

THE
PARLIAMENTARY DEBATES
OFFICIAL REPORT

[VOLUME 1]

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

18th Sitting

Monday, 30th January, 1967.

NATIONAL ASSEMBLY

The Assembly met at 2 p.m.

Prayers

[Mr. Speaker in the Chair]

Present:

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

Members of the Government

Ministers

The Honourable L. F. S. 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 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, Ministry
of Labour and Social Security*

*Parliamentary Secretary, Ministry
of Education*

*Parliamentary Secretary, Ministry
of Local Government*

*Parliamentary Secretary, Ministry
of Works and Hydraulics*

*Parliamentary Secretary, Ministry
of Finance*

Other Members

Mr. W. A. Blair

Mr. J. Budhoo

Mr. W. G. Carrington

Mr. R. G. B. Field-Ridley

Mr. 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. B. H. Benn

Mr. Ram Karan

Mr. R. Chandisingh

Mr. H. J. M. Hubbard

Mr. C. V. Nunes

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. M. Khan, J. P.

Mr. Y. Ally

Mr. R. D. Persaud

Dr. S. A. Ramjohn

Mr. S. M. Saffee

Mr. M. Bhagwan

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

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

Absent

The Honourable S. S. Ramphal, C.M.G., Q.C.,
Attorney-General and Minister of State

Mr. H. Prashad

on leave

Mr. A. Chase

Dr. Charles Jacob, Jr.

Mr. H. Lall

Mr. L. Linde

on leave

Mr. M. N. Poonai

Mr. E. M. Stoby.

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: We will resume the debate on the Budget Speech.

Dr. Ramsahoye: — When the Adjournment was taken on the last occasion I was observing that although the predictions on the recurrent expenditure were borne out by the actual events, we had fallen far short in our proposals for development, and that the amounts expended as well as the amounts received for grants and loans fell very far short of what we had anticipated. I had also observed that there was a considerable unemployment figure when the Government took office and that current figures show that the labour force increases by between 8,000 and 9,000 per year, so that even in the Government's present term of office — assuming it to be four years and assuming the growth to be at the lower figure of 8,000 — it has to provide 32,000 jobs.

So far as the Estimates are concerned then, it is necessary, in my opinion, to examine the proposals to see, having regard to the problems which have to be tackled, whether the Budget proposals attempt to do this. It is not to be doubted, with the percentage increase in population growth annually, that this country will have 37,000 people in it in 1975. The population, at the rate it is going, will certainly double itself in 18 years.

It is therefore pressing that efforts should be made to meet the economic stresses and strains which will undoubtedly arise having regard to the population growth.

The Government must have been promised assistance. In 1965, it was predicted that the expenditure would be \$35.5 million. It actually was \$20.4 million. It was predicted that grants and loans would come from the United States, United Kingdom, United Nations, Canada and West Germany in the sum of \$41 million, but only \$22.8 million was actually received. In 1966 it was predicted that grants and loans would come to Guyana in the sum of \$42.2 million but only \$20.7 million was actually received, less than half of what was expected. The predicted expenditure for development was \$45 million; the actual expenditure was only \$30 mn.

2.20 p.m.

I think these figures show that while the Government will receive promises of assistance, people who are supposed to be assisting us will not really give us more than they have to in any given circumstance. I have no doubt that the Government was promised the sort of aid which was predicted in 1965 and 1966 in the Budget Speech. But, certainly, we now face the position in which we see quite clearly that we have not been able to get what was promised. It is essential then to tackle the problem internally as much as externally.

It is well known that the area on the coastal plain which is suitable for agriculture is not being cultivated sufficiently. Then, of course, there are other areas which are suitable and which have been referred to in the Development Programme for the years 1966 — 1972. I refer particularly to the North-west coastal plain, the North-east coastal plain, the interior regions, Ituni, Orealla, and the Mabaruma-Pakarima range.

I mentioned before we took the Adjournment that there was an area of over 1 million acres in the white sand region, that is, the area adjoining the Atkinson Road which could be cultivated if attempts were made to

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provide drainage and irrigation, and fertiliser. Having regard to the Government's past experience, and to the results of investigations for agricultural possibilities so far undertaken, I would have thought that the Development Programme would have as its primary objective the production of fertiliser in this country. If we can produce fertiliser, either from vegetable waste or from any other source, it will be possible for us to tackle some of our agricultural problems, and to make use of some of the lands which may be available for cultivation.

The Government needs to have an efficient Lands Commission, a Commission which will be responsible for allocating land, and which will have technical staff functioning without all the red tape that we have known in this country over the years. Our experience has shown that, not only in this Government but in past Governments, all the correspondence seems to be bogged down in files. Surveys are not undertaken quickly enough. People who are waiting, ready and willing to cultivate are not given a chance to do so because of administrative problems.

Some attempt should be made to reduce as far as possible, if not to abolish, duties on those types of machinery which are used for the actual clearing of abandoned lands. Where there is heavy afforestation the land is cleared at great expense, and if the import duties on such equipment are abolished, we would see results.

It is necessary for us to remember that we cannot achieve anything in this country by hoping to have an industrial economy. We must make progress by our agriculture primarily. It is funny that we should be talking for years and years about giving tax incentives to industries, when we are not thinking about giving incentives to the farming community. In the same way as we think of giving investors tax holidays to attract money

we should, at once, consider giving tax incentives to farmers, people who will be willing to go into the heavily afforested areas and begin cultivation.

We spend about \$30 million a year for foodstuffs. This is a substantial amount. If we were able to use half of this amount to purchase substituted foods which are grown in this country, the standard of living of our people would rise considerably. Imagine \$15 million a year going into the pockets of the peasants of this country! It would make a tremendous advance. It would certainly assist the people who are on the land, and it would also be reflected in the work of the business community. Government revenues will always benefit by an increase in the income of the peasants. I feel that this is the sort of thinking that is necessary during this particular period of our history. When we look at the proposals we find that except for some slight differences, they reflect the same old policies which have been worked for years on end without any satisfactory results.

It is true that the Government is spending a considerable sum on the building of roads. Roads were badly needed — especially the East Coast Road — and the Government is to be congratulated for providing that bit of communication. I hope that the Government will try to rebuild the Corentyne Road. Rebuilding is something to be welcomed, but along with this, the Government should set its attention on improving the general situation of the farmers by doing the sort of work which I have mentioned. While the roads are there we ought to use them to the best advantage. I agree with the observations in Sessional Paper No. 1 of 1966 that these developments are hardly remunerative. But, if you use them as a vehicle to promote other services, the revenue will still be increased to cover what losses might have been incurred.

2.30 p.m.

It is no use recounting that millions and millions of dollars have been spent on water control and irrigation for the farmers and that the money cannot be recovered. Maybe we cannot recover the money spent on water control and irrigation; but if water control and irrigation were tackled in a large measure, then the people who are using the land and producing more will earn more income and the revenue of the territory will increase and offset the losses.

It is important that we should change our tactics and techniques. We know that drainage and irrigation works cost us millions upon millions of dollars. We know also that the public debt, which is now 16 per cent of the national revenue, has become more and more onerous and that the public expenditure is greater. It is known that these expenses account, in great measure, for our public debt. Let us now begin to tackle alternative measures of irrigation. Let us do some research in ground water irrigation to see whether we can get water out of the ground cheaper, rather than having to spend so much for the Cadillac irrigation schemes in existence. We need to establish an Institute of Nature Conservation that will dedicate itself seriously to the study of techniques relating to agriculture.

There are many countries in the world where ground water irrigation is an accepted practice, and it works out cheaper than the system which we are using in this country. We know what has taken place at Tapacuma, Black Bush and the Boerasirie schemes where we have spent millions of dollars. It should not take us long to find out whether it is practical, so let us make an attempt. If we seek to follow the old traditional pattern, if we do not take steps to get out of our economic plight, then we will not be able to tackle the problems of this country.

Everyone knows that this country is below sea level for six miles inland, and this has been a tremendous burden from the time of the first settlement in this country until today. If the people in this country were not intellectually lazy and we had men who would tell us how much money has been spent on irrigation and sea defences over the past century, I am sure the figures would be longer than our eyes could read. The time has come now when, in the midst of our hardships, we should try to tackle our problems in a different manner. This, of course, could not fail, if we go about the matter seriously and in a spirit of co-operation. This country needs co-operation; this country needs a national consensus; this country will go forward only if we can agree to co-operate and tackle our problems together.

The evidence since 1965 shows quite clearly that the help we can get from outside is as little as they can possibly give us; therefore, we have to devise ways and means in this country to help ourselves as much as possible. I am sorry to say that we have not been doing so. We have not even begun to think about it, and we cannot wait and wait forever. The money we are spending on imported foodstuffs should be used for machinery and necessary research work. We should have been producing all sorts of crops, but we have been carrying on in the old colonial way and we are merely permanent producers producing raw materials for the imperialists powers to use.

I do not need to be told of the pressures of hemispheric politics and restrictions which face a Government in this area, particularly a small Government like this, but we must begin to see that, even within these restrictions, there is an area in which we can manoeuvre, and we must take advantage of every manoeuvre we can make in that area. Internally we can use a loan to establish a fertiliser

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plant, we can endeavour to find markets for our produce and give assistance to the farmers who would like to produce more. We can certainly do that.

We have mineral wealth, but the problem is that to extract the wealth we will need a great deal of capital, and those businessmen, who can invest through the nations where capital is available, would not want to come here and invest unless they can get almost the whole of the pie. When they bring in their money they want everything except what they pay in wages and what is paid into the revenue — they want to carry all of the profits out; therefore, we have to try and build up other areas so that we may have strength in negotiating with them. When we come to bargain with them for industrial purposes and development, we would be in a stronger position because we would not be willing to grapple for the penny they are giving us. Everything is so interrelated that progress in one direction must, indeed, strengthen the Government's hands in another direction.

Mr. Speaker: Time!

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

Mr. Ally seconded.

Question put, and agreed to.

Dr. Ramasahoye: If we would make up our minds and address ourselves to the tasks before us, if we would forget our prejudices, if we would endeavour to overcome our problems, if we would spend time in developing new techniques, we would probably be able to forget most of the bickerings which underlie and which form an undercurrent to our public and economic life.

This country has the benefit of a system of education which is comparatively good. This country has produced scholars, and some of them are doing exceptionally well overseas.

The time has come when we must gather them up, but you cannot gather them up unless you go to the root of things and give them encouragement. When they do the research and investigation, then you should give them a free hand to pursue the intellectual exercises involved.

I think that we tend sometimes to forget essential needs, and we proceed to tax imported goods. We say that people must buy local, but it is no use saying that people must buy local unless we can produce the things for them to buy. If you tax imported foods in the hope that people will buy local and there is nothing to buy by way of substitutes, then they will have to pay a higher price for the things they need. We know that the business community will tax everything; they merely wait for the Budget proposals to be announced. Once the Budget proposals are announced and one item is taxed, then they will use it as a licence to tax everything and the workers will have to pay.

It must be remembered that the people in the mining areas live on tinned meat and fish; they have to go into the jungle looking for gold and diamonds, and they have to buy the more expensive foods. Mining plays a considerable part in the industries of this country. A great deal is done by pork-knockers who leave villages where employment opportunities are not so good, and go into the interior in the hope that they will pick up something. If we put ourselves in the position where we have to tax imported foods, the people in the interior will not be able to get substitutes and will have to buy expensive tinned meat. That will make it more difficult for them to carry on their work.

2.40 p.m.

These are problems which we face. The hon. Member Mr. Luck has said that in financing our development programme we have put ourselves in

a position where we are paying back double the money in nine years. This is a very costly way of financing public works and it is certainly far beyond anything which a Government should be called upon to do. If we were to sit down and calculate it we would find that if a man were to invest \$10,000 and double his money in nine years, at the end of eight terms this money would have grown to such an extent that if he entailed it to his child, that child would end up a millionaire. It is too costly to borrow money for public endeavours at such a high rate that at the end of nine years the man from whom the money is borrowed is having it doubled.

That is only one facet of the problem. According to this Budget Speech wages and salaries in the Public Service are considerable and will probably be 44 per cent of the annual expenditure. The public debt charges will be 16 per cent, so that wages, salaries and the public debt charges will amount to 60 per cent, and 40 per cent will be spent on health services, education and other things so necessary to the life of the community. That is not enough. The figures do not reflect a very good position. I would not say that the recurrent expenditure reflects a bad position, but it is certainly not a good one and the capital expenditure position is very bad and needs a lot of work.

In 1964, when the last Government went out of office, there was a cash balance of \$2.5 million. Last year there was a deficit in the cash balances of \$14.5 million. This money was borrowed in substantial measure from the banks. The effect of this is that the banks are restricting personal credit now. They are claiming that they have no money to lend

lent out what they had to lend. They are now putting on the squeeze and private endeavours are being

cramped by the failure of persons to get the necessary finance.

The same thing has happened with the insurance companies. Insurance companies lend money for mortgages on houses and other things, but they have lent considerable sums to the Government. It is impossible for them to lend private individuals so that they may meet their housing and other needs for which the insurance companies lend. These are grave problems, which show that our economy at the moment is tending to move in a circle, a vicious circle. We are going round and round and we are getting nowhere. We seem all the time to be traversing the same area which we had passed before. We need a change from that position. We need to develop industry, but we must seek to develop industry in a realistic way. We must remember that the people on whom we have to depend for industrial development are sharks. They want the most for what they give and therefore we must be in a strong position before we can even begin to bargain with them.

On the other hand, we know that agriculture is for the most part lacking, and we should make certain efforts in agriculture. World prices have been climbing. Rice prices have not been good for us. So far as this country is concerned, we have suffered a tremendous loss in rice prices. When we see that we have imported \$40 million more than we have exported, is this not because we have not made endeavours to produce part of the goods imported? It is on account of the fact that we get less for what we sell. Prices are dropping for us. The people in this territory have to pay more for what they have been buying from abroad and people abroad are paying less for what we are selling. So horrible are the conditions that we must get together and try to find some way out of the impasse. That we

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can do it, I have no doubt, but I am not convinced that this is the way to do it.

I think that this Budget will carry us. We will exist during 1967; we will probably all see the end of the year, but we will not have been able to make any progress in tackling the tremendous economic and social problems which face our country. We will not fool ourselves. We know that our country's resources are there in an undeveloped stage. We know that there is land, but we also know that to get the land cultivable much has to be done. Much money has to be spent and extra labour is needed. Let us get around to doing it.

I think in future years any Government will do well to change the manner in which Budget Speeches have been written over the years. I am satisfied that the whole system of presenting the budget is inadequate. What the Minister of Finance has done is to follow the pattern which we have all followed in the past years. I do not think this is good enough. I think that the Budget Speech in the future should contain a clear analysis of the economic position of the country showing where we have been falling short and where we have been exceeding our prospects. It should also have a little reference to the history of our development over, I would consider, the past five years.

In this Budget Speech there are some references to 1965 and 1966, but we really are not in a position to see from it anything about the real nature of the development plans. We see in a broad way that so much money is being spent for drainage and water control, but we get nothing as to what water control is to be done, what drainage and irrigation is to be done and what is expected to be the benefit to us. These are things that we need to be told in a Budget Speech. Even if it is felt that it is

not needed here, we would need to have this information in the form of a Paper laid before Members so that when we are debating we can discuss it. It will show the estimates for capital expenditure head by head so that we could analyze what money is to be provided for capital expenditure. We would not then be wasting too much of the time allotted to Members and we would not be debating capital estimates when that is not needed, and when we really need to discuss principles. I blame nobody for this state of affairs. The Minister found it so. We have all been doing it this way, but the time has come when we should address our minds to a change of pattern so that we could have more information and, by reading a Paper, we would be able to see exactly where we are going in relation to the capital development.

My hope is that this is the last year in which we shall show such a reluctance to tackle our problems. We must make up our minds to do it and we must begin to realize that it is in great measure intellectual power which wins the day in a problem of this nature. We must make sure that the persons who are available are trained and are put to use, and that not only economists, not only financial advisers, but technical men, trained in the natural sciences and agriculture, work together as a team. The Prime Minister should have a national advisory committee advising him on that aspect. It should be established. The committee would be from among the country's scholars, and would advise on whom he can call, and who can put forward suggestions in order to get the nation's business going.

2.50 p.m.

If these things were done we would probably begin to see the light and set the conditions for living in a society in which there is less of petty bickering, less of political hate, less of the enmities we are seeing, more

of intellectual exercise and more of an effort to tackle the grave problems which beset this country. [Applause]

Mr. Bhagwan: Since 1964 the hon. Minister of Finance (Mr. d'Aguiar) has been undergoing, from all appearances, a process of change. It is the process of a man becoming increasingly disillusioned in the positions he has held and in the effects of his policy as they have been implemented step by step. However, that political state in which the hon. Minister has found himself unfortunately has not been translated into the Budget he has presented to this House. The Budget does not reflect the hon. Minister's disillusionment. It attempts to hide this and builds up a false picture of prosperity and optimism.

One of the primary functions of a Minister of Finance is to give to the nation a very accurate and objective analysis of the state of the country's finances and, indeed, an objective analysis also of the state of the economy. Any Guyanese living in this country cannot help observing that we have many serious problems. Yet if we were to read the speech of the hon. Minister we would find some very unrealistic assessments and, indeed, some deliberate attempts to distort reality. This is stated on page 8 of the Budget Speech:

"The mission from the International Monetary Fund which recently examined our economy in its fiscal and monetary aspects was satisfied that it was in good health in spite of the strains and stresses to which I have referred."

Even if we could conclude from that that the I.M.F. had little respect for Mr. d'Aguiar as a Minister of Finance, we would not expect that Mr. d'Aguiar would attempt an assault on our sensibility. We cannot fail to observe that there have been rising prices over the last three years. Wages in some industries have been stagnant and taxation has been in-

creasing year by year. We cannot fail to observe that the balance of payments does not really balance, — except in the accounting sense — that there has been heavy importation to build roads and that there has been no investment in industries by Government itself. We cannot fail to observe that there has been a deficit Budget every year since 1964.

We have observed that no local revenue contributions are being made to development programmes. The hon. Minister has admitted the necessity of this. We must observe that even the recurrent budget has had to depend on grants from overseas whereas, formerly, grants from overseas were directed towards development programmes. We cannot fail to observe that there has been excessive borrowing internally and externally, and this has resulted in a frightening growth of the national debt.

The effects of the growth of the national debt can be examined very closely and I propose to do this. On page 34 the hon. Minister continues in this strain of deception by saying:

"The facts are indicative of optimism and not pessimism. Never in the history of this country has the outlook for the future been better. We see a stable and peaceful country; we see signs every where of a substantial injection of capital and an expansion of employment; we see many new buildings going up; we see new industries budding in a favourable climate for investment; we see new roads being built; we see a zest for knowledge and skills."

In reality there is massive unemployment — over 40,000 persons. A proper calculation is yet to be made with respect to the state of the under-employed.

One observes that absolutely no solutions have been put forward to problems posed in the sugar and rice industries. One cannot fail to notice that agricultural costs have been sky-

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rocketing and that agricultural production has not been expanding as one would hope in a country that is basically agricultural. One must observe that there has been continued dependence on three major industries, namely, rice, bauxite and sugar, perpetuating, as it were, the whole colonial structure of our economy. One cannot help observing that certain of the richer elements will pay less taxation while the poorer classes will have to pay more taxation. No one will doubt for one moment that the imperialists have been maintaining their stranglehold on the economy, whatever might have been the protestations of some politicians or the expressed hopes of others. One must also observe that the position of the monied interests as a whole has been consolidated.

Against this background of the state of the finances, the state of the economy, we can observe the hon. Minister's method. In the Budget, he repeatedly uses 1964 as the year which forms the basis for his comparisons with the present state. The hon. Minister is very experienced in the field of economics. [Mr. Ram Karran: "What? Where did you get that from?"] "He should know that when you calculate a price index, for example, you do not use one of the worst years as a basis for comparisons. If the price level is extremely low in one year, and you use that as the basis, then if there has been a very high rise in prices in subsequent years, it does not reflect a true picture because it distorts what has been happening over several years.

The hon. Minister continues to employ statistics using 1964 as a basis. This may be a very excellent thing for the hon. Minister in political terms but we cannot be interested in what political propaganda the hon. Minister can make out of his Budget

Speech. What we would expect is a statement of the actual position and of the progress we have been making. If we were to analyze expenditure on revenue as far back as the early 'fifties to the present year, we would find that the growth expenditure has been 10 per cent, sometimes a little bit more.

3.00 p.m.

The growth in revenue has maintained a consistent position. Revenue is increasing at the rate of 7 per cent. If you were to compare the expenditures and revenues for 1964 with growth in the more recent years, you would find that you would get a distortion of figures. I was hoping that the hon. Minister of Finance would not subject us to his fiscal subtlety. The Minister said that we have been trying over the past year to take more out of the country than we have been putting in. According to him, we tend to live above our means. Imagine the Minister of Finance telling the poor people that they are trying to live above their means! If he had been referring to certain departments or certain Ministers, then the interpretation would have been different.

On page 4 it is stated that:

"Interruptions of production arising from wage demands which can not be supported at the present level of productivity will defeat the whole scheme of development by wasting productive capacity and discouraging the investment without which there can be no prosperity."

One would have thought that Mr. Harold Wilson had written this paragraph. We must look and see how well Mr. d'Aguiar has been performing his duties. He knows that if he makes serious mistakes about his business, it will collapse. Yet he makes serious mistakes in his Budget. Mr. d'Aguiar probably thinks that he can get away with many of these things because he is dealing with people who do not know business. But let us look at this calculation. In 1965 the estimated

expenditure was \$35.5 million and the actual expenditure was \$20.4 million. In other words, Mr. d'Aguiar has over-estimated the expenditure by nearly 100 per cent. In 1966 the estimated expenditure was \$45.9 million, and the actual expenditure was \$30.4 million. — over 75 per cent over-estimation. For 1967 he has dropped it to \$39.2 million. [Interruption.]

Now that Mr. Burnham has had some fun off Mr. d'Aguiar, let us look at the receipts. In 1965 receipts were estimated at \$41 million while actual receipts were \$26.1 million. In 1966 receipts were estimated at \$42.2 million while actual receipts were \$21.5 million. Let Mr. Rudy Luck tell me if this is not accurate. This has been the pattern.

The other aspect is how Mr. d'Aguiar has been confronting problems of economic policy. We do not have a simple picture of inflation or non-inflation. We have an economy that is heavily attached to foreign countries, and in any case, we have not been able to develop our own industries. Prices have been rising very steeply over the last three years. There is depression in the rice industry, there is relative depression in the sugar industry. Over the last 10 years some 15,000 workers have been removed from employment. Of the 45,000 workers in the sugar industry, one can estimate that at least half of that number do not find ready employment all the year round.

In 1965 the hon. Minister of Finance was talking about stimulating expenditure so as to lift the economy. In 1967 he is talking about curbing expenditure in terms of restricting wage increases. He does not understand that if he is going to think in terms of capitalist economy, he is going to produce a very vicious spiral in the economy. At the moment there are very high prices. Mr. d'Aguiar is confronted with improving expendi-

ture in all the departments, but because of high prices he will have to find more money. So, what does he do? He increases the taxes on importation. He relaxes taxation on the monied classes. — But, having found that the revenue is not coming up to expectation, he has to resort to borrowing. When he resorts to borrowing he builds up a further spiral, and this vicious circle keeps going on and on.

3.10 p.m.

The increase in taxation in 1965, 1966 and 1967 has not been prohibitive taxation. It has not prevented people from importing goods, it merely means that more money is going out of the country. It is in this respect that you have made a greater effort to raise more money in 1967. This Buy Local Campaign has a false basis. If you wish to encourage local production, then you have to stop the importation of certain goods. You have to prevent people from importing goods that could be produced here; you cannot merely increase the tariffs on a general level, you will have to be selective.

It must also be remembered that we will have to import certain things in order to improve the economy of this country, and such imports must go to the different sectors in which the Government is developing heavily. Some of our eating habits will have to be changed. The general rise in tariffs will have the effect of increasing the cost of living to the masses, while, at the same time, incentives will be given to capitalists who have to import commodities to build up new industries. All the Government is doing at the moment is putting pressure on the masses, relieving those in the upper class, and increasing balance of payments deficits. The Government is also increasing duties, increasing expenditure for social services and so on. This trend of inflation can cause

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serious consequences in an under-developed country.

Mr. d'Aguiar is a student of classical economics, and while he speaks in one breath about attracting capital, he knows that inflationary trends are a discouragement to people who want to invest their money in any country. One of the disastrous effects of inflation in any country is that people will hustle to get their money out, because they feel that if the exchange rate falls against their interests they will not suffer. Mr. d'Aguiar knows that businessmen find it difficult to make calculations relating to their business interests when prices are skyrocketing. The effect of this will only result in bringing about a larger and larger deficit in the balance of payments about which Mr. d'Aguiar has been talking. The effect on the Budget can be very serious, because by half of the year the money voted will be spent and it will be necessary to come back to this House and ask for supplementary expenditure. What the Government could have bought with \$5 million at the end of 1966, it would now have to find \$1.5 million more to buy it with in 1967. [Mr. Luck: You do not know anything about percentages.] A Budget made during an inflationary period is not a Budget on which anybody can make proper financial plans.

Apart from handling this problem of inflation, Mr. d'Aguiar has been waging a systematic battle against the agricultural sector of this country and he has been removing subsidies. The logic of this is still to be explained. The Government has not yet stated in clear terms how we should reconcile this Buy Local Campaign with the removal of subsidies from the agricultural sector and other sectors which have to depend heavily on subsidies.

In 1965 Mr. d'Aguiar removed the concession on gasoline. Transport

costs have gone up; the rice industry is in a precarious condition at the moment, and these are factors that will inhibit the growth of the agricultural sector. In the circumstances, how can Government schemes fructify? I hope that Mr. Bissember, the "hon. Minister of Propaganda", will be able to tell us something about this matter.

The hon. Minister of Finance has referred to the policy of stringent Government control. Even if it becomes necessary to have direct and active intervention by the Government on the question of imports and exports, it would appear as though the Government has not profited from the mistakes of the past. When the P.P.P. Government introduced higher taxation and increased direct taxation in 1962, there was a howl. The hon. Prime Minister said at the time that he was not against taxation, but he was against taxation when there was absolutely no plan for the control in rising prices. When the P.P.P. Government explained that the businessmen had increased the prices of articles which were not taxed, Mr. Burnham asked, "Why didn't you think of that before? Why didn't you set up machinery to deal with the business sharks who are putting the squeeze on the consumer?"

When the Government increased taxation to raise \$2.7 million by increasing the price of goods as a whole, the businessmen immediately increased prices far beyond the real increase that the taxation had put on. Yet, from that history and experience, Mr. d'Aguiar and the Government have not profited at all. At this late stage, after they have introduced the tax, they have been trying to make efforts to prevent businessmen from reaping a harvest of profits from the pockets of the working man. They have set up a Price Control Committee, and the Committee has not been able to have any effect

whatsoever. It has been acting as though it was dealing with a most complex and profound problem that required memoranda from the entire community before consideration could be given to the question of price control.

The Committee has not been able to do anything tangible because it was an unnecessary Committee. The Government has machinery and know-how to deal with the matter of price control. That was a problem since the war. If the Government has to wait on a Committee to advise it on price control, then the Government is either incompetent or deceptive. The machinery for price control should be set up. The Government should pursue the policy of restricting imports of certain goods. It should abolish the policy of direct imports in order to offset cost in the private sector so that there will be no other importer. The Government should try to establish co-operative wholesaling so that this multitude of sharks for profit in Water Street can be cut. Those people are contributors to the deficits and balance of payments; they contribute to the development of the economy, and we are not satisfied with our balance of payments at the moment.

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

3.20 p.m.

Rev. Trotman: I rise to support the Budget. Members of the Opposition have generally expressed the view that the Government is not sympathetic toward the rice industry. I have been a rice producer for sixteen years and I think that rice is important in the economy. Our manifesto shows otherwise than the views expressed by the members of the Opposition. Government has tackled this industry with a measure of determination. I wish to read from the second paragraph on page 3 of the P.N.C.'s manifesto *The New Road*:

"Economic development in Guyana so far has been totally lacking in conception and inept in execution, a classic example of 'muddling through' not to progress but to stagnation. It has been spasmodic and unplanned and in many cases dictated by sectional interests or narrow political motives.

"The P.N.C. takes economic development more seriously than this. Development has to be rapid for we have a great back-log to overcome. Development deals with and affects the lives, welfare and future of people, of children. It is not therefore a matter for sectionalism, but must involve the whole nation and all the people. Most Guyanese are agreed on the need to create a strong democratic society where there is social justice though we sometimes use different terms.

"The P.N.C. calls upon all Guyanese to sink petty differences, to put aside selfish personal and group interests and to join together as one people to achieve the broad common goals on which there is full agreement, and to plan and work together to implement our vision of a bright and prosperous future.

"This must be a national undertaking in which the emphasis must be on making the best use of our human and natural resources, on self-help and rationalising what we have, rather than on international alms begging and mendicancy."

If we turn to page 4 of the same document we read this:

"The P.N.C.'s plan does not envisage a number of projects hastily and haphazardly set up. It will be a composite whole which includes cultivating our people, investing in them and productive facilities and institutions. It will include education, transportation, agriculture, electricity, manufacturing, mining, forestry and all the economic and social activities which go to make a productive and civilised nation and people."

I continue to quote from page 5 of the same manifesto:

"Only a small fraction of our land mass is really populated and used, and much of that small fraction is not as productively used as it may be. Millions have been spent on rearing new rice lands, but today the yield of rice per acre is less than it was in 1940."

[REV. TROTMAN]

We are not the only people who recognize this fact. I now desire to quote from Dr. Gyanchand's Report on the Three-year Plan 1964-65-66 for British Guiana. [Interruptions.] I have heard the hon. Member, Dr. Jagan, quoting from this very Report up to 1964. I read from paragraph 97:

"Development of the rice industry in quantitative terms in the last decade has also been very rapid. The area under rice, its production, export, the number of farmers and milling capacity have all increased rapidly; and the Rice Marketing Board, the Rice Producers' Association and the Rice Development Company have in varying degrees played a part in bringing about this development. But for expansion of rice production the economic conditions of the farmers would have been worse, the severity of agricultural unemployment more acute and the general outlook for agriculture more depressing. The agricultural position is, however, in spite of this expansion, unsound and unsatisfactory because:

- (a) the yield of rice per acre has declined and in spite of agricultural extension work, the standard of husbandry has deteriorated."

3.30 p.m.

I quote again from page 97 of this Report:

"The above conclusions are fully supported by the facts of the rice industry and indicate a state of things which shows that its position is definitely unsound and the outlook for it is hardly reassuring."

Regardless of the verbosity of the Opposition, and its willingness to obscure the truth, this is the expression of the P.P.P., and it is straight from the mouth of the hon. Member, Mr. Benn, former Minister of Agriculture, at the Seventh Regional Conference for Latin America. I have the Report here and I wish to quote from pages 27 and 28. [Mr. Khan: "What is the name of the document from which you are quoting?"] I shall repeat it for your benefit. It is the Report of the Seventh Regional Conference for Latin America and I quote from paragraph 104:

"104. Passing on to discuss the question of increase of agricultural production in general, and of sugar production in particular, the Delegation remarked that in British Guiana the sugar out-put had increased in recent years, rising from 284,000 tons in 1959 to 334,000 tons in 1960. However, this increase in production had not meant an increase in employment; because of increasing mechanization of the sugar industry, thousands of people lost their jobs and had to be settled in land provided by the Government for the production of rice and other crops. In effect, in the past 20 years the number of persons working in the sugar industry had declined by 25% whereas, at the same time, the population had increased by about 3% a year. In this connection, the Delegation pointed out that, contrary to often expressed views, mechanization without an accompanying overall development of economy does not necessarily lead to the improvement of living and working conditions of the mass. This was tremendously significant in British Guiana where rice industry could be said to be over-mechanized. Many of the so-called illiterate farmers had been able, with some financial assistance from banks or other government credit organizations, to purchase tractors and other implements, however, it had been found that in one area where the government had spent the equivalent of \$16,000,000 to develop 27,000 acres of land to settle rice producers — on the basis of 17.5 acres of land to each farmer, very few of these farmers worked more than 30 days per year. Therefore, mechanization has to be very carefully examined, and if the agricultural economy is not properly developed with appropriate crop diversification and changes in the agrarian structure, mechanization can have the opposite effect to that it is intended to have. Besides, unless mechanization is carefully controlled, importation of expensive machinery in developing countries reduces employment opportunities and leads in fact, to inefficiency if those who have to use the imported equipment have not been trained to handle it properly. Mechanization in the present circumstances of Latin America also results in a large outflow of foreign currency that developing countries could hardly afford."

[Mr. Khan: "Tell us the inference." As I said before, that is the expres-

sion of the P.P.P. We cannot get this from a more responsible person than the former Minister of Agriculture. Of course, what he said was not said in Guyana, it was said at this Latin American Conference. — Perhaps the hon. Member did not expect that we would have heard, but we did manage to hear.

I should now like to quote from the Report to the Government of British Guiana on planning Agricultural Development. This is from the Planning Agricultural Development of the Food and Agriculture Organization of the United Nations. I quote from page 18:

"Of course, the work done was not great, since the farmer sets it at about 38 days per year for 15 acres; but these days brought a return of only 45 cents each! So 38 days per family per year is all the work the present concept of extensive and mechanised farming was able to give a settler farmer family. It is a marked failure for the settler, but it is even more serious for the nation. Black Bush is at a real dead end, as the situation is rapidly growing worse."

This is the report we got for 1963.

3.40 p.m.

The hon. Mr. Benn bemoaned the fact of 38 days work per year. He confirmed what Professor Dumont said in his Report which the P.P.P. did not publish. — Gyanchand's final conclusion — permit me to quote it again just for a matter of emphasis — On page 97 is:

"The above conclusions are fully supported by the facts of the rice industry and indicate a state of things which shows that its position is definitely unsound and the outlook for it is hardly reassuring."

That was suggested in the review up to 1964. But Gyanchand does not stop there. He goes on to relate other practices in the rice industry which portray a similar picture. In the same Report on page 105, paragraph 9, it is stated:

"The Rice Development Corporation, the Rice Marketing Board and the Rice Producers' Association should all be merged into the Agricultural Development Corporation and the latter should assume the main responsibility for performing many functions for the development and transformation of the entire rural economy."

The point here is that after his conclusion that things were at their worst, and after pointing to other farming produce which are in the same sad state, he recommended that these should come together. The sugar industry, difficult and gloomy as it is, helps us to see some of the work of this Government. It helps us to see a greater involvement of peasant farmers, and this has been brought about mainly by this Government. I quote all the figures of peasant involvement:

In 1960	—	56,084	tons
In 1961	—	50,406	"
In 1962	—	56,231	"
In 1963	—	62,530	"
In 1964	—	60,756	"
In 1965 (when this Government came into office)	—	117,770	" an increase of 77.4 per cent

Mr. Speaker: Time!

Mr. Luck: I move that the hon. Member be allowed to continue his address.

Mr. Ally seconded.

Mr. Speaker: The Leader of the House said, that the hon. Member has finished his speech.

Mr. Ram Karran: I wish to offer the Government a teeny bit of congratulations for the decision to prolong this debate on finance. When we met last year to pass supplementary provisions, the Standing Order had to be suspended. There might have been good reason for the Government to act in that way. On the other hand, the Opposition might have been muzzled because of the Government's fear of exposure of the tragic situation with which this country is faced.

[MR. RAM KARRAN]

Now, this situation is tragic because of this piece of dishonesty which appears before us in both Estimates, Current and Capital. Also, it is tragic because of the other bit of dishonesty, and I refer to the so-called "Budget Speech." Only last week we saw a letter from Mr. Greathead drawing attention to the fact that the newspapers had misinterpreted what was written in the Budget Speech.

3.50 p.m.

This is the atmosphere in which we are living today. This is the atmosphere in which this House is meeting in the year 1967 to discuss the Budget proposals. How can one expect a high degree of honesty when in one breath the hon. Minister of Finance says his party colleague was dishonest in that \$1.5 million had been expended without authority, and a short time afterwards the hon. Prime Minister jumps up and says, "It was on my authority"? Can you imagine that something like that could be done without consulting this House? I understand that the hon. Minister has resigned, but he will be given the post of Chairman of the Telecommunications Corporation. Who will be the successor to the hon. Minister of Works and Hydraulics? His successor will be a man in public life who obtains a loan of \$23,000 to purchase a house for \$24,000! The hon. Minister of Finance allows such a man to be placed in the office of Minister of Works and Hydraulics! I regret that I held that post some years ago. The hon. Member used his position to get that loan. I cannot find an appropriate adjective to use at the moment, but I think the hon. Minister designate should be called "Mr. Fingling Singh."

We must not forget that in either November or December last year we passed either \$1.3 million or \$1.4 million to be used on the East Coast Road. The members of the Opposition were very interested in this ex-

penditure. We tried to get from the Minister of Works and Hydraulics, from the Minister of Finance and from the Prime Minister how this large sum of money would be spent on the East Coast Road, but we have not heard anything about it. We were told recently by the hon. Minister of Finance that \$1.5 million has been misspent. The Permanent Secretary, who is the officer in charge and the chief accounting officer, has almost been knighted; he has been given the C.M.G. What sort of Government is this? When we see all of these things we cannot forget the disturbances in 1962, 1963 and 1964, and I am sure it will continue to haunt the hon. Members on the other side of the House.

Let us see what has been said about the hon. Minister of Finance at page 14. [An hon. Member (Government): "From what are you quoting?"] I am quoting from page 14 of the Report of a Commission of Inquiry into Disturbances in British Guiana in February, 1962:

... He drew attention to the fact that the prevailing tax structure was biased in favour of the richer and propertied classes, therefore "an impartial system of progressive taxation which distributes the burden equitably between those who derive income from property and those who get their incomes from work is an urgent necessity."

These two hon. Members on the other side of the House (the hon. Minister of Finance and the hon. Prime Minister) said, despite their alleged love for the working class, that a biased taxation was being imposed upon the rich who could afford to pay. I will quote again:

"The Minister of Finance therefore proposed an increase in the import duty on certain goods which he considered were not necessities of life, e.g., alcoholic drinks, tobacco, concentrates for non-alcoholic drinks, tea, motor spirits, perfumes, cosmetics, the more expensive dress fabrics, footwear, glassware, chinaware, jewellery, radios, refrigerators etc."

I have looked through the Budget Speech and the Estimates to find out what has happened since 1962 with respect to concentrates, a large quantity of which is used to mix Isee with Vitalamin and so on, but I have found nothing to help me. D'Aguiar Brothers and other sweet drink manufacturers do not have to pay increased taxation on concentrates. On the other hand, immediately after the elections in 1953 the price of Pepsi Cola and all the other drinks which the hon. Minister of Finance made went up because he failed to get a seat at the elections. It was the same time when he said that "the masses are asses".

What about his Department? For a long time the working class will continue to suffer if this Government remains in office. I will continue to quote from the Commission's Report:

" . . . The real motive force behind Mr. Burnham's assault was a desire to assert himself in public life and establish a more important and more rewarding position for himself by bringing about Dr. Jagan's downfall. The weapon he employed was the argument that the budget contained measures calculated to inflict hardship upon the working classes by increasing the cost of living. So, the argument continued, if Dr. Jagan's Government were allowed to continue in office, further and still more oppressive measures would certainly be enacted. The attitude of the U.F. was a little more honest and certainly more consistent. This party represented the businessmen and the middle classes, and these were, no doubt, adversely affected by the new taxes on capital gains, gift and property holdings. The U.F. genuinely feared a further decline in their vested interests if Dr. Jagan's Government continued to remain in charge of the country's affairs. They naturally resented the socialistic, if not communistic, leanings of Dr. Jagan. The Daily Chronicle supported this campaign criticising the budget and discrediting Dr. Jagan, and developed an increasingly hostile attack upon the Government."

Mr. Speaker: This sitting is suspended for half an hour.

Sitting suspended at 4.00 p.m.

4.36 p.m.

On resumption —

Mr. Ram Karran: When the adjournment was taken I was referring to the low standard to which this Assembly has fallen. I was making the point that the hon. Minister of Finance has gone to the ends of this country to express the view that it was wrong and immoral of the former Minister of Agriculture to obtain a loan from the Credit Corporation. The hon. Minister has not ceased to comment on it in this House although he, as an individual, has absolutely nothing to do with the loan. The hon. Minister-designate of Works and Hydraulics corrected me, when I spoke of low standards, to say that the story was accurate but the amount involved was inaccurate and that it was \$19,000 and not \$23,000. Here is a case where a Director of the Corporation obtained a loan, and the hon. Minister of Finance, who criticized a former Minister for taking a loan, has taken that same gentleman to make him his Minister of Works and Hydraulics. I object to that and I think all the Members of this Assembly should protest against it.

Another matter I dealt with was the duty on concentrates. The hon. Minister said that the duty on concentrates has been increased, but it has been proved, and cannot be denied, that concentrates were coming to this country under a different name.

4.40 p.m.

Our concern today is with these Estimates. I have gone through them night after night and have found them to be another hoax perpetrated on the Guyanese people. For instance, the hon. Prime Minister spoke about 10,000 persons finding employment. In 1964, the year the hon. Minister of Finance uses, there were according to the Estimates, 10,251 persons employed. In 1966 there were 11,594 persons employed, an increase of 1,343 made up mainly of members of

[MR. RAM KARRAN]

the Guyana Defence Force. This year the Prime Minister has said that the Development Programme is on its feet so we have made a start. There is a further increase of 427, of which the Police account for 111; G.D.F. for 111; and Berbice High School for 38, making a total of 12,021 employed persons. How are these monies to be spent?

Let us look at Head 2, Supreme Court of Judicature. In 1964, the amount spent on travelling was \$5,281, and, in 1966, the amount spent was \$7,277. But how much are we going to spend in 1967? We are going to spend \$25,000. In 1964 people were killing each other, there was a lot of trouble and violence all over the country and there was need for a lot of travelling. Yet we spent the meagre sum of \$5,281. When the hon. Attorney-General returns from his jaunt — I think he is touring the West Indies — perhaps he will tell us why such a big amount — \$25,000 — will be spent this year. This will not be used to find employment for people.

In 1966 the amount spent on house allowances was \$9,700. It has gone up to \$14,000 this year. When I was the Minister of Works and Hydraulics some of the Judges used to say, "We will sell our houses to Government. Let the Government buy our houses and give us an allowance." I do not know if this racket is still going on. I do not know which Minister of Works and Hydraulics will speak on this. In 1962, 1963 and 1964 attempts were made to get the previous Government to buy houses owned by Judges because the Government had to pay their rentals.

Only yesterday a statement was made by the ex-Minister of Economic Development (Mr. Thomas). We have a lot of ex-Ministers these days. [Mr. Merriman: "You are one of them."] Yes, and we are adding to the list

of ex-Ministers every day. This gentleman spoke to Mr. Rickey Singh, a reporter from the Guyana Graphic. This appears on page 8 of the Sunday Graphic of January 29, 1967.

"Mr. Thomas said it was his intention to remain in Parliament and support the P.N.C. as a backbencher as long as that party wanted him to do so. He couldn't say more about his political future. Now that Mr. Burnham himself is responsible for matters relating to economic development, he could only wish him well. In the interest of the country, he hopes there will be progress."

This gentleman took an oath in this House to serve the Guyanese people without fear or favour. He said that he is not going to talk because the terrorists may be at his tail.

As far as economic development and co-operatives are concerned, I have looked through these Estimates to see if his resignation has caused any change in the heart of the hon. Prime Minister. I see nothing. Instead of getting up and speaking, the hon. Member Mr. Thomas prefers to remain silent and leave the question of co-operatives in the hands of these hon. Members. Perhaps I should quote again from the Sunday Graphic of January 29, 1967. This is what Mr. Thomas said in answer to Mr. Singh's question on co-operatives:

"I have stated time and time again that co-ops will have to be the answer to the social and economic problems of this country. It is true that the history of the co-op movement here has not been a very good one, but that does not make the movement a bad one."

"The minds of those who are to be geared for co-operatives, must be trained, and this training can be a long, slow process."

"To stint on co-op education, particularly in the Guyanese context, is to be most shortsighted. To see every loan to a co-op society as being a means of encouraging frauds, or supporting party 'hacks', is to close one's mind to the social realities of this country."

The kind of co-operative development the members of the Government know about is the kind that goes on in the Transport Workers' Union of which I had the honour of being a member some years ago. Today, with the backing of Mr. Carrington, one of the Government's back benchers, the executives of the Union are moving to take \$10,000 of the hard savings of the Transport workers so that they can fritter it away as they have frittered away thousands and thousands of dollars. The Transport Workers' Union always had money. We had taken \$8,000 cash and bought a property and now these people are trying to steal it. I think the Transport workers will rise up and denounce them. That is how they can go to Trinidad and that is how they can go all over the place in order to burn down the town. The hon. Member Mr. Thomas is certainly right when he says that nothing is being done and these Estimates show that absolutely nothing is being done for co-operatives.

As I have already pointed out, the increase in staff and personnel, so far, relates to Police, Berbice High School and the Guyana Defence Force. In 1963, the year of violence, the amount voted for Special Constabulary was \$38,000. In 1964 the amount voted was \$123,000. In 1965 there was peace and the amount voted was \$661. In 1966 the amount voted was \$4,900. But what is the amount going to be in the year of our Lord 1967? The amount is going to be \$140,000!

4.50 p.m.

The members of the Government are going to allow policemen to lock up people all over the place. What are the opportunities for employment? The provision for the Botanical Gardens was increased by \$2,000, and labour and fertilisers by \$30,000. I am sure that Government is spending four-fifths of this amount, and the

remaining one-fifth is spent on employing 10 men.

We heard the hon. Member Rev. Trotman, telling us about agricultural development? Rice is being strangled. Even Mr. Deeroop Mahraj cannot deny that. We have heard a lot of experts talking about improvement in the rearing of cattle. But in these Estimates we see that the provision for Veterinary Preventive measures is going down from \$40,000 to \$27,000.

There is reduction on all Government estates where a little work is to be found for people in the country districts. The old principle of finding employment for the people in the districts is not maintained. But I understand that the coconut walk at La Bonne Mere has been taken away from the residents and handed over to the party supporters from Ann's Grove although the tenants have to pay high drainage and irrigation rates. In addition to that, Cane Grove has a lot of pegasse in the soil, and a person can reap about 10 bags of paddy per acre only.

Now I turn to the fishing industry. We heard from the hon. Minister that Messrs. Booker Bros. McConnell & Co. are the largest fishing firm. In fact, the Government is committed to buy their produce. The sum of \$42,000 has been reduced so that Bookers can continue its monopoly. The small fishermen will suffer.

Let us consider diversification. What does the Government intend to do? It has criticized the P.P.P. for not having diversification. But now it should hang its head in shame! The producers had a very bad year in 1963 when the terrorists were walking all over the country. For that year, the sum of \$18,240 was paid out as bonuses to producers of new crops, black-eye peas, coconuts, and so on. In 1964 — the year which the hon. Minister of Finance likes to talk about — the amount was \$36,939.

[MR. RAM KARRAN]

What will the farmers get this year? The farmers who rapidly diversify are not going to get \$36,939, they are going to get \$2,000 more than was given in 1963!

Assistance to the coconut industry is also reduced. One would have thought that the Government, having had a large part of its support from the interior, would have paid some attention to Bartica. When I went to Bartica a few days ago, I saw how successful the Government was in its attempt to cultivate Caribbean pine. In 1964, we spent \$23,255 among their supporters at Bartica and other parts of the country. But what is the Government proposing now? This year it is going to spend the meagre sum of \$8,500. Are we going backwards? What sort of development is this?

In 1963 we spent \$84,073 for labour and rations. In 1964 we spent \$236,685 — nearly a quarter of a million. In 1965 that figure was increased to \$294,895, and in 1967 the hon. Minister beat his chest and said, "We are spending \$37,000." God help us!

Now for the Post Office. This is another means of employment. The vote for casual messengers is reduced. We know that the boys whose parents cannot send them to high school go there and get "little" jobs. In 1964 we spent \$93,000. In 1967, that amount is being reduced by \$10,000. In 1964 we spent \$28,158 on Postal Apprentices. The amount is now reduced to \$13,000

Mr. Speaker: Time!

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

Mr. Ally seconded.

Question put and negatived.

Motion lost.

5.00 p.m.

Mr. Nunes: My colleagues have carried out an extensive and intensive analysis of the Government's Budget. I now propose to deal with the expenditure aspects as they affect education. A comparison of the current expenditure figures on education between 1961 and 1964 and between 1964 and 1967 reveals that the pace of development in education has slowed down considerably. During the years 1961 to 1964 the current expenditure on education increased from \$7,347,000 to \$11,246,000, an increase of approximately 33 per cent. On the other hand, between the years 1964 and 1967 the current expenditure on education increased from \$11,246,000 to \$15,670,000, an increase of approximately 39 per cent.

I shall deal with some aspects of education in order to support the contention that I have made. I shall begin with teacher training, and under this head I shall now deal with In Service Teacher Training. The P.P.P., when it was the Government of this country, initiated an intensive programme of In Service Training and established eight In Service Training Centres throughout the country of Guyana. The aims of this programme were as follows:

- (1) To remove by 1976 the heavy backlog of untrained teachers;
- (2) To provide training at places which would be convenient to teachers in those areas;
- (3) To enable teachers as they underwent training to practise their skills and introduce into their own class rooms the new techniques they were learning in the lecture room, thus contributing to a general increase in the teaching qualities of their own schools.

The population of this country has increased over the years and, consequently, there ought to have been an increase both in the number of teachers and in the number of untrained teachers. But this Govern-

ment has seen fit to close down six of the eight In Service Training Centres. The result is that there has been a decrease in the number of teachers receiving In Service Training and tremendous inconvenience to those pursuing this form of training. Yet, another disadvantage the closing down of the Centres has, is the fact that teachers undergoing training at present can, in many cases, no longer use their skills in the service of their own schools, and, in many cases, can no longer immediately introduce into their class-rooms the new techniques they acquired in the In Service Training Course. Many teachers have had to leave their schools, and they have been transferred to schools near the two remaining In Service Training Centres which are in Georgetown and New Amsterdam. In the circumstances, there has been an out-flow from their districts of not only personnel but also of skills.

I ask this question: What is the motive which prompted this Government to take a step which can be most charitably described as retrograde and detrimental to the best interest of the teaching profession? Is it a misplaced concept of education which holds the view that standards should be raised even though a minority can benefit from this? The members of the Opposition hold the view that training, like education, is not the prerogative of the few but the right of all, and a poor country with limited resources such as ours cannot afford to create a narrow academic elite.

I shall now deal with another head under Teacher Training and that is Pre-Service Training. When the members of the P.P.P. were in the Government we had decided to decentralize Pre-Service Training. A centre was established at Belvedere, Berbice, and it was intended to establish another in the Essequibo area. This Government, on the other hand,

closed down the Belvedere Pre-Service Centre. How can this act square with the Government's concern for teacher training? How can centralization in teacher training square with decentralization as proposed in the field of technical education? Was this action motivated by the outmoded and abandoned colonial heritage of elite education?

As an alternative this Government has decided to set up a Residential Teacher Training Institution and to allocate \$900,000 towards this project. This investment, like many of the Government's, is a fair indication of economic and wasteful expenditure. This \$900,000 could have been used to set up Pre-Service Training Centres in areas including the North West District, the Rupununi, which would cater particularly for Amerindian education, in Berbice, and at Mackenzie.

The whole concept of residential institutions has been condemned severely by no less an authority than the Government's most trusted adviser, Sir Arthur Lewis, who is the present Chancellor of the University of Guyana. In a paper entitled Education and Development, Sir Arthur Lewis pointed out that residential institutions in Africa, Asia and the Caribbean were merely white elephants imported indiscriminately from the Mother Country. He suggested that the University of the West Indies should move away from this concept of residential institutions by increasing the number of students at the U.W.I. by over 400 per cent and forcing undergraduates to live outside the campus. Experience has proved that education in the ivory towers of residential institutions with ideas divorced from the realities of world experience, destroys the whole progress of mass education.

5.10 p.m.

I shall now deal with the means of students. Only a few weeks ago

[MR. NUNES]

students of the Pre-Service Training Centre had to go on strike against the Government's inability or unwillingness to provide loans which had been promised them. I have searched this Budget with care and I have not found the Head or subhead which provides for loans to these students. The nearest I can come to it is this subhead 18, Division XVI, which I shall read:

"For making loans to students pursuing courses at universities, etc. abroad."

By no stretch of imagination can I comprehend how this subhead can refer to loans to students in pre-service institutions, that is, in the Government Training College.

One student, who mentioned the problem as it exists, referred to another matter when he was speaking to me about the delay in obtaining loans. He stated that he did not want his name mentioned. This brings me to a very important question which the P.P.P. Government thought it had settled finally and for all time, that is, the question of setting up a Board of Examiners to set and mark examination papers and to determine the certification of students at the Training College. Here was this student telling me that he was afraid to have his name mentioned because he might be victimized by tutors who had to mark his papers!

It was for this reason that the People's Progressive Party, as a Government, set up a separate Board of Examiners on which the Principal of the Training College was represented but over which he did not have direct control. This was done in order to ensure that the fear of victimization might be removed from the minds of students. The present Government, whatever reason it may have, had decided to reverse the decision and thus a student, wishing to lay bare his conscience on the injustice which seemed to have been done to him by

the delay in granting the loans which had been promised, felt that he might be victimized because of this.

I therefore ask the Minister to reconsider her decision to change the present relationship between the Board of Examiners and the Training College and, as a matter of fact, the whole method of training, including pre- and in-service, where setting and marking of papers and certification of students are concerned.

At paragraph 16 of page 51 of the *British Guiana (Guyana) Development Programme (1966-1972)* the following statement is found:

"With a view to assisting deserving students with their costs of maintenance at the Government Training College, Government has sought and obtained a UNICEF grant of \$50,000 for Fellowships to be awarded annually to students entering the Government Training College who satisfy certain qualifying criteria."

I should like to ask, on behalf of Members on this side of the House, what are the qualifying criteria? Secondly, were any of the first-year students at the Government Training College eligible for these grants? If so, did any of them receive a grant? We on this side of the House would like to know whether any of this money could not be spent on such needy students.

On the question of teachers' salaries, I note that on the 21st January this year the Prime Minister is reported to have met representatives of the Guyana Civil Service Association and to have discussed salaries with them. I am beginning to wonder what is the situation with respect to teachers in primary, all-age and secondary schools. When we were in the Government we did our best. It will be recalled that teachers received two sets of increases one from 1962 and the other with effect from 1964. We believe that with the increase in the cost of living these other servants of the Government should also have

discussions on the question. The Prime Minister, or the Minister concerned, should avail himself of the opportunity to have discussions with them and to reassure them of his desire to increase salaries or to make adjustments to certain grades.

We on this side of the House believe that all teachers, whether in primary or secondary schools, should have basic salaries increases and that the allowances to graduate teachers in any one of these schools should also be increased. We aim at removing disparity between teachers in secondary, primary and all-age schools. As I said before, basic salaries should be the same with difference in relation to allowances to graduates and to posts of responsibility. I have been informed that the Association for teachers in secondary schools has met the Minister of Education and she has given her promise to increase the salary scales of these teachers. If my information is correct, then I must charge the Minister for not ensuring there is provision in the 1967 Estimates for these teachers.

I understand also that the Association of Masters and Mistresses has been having prolonged discussions with the Minister not only on the question of salaries but also on other questions affecting members. What I must say at this point is that in 1964 we, as a Government, implemented the principle of free secondary education in all Government secondary schools in this country and that we held discussions and made concrete proposals to the teachers and to the governing bodies of the schools, which are now called "aided secondary schools", to the effect that their salaries be fully paid by Government and that pension and leave rights, which the teachers do not now enjoy, be afforded them. The heads of the schools concerned delayed the question until the results of the General Election were known,

since when the situation has reverted to what it was before that time.

I shall now refer to the need for a Teachers Service Commission. We have always felt that because the teachers are fully paid from the public funds, they should have a right of appointment or promotion to any school where Government pays the salaries. I held discussions with all the governing bodies of schools and I held discussions with the British Guiana — as it then was — Teachers Association. After we reached common ground on certain points relating to the appointment of a Teachers Service Commission, I thought fit, because of the situation in the country at the time, to address a letter to the then Leader of the Opposition inviting him to support the points on which we and the British Guiana Teachers Association had then agreed.

5.20 p.m.

It is sad to say that the then Leader of the opposition (Mr. Burnham) never replied to that letter. Therefore, in the circumstances, we did not think it wise to proceed with the appointment of a Teachers' Service Commission at that time. We feel, however, that we must express our view that the appointment of a Teachers' Service Commission is a necessary thing for this country. We would ask the members of the Government to let us know what is happening to the idea of a Teachers' Service Commission which they themselves support.

I should now like to refer to the question of recognition of degrees from certain countries. The recognition of degrees is a sore matter. Many students have come back from eastern countries. The Public Service Commission has informed those students that it is waiting on the Ministry of Education to determine recognition of their degrees before they can be employed in the Civil

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Service. In one case, a student who came back in March 1965 has not heard anything up to this date. [Mr. Clarke: From where?] He came back from the Soviet Union. [Laughter.] [Dr. Jagan: What is so funny about that?] Up to this date neither the P.S.C. nor the Ministry of Education has been able to tell him whether his degree is recognized. But I should like to refer to the fact that that same student has been accepted by the Sussex University in the United Kingdom to do a research degree. Another student has had his degree accepted by the London School of Economics and he is now pursuing a research degree course at that same institution.

I call on the Government to be impartial in the recognition of degrees from any country. The fact that the London University and the Sussex University have been able to accept these degrees and to permit those students to do research degrees or higher degrees is evidence that these degrees are of good value.

On the question of teachers I should like to refer to the principle of building houses for teachers. In 1966, I think the Ministry of Education promised to build five or six teachers' houses. I should like to inquire how many of those houses were built. I should like to state that many civil servants of less rank, or less status, are given satisfactory accommodation but many teachers have to go without accommodation in the interior areas. [The Prime Minister: "That will be remedied this year."] The Prime Minister says that that will be remedied this year so we will accept that.

I should like to see the day when the teaching profession will be removed from the Cinderella position it occupies in the Government service of this country. [The Prime Minister: "And you took Barney and made him a teacher?"] I heard the Prime Min-

ister say that I took Barney and made him a teacher. I should like to challenge any Member of this House who can say that Barney Johnson ever went into a school. All the steel band people were engaged in the National History and Arts Council, and when Sir Richard Luyt operated the red tape and had many of my colleagues detained and the House could not sit, I cut that red tape by employing members of the National History and Arts Council as additional teachers, but I did not allow any of them to go into schools. I think I did a service not only to steel band music but also to a very deep-seated part of the culture of our country.

This year the Budget provides for an expenditure of \$600,000 for the construction of schools. In 1966 the Budget provided an expenditure of \$1,200,000 for the construction of schools. In view of the fact that there is an inevitable rise in the school population, I should like to inquire why there is a 50 per cent reduction in the allocation of the expenditure on the construction of schools. Schools are needed in many areas. The Development Programme has emphasized this. Yet we find that the vote is reduced by 50 per cent. We would like to know why the vote has been reduced.

The previous Government did its part on the question of self-help. It was I, as Minister of Education, who signed self-help agreements for food to be supplied to the workers on self-help projects.

There is need for standardization of textbooks in our schools. Early in my career as Minister of Education I myself, acting dictatorially, introduced the Caribbean Reader to be used from the preparatory division right up to the end of primary school. The Teachers' Association eventually agreed to take part in a committee which would look after the standardization of textbooks in our schools.

Mr. Speaker: Time!

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

Mr. Benn seconded.

Question put, and agreed to.

5.30 p.m.

The Prime Minister: I am agreeing because I have been assured by the hon. Leader of the Opposition that he is prepared to sit until midnight to conclude the debate, since, under the Standing Orders, it is the last night.

Mr. Nunes: This question of textbooks is a very sore point. We are now in 1967 and the standardization of textbooks to be used in our schools has not yet been completed. We gave notice of a Motion months ago, asking that this very question of standardization be discussed and that it be completed by the end of December, 1966, for the reason that all the book stores which have to purchase books and all those people who have to purchase books will have a chance to do so and be ready for the opening of the term from September, 1967. We have not had this Motion discussed, and we have nearly completed the first month of 1967. This is an important thing because many parents cannot afford the heavy book-lists that are being supplied to them by teachers in many schools.

The headmasters use their discretion or their indiscretion in order to determine the book-lists of their schools, and this has reacted very seriously on the pockets of the working-class people in that in most cases they cannot afford, or can ill afford, the expenditure on the much needed textbooks. What is disheartening is that sometimes these textbooks are bought and many of them are not used, or used very seldom, in the schools. I therefore call on the Government, and particularly on the Min-

ister of Education, to adjust this wrong, and to ensure that the working-class people are correctly treated on this question of textbooks.

There is another important matter to which I should like to refer, and that is the question of curriculum reform. We have now attained Independence, and as a result of this, we should think more seriously of what is called a cultural revolution to which I should like to make more reference later on. Cultural revolution is not only what many people think it to be. It can be described as a combination of elements, tangible or intangible, which give a certain distinctiveness to our society. Cultural revolution includes every form of activity that obtains in our society. It includes education, and since it does this, it affects the curriculum we use in our schools.

In 1961, when I became Minister of Education, there was a Curriculum Committee to produce a Report. I was invited to be a member of that Committee, but, unfortunately, I never attended any of the meetings. That Committee produced a Report which we had to put aside because the curriculum only catered for five years in the primary schools, and we, as a Government, thought that was insufficient. We thought that primary education should continue for at least seven years, and in fairness to our Guyanese children, we did not accept that Report. In addition, we felt that secondary education should have been introduced. For these reasons, we thought that the curriculum reform committee had not done an adequate job as it had claimed.

We thought that a new Curriculum Committee should be given the task of reforming the curricula. Meanwhile, we did two things. We introduced in the All-Age Schools an examination which was being taken by children in some of the secondary schools — the College of Preceptors examination. We also introduced an

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examination which was taken in other secondary schools — the General Certificate of Education examination. I should like to remind this House that the College of Preceptors examination of long ago is not the College of Preceptors examination of today. Our aim was to provide the children with those needs which they ought to have in order to face the realities of the society in which they live.

In the meantime, we joined the Caribbean Examinations Council a Council that has been set up to arrange for examinations to be set by the University of the West Indies, and the University of Guyana. We would like to ask this Government what has happened to the Caribbean Examinations Council. Is there no progress on this question of examinations? Is there no progress on this question of curriculum in our schools?

While we were doing this, we anticipated that the time would come when we would need to produce certain textbooks of our own, or certain sections of textbooks which would conform to a regional pattern, and to this end we decided to send three persons for training in textbook preparation. One of them was Cecile Nobrega, in the field of infant education, the other was Chinapen, in the field of junior school education, and Wolsey Anderson in the field of secondary education. Two of them returned to this country, and as far as I know, nothing has been done by this Government to further the question of textbook preparation which forms a very important part of the development of education in this country.

There is another matter to which I should like to refer, and that is the need for parity of esteem between the old secondary schools and the new secondary schools. We, on this side of the House, are not satisfied that

enough has been done in the Budget to make us feel that there is a significant attempt to remove the present disparity between the old secondary schools and the new secondary schools. There is disparity in the distribution of facilities in the old secondary schools and the new secondary schools. In short, there is an absence of parity and esteem between the two, and we would like to see an attempt made to put things right.

5.40 p.m.

On the question of technical education, the P.N.C. in its manifesto had said that it wanted higher education to be free as quickly as possible. We have seen no attempts made by this Government to remove the fees which are at present paid by many poor boys and girls who attend the Technical Institute, and I am asking the members of the Government to consider very seriously the things they wrote in their manifesto.

On the question of scholarships, I should like to refer to the position of the Guyana Scholarship. At present there are Guyana Scholarships for boys and for girls. I am not at this moment asking that we remove the discrimination though, in principle, I feel that it should eventually be removed. We must recognize the fact that there are many facilities which the girls at the Bishops' High School do not at present have in as great a degree as the boys at Queen's College, and for this reason I ask that there should be a removal of the distinction between boys and girls for the Guyana Scholarships.

I think the time has come when the Government should seriously consider the effect of scholarships for arts and scholarships for natural science. We often find that those writing natural science may find it much easier or much more advantageous to get a Guyanese Scholarship through this discipline than through the dis-

cipline of arts. Therefore I feel that this is not a fair competition to have children writing the Guyana Scholarship in arts and in natural science and competing for the top places through both of these disciplines. We therefore recommend that these disciplines be divided, and that there should be special Guyana Scholarships for arts and special Guyana Scholarships for natural science.

On the question of the University of Guyana, I should like to remind this House that in setting up the University of Guyana we on this side of the House had four aims in mind. Firstly, we wanted to create an intellectual nucleus in Guyana. Secondly, we wanted to train the middle class technical cadre in large numbers. Thirdly, we wanted to train an adequate number of high-level professionals to exercise intellectual leadership in Guyana and up to top posts. Fourthly, we wished to undertake research work.

So far as we are aware, the statistics show that the first aim is being met, that is, to create an intellectual nucleus in Guyana. We find that a number of professors at the University of Guyana quite recently addressed a letter to the Press in which they dealt with the question of academic freedom. We ask ourselves what motivated these professors to write this letter. Certainly it seems to us that they must have felt that their academic freedom was threatened, and they decided to write such a letter.

Mr. Speaker: Time!

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

Hon. Members (Government): No!

The Minister of Education and Race Relations (Mrs. Gaskin): I must congratulate the erstwhile Minister of Education on the amount of clarity which his long vacation at Sibley Hall

seems to have given him. I accept the fact that he has made an excellent suggestion when he suggested that there should be different scholarships for arts and science. It is a very good idea and one which, I think, we could very well work on, but it is a pity he did not think of it when he was the substantive Minister of Education some years ago.

Coming to the many points which were made by the hon. Member, I wonder whether he had thought of many of them when he was in office and what were the restraining influences that kept him from implementing them. I will now deal with these points. Let us talk about Training Centres. The former Minister of Education said that the Government has closed Training Centres for In-Service Teachers. That is quite true. The idea in providing In-Service Training for teachers, as I gather from his remarks, was to train people in regional areas to a certain standard of academic and professional efficiency. Every year these vacancies at the Training Centres are advertised, and such training in the various areas has spread wider and wider with the result that last year at one of the Training Centres there were only four applicants for In-Service Training; at another Centre there were seven. The Ministry of Education then decided to transfer these teachers into Centres which had a sufficient number of teachers so that they could be trained. Even the hon. Member, with his grand manner and great capacity, would not consider it justified for the Government to run a Centre for four teachers, having regard to the expenses that would be incurred at the Centre. I can assure the hon. Member that the number of Centres was reduced because of the insufficiency of applicants.

Now we come to the point made by the hon. Member that there were so many untrained teachers and we have

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not been training any. When the members of this Government took office the percentage of trained teachers in Guyana was 26 per cent. We have been in office for roughly two years, and after two graduations the percentage has been raised to 30 per cent. This year we have increased the intake into the Pre-Service Training Centre from the 80 that underwent training in the year we took office to 150.

With reference to the subject of technical education, I will deal with this matter later. Let us deal with the Pre-Service Examination. The hon. Member said that the Government had closed Belvedere. It is a pity the hon. Member was not present when the matter was dealt with in this House during the last session. I thought that the other members of his party would have kept him au fait with what was said then. Belvedere was opened by the ex-Minister, probably with the best intentions in the world. When I went to see the students at Belvedere I was sorry for them. They had one master, Mr. Kanhai, who was with them from morning until late in the evening. The lecturers who travelled from New Amsterdam to Belvedere sometimes did not arrive, and very often when the students left to go home they would arrive at Skeldon and other areas at ten or eleven o'clock.

5.50 p.m.

It was a terrific strain and the students themselves knew next to nothing. I made that explanation here. We had a talk with them and with their parents and guardians. Mr. Kanhai himself admitted that students were far behind the students at the Pre-Service Training Centre in Georgetown. After we had talks, they themselves agreed that they should be transferred to Georgetown. When they came into Georgetown I made this statement in the

Assembly for the benefit of Members. I will repeat it: they were so behind in every respect that I wondered whether they would pick up and I asked the Principal of the Teachers Training College, "Do you think they can make it?" His reply was, "We will work on them. We will give them extra training because they are good material that has been badly handled." The result is that those students have graduated, some of them extremely well, and that they would never have achieved if they had been allowed to rot at Belvedere. [Applause.]

It is said that the devil can always quote Scripture to suit himself and, in this respect, it is so, though I do not think my hon. Friend resembles the devil in any way. He has been most skilful in quoting Sir Arthur Lewis out of context. It was Sir Arthur Lewis who, on his first visit and on his most recent visit, kept pressing that we should go ahead with the building of a residential Teachers College, which is the same thing the hon. Member said he does not like. The residential Teachers College is a necessity and is accepted to be so because in such an institution the teachers are not merely automatons who go through the business of learning. They become welded together and in a country with as many divisive factions as we have, I think it is even more valuable that we should have a residential Training College.

Turning to the loans, this is one area where I think the poor ex-Minister has possibly forgotten what operated in his time. The system of handling teachers' loans which we found when we came into office was that a teacher was required to enter into a bond for a certain sum of money and he had to find two guarantors for this bond. The bond was to ensure that he would remain in teaching after he had qualified. He was

then given a loan and he was required to enter into an agreement for this loan and to find two guarantors to sign this agreement. The result was that teachers were called upon to find four people who would testify to their honesty and their ability to pay.

With the increase in the intake of teachers which has occurred during 1965 and 1966, the field of guarantors has grown considerably smaller and it was this fact that caused the bottleneck so that many teachers could not find the guarantors that were required of them by the people sitting on the side opposite. We have now taken steps to remove all this and to allow the teachers, as of 1967, to enter one agreement which will be covered by one guarantor. This is the sort of thing I thought would have appeal to the ex-Minister. I thought he would have worked upon it when he was there and had knowledge of it. He did have knowledge of it, because it existed during the time of the previous Government: this was the system that was operated by the hon. Member. [Interruptions.]

I wonder whether the hon. Member, Mr. Nunes, really thinks that this Government is so empty-headed that it would propose agreements, enter into agreements and operate a system of agreements and loans without providing any funds for them in its annual Estimates. If Mr. Nunes would bring to me the subheads in the Estimates, as printed in 1964, which dealt separately with loans to pre-service students, then we could begin to put our heads together. Until he can produce that, he should not criticize. [Interruption.]

On the subject of examinations, I do not know why there seems to be among hon. Members on the opposite side the kind of murky thinking that lets them look only for the worst possible motives. I suppose this is the way they operate, and therefore they are seeking to find their faults

in us. I can say that the system of examinations at the Pre-Service Training Centre is the same as that operated in the time of Mr. Nunes. There has been no change, and if, in those days, he tampered with it, then he knows it is tamperable; I do not. Granted there is a certain amount of malice and jealousy on that side of the House where the present Government is concerned, yet I would prefer the hon. Members on that side to remain quiet rather than indulge in facetious and downright stupid criticisms.

We have instituted a system of grants in order to encourage young men and women school-leavers to train in technical subjects so that they can become technical teachers to take technical education into our schools and so achieve the reform and cultural revolution of which Mr. Nunes spoke so well. In order to do this, we have sought from UNICEF a grant which is given to a certain number of students who enter from the Teachers Training Centre. During the past year we have increased this by giving 50 awards out of the Government purse to secondary school-leavers to encourage them to enter the technical field at the Technical Institute. The criteria on which these scholarships and grants are awarded are determined by the body which is best able to do this and this is by the Scholarship Selection Committee on which the Principal of the Government Technical Institute sits.

6.00 p.m.

The former Minister of Education (Mr. Nunes) entered into an agreement with secondary schools. I do not have the Sessional Paper with me but in the Sessional Paper it is stated that they were not to ask for any more salary. — When the agreement between the P.P.P. Government and aided secondary schools was entered into it was expressly stated in the Sessional Paper that the amount that

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was granted to each school was fixed, and that they should not expect a penny more.

Mr. Nunes: To a point of correction.

Mr. Speaker:— The hon. Minister will proceed.

Mrs. Gaskin: Thank you. In October of 1966, as a result of representations that were made by the Secondary Schools Association to the effect that aided secondary schools were unable to keep their standards up because they could not — attract graduates, the Cabinet agreed that as from the 1st January, 1967, salaries paid to graduates in the aided Secondary schools would compare, at the starting level and up to the post of Deputy Headmaster, with those paid at the Government secondary schools. In addition to that, we have had representations from the Association of Masters and Mistresses for improvements in the salaries paid to non - graduates. These representations are now in the process of being revised and reviewed with a view to putting up a Paper to the Cabinet as soon as possible.

Turning to the subject of Teachers' Service Commission, I believe again that had my hon. Friend read the Constitution of a new and independent Guyana, he would have realized that provision is made, in that Constitution, for a Teachers' Service Commission. As regards the setting up of the Commission, we have already initiated discussions with the Guyana Teachers' Association and propose to do so also with the heads of the various denominations. In fact, we initiated ~~discussions~~ on the basis of the Government schools, and the Guyana Teachers' Association felt that the ~~denominations~~ should be brought in. This has been done by them.

I should now like to refer to the point about the recognition of student degrees. We had applications from

people who had returned from Moscow and were qualified at certain Russian Universities but since we had no guide as to their disciplines or the way in which their awards were made, we wrote to Moscow to find out how they should be assessed. The reply that we got was that in Russia — at least in the University to which these people went — they are not taught any special faculties or disciplines but they range over a wide number of subjects without any specific groupings. [Mr. Luck: "That is the reply from the British Ministry of Education. You are misleading the House."]

In addition, I should like to mention that the ex-Minister of Education, the hon. Member Mr. Nunes, had been in correspondence with a University — I think it was in Czechoslovakia or in Poland — in order that Guyanese may be sent there to be trained. In the correspondence which went backwards and forwards, it was revealed that the training which they would get would be mostly of a paramilitary nature and would not be suited to the needs of Guyana.

Mr. Nunes: To a point —

Mr. Speaker: Are you making an objection?

Mr. Nunes: Yes; I have never seen any letter. I challenge the hon. Minister to bring the letter to the House and read it here. There was no such letter.

Mr. Speaker: I do not see any validity in the objection. Let us proceed with the debate.

Mrs. Gaskin: The hon. Member Mr. Nunes made certain explanations about the employment of the people, whom he described as steel band players. I have gone into this matter ~~ad nauseum~~ in the House, but since he persists in repeating this unreliable version, I think that I should give one instance of what I mean. — There is a gentleman — I do not know if the members of the Opposition would

like me to call his name — by the name of Noel Campbell. He was employed as a teacher and was appointed to the Cummings Lodge Government Secondary School. He was a member of the Indian Hot Shots Orchestra — or something like that. The steel band people were employed as interim teachers but Mr. Noel Campbell was permanent. — This is the one that I remember. We found a few with one to twelve convictions. [Interruption..] 6.10 p.m.

Since the gentleman to whom I referred was a permanent teacher, and he had no employment with the National History and Arts Council, he was asked whether he would resign or whether he would go to the school and teach. He came to see me in my office, very distressed. He said, "I understand that I have to go to school and teach." — I said, "You are a permanent teacher and you have to teach. — If you were not a permanent teacher, we may have been able to shift you." He said, "But madam, I only went to school up to fourth standard and I was a dunce." [Interruption.]

Mr. Speaker: I want order.

Mrs. Gaskin: Mr. Campbell was sent to Cummings Lodge Secondary School and he returned within a matter of six days and said he could not teach in a secondary school, and he was resigning. That is the end of the story.

On the question of self-help schools, I must congratulate the hon. Member for his initiative in starting the self-help scheme. It has been a tremendous success. It has resulted in a considerable number of school places being added, by the continuation of the scheme under this Government, at a comparatively low cost. It is for this reason that we have not felt it necessary in 1967 to allocate as much to school building as we have done in the past. In aided

self-help we have been able to build quite a number of extra schools and extensions. — We have increased by more than 10,000, the new places available, and since there are other priorities, we have put money into other fields.

In 1961, the hon. Member Mr. Nunes appointed a textbook Committee which handed in its recommendations towards the end of that year. With the great speed and rapidity with which the hon. Member moved, towards the end of 1962, he decided that he would act on the textbook recommendations. Incidentally, the textbook committee, having made its recommendations, never sat again. But, as I said, the hon. Member, dictatorially and against the recommendations of the committee, decided that he would introduce the Caribbean Reader. I wish I had notice of what he was going to say because I have some choice pieces marked off in the Caribbean Reader, which I had intended to bring to this House when the question of standardization came to be discussed. It should have been discussed here because the teachers have found that the Caribbean Reader is, in very many instances, above the heads of the children. They use Book I for Standard II and so on. In addition to that, it is completely irrelevant in the context of Guyana and its new and emergent needs.

In 1966, the Ministry of Education appointed a new standardization sub-committee and this has come up with recommendations, not only to deal with reading, but to deal with the whole system of books, to deal with the antiquated arithmetic books. I came into office and found that there were schools that were still using the shilling arithmetic. There are some schools which are still using ancient books that were used in the time of my great-grandfather. I recommended — unlike my predecessor, I am no dictator — to the com-

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mittee that the entire textbook should be reviewed, and we are going ahead on a scientific basis because the removal of textbooks must go hand in hand with the introduction of new textbooks. What we have done is to issue instructions to the headmasters that they are to cut down on the multiplicity of books which they, at present, require at schools, and this could have been done by Mr. Nunes.

On the question of curriculum reform, I am glad that my predecessor has been troubled in this respect, in that he had a curriculum reform carried out and he was dissatisfied with the results. I also saw what was proposed and was completely dissatisfied with it. We have a Curriculum Reform Committee which has now ended its sittings. It has submitted its recommendations and we are to put them into practice within another two months' time. In fact, the new curriculum guide is at present in the hands of the printers, and should soon reach the Guyana Teachers Association. This is as far as we have got. We hope that towards the end of the August term it will be a reality. However, I must remind and warn the people on the opposite side, who seem to think that such things are done by waving a magic wand, that curriculum reform is a very wide and far-reaching subject, and it can be undertaken by very careful and cautious measures.

6.20 p.m.

I do not want to say much on C.P. examinations. We must accept it now because the children have been encouraged to take it. But it is a completely unrealistic examination, and one that does more harm than good to the children of this country. Therefore, what this Government proposes is that it should phase out the College of Preceptors Examination and replace it by a local examination which would be, in effect, an extension of the present Preliminary Certificate

Examination but would be more realistic and more attuned to the needs of Guyana [Interruption by Mr. Luck.] I do not know if Mr. Luck thinks that the G.C.E. is realistic in terms of the primary schools, because he must realise that the percentage of failures by students who have attempted the G.C.E. ordinary level amongst even the students from Secondary Schools is tremendous and alarming. These poor students have been made the victims of a pernicious practice. Many of them tell me that they have 5 C.P. subjects and 1 G.C.E. 'O' level. When you ask what is the subject, you are told that it is religious knowledge. Are we producing parsons?

The University of the West Indies and the University of Guyana are holding conversations — [Mr. Ramarran: "Holding conversations?"] You cannot correct me; that is the correct word. I repeat that the University of the West Indies and the University of Guyana are holding Conversations as regards the establishment of a Regional Examination. According to what my predecessor in office said about the criticism of the University of Guyana's certificates, it is quite true that there has been some difficulty regarding the matter. I attended a meeting of the U.W.I. in which the U.W.I. expressed grave doubts about associating itself with the University of Guyana as it then was in the field of Regional Examination. I had to lay great stress on the fact that the Guyana University was determined to remain as a University and they would accept us as a single entity on the University Examination Council. The Regional Examinations Board has been under discussion, and Barbados is supposed to have agreed to act as a secretariat for it. If you would like to know anything further, possibly you can write Barbados. [Interruption by Mr. Ramarran.] Sometimes you are like the joker in the pack.

On the subject of textbook preparation, I do not know why my pre-

decessor should talk about it because it is one of his big failures. He sent Mr. Chinapen to do textbook preparation, and on his return to Guyana he was sent to a school to teach. He sent Mrs. D'Nobrega to do textbook preparation. On her return to Guyana I interviewed her, and she said she did not want to write textbooks; she said she wanted to collect a lot of people to write the books for her. I told her to return to the school and teach.

When we come to the point of parity and esteem among our secondary schools, I should like to make the point that had the previous Government thought of parity and esteem it would not have erected some of those miserable places that it sought to call secondary schools. What was needed in Guyana, if the previous Government had the interests of the working-class people at heart, was a secondary school in Ruimveldt equivalent to Queen's College. This Government proposes to build such a school. [Interruption by Mr. Luck.] You are behaving like one who knows not and refuses to admit that he knows not.

My last point is the subject of academic freedom at the University of Guyana. This carries some sort of nuance and I do not understand it. I do not know what the hon. Member meant when he made the statement about freedom at the University. All of us saw a statement in the newspaper one day where certain professors mentioned that they were interested in academic freedom and so on. So far as we are concerned, we have nothing to do with anyone's academic freedom. I think the threat to freedom was raised by those who are now sitting on the opposite side of this Table, and I believe that some of those professors are now saying, "Thank God we are free again."

MR. SPEAKER PRAISES LEVEL OF DEBATE

Mr. Speaker: I think that today has been the loveliest of the five days' debate, and that is due principally to the constructive criticism by the hon. Cedric Nunes. But he had the misfortune to be followed by the hon. Minister of Education and Race Relations who is one of the most effective speakers on the Government bench. We have had a very enjoyable debate, indeed.

I am going to suspend this Sitting until eight o'clock.

Sitting suspended accordingly at 6.30 p.m.

8.03 p.m.

On resumption —

Dr. Jagan: It is said that Rome ruled its Empire with bread and circuses. Guyana's Coalition Government has been attempting to do the same. I remember a public broadcast in 1961 in which the three political leaders participated. A great deal of bread was promised by the two Opposition leaders at the time. Mr. d'Aguiar said that if his party won the elections, hundreds of millions of dollars would flow in the country; the streets would be filled with milk and honey. Not to be outdone, Mr. Burnham spoke about free milk, free cassava and free plantains.

What do we find today now that these honourable gentlemen adorn the seats of Government? We have circuses, yes. There was the Independence Conference in London. There was the Queen's visit to Guyana, and more recently there were the Independence celebrations. But Guyanese, having had the circuses, are now asking, "Where is the bread?" clearly, there is no bread to be seen. Instead of the bread, there are a lot of rosy promises. The Minister of Finance, by the juggling of statistics, presents a rosy picture to the popu-

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lace, but this rosy picture cannot hide the realities of everyday living. Thus the Government has had to resort to the appointment of a Minister of Information, virtually a Minister of Propaganda.

There is a lot to be explained away. If one were to take stock at this mid-term one would come to the conclusion that very little has been achieved. I should like to read a quotation from the Daily Chronicle of November 27, 1955. I read from page 214 of my book *The West on Trial*:

"Two years have gone by and we are no better off than we were before the political debacle. We have had more houses built, we have had a few self-aided schemes, a little of this and a little of that but the population is increasing faster than ever, unemployment is increasing and the cost-of-living continues to rise. We submit to marking time politically, and even here we expect the time has come for some closure to that, but must we submit to marking time where the economic development of the country is concerned? Must we continue to live as we are living or should we say existing? Let there be an end to this nonsense."

If the Daily Chronicle were today in the hands it was at that time, it would no doubt write a similar commentary using perhaps the exact words to describe this Government's record in mid-passage.

What did the Members on the Government side say about this Budget? Some of them are realizing that there was a lot of gloss, a lot of padding, and they came forth on the defensive to say that independent countries must tax. Some of them even went to the extent of saying there is nothing wrong about taxation and that every Government has the right to tax. We do not question the Government's right to tax. What we do question is the fact that the Government is putting pressure on the masses. What is being done with the money that is

being collected from the masses of the people of this country? These are the arguments that we on this side are putting forward.

8.10 p.m.

Some members of the Government have said that there is progress, there is increased well-being. What is the measure of this? The Minister of Finance tells us about national income increasing. He says that, over the last two years, the figure has increased by 18 per cent. I think something needs to be said about national income statistics. First of all, national income figures by themselves do not indicate progress or indeed well-being for, first, it depends on what one is measuring. Are we measuring real production, income earned in real production, or are we measuring income earned in services or infrastructure development? These are fundamental questions that we must ask.

It is a known fact that our method of measuring national income statistics is based on the western method, and that is to compute everything. But it is also a known fact that in highly developed countries like the United States and England — where ever the standard of living is high — there is always a high measure of services, — more restaurants, more laundries, etc. Therefore, necessarily, the national income measured by those yardsticks appears to be very high.

What is more important is the distribution of the national income. A Government must aim not only at increasing the national income but also at redistributing the national income in favour of the poor. Certainly, here is where the Government has failed miserably. — One only has to look around and see what is happening today. National income can increase and yet the position of the working class can deteriorate. — Statistics in Mexico in the early 'sixties, where a

similar method of economic development has been adopted as in Guyana, have shown that even though national income has increased, the increase has gone to the upper and middle brackets whereas the lower income people have had a fall in their standard of living.

My hon. Friend Mr. Chandisingh gave some figures when he spoke to show that average figures of national income do not tell the story, do not give the real facts and can hide a lot of untruths. He cited some figures — perhaps I can do the same — to show how ludicrous one can get in quoting averages so far as national income is concerned. One million people may be earning \$100 million national income. On one hand, 100,000 of them may be earning half of the national income — \$50 million — which means an average of \$500 per head. On the other hand, 900,000 at the bottom may also be earning half of the national income, and their income per head will be \$56 only.

It is a known fact that in most western countries the rich are getting richer and the poor are getting poorer, and also in each capitalist-dominated country the rich are getting richer and the poor are getting poorer. This is what is happening in our country. We find that in wealthy countries like the United States, 13 per cent of the people at the top earn as much as 64% of the people at the bottom. Averages, therefore, in such circumstances, mean very little. Ninety per cent of the export income of Venezuela, which has a high per capita national income, comes from oil and that production employs less than 5 per cent of the population. So the Minister of Finance must not fool the people of this country by juggling the figures around to make it appear that the Guyanese people are doing well. Surely, there are some who are doing well, but who are they?

The hon. Minister has admitted in his Budget statement that Personal Emoluments now account for 44 per cent of the expenditure under the Current Estimates as compared with 41 per cent in Trinidad. When the Gorsuch Commission came here in 1958 it said that our figure was already too high compared with most countries which were in the vicinity of 33 per cent. But now it has increased from 33 per cent to 44 per cent, one of the highest in the world. Clearly, this is an indication of the general overall policies of the Government the building up of a big bureaucracy, fat salaries, fat allowances and padding up the list. We now read of two administrations, one conducted by the Public Service Commission and one conducted at Congress House. No wonder nothing is being done because no one knows which one of the two is the boss. Of course, when the hammer drops, it is Congress House which is running the show. This results in inefficiency, corruption and stealing all over the place.

8.20 p.m.

This is not the only example of how the rich are getting richer. In the first Budget which was presented by this Government, that is the Budget for 1965, we saw the hand-outs to the wealthy classes. Some of the tax proposals were either abolished or drastically modified. These are the same proposals which the Prime Minister said in 1962 and 1963 he was not in disagreement with. We are yet to see the give-a-way agreement with Reynolds Metals Company. This House is yet to be favoured with that.

What about the poor? If you are going to tax the poor, let them get it back. For example, take matches. The poor people will be called upon to pay an increase of 72¢ per gross boxes of matches. The Government is going to collect 25¢, and 47¢ out of the 72¢ will be going into the pockets of the manufacturers and the mer-

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chants. If the poor man is going to be taxed, the Government should collect all of it and give him back in many services — in increased pensions and so on — that he deserves. But this cannot be done because of the complexion of the Government today. They create the impression that they are helping the people. Even today three-wheeled carts were parked outside, the people were demonstrating because their licences have gone up from \$100 to \$200 per year. Has the Minister of Finance carried out an investigation to find out what is the net income of these people? If he had done that he would have found out that these people are earning less than the \$4 a day minimum wage. Yet these poor people have to pay more taxes, and the wealthy classes are given reductions.

We were told by these people who are in the Government that cigarettes are a poor man's comfort. But what is happening today? Compare the poor and the rich. The poor will be called upon to pay an increase of 3¢ per packet of cigarettes whereas the wealthy will be called upon to pay an increase of 2¢ per packet. If a packet of cigarettes costs 50¢, then 3¢ is equivalent to a 50 per cent increase. The other day I went into a shop and the shopkeeper told me that the poor man is not called upon to pay 3¢ per packet because on many occasions he cannot afford to buy a packet, so he buys one or two at a time. If he buys one he pays 3¢. That is an increase of one cent on each cigarette, and that means he has to pay an increase of 10¢ on a packet of cigarettes. If he buys two at a time he pays 5¢; this means he pays an increase of 5¢ on a packet. This is why we cannot believe the Minister when he talks about the cost of living being increased by 1 per cent.

Last year the hon. Minister of Finance said that the cost of living

will go up by a little less than 1 per cent. But we saw what has happened. The hon. Mr. Chandisingh gave the figures. Official statistics! He showed that the average for the last two years was 4 per cent as against the 1¼ per cent average for the seven years that the P.P.P. was in office. Last year articles such as exercise books, yachting shoes, khaki drill and some forms of foods were taxed. This year a whole range of articles have increased between 5 per cent and 10 per cent. There are many items which come under the cost of living index, and at the end of the year we will see what is the position.

Today, it is clear that Guyanese are having circuses, but not bread. Instead of giving them bread, they are now talking about gaoing the sharks. But how can they gao the sharks! The sharks are their friends; — the sharks are the people who put them there, and the sharks are the people who are running the Government.

Clearly, this Government is in a dilemma. There are two irreconcilable forces in the Government. One represents big businesses and the other is supposed to represent the working class. The eventual outcome of this combination is that Mr. a'Aguiar and the United Force are running the fiscal and economic policies of the Government in favour of big businesses while Mr. Burnham is packing the bureaucracy with his boys. That is why he took over the Establishment from his dear friend Peter a few days ago. And thus the juggling of Ministers and juggling of figures.

Today, we are seeing the fruits of this contradiction between a big business party and a so-called "workers" party. As long as this coalition continues, as long as the Prime Minister is wedded to the proposition of living in a big house, as long as the Minister of Finance is wedded to the proposition of serving capitalism, the Govern-

ment will always be run in the interest of big business and not the working class.

8.30 p.m.

Let us see the dilemma in which they have found themselves as a result of these contradictions. They are now talking of the "Buy Local Campaign". The "Buy Local Campaign" they say, is to help improve the balance of payments position. I have the statistics here. The balance of payments was in a plus position favourable to this country in the years 1961, 1962 and 1963. Last year it jumped to a minus \$36 million. Foreign aid, gifts from their friends to the tune of \$9.3 million, helped them to reduce the deficit to \$26½ million. But this year it has gone up further; we do not know the figures yet, but we have seen the trends. Let the hon. Minister of Finance give us the figures. They now resort to the tactics of "Buy Local". Of course, we know that this is mainly a means of imposing taxation on the poor people. Let us assume for a moment that they succeed in this campaign of buying local in order to close the growing gap in balance of payments. Then what?

Since the greatest proportion of the Government revenue comes from customs duties, if the Government stops imports by "buying local", it may improve its balance of payments position, but it may be entering into another difficulty so far as budget deficits are concerned. We saw how the Government manoeuvred last year in order to make the Budget balance. The first year, 1965, it received a gift from the British Government and it converted what was to be capital expenditure to something else. In 1962 the Independence gift was \$4.8 million. The Government used the gift and collected arrears of income tax to balance the Budget in 1965. [Mr. d'Aguiar: "We collected the arrears from your friends."] You collected it because your wealthy

friends refused to pay when we were in the Government. Last year they refused to employ thousands of people; people were retrenched just before Christmas.

This Government has refused to grant loans to students, and they had to demonstrate outside the Public Buildings. Besides that the Government again had to take gifts to balance its Budget. The Government is on the horns of a dilemma at the moment. It may encourage a Buy Local Campaign in order to avoid purchasing imports, but if it succeeds in its balance of payments position, it will still be faced with budgetary problems. Budgetary problems are going to plague this Government from now onwards.

Look at what the Government is doing! The Government is forced not only to retrench workers, but to reduce incentives on real production. I use the word "real" because I am talking about the "grass-roots production" in the country. I am talking about agriculture. The hon. Minister of Finance said that the increase in production was sharp. But he compared what took place in 1966 with 1964. Be that as it may, the fact is that he admitted the increase in production was mainly in the bauxite-alumina industry. Where are the incentives for the small man?

Mr. Mooneer Khan gave tentative figures of production from 1961, which he got from the Ministry of Agriculture last year. What does this mean? It means either that production is at a standstill, or it is going backwards. The Minister of Finance has stated in a White Paper that drainage and irrigation is costing a lot of money; also, the Government Marketing Division is costing a lot. Altogether, he said, the Government is losing about \$16 million a year. Let us get rid of the losses, we are told.

The hon. Member Mr. Ram Karran was not allowed to conclude his

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speech, but he gave figures from the Estimates to show what the subsidies are costing this Government. There was a cut last year on rice subsidies and duty-free gasoline. Subsidies have been cut in other categories of the agricultural sector. The incentives which the previous Government gave to help bring about the diversification of crops, which everyone says is necessary, have been tampered with. This Government has reduced the incentive bonus given to the farmers to encourage them to produce more.

I repeat that the Government is sitting on the horns of a dilemma. If this Government is facing budgetary difficulties, why has it based its philosophy on taxing the poor and not the rich? On the one hand there is the retrenchment of workers, and on the other there is a cut in subsidies as well as in the incentive bonus. This is, again, a vicious circle, for when there is a drop in basic production in the country several other sectors will be affected. When the rice farmer, or provision farmer, or citrus farmer, has no money in his hands he cannot buy things from the shops and that will also affect imports. This means that Government revenues will be affected.

8.40 p.m.

As a result of the falling price for rice and the lower income to the producer, together with increased cost of production, the whole economy has been affected, from the small businessman to the big businessman in Water Street. It is true that the cost of imports has gone up, but what kind of imports do we have? There is taking place in the country today a qualitative change in imports. There is a bigger middle class, which the Government is encouraging. More cars have been sold in the last two years than perhaps over the past five

years. But ask Bookers, Sandbach Parker and Sprostons how many tractors and reapers have been sold over the last two years.

It is clear that the Government is like a dog chasing its tail. It is going around in a vicious circle and there will be no way out of this. Production will fall as the cost of producing rice is rising and prices are falling. We do not wish to go into the price of rice, because we have heard much about rice already, but to give one figure: Grade C paddy from the Mahaicony-Abary area will be bought by the company for \$3.70 per bag, Grade D for \$2.90. Over 60 per cent of the paddy bought by the mills in that area is Grade C or a lower grade. This means that farmers will not be able to produce at the price paid. This means they will abandon rice cultivation.

The price of citrus has gone down. Farmers in the Pomeroy and in the North West District have to sell oranges at 50 cents per hundred and plantains are sold at 2 and 3 cents per pound. The Produce Depot has been grading them. During the P.P.P. regime boats from Trinidad used to come here to get plantains at 6 and 7 cents per pound. What remained after these sales was sold to the Produce Depot at 7 cents per pound. Coffee was 48 cents per pound during the P.P.P. regime. Today it is 32 cents per pound. The price of milk has dropped by 12 cents per gallon.

How is the Government going to increase production? What is this nonsense about a "Buy Local Campaign", when costs are going up for the farmers, the cost of agricultural implements, fertilisers and seeds? And now taxes are to be increased. As the farmer finds that it does not pay him to produce he will stop producing. He will become a subsistence farmer and will merely produce to subsist. Where will be his purchasing power to buy the goods which are necessary? How will

the goods, on which Government depends for its revenue, be imported?

If production is not increasing, then when money comes into the country in the form of hand-outs for political reasons there is bound to be an inflationary trend. It will mean that too much money will be chasing too few goods. This means that the Government will have to continue to depend on bringing goods from outside but, as it continues to do that, despite the talk about "Buy Local", its balance of payment problems will become more acute year by year.

Let us study any country which has started out before us, whether in Latin America, in India, or wherever else, and we will find the same pattern, inflation, increasing balance of payment problems and last, but not least, deflation of the currency. I warn hon. Members that after a while our dollar will not purchase what it can buy today. That is why, in spite of the fact that members of the Government talk so much about confidence and present this rosy picture, the businessmen do not share this confidence. They are pumping money out of the country because they know that this spiral, on which the country has embarked, this vicious circle, is bound to lead to a lowering of the value of their dollar.

While we are talking about gaoling the racketeers, who are the friends of the Government, the Government opens the floodgates. When we were in the Government we not only brought forward a system of taxation — property tax, gift tax, capital gains tax and so on — to prevent evasion, but we also brought in exchange control to prevent the flow of money out of the country.

The Government may talk for public consumption. While the minority, but dominant arm of the Coalition, runs the fiscal and economic policies, the majority, but recessive arm, has to put out propaganda. It is in

charge of the propaganda department to allay the fears and suspicions of citizens. The big shots can keep their money here and invest it locally, but they know better and send it out. Meanwhile, the ordinary man is told, "Hold on. Things are going to get better tomorrow." It is in the cards, as night follows day, that the situation will get worse.

Let us look at one of the most important factors which is growing and rising like a kite, the debt burden. According to Government's own figures, the debt burden in 1960 was \$6 million. This in 1966 has increased to \$14½ million. This is not what we should worry about; we must worry about the percentage increase for the increase was for 12 per cent of the revenue in 1960 to 16 per cent in 1966.

If hon. Members have not yet seen it, let me refer them to the report of the Cambridge economist, Kenneth Berrill. What did Berrill say in 1958? He issued a warning that if the Government had a big development programme dependent mainly on foreign borrowing at a high rate of interest — the figure in the programme he was talking about was \$200 million — then by the early 1970's the debt charges would be over 30 per cent of the revenue. In other words, nearly one-third of the revenue will have to go towards paying debts. Today it is only half of that, 16 per cent. This is the projection.

8.50 p.m.

Now the Government's Development Programme is roughly in the scale of what was then \$200 million for four years and the content of this programme is almost wholly based on borrowings; very little will come from surplus of revenue. The rate of borrowing, aside from the "soft" loans — we hear that \$21 million is borrowed locally — is on terms which are even much higher than 6 per cent. There is, first of all, the double-your —

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money in nine years which allows persons like the Minister of Finance (Mr. d'Aguiar) and his friends to get rich quickly. And the Government's big business friends have been able to convert into 7 per cent debentures their compulsory savings. Under the P.P.P. regime, they were getting half of the rate of interest.

What is likely to happen in another few years is that the position is likely to be worse than what Berrill contemplated in 1958. The Government cannot be complacent about this. And the Guyanese people must be concerned about what is now developing in this country. To tell them by how much expenditure has increased does not mean anything. It is not how much we spend but what we spend it on. Is it going to produce wealth, or is it merely going to produce jobs which do not mature quickly and which do not bring back the capital invested?

After two years of the Interim Government, when many show-pieces were built and a lot of promises were made about a road on the East Coast, about hospitals and everything else, the hon. Member Mr. Raatgever said — and I quote from page 215 of *The West on Trial*:

"So far as I have seen — and I have gone around quite fairly — there have been no developmental works done in this colony'. He said that he had seen more houses built, but they were just 'show pieces'; — that he had gone over Georgetown and seen uninhabitable and slum areas standing in the same position and condition as they were during the last five or six years. 'I think',

said Raatgever, 'that is a disgrace.'

If Mr. Raatgever were alive today he would probably issue the same comment.

India was forced to devalue her currency but this did not solve her problems. Today hundreds of thousands of people in that country face

starvation. I should like to read a statement from the Bank of Baroda Weekly Review dated October 28, 1966:

"The question is not so much whether India should depend on external assistance but rather to what extent and how long it should continue to do so. In view of the uncertain prospects of foreign aid, it would be rational to reduce dependence on external assistance to the barest minimum and not base our dream of economic development on the vagaries of foreign aid. The dependence on foreign aid also opens the possibility of making our political or economic policies vulnerable to overseas pressures. The mounting debt servicing burden as a result of past liabilities would rob foreign aid of much of its usefulness as very soon if we continue at the present rate, we would be borrowing only to meet the previous repayment obligations."

India, — a relatively new country which has attained its Independence, is now about to follow the pattern in Latin American Countries of borrowing money mainly to pay debts falling due. Every now and then Presidents and Ministers of Finance have to go to Washington, make their salaams and ask for an extension of time or for another loan to pay up one loan which has fallen due.

The members of this Government are depending on foreign aid. They talk about living within their means. But where is the example of this? It certainly is not coming from the top. They are setting a standard of luxuries to poor starving people because they feel that "Uncle Sam" will always come and bail them out, but even "Uncle Sam" is having problems. A few weeks ago I read in a Times magazine that Sergeant Shriver who is in charge of the anti-poverty campaign in America said that just as they were about to put the milk bottle in the patient's mouth, they found that the bottle had no milk because all the milk now has to go to Vietnam. It is being drained away in a savage and merciless war. (Mr.

d'Aguiar: "Kill a few communists. Hear this Fascist: "Kill a few communists"! This is how he thinks. The U.F. painted a rosy picture in its *Highways To Happiness* — \$900 million in six years. Where is the money now? The P.N.C. was not far from that. Now it says \$300 million. \$900 million in the public and private sectors in six years. That was what the U.F. said. Let me add it up. The P.N.C. said that it was not unrealistic to expect an expenditure of \$130 million a year. It amounts to the same thing. If you do not want to listen to me, at least listen to what your capitalist friends are saying. This is a statement issued by the Bank of Baroda:

"The dependence on foreign aid also opens the possibility of making our political or economic policies vulnerable to overseas pressures."

A few days ago the Prime Minister of India said that if getting food to feed starving people means obeying the dictates of the United States, namely, that they must not trade with Cuba or China, then they will have to do without the food. But our country is obviously under pressures, budgetwise, tradewise and taxationwise. Markets have been abandoned.

The Prime Minister said that the American intervention and barbarous war in Vietnam is justified. He said that Dominican intervention was wrong. But when he went to Washington and saw all the figures, he said that everything is all right, that the intervention was justified. This is why we see this country being tied hand and foot to foreign policy dictated by the United States of America. It is impossible to have a reactionary foreign policy and a sound domestic policy. It is quite possible to be a deGaulle and have a reactionary domestic policy and a progressive foreign policy, but not vice versa. As long as this Government pursues these policies, it cannot get out of

this vicious circle to which I have been referring.

The P.N.C. has a duty and an obligation to the working class which voted for it. The U.F. also has a duty to the working class, the white-collared workers in the city, and the Amerindian population in the interior who voted for it. But it has abandoned them in favour of big businesses. That is why Richmond and others like him had to go.

The thing to do if a country is to develop is to mobilize the masses. You have to get down to the core of the problem. In a country like Guyana, many types of infrastructure work can be done by the people. The Minister of Education admitted today that less money is put for building schools because the people are willing to build schools under self-help. Roads can be built on a self-help basis. Bridges can be built. Drains can be dug. Canals can be dug. Perhaps the hon. Members would not like to be told. I know some of them have closed minds, but they should be told nevertheless.

Let us compare two giants, India and China. They are both large in population. India had far more foreign aid than China, but China has made much more economic progress than India. This is because China mobilized the millions of idle people for building what is called social capital. What is happening here? We are bringing big machines to make roads, and other things. These big machines are displacing workers. We know that increased productivity is essential, but not increased productivity at the cost of unemployment. Surely, the two things have to go hand in hand. Where there is much unemployment, there must necessarily be an attempt first to mobilize and then to develop social capital. You must use whatever little foreign exchange you have, whether you got it in the form of

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loans or gifts, to build factories. My hon. Friend Dr. Ramsahoye said that you must use it to erect a fertiliser factory so that you can convert some of our sandy soils in the savannahs to produce basic wealth for the country.

The Government has not given us statistics, but a lot of aid is coming in the form of goods and services. We understand that \$4 out of every \$5 from the loan for the Atkinson-Mackenzie Road will have to be utilized for buying goods and services from the United States of America. Most of the capital investment over the last two years has been in the bauxite industry and not in agriculture or the manufacturing industry.

9.10 p.m.

Here are the figures from the Statistical Department — extractive industry 30 per cent in 1965, the whole amount of expenditure in the private sector. In 1966 it went to 42 per cent. Let us compare extractive industry with manufacture and electricity. It was 5 per cent of the total expenditure in 1965 and 8 per cent in 1966. That is why, in spite of this talk about money coming into the country and about big expenditure, many people cannot see where the money is going. A lot of money is coming to this country in the form of road equipment, police jeeps, lorries, draglines — big million dollar draglines — calcining plant, but the people cannot see the actual money. That is why the business people are complaining. The only thing that has helped business last year is the increasing sale of consumer durable goods such as motor cars, etc. What this Government should do is to revamp its Development Programme if it wants to get out of this great dilemma in which the country is being placed.

I feel that the Government should mobilize the masses and find out some means of reconciling things, so

that in the same way as we are achieving a great number of skilled people we will be able to burst open our Interior. And whatever scarce money the Government gets from loans or grants, from wherever it gets it, it could be put in the productive sector — productive in the sense of agriculture and industry — not in extractive industry. Extractive industry alone is no basis for generating wealth. Extracting our gold, diamonds, manganese and bauxite, and taking them out of this country under conditions which are really nothing but robbery — robbery from people of this country — cannot help us. Therefore we urge that the quicker this Coalition Government comes to an end and the P.N.C. begins to implement what is set out in its manifesto, the better it will be for this country.

We propose also that the Government should reduce the bureaucracy which it has built up. I am sure that if the pruning knife was introduced the Government could make a saving of several million dollars by reducing the figure from 44 per cent to about 32 per cent so far as staff is concerned. Let this Government reimpose to the full extent the tax measures introduced by the P.P.P. Government in 1962. The working man would not feel it so hard if he knew that he alone was not being called upon to bear the tax burden. Scrap the Reynolds deal! This Parliament has not approved this Agreement with Reynolds, and the Government should scrap it. Let the experts go into the matter again; put Mr. D'Andrade, Mr. Selman and Mr. Stoll on the job, and set up a sub-committee to examine this matter.

Mr. Speaker: You have been speaking for one hour and fifteen minutes.

Dr. Jagan: I will not be much longer. Re-introduce to the full extent the subsidies and incentives given

to the real producers of this country, the farmers. Encourage some of the unemployed people to work on the land rather than going about choking and robbing others and making a general nuisance of themselves. Mobilize them to go in for agriculture on a co-operative basis. Do not worry about Mr. d'Aguiar saying that it would be communism or Russian tactics. I know that the former Minister of Economic Affairs believes in this sort of thing.

Mr. Sydney King said that co-operatives must be the basis of breaking the backbone of the Water Street sharks. And we have to fight against the landlords too. The Government must mobilize the unemployed people and take them into the Interior or wherever there is suitable agricultural land to work. The Government should establish factories, and follow what is set out in the P.N.C.'s manifesto. It is no use waiting on the capitalist to establish factories here. The Government should restrict the importation of non-essential goods as the previous Government did when it wanted to stop the importation of Nescafe. Last but not least, the Government should establish price controls and re-establish mandatory control which had been abolished.

I should now like to quote from the P.N.C. manifesto. Page 2 states:

"In the P.N.C. manifesto (1964) *New Road*, the people were told —
 "Independence though emotionally satisfying, is not an end in itself. To be worthwhile, it must be an instrument for building a cohesive nation, liberating the people from the economic yoke imposed by the foreigner and establishing a prosperous, self-reliant and free society . . . Some other Guyanese are militant and noisy in their demand for Independence from Britain, but consciously would immediately pawn Guyana, the moment after Independence, to some other foreign power. Such persons are colonial charlatans or at best, infants, the witting or unwitting tools and agents of new masters. Theirs

is the concept of new servitude not Independence."

The Prime Minister in the Legislature on January, 11, 1963, said:

"If all we are going to do in this country after we have got independence is to pass a few bits of legislation and to embark upon a few reforms within the framework of the existing economic and social order, we are wasting our time, and the uneasiness of the masses will certainly catch up with us, and will certainly remove us from the political scene."

All we can say about that is "Amen."
 9.20 p.m.

The Prime Minister: It is well that we observe, in the first place, how much additional revenue is expected from the new tax measures. That is carefully set out at page 20 of the Budget Speech. It is expected that \$5.4 million will be raised as a result of the tax measures which have been introduced. It should be noted at the same time that before we introduce these tax measures, for practical purposes, both the current and capital budgets will be in balance. Therefore one must look at the purpose behind the increased taxation. It was not intended merely to balance a budget which would have been in imbalance otherwise. Two purposes are behind the increased taxation: one, the provision of a surplus out of which a contribution can be made to our capital estimates for our development programme; and two, as I see it, relief of some of the pressure on our balance of payments.

The Minister of Finance did point out that the capital budget was \$17 million in deficit. Lest those of short memories mislead the public by regaling it with inaccuracies I would refer to the fact, which is to be found on page 3 of the Estimates, that in 1964 the capital budget was \$6.9 million in deficit with a capital expenditure of \$10 million. The 1967 capital budget is in deficit of \$17 million after an expenditure of over

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\$50 million. This deficit of \$17 million represents not merely a deficit incurred in 1966 but the accumulated deficits from the years before. It is necessary to observe that we have agreed that a contribution will be made out of our budget surplus to capital expenditure, even though it be for the purpose of wiping off the deficit.

To look at the incidence of the new taxation: those who learn their economics and their politics out of little books, intended to be learnt by rote by children, will immediately, in the circumstances of their being in opposition, say that the new taxation is directed against the poor. Let us examine it more carefully. Out of \$5.4 million, \$2.5 million is expected to be raised on import duties and when you examine — as I hope to do later — the incidence of these import duties, you will find that 40 per cent of that \$2.5 million comes from wines, spirituous liquor and imported tobacco. If it can be contended that Scotch is a poor man's drink, well then, indeed, the poor man has been heavily taxed. If it can be contended that wines are a poor man's beverage, then the poor man has been taxed. [Dr. Jagan: "What about cigarettes?"] There is no doubt about the fact that cigarettes are used by the poor man. There is no doubt about the fact that the price of a packet of cigarettes has gone up, but there is also no doubt about the fact that thanks to the policy of this Government, without the granting of any particular incentives, it has been possible to increase the content of local tobacco in cigarettes and there is no disputing the fact that both in the Rupununi district and on the East Bank hundreds of acres are now under tobacco, which tobacco is being used in the manufacture of cigarettes. Eventually we would expect that the position will be reached where practically all the tobacco in

the cheaper brands of cigarettes will be Guyanese tobacco.

If we were to look now at the incidence of other import duties what would we find? Insofar as items of food are concerned there are things like fruits and nuts, dried fruits, chocolates, confectionery, margarine, tea spices, vegetables preserved and vegetable preparations, icing sugar, granulated sugar. It is true that the poor man may want to buy Fry's cocoa. It is true that the poor man may want to buy tea. It is true that the poor man may want to buy imported margarine, but there is already in existence local alternatives to all of them. [Mr. Ram Karran: "What did you say about that in 1962?"] There is not, in this list of foodstuffs, any item which can be considered necessary for the poor man or the alternative to which is not, or cannot be, without any particular effort, prepared and or produced in Guyana. Mr. Benn: "What is the alternative to tea or cocoa?"

9.30 p.m.

There is another group of articles — certain manufactured — articles on which there has been an increase in duty. In the case of motor-cars, the prestige cars have been subjected to two hikes: a 10 per cent hike on the basic duty, preferential and general, and then a further 10 per cent surtax is added. In the case of the smaller cars, there has been no hike on the basic duty but merely a 10 per cent surtax. There has been a clear attempt here to differentiate between the smaller car and the larger or prestige car. Naturally, this does not attract either the attention or the comment of the members of the Opposition and, indeed, I can see no reason for its attracting their comment. They are not here to explain tax measures. They are here by their criticisms, intelligent or unintelligent, relevant or irrelevant, justified or unjustified, to put the Government on

its toes, for the latter to explain not only to this House but to the public the rationals behind the tax measures.

You will find that jewellery falls under the hammer. It has been noted in the contributions of some of the hon. Members of the Opposition that gas stoves with three or more than three burners have been subjected to a 5 per cent surtax and, indicative of either the ignorance, or irresponsibility, or dislike for veracity on the part of the Opposition, the hon. Member Mr. Reepu Daman Persaud proceeded to observe that electric stoves, the playthings, so to speak, of the rich, had not been taxed. A cursory view of the Schedule to the Customs Ordinance discloses that electric stoves would come under the code Nos. 721-06, 721-06.1, 721-06.2, 721-07, and 721-07.9, and if the hon. Member Mr. Persaud had taken the trouble to put the Schedule which is published with the Budget against the Schedule to the Customs Ordinance, he would have recognized that electric stoves, which, for the purpose of the present argument, I will concede are used by the rich, have also been taxed.

It is possible, perhaps, to argue that the Government's putting the tax hike on gas stoves comprising of three or more burners does not really result in those who are able to pay being made to pay as against those who are not able. It may be argued that one finds a three-burner stove in every home but I believe I am very familiar with the average working-class home and I am convinced that the three burner stove is not the type of stove which you will find in the ordinary, average working-class home. [Mr. Persaud: "You are out of touch."] More recently than the hon. Member I have been into working-class homes in Ruimveldt, in La Penitence, on West Coast Berbice, in Wismar and in Mackenzie. These so disant defenders and protagonists

of the working class are as familiar with the working class as I am with Greek.

Radio receivers have been taxed. A certain amount of hypocrisy was disclosed when we heard a hue and cry about the poor man's transistor radio being taxed. I make no apologies for that because it is my contention — and this is by sampling opinion — that the small man who can afford to buy a transistor radio is prepared to make that little extra contribution to the revenue for what he considers a good cause, which cause I shall discuss later.

9.40 p.m.

Now, the miscellaneous groups are articles such as travelling goods, handbags, watches and clocks, Christmas cards, greeting cards, calendars, fancy articles, articles of basketware, mechanical lighters for cigarettes and cigars. Is there anyone who will conscientiously harp and complain that in putting extra taxation on those items the poor man has been hit or the small man has been robbed? Unfortunately, as our predecessors in office had to admit, and as has been pointed out by the hon. Minister of Finance, the present structure of our economy is such that additional revenue will normally have to be raised predominantly by means of import duties. However, in the imposition of the additional duties, it has been sought not to have the extra revenue or tax fall on what may be considered necessaries, beef, milk etc.

The hon. Minister of Finance will point out when he is formally winding up the debate that the duty on milk was increased by over 9 per cent in the Budget proposals of that now historic date, the 31st January 1962. Butter is untouched, Corn flour is untouched. Potatoes, beans, cabbages and fish paste are untouched. [Mr. Persaud: "Ask the shopkeepers."] I wonder whether it is ap-

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preciated that what I am talking about now is the incidence of the increased import duties. I am not talking about what the shopkeepers are doing. I shall deal with that section of our community later in my remarks.

Therefore, it is contended that in so far as import duties are concerned, there has been no terrific pressure or weight put on the small men, or the working class. It is expected that the increased duty in some cases would restrict the consumption of foreign foods, and introduce the desire to use local alternatives. It is further proposed by the Government, and this is under examination by the Ministry of Trade and Industry, to ban absolutely, certain imported goods which can be produced here, for instance, pork and beef, certain beans and peas. That is part of the general economic policy and not necessarily something that is coincidental with the presentation of a Budget. That is a matter of quotas, that is a matter of quantitative restriction, and also a matter of putting under licences certain imported articles which can be considered either luxuries in an absolute sense or luxuries in a relative sense, in that the identical products or alternative commodities are available locally. A number of other items have been taxed.

The great solicitude shown by the ambivalent P.P.P. for the amorphous concept of the working class leads it into this contradiction that there is a great storm about the increased trade licences, when these trade licences have not been reviewed since the Year of our Lord 1940, and the weight is on those business places occupying — [Dr. Jagan: "What about the three-wheeled carts?"] I am glad you mentioned that. There are three-wheeled carts owned by David Moonsammy, Lionel Sookraj, Boney Latchman and a list of P.P.P. names.

9.50 p.m.

The weight is on business places, the rentals of which are valued in excess of \$10,000 per annum. Therefore, the maximum licence duty will now be \$1,000 per annum instead of \$250 per annum, but it will apply only to premises, the rental value of which is over \$20,000 per annum. [Mr. Ram Kattan: "That doesn't mean anything. You know that."] I know that Gimpex and its premises have a rental value of more than \$20,000, as the Chairman of the party knows. It is known that the Cuban Government financed Gimpex to the tune of over \$1 million at least.

The mere repetition of the exploitation lie will get us nowhere. Asseveration has never got us anywhere. It has been contended that this Budget puts the taxation on the poor. What are the other sources of new revenue? There will be a duty on betting shops — at least we have earned agreement on this. There will be higher duties on transfers of property, real and personal; the ad valorem duty has been increased from 1 per cent to 2 per cent. The tax on transfers of shares has been increased from $\frac{1}{4}$ per cent of the face value to $\frac{1}{2}$ per cent of the cash paid on the transfer value. Is this hurting the poor? Is it the poor that deals in shares at Gimpex and other shady companies? Is it the poor that deals in shares at the New Guyana Company whose directors want to employ only party lackeys? Is it the poor whose property would be liable to ad valorem taxation on transfer?

It is to be noted that as from this year long-term capital gains will attract taxation. What is also significant is the fact that whereas before transfers inter vivos attracted death duties, if made within three years of the death of the testator or property owner, now the period is lengthened to five years. Obviously, after careful examination of the proposals, it is clear that additional taxation is

not on things, commodities, or services, normally used by the working class.

Mr. Speaker: The sitting is suspended for 15 minutes.

Sitting suspended accordingly at 9.55 p.m.

10.15 p.m.

On resumption —

The Prime Minister: In the case of shop and trading licences, there has, as I have observed before, been a considerable increase in the higher brackets, but let it be immediately admitted that there have been increases in the middle and lower brackets.

The argument has been put forward that though the number of articles liable to the higher tax is relatively small and limited, yet those who wholesale and retail goods have increased prices on more articles than those falling under the hammer and have been using the excuse, which apparently has impressed some of the members of the Opposition, that since the trading licences have been increased the increase should be passed on a thousandfold to the consumer.

As a Government of Guyana, this Government cannot be anti-anyone. This Government has to accept the fact that he who sells as a wholesaler or retailer performs a service for which he should receive fair and reasonable remuneration, but by virtue of being the Government of this country we owe a responsibility also to the consumer, and the behaviour and conduct of some who are wholesaling and retailing is such that Government is forced to accept the proposal of the Prices Committee that control ought to be introduced in certain areas. Incidentally the Committee's view was unanimous.

It is not fully appreciated that certain articles are already price-

trolled. The Ministry of Home Affairs, which is the Ministry responsible for the police, is having the police fully informed and we must not be surprised if certain prosecutions take place. Already there are controlled certain articles like copra meal, sugar, rice, flour, split peas, salted fish, pickled beef, pickled pork tails, cooking butter, milk powder, sardines, spare parts for tractors, grain milling machinery, trucks (industrial), wood-working machinery. Matches are also an item that is controlled. Perhaps I should say a word about matches. The controlled price before the introduction of the Budget was two packets for five cents.

In point of fact and practice it meant that in Georgetown a man paid three cents per box. Mathematically and statistically the price has gone up a half cent per box. We who have purchased from shops from time to time know that in fact, to put it mildly, we have not been encouraged to buy more than one box at a time, for which we paid three cents. The price per box in the North West District and Berbice River area will be four cents. In New Amsterdam it will be two boxes for seven cents.

It has been suggested that a larger percentage of the increase will go to the manufacturers and a smaller percentage to revenue. That is accurate, but what is the reason? The reason is that on the presentation of figures, and with the support of the union, the local manufacturer of matches has established that at the present price the operation is marginal and precarious and the ability to give higher wages to those employed in the industry is thereby limited. We have accepted that argument. A substantial part of the increase will go to the manufacturer. It is then a matter for the union to raise the question of wages commensurate with the higher profit level and also it is then the duty of the

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Commissioner of Inland Revenue to pick up any other taxable income or any of the other parts of tax. We wait and see, but I would imagine that the higher net profit will mean a higher income tax in absolute terms.

As the Minister responsible for Economic Development it is my duty I feel to remark on what I consider the important features of the Capital Budget and the new trends which are to be discovered therein. The contention was put forward, for instance, in a rather confused fashion that the people would not mind paying the tax provided they knew where the money was going. A great plea was put up for education by the hon. Member, Mr. Nunes. I do not think I should score a cheap debating point by observing that 7.68 per cent of the Capital Budget is to be expended directly on education as against 3 per cent in 1964, 3 per cent in 1963 and 2 per cent in 1962. I am merely attracting the facts to the attention of the House.

10.25 p.m.

It is to be noted that a substantial sum of approximately \$14.4 million is devoted to communications, transport, roads, railways, airways, steamers. The greater part of that vote is devoted to roads. Apart from the fact that the provision of better roads reduces the maintenance costs of motor vehicles which can therefore carry higher licences and duties than before, there is the additional fact that the roads being rehabilitated and built, service economic or potentially economic sections of the country. Even the hon. Member Dr. Ram-sahoye had to concede that there was some value in the East Coast road which is in a better condition than it has ever been in the history of this country. But that is nothing to take pride in because never in the history of the country has there been Independence, so I pass on.

Government's proposal to do the Corentyne road is something to earn the congratulation of the Opposition. It should also be noted that the Minister of Finance, in his Budget statement, alluded to the fact that a feasibility study is now being done with a view to obtaining a "soft" loan — a "soft" loan means 40 years: 10 years moratorium; 1 per cent during the moratorium and 2½ per cent during the remaining 30 years — to do the Corentyne and the West Coast roads as well as the roads in the Black Bush Polder. The remaining free funds, so to speak, which the Government has for expenditure on the Essequibo road will then be released.

When roads are built say on the Corentyne, in the Black Bush Polder Scheme and on the West Coast, the benefit which they bring to the rice farmer, the cost of the transportation of whose crop is thereby reduced, is not something to ignore or sniff at. It is a real boon and a real contribution not only to the economy as a whole but also to the economy of the rice farmers. I see no reason why the members of the Opposition should get worried about truck owners when there are so many of them amongst the P.P.P. parliamentarians, lawyers and non-lawyers, who are truck owners.

Then there is the road from Atkinson to Mackenzie which is the first stage of a complex of roads going into the Rupununi district and branching eastwards towards the Berbice River area. To speak idly about bursting into the interior and ignoring the fact that it is set out in black and white that the Atkinson/Mackenzie Road is the first stage of a complex of interior roads is to be irresponsible or incapable of reading what is written in the Budget Speech, what is in the Development Programme, and what can be recognized so readily and easily.

When we look at the Budget Speech we find two areas of great significance which have been ventured into. Under finance capital there is a sum of \$1.8 million for agricultural, forestry and mineral credit. For the first time in the history of this country — and the Capital Budget more especially — there is a distinct and substantial provision for credit to the farmer. *Pari passu* with that — but again those who have two Nelson eyes have not recognized it — the duty on agricultural machinery has been reduced because, as I have had reason to observe before, though these two Budgets, Capital and Recurrent, may appear to be separate and distinct, they interact on each other and if one wants to pursue a policy by making a provision say in the Capital Budget, that policy ought to be reflected or complimented by provisions in the Recurrent Budget.

Then one hears the observation that there must not be this abject reliance upon entrepreneurial skills and big businesses coming from outside. This Government has stated clearly, unequivocally and unapologetically that it welcomes foreign investors, but that it does not look to foreign investors exclusively for the building of the economy. It feels, for instance, that the small man has an important part to play, and all these *soi disant* — I repeat it — champions of the proletariat who talk about cultural and other revolutions never made a provision similar to the one which is disclosed in this Budget and that is the one making loans available to artisans and small business men. These great-grandsons of Nelson, afflicted in both eyes, cannot see it or, having seen it, cannot read it or, having read it, cannot understand it. Father, forgive them!

10.35 p.m.

Now, if you look further in the Capital Estimates, you will notice that there is a proposal for the de-

velopment of our forestry resources and potential. It appears under the Head, Research and Investigation. But this is exactly the point the hon. Member Mr. Thomas made when he was putting forward the Development Programme. — Some of us, in Government and out of Government, are too prone to speak in general terms about our rich forest resources and their great potential. The resources and reserves may be rich, the potential may be great, but the extent of the richness and the depth of the greatness can only be ascertained by investigations which can bring direct results, and which can help us, for instance, in one of the schemes we have embarked upon. We are deforesting certain areas and reforesting certain areas with species of woods which can be made to grow in larger stands, and *pari passu* with this exercise is another exercise as a result of which, we would increase our skill in the extraction of our forest products so as to be able to put our various products to the best use.

Everyone who has had more than a passing acquaintanceship with lumbering and forest extraction in this country knows that the most wasteful exercise is carried on by extracting greenheart and leaving behind species of wood not useful as hand woods, but useful for furniture making, useful for chip-board, useful for house-making and useful for a variety of things. In fact, one recent analysis shows that some of our woods have a potential for being turned into pulp. Here is an attempt after investigation and research by the Government to turn our forestry resources to the best advantage. Mention is made of this. It is written in the Estimates. No one worries with it. Instead, what do we find? A sort of blanket criticism that the incentives adumbrated by the Minister of Finance for the attraction of new industries are meant as concessions to the rich while the

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poor are being soaked in other parts of the Budget!

I think, in places where members of the Opposition are less exposed to public view, they will admit that the second half of their criticism — that is that the poor are pressed — has been debunked. Now, let us consider the first half of the criticism — that the rich are being helped. The proposal of incentives deals with tax holidays. The main one which has been greatly attacked is that which proposes to give the Government the discretion to lengthen the five-year tax holiday to a ten-year one. It is not recognized that the proposals is not to the effect that there shall be a minimum period of ten years, but that the Government should have the right in proper cases to extend the five years to ten. A number of fortuitous circumstances may arise after the first-year period, as a result of which the industry may still not be profitable. While that industry exists, it will provide employment, so that it is not a loss to the economy. For instance, take one industry, the plywood industry. It never really got off the ground. Now, let us suppose that, as a result of reorganization it is able to get off the ground, would it be unfair in those circumstances to extend the period of holidays and concessions by another five years?

In addition, it is proposed to give an allowance to all secondary industries provided they satisfy certain criteria with respect to employment. The emphasis is on employment. No would-be manufacturer who comes along and says that he is going to manufacture something which is neither here nor there, which has no significance, is going to get an allowance. But any conscientious would-be manufacturer will attract this incentive, to put it positively or this concession, to put it negatively. There will be as a general policy, the removal

of duties from the raw material components of goods manufactured here in Guyana. That, sir, is intended to make the product cheaper to the consumers here, and at the same time to make it reasonably competitive if exported. What is there to complain about? If the contributions made otherwise by such industries to the economy do not seem to compensate for the duty free concessions to the raw materials, Government has the right and the power in certain circumstances to impose an excise tax or one on sales.

10.45 p.m.

What is peculiarly friendly to the rich in this matter? You must understand as you mature and as you have the responsibilities of a nation on your shoulders that it is a sign of inferiority to be always afraid of the rich. You must learn to deal with the rich in terms of equality; you must learn to get from the rich what you want, and understand that you have to grant certain things to the rich. When the so-called "progressive" nations trade with the so-called "capitalist" nations, when investors are invited into developing countries, the Governments and heads of Governments of those countries do not go around with chips on their shoulders; — they deal, they argue, they bargain, and I am yet to see what is unusual about these proposals. The only observation I am tempted to make is that they ought to have been made before.

But within this Capital Budget there is another significant proposal, that is, to make available to the Guyana Development Corporation an allocation of money, if it is to be the instrument or machine through which the Government can enter into industry, or make investments, or take part in the running of industry, or run an industry. You will find also that the Guyana Development Corporation is at the moment carrying out the last stages of a study with

respect to two projects, one dealing with manufacture and one dealing with agriculture. These things cannot be done overnight.

Many of us born, bred and reared in a colony, look with envy, disgust and sometimes hate at the countries that have taken our raw materials and turned them into manufactured goods and we say to ourselves: "We should manufacture X, Y, Z, and the whole alphabet of things." This is a worthy ambition; this is something devoutly to be wished for and worked for, but certain preliminary surveys including market surveys have to be made. That is why one finds that things may appear to be going slowly.

At this stage I note the proposal for rent relief. This has slipped me in my original enumeration of incentives. It is not for big business. In fact it has been granted recently to a group of Guyanese who went abroad, learnt certain skills, and came back to set up an industry. They were rented accommodation on an industrial estate, and they were allowed to postpone the payment of their rentals for a certain period until the enterprise got on its feet. Normally the big investor, local or foreign, does not need that type of relief. Big investors would be interested in the duty-free concessions, the tax holiday and that type of incentive. The write-off is an alternative to the tax holiday on a certain percentage of the capital investment. He is not interested in this type of relief. This is meant to help the small entrepreneur. The small man may be a member of the Opposition party, but we do not know anything about political discrimination in this field.

An hon. Member opposite asked what is being done by way of co-operative development in this country, and mentioned that he had thumbed through this document unsuccessfully to find it. I concede that

the Budget is rather a heavy document, but it is written in basic English. If one looks under the head "Economic Development", one finds that whereas last year the allocation was \$60,000 for Co-operative Development, this year it is \$100,000. A co-operative, in proper cases, qualifies for loans or credit under P.I.F. (Private Investment Funds), or through the Credit Corporation. It is not intended as a source of credit particularly for the co-operative. It is intended to assist co-operatives, to advise them, and to put them on their feet.

The facts are, therefore, that in 1965, 51 new co-operative societies were registered and, again, in 1966 the same number. It is not for me to make a song and dance about the fact that the number of co-operative societies established in 1965 — alive, kicking, and virile — is more than the number established between 1961 and 1964. You never compare yourself in a class with the boy who gets nought. The co-operative movement now has a paid up share capital of over \$3 million.

10.55 p.m.

Further, the co-operative has moved into new fields. To show how retrogressive he is, how much he dwells in the past, the Leader of the Opposition started by giving suggestions about what co-operatives must do in fields where co-ops have already pioneered and succeeded. There is a successful co-operative garment factory and co-operatives have successfully tendered for a number of major contracts and got them. There are two co-operatives in the building trade which have successfully tendered for Government building contracts and executed them. In one case the co-operative executed the contract not only well but at a price lower than the price given in tender by other groups. Co-operatives are in the trucking business. Co-operatives are learning now to lend among

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themselves. One of the building co-operatives to which I referred was able to raise a substantial loan from another co-operative at a rate of interest somewhat lower than that which it would have had to pay to a bank.

It is the co-operative movement that is responsible for the fillip to the pig and pork industry in this country. It is the co-operative movement that is responsible for the achievements of the previously unemployed middle-aged man at Aliko. It is the co-operative movement that has made a flourishing farm at Catherina where young men are. It is the co-operative that is producing the corn which we expect we will grow and use in place of oats at the Mounted Police Branch because, on advice from the veterinarians and those skilled in husbandry, we have come to the conclusion that cracked corn is an alternative to oats as animal feed or fodder and has all the qualities that oats may have.

The co-operative movement has reached such a stage in this country that I am now inclined to say that the economy has three sectors — the public, the private and the co-operative sectors. The energy being displayed by people in the co-operative field is equalled by the energy being displayed by people in the self-help field.

It is easy to criticize; it is easy to pretend to be the lineal descendant of Jeremiah. It is easy to be the prophet of doom; it is easy to ignore the facts. But the facts are that since this Government has been in office over \$2 million in voluntary labour has been contributed in self-help. Can you ignore that fact? [Applause.] In the Corentyne district, the stronghold of the Opposition, a school costing over \$120,000 was built with the expenditure of only \$30,000 by the

Government. The rest of the contribution of over \$90,000 was in self-help labour by people living in that area. [Applause.] — Even when there was a P.P.P. Government the Corentyne people did not give that amount of self-help.

When the Independence self-help projects were launched, the tendency at first was for certain communities, on the advice of the Opposition, to look askance at these projects and to refuse to submit their proposals. Today, as Minister in charge of Community Development, I received letters from three Opposition communities stating that they were very anxious at this late stage to start their self-help projects.

Those are the things members of the Opposition must look at to see how the people respond, how the little man responds, how much enthusiasm he shows. It cannot be denied: this spirit is now reflected in structures, in roads, in schools, in health centres. There is one self-help group at Johanna in Wakenaam that has undertaken an expensive community centre and there is another at Reliance on the Berbice River where a road is being built on a self-help basis. There is another road being built at Bachelor's Adventure on a self-help basis. Today on Wismar Hill a school was started on the basis of self-help labour. Next week there will be a community centre to be started in the Wismar area with self-help labour. Therefore, this must be, I submit, an indication not only of an acceptance of, but a satisfaction with, the leadership which this Government has given.

We are aware of the difficulties inherent in depending on loans and grants from outside, but during its election campaign the party of which I happen to be leader stressed particularly the need for the people of Guyana, at the national and individual levels, to help themselves. We

have always emphasized the value of self-help. It is because of the spirit of self-help, the people contributing to Government securities, that we have on many occasions been able to get further assistance from abroad. Look at the manifesto of the Opposition party! There is no mention in it about self-help; there is only mention of getting loans from abroad without strings. Have you ever heard of loans without strings? Whether it is Russia, the United States, Britain or France, they are all the same so far as strings are concerned. The question is, "Which strings you can wear and which strings you will not wear." Certainly one must aim at reaching the point and position where one can do without assistance from abroad for one's development programme and economic progress. That is what this Government is aiming at.

11.05 p.m.

The contribution that we get via self-help is tremendous and it will grow. At this rate, I guarantee that we will see, in our time, a Guyana which is not dependent upon loans or grants from abroad but which has set its development machinery in motion and which has the capacity and ability to service that machinery on its own.

In developing countries like ours — I amno Grimm;—I donot write fairy tales — we must set our goals. Our goals are comparatively simple: an increase in the product, a proper, fair and equitable distribution of the product, putting into the hands of the small man economic and financial power equivalent to his political power. Having set those goals, we must now move on to achieve them and not get ourselves bogged down in the argument between the Leviathans as to who is right and who is wrong. Was it St. Paul who said that a little learning is a dangerous thing? A little capacity for reading is a ruinous thing and even a minuscule capacity for regurgitation is catas-

trophic in our political context as we have seen on the other side of the House.

This Government is not going to be side-tracked by irrelevant considerations and shibboleths. This Government is interested in the building of the economy of this country, in the fair and even distribution of the product and, I repeat, in giving the small man his proper place. In that context, this talk about pleading with this person—and pleading with that person is all nonsense and stage show. You come here to plead. You ignore every single measure that is taken in the direction which you say the economy ought to take. You misrepresent what appears here. — You forget the extended period for capital gains. You do not even mention the extension of the period from three to five years for estate duty to be paid on gifts inter vivos.

What impression can we get about your sincerity? Except for the hon. Member Dr. Ramsahoye — with some of whose protestations I do not agree — and, in part, the hon. Member Mr. Nunes, we have had, from the Opposition, no sensible contribution to this Budget debate. We have no sensible proposals on this Budget except the puerile and infantile one by the Leader of the Opposition (Dr. Jagan) at the end of his speech. He said that we should put back what the P.P.P. had. When the blind leads the blind they both shall fall in the bottomless pit. Are we, at this stage, to start copying from the P.P.P.? Even the hon. Member Mr. Benn would not agree with us if we were to copy from the P.P.P.

I agree that the Opposition can make a contribution but I regret that only two members of the Opposition made any contribution or said anything which can lead us to think. Let me be the first to admit that, for instance, the proposition of the hon.

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Member Dr. Ramsahoye that we should investigate further the possibility of ground water for irrigation is one which has made me think and one upon which we will probably soon be acting. His observation, of course, on subsidies, which is part of his party jargon, I cannot accept, because how can an agricultural country, which is going to be dependent on its agriculture for capital accumulation and the surplus to build further, spend \$13 million, in a Budget of \$113 million, on subsidies to agriculture?

You say that if a farmer is subsidized in his drainage and irrigation it will be reflected in other sectors of the economy; he will make more. Well, if he makes more he must pay for his irrigation services. We do not want any reflection and indirect benefits. We want the direct benefit of a man paying for his keep. If a farmer can do so well that he can live comfortably and happily, he must be able to do so well as to pay his proper drainage and irrigation rates. That is one of the things we have to learn as an independent nation.

When we were a colony, especially pre-1963, drainage and irrigation used to be a colonial question. What that meant was that Britain could always be looked to to put money in — dehumanized paternalism which never permitted a sense of responsibility to grow. We have got to learn to pay our way and, with the assistance of the Ministry of Agriculture and Natural Resources, farmers are going to — be encouraged to acquire more skills to farm their lands and produce their crops in a much better way than they have done in the past, to increase their production and be in a position to pay their proper drainage and irrigation rates.

The Minister of Finance will formally wind up the debate on this Motion and all I desire to say, at

this stage, is never have I seen as much confusion in a political ants' nest as I saw when the members of the Opposition attempted to criticize the uncriticizable. [Applause.]

11.15 p.m.

The Minister of Finance (Mr. d'Aguiar) (replying). The arguments adduced and the criticisms raised against this Budget by the Opposition fell into eight different categories:

- (1) The Budget Speech had an excessive amount of statistics, and the statistics were misleading.
- (2) Generally speaking, the Budget is anti-working class.
- (3) The Budget indicates that Guyana is not truly independent.
- (4) The Budget did not re-introduce controls of transfers of capital within the Sterling area for personal reasons.
- (5) The Budget disclosed an excessive burden of debt charges.
- (6) There is a most sinister reason for listing the items which have been taxed by number rather than by name.
- (7) The Capital Estimates are over-estimated, and that is an indication that the Government is not able to get what aid it anticipated.
- (8) There is a general picture of economic depression.

Now, I shall endeavour as briefly as possible to answer these criticisms. First, let me say this: "No poor country like ours can hope to lift itself up by its own bootstraps. It must seek help from external sources, mainly from the developed countries. We will make every effort to obtain foreign economic aid for our development, and we will welcome and be grateful

for all the financial assistance that we can get at reasonable terms."

"The Minister of Finance, in preparing his Budget, is rather tightly bound by the bonds of economic reality."

Those words were not taken from my Budget Speech but from the Budget Speech made by the hon. Dr. Jacob in 1962.

"We will endeavour to seek as much financial assistance as we can get from the developed countries" he said.

He then went on to parade the statistics which are normally put before the Members of the House by any Minister of Finance, so as to give them some economic indication of how the economy is faring. It is interesting to read some of the things he said in 1962.

"The Government has virtually no reserves."

That was what he said in 1962 when he was Minister of Finance. He had no reserves in 1962, yet we are continually being told that we inherited vast surpluses. By 1964 the deficit on capital account was just about \$7 million. Then he said that he had to budget for \$2½ million more in debt charges. Compare that with what is stated on page 10 of the Budget Speech.

"Public debt charges account for \$1.5 mn. of the increase . . ." It seems to indicate that which I have said all along, that is, we have relieved this Government of its burden of debt due to bad negotiations of loans. I cannot think of a worse negotiation than the Del Conte loan. Almost equal to that is the one which involved us in the building of the Bank of Guyana where the interest charges are exceedingly high, and where we have to put aside as much as 20 per cent per annum to redeem the debt. Many of the new loans that we have negotiated require less than a debt redemption cost of 5 per cent, including capital repayment, and that explains why, although we have borrowed much more it has cost us

much less, for the benefit of the people of this country.

He went on to say:

"It is probable that the gross domestic product at factor cost is not very different in 1962 from its level in 1960 and 1961 (in the vicinity of \$250mn.)."

All he could have said was that at least it was not going down. He was trying to criticize the figures put forward by this Government which were obtained from the same source that he obtained his, namely, the Bureau of Statistics. I was able to indicate that the gross domestic product at factor cost in 1966 totalled \$360 million; it is \$100 million more than his figure in 1962.

We have listed all the economic indicators in the Budget Speech — both good and bad ones. If there were any bad ones, we made no attempt to hide them. In fact, one of the criticisms of the Opposition was that we gave too many statistics and some of them were misleading. They have been trying to indicate that they are fraudulent, but they are statistics supplied to me by the Bureau of Statistics, and they are as accurate as they can be. The favourable indicators are the buoyancy of the revenue, the increase in revenue by \$16 million with a minimum increase in taxation, and the increase in investment from \$55 million in 1964 to \$100 million in 1966. This is bound to mean benefits for everyone. I will not go into detail to show how favourable the statistics generally are, but any economist of any calibre, whether he comes from the United States, from England, or even from Russia, after looking at our statistics would be bound to conclude that there has been gigantic improvement since 1964. It is inescapable. One simply cannot avoid facing the facts that things have improved.

The second argument was put forward that all of this is anti-working class. What does the working class

[MR. D'AGUIAR]

need above all? I would say simply two things, a job where jobs did not exist previously, and better wages. What is the record in regard to these two things? We are not going to say that we have succeeded in completely eliminating unemployment, but we do say that we have inherited a massive amount of unemployment and we have done something basic to reduce it. Above all, we have raised the standard of living and the wages of the workers.
11.25 p.m.

Our policy has not been "not a cent more", but it has been "how much more can we afford". The expenditure in this Budget indicates that it has cost us more than \$8 million a year in increased wages to the working class. If any Government spends recurrently \$8 million by increasing wages, is it not trying to do something for the workers? When one comes to the question of employment, one needs to look at the figures to see how employment has risen in the years 1962 to 1965. I do not know the figures for 1966 at the moment. Six thousand more people have been employed by this Government in one year, and the trend has continued. Take the total figure for employment in 1962: the total was 122,000 people employed. In 1963 the total amount of people employed was 121.4 thousand, and that shows a reduction. In 1964 it went back to 122.7 thousand, in 1965 it was 128.7 thousand — 6,000 more people employed than in 1964. I estimate that by 1966 it will be 10,000 more. These figures have been taken from the official statistics which have been the basis of our calculations through all the years. These are taken from the same figures the previous Government used to quote; they are prepared by the same source, and they are equally accurate.

This Government has done for the working class what the previous Gov-

ernment failed to do: (1) It increased their wages; (2) it increased their opportunities for employment. A lot has been said about retrenchment. Members of the Opposition have argued that a few hundred people have been retrenched. Indeed, retrenchment has taken place from time to time, and that will always happen where there is seasonal employment. If you employ people to repair a breach in the sea wall, when the repair is completed some of the extra workers are inevitably laid off. When you employ people to construct a building and the work is completed, then that group of workers will be laid off. When you employ people to build roads in the various districts, you lay off people in one district and take on people in another. The members of the Opposition have tried to boost this question of retrenchment, but I can say without any shadow of doubt that at the lowest media of our employment it was 6,000 more than the peak of the previous Government's employment during the years when it was in office.

I will go on to say that employment can only result from the successful use of capital. First of all, you have to obtain capital, and then you have to spend it in order to employ people. You cannot employ unless you have the capital to create employment. The members of the Opposition cannot show in logic that this Budget is not a working-class Budget. Let me remind this House of the Budget proposals in 1962 which raised the cost of living. Here is a list of the items affected — and it takes 14 pages of foolscap to write them on. The Budget raised the cost of living and the price of foodstuffs. Ham, for instance, was increased from 6 per cent to 20 per cent — that is more than 300 per cent; milk was increased from 2½ per cent to 20 per cent — 900 per cent. More than 300 different items were increased,

but today they get up and say that they did it for the sake of, or in the interest of the working class, but this Government has done it against the interest of the working class.

So far as this Budget is concerned, the tax was made on a carefully worked-out scale which does not really increase the cost of living and is not against the interest of the working class. How hypocritical can some people get? Talking about statistics, let me see what the Minister of Finance said in his Budget Speech. He said he was going to raise 300 items — some of them by 900 per cent, others double. However, the maximum increase by this Government is 10 per cent, except that motor cars of the bigger class should pay an increase of 20 per cent. If you look through the list of items raised in 1962 you will find that the increase on very few is less than double, and that is what that statistician over there (Dr. Jacob) said to the working class.

So far as this Budget is concerned, he said in 1962 "the increase in the urban consumer price index will be approximately 1 per cent." Your Honour, 300 items increased, doubled, tripled, multiplied by 9 will raise the price index by 1 per cent. How could this be? When we asked the Bureau of Statistics to work out what it would cost, we carefully selected items that did not affect the consumer price index. The consumer price index consists of items which are essential for the working people.

The members of the Opposition in 1962 put forward some of the most fanciful figures — figures that they have dreamt of — and they have criticized what this Government has done. This Government took care to see that not one item was increased unless it was supported by the Bureau of Statistics.

Another point the members of the Opposition made is that the Budget indicates that there is not true independence in Guyana. Even when challenged they do not tell you what is their idea of true independence. One thing I must say — the hon. Prime Minister has already mentioned it — is that it is not possible in this world today to be completely independent of anything or anybody. In the modern world people must be interdependent unless they are going to live in a primitive way like the aborigines. Then they might be completely independent, but otherwise there must be a degree of interdependence.

11.35 p.m.

I must say this; the Budget at least shows that we are far more independent than we ever were because when we look at the previous Capital Budgets we will find that there was one source of capital and one only and that was the largesse, if you wish to call it so, of the United Kingdom Government. The raising of capital was confined to loans or grants from the United Kingdom. I claim that it is a move in the direction of greater independence when assistance can be obtained from five or six different sources instead of from one source. We have developed five or six different sources of financing as the figures show. The United Kingdom, the United States, Canada, Germany and the United Nations are all substantial contributors to the development of our people's welfare and that is having more independence than when we depend on one single source and are totally unable to obtain a single cent from any other source including the Soviet Union. We are looking forward to being truly and really independent although we must fit in with some trade patterns. We must encourage people to help us and we help them in turn.

[MR. D'AGUIAR]

The fourth point that was made, also speciously, was that instead of being progressive we must be retrogressive; we must go back to a lack of freedom, we must put a wall against capital transactions within the sterling area. Why should we? The facts disclose that whereas during the P.P.P. regime there was a flight of capital and more money was taken out of this country than came in, the opposite is now happening. More money is coming in. Therefore, why should we build a wall to stop it coming in merely because the Opposition wants to build a wall to stop it from going out? There is absolutely no reason for it.

If one looked around the world and made a list of all the backward and poor countries and the ones that are incapable of progressing one would find that those are the ones that have had to resort to strict control of capital transactions. There are other countries where there is confidence of the people in their own countries and where there is confidence in the world outside in those nations. There is no need for such control of capital, because more goes in than comes out. That is true of most of our neighbouring territories. We are not in a part of the world that is extremely backward. We are part of a well advanced Caribbean area and we should move along with that area helping it as we help ourselves.

It was said that I did not bring in control over sterling so as to protect my own interests, but I am informed that two companies with which I was formerly connected have a plan to establish a development scheme costing at least \$3 million. I ask if that is an indication of trying to get money out of this country. It is only people who are dismally ignorant, who are lacking in confidence of their own country being able to achieve

anything, who all the time are full of the most horrid thoughts and suspicions. As one hon. Member said, it is indicative of their own evil mentality.

Another point that I should like to debunk is the question of debt charges. I have already pointed out that in the 1962 Budget Speech the then Minister of Finance referred to the debt charge increase of \$2½ million when little was borrowed and I have referred to debt charges of \$1½ million for borrowing three times as much as he has ever dared to think of. We have succeeded in improving the position.

Some hon. Members stated that there is a sinister reason for listing the items by numbers instead of by name. I should be willing to say this: I should have preferred if they had been listed by name and not by number. This document had to be printed at night and I can only say that the law officers and all those who were working at 2 a.m. in the morning chose to print the items by number and not to list them by name. Frankly, I should have preferred if it had been otherwise. There was no sinister motivation at all.

Let us take another point that was made by other Members opposite, in particular, Dr. Ramsahoye. He said we were over-estimating our capital expenditure and this indicated we were not able to get the aid that had been anticipated. I would say that our estimates of capital expenditure have not been as accurate as I could have wished, but I wonder if the hon. Member, Dr. Ramsahoye, ever bothered or was interested enough to look at the figures during the previous regime. I did so after hearing him speak and I shall now give them. In 1962 the estimated capital expenditure was \$31.6 million; the amount spent was \$19.4 million, an error of 40 per cent. In 1963 it was

estimated to spend \$25.5 million; \$11.5 million was spent, an error of 55 per cent. In 1964 it was estimated to spend \$20.7 million; \$9 million was spent, an error of 55 per cent.

11.45 p.m.

Now let us look at our record. In 1965 we estimated to spend \$35.5 million. We spent \$24.1 million, that is, an error of 32 per cent. In 1966 we estimated to spend \$45.9 million and spent \$30.5 million, an error of 34 per cent. Now in the two years we estimated \$81.4 million and we spent \$54 million. — They estimated \$46.2 million and they spent \$20.5 million. They know, as well as I do, that in their Capital Estimate they tended to estimate somewhat more. It was like a bait attracting foreign financial investment. In other words, you did not want to show that you yourselves were not ambitious enough to spend a little more than you realized it was possible. However, we are now reaching a stage where we know what we are getting and we can estimate much more accurately.

Now the final attempt was made by the hon. Leader of the Opposition (Dr. Jagan) to go against all the economic indications and pretend that there was a state of economic depression. Economic depression is not possible if your revenue is going up. When there is economic depression the revenue goes down as in the previous Government's regime. I cannot think of a greater record of failure than to look at these figures. The development expenditure was going down year by year during the P.P.P.'s regime. It was sinking instead of improving. In 1961 the previous Government started with \$21.7 million. In 1962, development expenditure was \$19.4 million. In 1963 it was \$11.5 million. In 1964 it was \$9 million. The trend is down, down, down, into the very depth.

This Government is climbing now. In 1965 the figure was \$24.1 million. In 1966 it was \$30.5 million and in 1967 you can be sure it will be in the vicinity of \$35 million or more. The trend is reversed at last, thank heavens! So with increasing expenditure on development, with the revenue more buoyant than the members of the Opposition could ever have hoped — they were talking about a deficit of \$15 million — we came out with a surplus, with a gigantic increase in investment and with an economic growth bigger than we had hoped for. On page 11 of the Development Programme it is stated that we were hoping for economic growth of 6 per cent. This year we actually achieved 8 per cent which is a remarkable achievement.

The only factor that is not to our great advantage is the result of the increased prosperity. Even though 10,000 people, who had no money before, are now employed and, bearing in mind that the minimum wage is at the least \$1,000 each, it therefore follows that 10,000 people will get \$1 million and we must remember that quite a lot of it was spent on imported goods. It has created a strain. The prosperity of our workers has forced us to import \$200 million per year where the figure was previously \$180 million.

As the hon. Prime Minister said, the effects of this Budget are not basically to raise revenue but to attack the problem of imports on a three-fold level: first, to encourage local production and employment; secondly, to restrain, by higher rates, luxury items like big cars in order to reduce the importation; and thirdly, to improve revenue and so reduce the deficit that we inherited.

I repeat once again that there is not an economist living who can look at the statistics of Guyana without hope for the future and if only the members of the Opposition would

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have a little more faith in human nature, they themselves would realise that there is much to be proud of. Let us forget that they did not achieve as much, but why should they be so anti-Guyanese as to wish to destroy the economic growth of our country? I now have pleasure in commending this Motion to the House. [Applause.]

ADJOURNMENT

Mr. Bissember: I move that the House do now adjourn to 2 p.m. on

Monday, 6th February, 1967, in accordance with the procedure agreed upon between ourselves and the Opposition.

Mr. Speaker: Hon. Members, this concludes the debate on the Budget Speech. When we meet on Monday, 6th February, 1967, we will proceed in Committee of Supply.

Adjourned accordingly at 11.52 p.m.