In 1966, there was a headline about —

**Mr. Deputy Speaker:** From what document are you quoting?

**Mr. Hamid:** The *Mirror* of 6th April 1966. I quote:

"Mr. Peter d' Aguiar, Minister of Finance warned against the country going bankrupt because of extravagant living.

He said the country must live within its means if it is not to go bankrupt.

The Minister refrained from mentioning however, the wasteful expenditure and the squandermania the Government was involved in during last year.

No mention was made of the \$¼ million spent on the 'Residence' of the Prime Minister, without any authority from the House of Assembly."

This underhand business of spending money, with the Prime Minister authorising the expenditure, is nothing new on the part of the Minister of Works and Hydraulics. It had been going on for a long time but the Minister of Finance saw fit to make a public statement when the hon. Member who resigned, Mr. Richmond, spoke about 'crypto-defectors' in this House. When the People's Progressive Party brought a Motion for the recall of Members Mr. d' Aguiar had to vote against the Motion be-

cause he could not get the full support of his party members. Then he saw fit to attack the hon. Minister of Works and Hydraulics, and the Prime Minister got up and insisted that whatever spending was done was done on his instructions. That is the way in which this Assembly is being run.

Whenever spending is to be done the estimates should come before this Assembly to be approved. This business of spending beforehand and then making a broad statement is nonsense. It serves to show that the Minister of Finance is himself deeply involved. He knew from the beginning that there was unauthorized spending, when he came here to complain about the spending of \$1.5 million that was not the first instance. Another \$1 million had been spent on "The Residence" itself.

9.50 p.m.

Apparently, someone must have made the hon. Minister of Works and Hydraulics (Mr. Kasim) a scapegoat because it seems as if these things are happening in his Ministry only. But the Minister should get up and make a broad statement. This is what the Minister had to say on Sunday, January 15, 1967, under the heading "WHY I QUIT".

Mr. Deputy Speaker: Are you quoting from the Hansard? What are you quoting from?

Mr. Hamid: I am quoting from the *Sunday Graphic*.

Mr. Deputy Speaker: Of what date?

Mr. Hamid: Of 15th January, 1967.

Mr. Deputy Speaker: Go ahead. I think that quotation was already made today.

Mr. Hamid: This is what Mr. Kasim said:

"Mr. d' Aguiar keeps talking about fraud and waste. Why is he always referring to my ministry? Is it a personal vendetta? Surely he must be aware that we all know about frauds in other

ministries and departments, including those which come under his portfolio, namely, the Customs Department."

This is a very good statement. It shows that the entire Government is indulging in squandermania, wasteful expenditure. It shows that the Government is carrying on a systematic racket and now that it cannot balance its Budget it calls on the poor taxpayers to pay the deficit that it owes. Concessions are given to the big firms only. Today Mr. Gajraj in the Chamber of Commerce can get up and talk in a very loud voice that the Government should know better than to attack the big sharks in Water Street.

There is division on matters in the Government. The Minister of Finance is pulling on one side and the Prime Minister is pulling on the other side. The Minister of Finance, apart from bringing this Budget before the House, is also using the Chamber of Commerce to disgrace and drag the Government down to a very low point. The Minister of Trade (Dr. Reid) made a very silly statement the other day when he said that some of these people should be goaled for charging heavy prices for consumer commodities. It is very stupid of the Minister to make such a broad statement knowing that there is no price control on these commodities. How can you stop people from charging more?

Apart from raising the prices of consumer goods, the Government has also raised the licence duties in respect of shops. How then will the licence duties be paid. It is always the poor man who must pay. If the licence duties in respect of shops will be raised, if the licence fees in respect of cars will also be raised, if the shopkeeper owns a car, and if everything is going up, it is natural that the shopkeeper must charge his cus-

[MR. HAMID]  
tongues were for everything, with  
exception of one or two things  
[unclear]

... of the Government  
... On ... they  
... economy  
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... what ... done.  
... system  
... by accident.  
... they cannot  
balance

Let ... Mr. John  
Cartet ... 1961,  
the ...  
that ...  
from ... U.P.  
Mr. ... a ... of  
... throughout the coun-  
... within two or three months,  
... they had flopped. The Mem-  
... on the other side do not know  
how to run the Government. If trouble  
is taking place in your own home and  
in the little business that you try to  
carry on, how then can you run a  
Government and dictate for the or-  
dinary people of this country? The  
only thing the members of the Gov-  
...  
country ... try to ... the  
huck on to the P.P.P. It will not be  
so easy.

The burden is always placed on  
the workers. The prices of consumer  
items, clothing and housing have been  
drastically increased from January  
1967. ... of transportation has  
also been increased. All of these  
things are mounting up. Benefits to  
farmers have been drastically reduc-  
ed. Tinned goods used by peckneck-  
ers — [Mr. Cheeks: "What are you  
quoting from? Name the document."] Earlier last year the Government en-  
acted legislation to help the Town  
Council. It said that it would give  
concessions to those who have places  
to develop and more emphasis was

placed in the burnt-out area. But al-  
though these concessions were given  
what do we see? No buildings are  
going up. The Town Council itself is  
in a state of insolvency. It is trying  
to borrow money to upkeep itself.  
These things are happening because  
of square pegs in round holes.

The housing programme has been  
diminished. Why? The Government  
tried to encourage its supporters and  
the thugs who assisted it in 1962,  
1963 and 1964 to burn, loot and rape  
by giving them houses in the housin-  
schemes, but they cannot pay their  
rents. Some of them hold dances to  
accumulate a little capital to pay  
their rents. The Police do not check  
in the housing schemes to see who  
has a dance licence or a bar licence.  
The whole thing has flopped because  
the Government has not received any  
money and it is ashamed to take  
people to court. Suddenly, because  
the Government does not want to  
take any action against the people,  
the place has gone up in flames.  
This is the kind of thing that is hap-  
pening.

I feel that if this country is  
progress the Government must give  
incentives to encourage people in  
... If they do not try to  
drag people down, it is no sense  
window-dressing the country by say-  
ing that everything is all right and  
by making broad statements in the  
Budget Speech. In the first page of  
the Budget Speech the Minister of  
Finance had this to say:

"We are now masters of our  
own destiny".

Mr. Deputy Speaker: Time! We  
will now take the Adjournment.

ADJOURNMENT

Resolved, "That this Assen-  
now adjourn until Wednesday, 26th  
January, 1967, at 2 p.m." [Mr. B...  
sember.]

Adjourned accordingly at 10