

THE
PARLIAMENTARY DEBATES
OFFICIAL REPORT

[Volume 7]

**PROCEEDINGS AND DEBATES OF THE FIRST SESSION OF THE NATIONAL
ASSEMBLY OF THE THIRD PARLIAMENT OF GUYANA UNDER THE
CONSITUTION OF GUYANA**

79th Sitting

2 p.m.

Monday, 1st December, 1975

MEMBERS OF THE NATIONAL ASSEMBLY

Speaker

Cde.Sase Narain, J.P., Speaker

Members of the Government – People’s National Congress (50)

Prime Minister and Deputy Prime Minister (2)

Cde. L.F.S. Burnham, O.E., S.C.,
Prime Minister

Cde. P.A, Reid,
Deputy Prime Minister and Minister of National Development **(Absent - on leave)**

Senior Ministers (9)

Cde.H.D. Hoyte, S.C.,
Minister of Economic Development

* Cde. H. Greene,
Minister of Co-operatives and National Mobilisation

***Non-elected Minister**

* Cde. H.O. Jack,
Minister of Energy and Natural Resources

(Absent)

* F.E. Hope,
Minister of Finance

* Cde. S.S. Naraine, A.A.,
Minister of Works and Housing

* Cde. G.A. King,
Minister of Trade and Consumer Protection

(Absent – on leave)

* Cde. G.B. Kennard, C.C.H.,
Minister of Agriculture

(Absent – on leave)

* Cde. C.L. Baird,
Minister of Education and Social Development

* Cde. F.R. Wills S.C.,
Minister of Foreign Affairs and Justice

Ministers (5)

Cde. W.G. Carrington,
Minister of Labour

Cde. S.M. Field-Ridley,
Minister of Information and Culture

(Absent – on leave)

Cde. B. Ramsaroop,
Minister of Parliamentary Affairs and leader of the House

* Cde. O.M.R. Harper,
Minister of Health

(Absent)

* Cde. C.V. Mingo,
Minister of Home Affairs

Ministers of State (9)

Cde. M. Kasim, A.A.,
Minister of State for Agriculture

***Non-elected Ministers**

Cde. O.E. Clarke,
Minister of State – Regional
(East Berbice/Corentyne)

Cde. P. Duncan, J.P.,
Minister of State – Regional (Rupununi)

(Absent)

Cde. C.A. Nascimento,
Minister of State,
Office of the Prime Minister

Cde. M. Zaheeruddeen, J.P.,
Minister of State – Regional
(Essequibo Coast/West Demerara)

(Absent)

Cde. K.B. Bancroft,
Minister of State - Regional
(Mazaruni/Potaro)

(Absent)

* Cde. W. Haynes,
Minister of State for Consumer Protection

(Absent – on leave)

* Cde. A. Salim,
Minister of State – Regional
(East Demerara/West Coast Berbice)

(Absent – on leave)

* Cde. F.U.A. Carmichael,
Minister of State – Regional (North West)

Parliamentary Secretaries (8)

Cde. J.R. Thomas,
Parliamentary Secretary,
Ministry of National Development

(Absent)

Cde. C.E. Wrights, J.P.,
Parliamentary Secretary,
Ministry of Works and Housing

Cde. M.M. Ackman,
Parliamentary Secretary,
Office of the Prime Minister and Government Chief Whip

(Absent – on leave)

***Non-elected Ministers**

Cde. E.L. Ambrose,
Parliamentary Secretary,
Ministry of Agriculture

Cde. S. Prashad,
Parliamentary Secretary,
Ministry of Co-operatives and National Mobilisation

Cde. J.P. Chowritmootoo,
Parliamentary Secretary,
Ministry of Education and Social Development

(Absent – on leave)

Cde. R.H.O. Corbin,
Parliamentary Secretary,
Office of the Prime Minister

Cde. M. Corrica,
Parliamentary Secretary,
Ministry of Works and Housing

Deputy Speaker (1)

Cde. R.C. Van Sluytman, Deputy Speaker

Other Members (16)

Cde. J.N. Aaron
Cde. L.M. Branco
Cde. E.H.A. Fowler
Cde. J. Gill
Cde. W. Hussain
Cde. S. Jaiserrisingh
Cde. K.M.E. Jonas
Cde. M. Nissar
Cde. L.E. Ramsahoye
Cde. J.G. Ramson
Cde. P.A. Rayman
Cde. E.M. Stoby, J.P.
Cde. S.H. Sukhu, M.S., J.P.
Cde. C. Sukul, J.P.
Cde. H.A. Taylor
Cde. L.E. Willems

(Absent – on leave)

(Absent)

Members of the Opposition – Liberator Party (2)

Mr. M.F. Singh, Leader of the Opposition

Mrs. E. DaSilva

Officers

Clerk of the National Assembly – F.A. Narain

Deputy Clerk of the National Assembly – M.B. Henry, AMBIM

The National Assembly met at 2 p.m.

[Cde.Speaker in the Chair.]

1.12.75

National Assembly

2.05 -2.15 p.m.

2.05 p.m.

PRAYERS

ANNOUNCEMENTS BY THE SPEAKER

LEAVE TO MEMBERS

Cde. Speaker: Leave has been granted to Cde. Reid, Cde. King, Cde. Field-Ridley, Cde. Ackman and Cde. Chowritmootoo for one week from 1st December, 1975, to Cde. Kennard for two days on 1st and 2nd December, 1975, and to Cde. Salim for today's sitting.

PRESENTATION OF PAPERS AND REPORTS

- (1) Small Industries Corporation Audit on the Accounts for the year ended 31st December, 1974. [**The Minister of Parliamentary Affairs and Leader of the House on behalf of the Prime Minister**]
- (2) Statement of Guarantees given by the Minister of Finance under section 3 of the Guarantee of Loans (Public Corporations and Companies) Act, 1971, (No. 16 of 1971) for quarter ended 30th September, 1975. [**The Minister of Finance**]

PUBLIC BUSINESS

MOTION

APPROVAL OF ESTIMATES OF EXPENDITURES 1976

Assembly resumed debate on the Motion moved by the Minister of Finance on 24th November, 1975, for the approval of estimates of expenditure for the financial year 1976, totalling \$552,203,022.

Cde. Speaker: Hon. Member Mrs. DaSilva.

Mrs. DaSilva: Mr. Speaker, on 24th November, 1975, the hon. Minister of Finance presented his Budget Speech for 1976. This annual exercise begins earlier with each ensuing year. It is to be hoped— and I mean no pun on your name, sir, - that the Estimates which we will be dealing with immediately after this debate will be a reasonable and fairly accurate assessment of the necessary expenditure for the year. One hopes, too, that sufficient time was given to the various Government departments to access and compile their requirements and that our oft repeated allegation that we have “guesstimates” and not estimates will this time be proved incorrect. We sincerely hope this will be so.

On page 59 the hon. Minister said and I quote:

“Cde. Speaker, I have come to the point at which I would normally present my fiscal proposals. Let me however say that for 1976, there will be no additional taxation measures. It is true that there is a large financing gap with which we have to cope. It is, however, the Government’s view that additional taxation is not the answer. We, as a nation, have built up over the last two years substantial external reserves. We did this partly by our own sacrifices from 1974; partly they were the result of remunerative prices for our exports;...”

and this is the point I wish to stress –

“...in part they represent the result of careful management of our resources.”

When my leader, the hon. Leader of the Opposition, speaks in a little while he will talk about the making up of deficiencies with money that we have worked so hard to save.

I wish to talk about the result of careful management of our resources. To be able to decide how one manages carefully one’s resources it is taken for granted that priorities in order of importance and necessity will first be established. But one wonders how much thought this Government gave to this very important aspect in the over-all sphere of things. We have become

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accustomed over the years to nice-sounding phrases and euphemistic designations that Ministers of this Government – and I do not mean only the Minister of Finance because I think every single Minister of this Government is guilty of nice-sounding phrases and euphemistic designations – give to cover-up anything that might cause embarrassment when in fact they ought to face the stark realities of life.

The most recent one that comes to mind concerns the National Service which was only started last year. During the middle of the year, the Government was asking for an additional sum of money in one of the Financial Papers for this pet child at the moment. That as far as I can remember, would have brought the allocation for National Service up to \$34 million. This had to be covered up. So we had all these very nice-sounding phrases that we must learn to live with each other, that we should get to know each other, that we should try and cover up and make Guyanese feel less the hurt they have been caused by the pinching and saving, the scrimping and denials they had to go through in order to save money for the nation. We have often been told that this was desperately needed because things are so much worse now and they used another favourite whipping boy, the energy crisis.

Guyanese are weary of the shortages of necessary commodities of foodstuff. I talk about things like milk and cheese which are very often in short supply. I am not talking about created shortages or shortages caused by hoarding. The shortages I am talking about are shortages caused by bad ordering. These are the points we want to make when talking about careful management of our resources.

One cannot help but notice, too, in spite of the nice-sounding phrases, for example, high priority sectors – a nice phrase which the Government referred to – the great disparity that exists in allocating only \$8.2 million for health. The Ministry of Health operates under great difficulties and without the tools they cannot do the job. We have high-sounding phrases like “The people are the nation’s most precious assets.” This becomes meaningless when their health is treated in this callous manner especially when one sees how generous have been the allocations to another of the Government’s pet children, the Ministry of Information and Culture.

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I wonder too, if the Minister spoke with his tongue in his cheek when, in his opening remarks he said:

“This particular budget marks a mile-stone in the history of our country. For one thing it heralds the Tenth Anniversary of our political independence and at the same time represents a strong effort by the Party and the Government to develop and reshape the society, and promote our economic independence in the best interest of the masses of the Guyanese people.”

The greatest percentage of the adult masses of the Guyanese people are woman and of these women, a large percentage of married women who work.

Once again – and I make no apology whatsoever for bringing this up again another year – I say that Guyana still lags behind many countries of the world. Do not say we cannot afford it because we are a developing country because Barbados is doing it. We still lag behind many of the countries of the world when we add the income earned by working married women to that of their husbands before their income is assessed for taxation purposes. In this way, sir, the total money earned in that family is pushed up into a higher bracket and therefore, the Government gets a higher amount of income tax from families. This, to me is the grossest form of discrimination against married working women that exists in our country today.

I remember vividly that during the early part of this year, we used to have big drumming-up about International Women’s Year practically every other week. Many were the praises showered upon us and no less a person than the hon. Prime Minister promised then to see that we get a fair deal. He said that he would be behind us all the way. Many of us in this room were present at that great, big women’s rally at the National Park held in honour of International Women’s Year. One of the resolutions passed and supported by everyone there – if I remember rightly Mr. Joseph Pollydore – sorry, sir, I think this is the correct context for me to say: “Comrade Joseph Pollydore.” I think that is the correct designation for a Trade Union member. [Mr. Singh: “No, brother.] Comrade and brother.

Anyway, I remember that he put forward a Resolution that married women's income should be taxed separately from that of their husbands'. [Mr. Singh: "Fred Wills agreed on that."] They all agreed. Everyone here knows that is true. But, the point is that I felt very happy then because I felt that as no less a person than Comrade Brother Pollydore was supporting this, with all these women behind it, with the Prime Minister promising to see that we will get a fair deal and to be behind us all the way – this was it. And. When the hon. Minister of Finance came with his Budget at the end of this year, I thought we were to get this at last.

I have to admit that I was a little bit in the dumps when we dealt with that supplementary provision for the National Service that I mentioned earlier. As we had to find the money for that, and because our source of supply is not endless, I realised that something would have to suffer. I began to have a little doubt in my mind and I thought that neither Comrade or Brother Pollydore or anyone else could do anything for us. They year 1976 was going to come and we would be in exactly the same position. Unfortunately, sir, I am sorry to say that I was correct. Here we have it that once again there is no concession, no fair treatment meted out, to working married women.

It is too late for this year but "Never say die" and never give up hope. Maybe for the next budget, the hon. Minister of Finance will see that this unfair practice, this gross discrimination against the masses of the Guyanese women who work, is straightened out and that working wives are given a fair and just deal as is only fair in this "egalitarian" society. We married women do not want just nice words and praise. What we want is: no discrimination. We want equality and justice. That is all we want – and want it now.

Another category of persons who form the masses of the Guyanese people are our old-aged pensioners and once again I see nothing has been done to give these people increase in spite of the increase going in other directions. Fair enough, there is the high cost of living, inflation and so on. We know the whole story but nobody remembers these old-aged pensioners and we still have \$15 per month for people who live in the urban areas and \$13 per month for those in the rural areas. Sir, who can live on \$15 or \$13 per month?

Incidentally, since around the middle of this year, the hon. Prime Minister spoke of bringing the pensions of those who live in the rural areas in line with the pensions of those who live in the urban areas. That meant that they would now get the same \$15 but as far as I am aware – I have checked this and I have it on good authority – this has not as yet been done. Would somebody whose duty it is to go into these matters please see that as soon as possible old-aged pensioners in the rural areas are brought into line with those in the urban areas, each pensioner receiving \$15 per month? This would at least be something towards helping some of these people. Then, as soon as possible, somebody should see when their pensions could be increased.

In ending this address, the hon. Minister of Finance gave various “ifs” to ensure that 1976 would be, to quote his words “... another prosperous year for this country and for the socialist revolution of Guyana.” We have referred before to the over 400 different concepts of socialism. We are not always quite clear on which of these concepts the Government is steering its course. However, we do understand that one of them is equality of opportunity for all. We are behind them all the way on this but please do not just say it; make it a reality and you will have our undying gratitude and our support.

Cde. Speaker: Cde. Minister of Economic Development.

The Minister of Economic Development (Cde.Hoyte): Cde. Speaker, it is traditional to discuss Government’s budgetary proposals in the general debate against the background of Government’s developmental philosophy and strategy. However, that philosophy and that strategy are very well known today. They have been debated inside this honourable House and outside of it, from time to time. They have been discussed at various levels and in various forums throughout the country; and they have been subjected to both intensive and extensive analysis. And, today, it is right to say that the vast majority of people in this country accept the Government’s approach to the economic development of this country.

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It would, therefore, be for me a work of supererogation to dilate on those matters today. Suffice it to say, the Government's ideology, the ideology which informs the actions of the Government and the Party is the socialist ideology. In keeping with that ideology our economic policies have been geared to promote both economic growth and people's welfare. It is within the context of these twin criteria that Government's policies should be judged and performances measured.

The Cde. Minister of Finance, in his Budget presentation, referred to the fact that for this year our G.D.P. rose by 22 per cent over 1974. While part of that rise was due to prices, the greater part of it, indeed 14 per cent, represented an increase in real terms. To put it more accurately, the increase of our G.D.P. in real terms was 14 per cent. The Cde. Minister of Finance also referred to another important indicator of our economic vitality and well being, namely, our export figures. He particularly referred to the fact that exports grew during the year by 33 per cent. These figures indicate a magnificent achievement, an achievement which has been the result both of increased production and increased productivity. Therefore, at the outset, I would like to pay tribute to the workers of this country who have understood the importance of Government's objectives, of Government's strategy, and who have during the year put forward their best foot in an effort to ensure that the economic objectives of Government and the Party were realised.

I would like to pay some attention to one or two areas of economic activity to reinforce the point I have made that we have grown in real terms, that we have produced more in many areas of economic activity. Perhaps, it would be apposite for me, in passing, to refer to sugar which has been one area in which there has been some disappointment. Even though in the course of the year the weather and all other factors conspired, so to speak, to facilitate the achievement of a record production, unfortunately, however, the workers in the sugar industry were misled by a few mischief-makers and the result of the activities of those mischief-makers has been great losses to the sugar workers. In the final analysis, it is the sugar workers

themselves who stand to lose from the fact that we did not do as well as well as we could have done this year in sugar.

It is important to note that our economic strategy dictates that for future years sugar must become less and less important in the total economy. It is no longer tolerable that one sector of the economy should have such a dominance that any upheaval there, any disturbance, should have a serious impact upon the economy as a whole. Therefore, when we look at the way in which the economic strategy has been framed and our development plans have been programmed, it will become clear that, as the years roll by, sugar will be reduced in importance, not necessarily in absolute terms, but certainly in relation to other sectors of the economy.

Rice will this year record the highest production over in the history of this country, namely, 180,000 tons. This represents an increase of some 22 per cent over last year's production. Bauxite will record an overall increase of 5 per cent on the total mix of all products. Even so, in terms of earnings the \$250 million gross sales earned by our bauxite enterprises will represent some 25 per cent increase over the earnings of the industry in 1974.

I would like to dwell a little on the question of the bauxite industry, because there are still a few misguided people who do not understand the vital importance of a nationalised industry to the economy of the country, and who do not understand that countries such as ours must take control of the critical sectors of the economy if we are to make any substantial economic progress.

I would first of all draw attention to the performance of calcined bauxite which, in 1971, amounted to 621,000 tons in production, but which moved in 1975 to 790,000 tons or an increase of 27 per cent from the time the company was nationalised. This is of very great importance when we realise that it is in calcined bauxite that Guyana has a near monopoly and that it is calcined bauxite which is the money-spinner. But more important than that has been the fact that in a world situation in which there has been persistent recession in the major industrial countries

in the world, this has led to a softening of the market for aluminium and, consequently, has led to a cut-back in the production of bauxite and bauxite-related products in nearly all countries in the world, except Guyana. On the contrary, Guyana has recorded an increased production. Guyana has recorded increased sales; and, of critical importance to our working population has been the remarkable fact that Guyana has not been forced to retrench in the bauxite industry at a time when retrenchment was rampant in that industry in other parts of the world.

This is because the bauxite enterprise is nationally owned. We have been able, through diversifying our markets, to ensure that there was no need for retrenchment and a cutback in production. That alone illustrates the value and the importance of a nationalised industry to this country.

Forestry showed an increase in production from 6.9 million cubic feet in 1974 to 7 million cubic feet in 1975, an increase which, in my judgment, is merely marginal. But even so, the increase in earnings from the forest industry rose by 25 per cent because of the excellent prices prevailing in the world market. I should point out, however, that we have been putting massive investments in the forest industry because we consider it to be a sector which is capable of significant growth and of having a significant impact upon the growth of the economy as a whole. What has happened is that that investment is taking some time to yield, and it is expected that in the forth-coming year and in the years ahead we will witness a great increase in production in the forest industry.

Fish production rose from 38.5 million pounds in 1972 to 56 million in 1975, showing an increase of 46 per cent during that period. During the same period poultry production moved from 10.8 million pounds to 17 million pounds or an increase of 75 per cent in production. Vegetables, greens and fruits moved from 65.3 million pounds in 1974 to 88.7 million pounds in 1975 showing an increased production of some 31 per cent. The production of corn moved from 6 million pounds in 1974 to an expected 13.2 million pounds in 1975, an increase of some 120 per cent.

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I should also draw attention to our efforts in the field of cotton grown by our young militants in the National Service. This year 2,500 acres under cultivation yielded more than 1 ½ million. Next year the National Service militants expect to have under cultivation some five thousand acres, that is, double the acreage of 1975.

I remark on these figures to reinforce the point I made earlier on about the magnificent effort of our workers in field, in office and in factory, and to make the point that their efforts require the Government to press boldly with its policy of introducing a socialist society; a policy which will ensure that every person in this country enjoys a good life, a life based upon the tenets of social justice.

However, Cde.Speaker, while we pay attention to agriculture and to the traditional sectors, we have been making very large, and I would suggest relevant, investments in other areas of economic activity. And I would refer in particular to our investment in hydro-power in the Upper Mazaruni. As is well known, the Upper Mazaruni Project is expected to provide a hydro-power facility which will have 3500 megawatts of firm power. We have been told by some of our “friends” that we are too ambitious and that such a facility is beyond the ability of this country.

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This hydro-power station is vital to the economic development of this country. We have been approached by all kinds of people with all kinds of blandishments. Some have been trying to get us to abandon the Upper Mazaruni Project and develop a smaller project, even though it is clear that the small project could not provide the power necessary for the kind of economic development we have in mind. We reject these blandishments and we will press on determinedly with the Upper Mazaruni Project to ensure that we have abundant relatively cheap power in

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abundance and at a cheap rate which is necessary to provide us with our aluminium smelting complex and with the wide range of industrial complexes which we consider to be vital for the development of this country.

Using our own resources, we have gone a far way towards completing the access road to the hydro-power site. In addition, we are at present engaged in the technical and other studies related to the establishment of a smelter and ancillary economic activities such as a caustic soda plant.

While this is going on, several other areas of activity have been identified. For example, the fish port complex, which will process 40 million pounds of fish annually, is now under construction at Huston and the Clay Brick factory on the West Bank of the Demerara River is now virtually completed. This factory will produce 10 million clay bricks annually and will make a very great contribution to our building programme.

In the meantime, too, preparatory work for the textile mill at Ruimveldt has begun, a textile mill which will produce 11 million yards of cotton fabric annually. Moreover, the glass factory which will produce 11 million square feet glass and five thousand tons of bottles and pressed glassware is fast becoming a reality. Not only have the relevant contracts been signed but the site has been identified on the Linden Highway. This is now being prepared and the engineering drawings are on the drawing board at the moment.

The leather factory also has started with work on the site in New Amsterdam having begun and orders for the necessary equipment having been placed.

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I should like to draw attention, too, to other industrial activities such as the fish net

[Cde.Hoyte contd.]

factory, the cheese processing factory, the ham and bacon factory, all of which are nearing completion. I am referring to projects which have started, not to projects which we hope to start. In this context, I should draw attention to the radio factory at Victoria which was established this year and which, at peak will be able to produce 20,000 radios, turntables, amplifiers and speakers and units. While this kind of medium- sized industry has got underway, the Small Industries Corporation has been very active among small manufacturers encouraging them to manufacture toys in particular, and other small items which are peculiarly suited to small scale manufacture. This year Guyanese will see in all stores a large quantity of toys, soft toys and wooden toys produced here in Guyana by our own Guyanese craftsmen, and at a quality as good as, if not better than, the quality of toys of similar make which were imported in the past.

In 1976, we will see a great increase in industrial activity with the start of the composite textile mill which will be located in West Coast Berbice and which will produce 13 million yards of composite textile; the cement plant, that is the clinker grinding circuit, which will be established at Makouria, the bicycle assembly plant, the paper recycling plant, and the Upper Demerara forestry project which, funded by the Government of Guyana, the European Development Fund and the World Bank, is expected when it is completed, our production of timber.

I should refer also to the completion of our First Education Project and the start of the Second Education Project. The multi-lateral school are now familiar land-marks all over this country. It is interesting to note that, on a little scrap of paper circulated by a moribund organisation calling itself the People's Progressive Part and criticising Government's achievements, the framers of this document very studiously avoided any reference to education because that is a field in which the Government's performance has been so visible, that it is not possible to issue any untruths about the magnitude and extent of Government's building

programme in education. The scheme for the 1976 Capital Programme needs some discussion, first of all, in connection with the way in which the capital programme has been framed, because the programme we are discussing now has a novel feature about it. For the first time in the history of planning a Budget the citizens of this country were directly involved through the regional system of administration. I have already, on a previous occasion in this honourable House, explained to Members the way in which the Regional Development Councils and the sub Regional Development Councils are organised and how they function. This year, a great deal of material, a large number of suggestions and ideas about our programme came up from the ground so to speak, came up from people who are vitally concerned with and who are going to be vitally interested in our Capital Programme. The Planning Unit had at its disposal the views, the opinions, the suggestions, of a wide cross-section of people in this country; and many of the suggestions they put forward and many of the ideas which came from them are reflected in the content of the Capital Programme for 1976.

We are socialists, and therefore we pay a great deal of attention to people's welfare and to the development of people. that is why, on a careful analysis of the capital programme, it will be seen that some 40 per cent of the Budget is devoted to people-oriented projects devoted to sectors like education, health, co-operatives and community development; in short, to the kind of programmes which touch people's everyday life, the kind of programmes which will have an immediate impact upon the welfare of people. The remaining 60 per cent has gone into what we may call productive sectors, that is, sectors in which we expect to see some visible yield from the investment.

I make this point, Cde. Speaker, because there seems to be a fallacy abroad that one can pick up the Estimates and look at a Ministry and find out how much money, for example, is devoted to education, or how much money is devoted to health, or how much money is devoted to training, for that matter. And this is a fallacy to which I adverted in 1972 at a time when certain people were making all kinds of noises about the way in which Government's budgetary allocations were made.

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In an address to the 15th Annual Delegates Congress of the People's National Congress in April 1972, I took the occasion to deal with this point. In fact, while socialist modest should prevent me from quoting myself I believe that on this occasion I am fully justified, because this paper was published in the form of a booklet entitled "A Strategy for Economic Development" and widely circulated by the Ministry of Information. One would have hoped that people in public life would at least have tried to understand what the Government was saying, and what the Government was doing, and how the Government operates. In that Address I referred to this particular point and I said as follows:

"Budgetary allocations for particular sectors or even particular projects are often spread over several Ministries, Departments and other agencies. Thus, in trying to assess the total allocation for agriculture it would be a blunder to consider only the sums voted under the Ministry of Agriculture. Vital infrastructural facilities for agriculture such as roads, drainage and irrigation and river and sea defences, for example, would fall to be executed by the Ministry of Works, Hydraulics and Supply."

(as that Ministry then was.)

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"...The allocation for such works would be reflected under this Ministry."

Then, I went on to give other examples and ended up with these words:

"Moreover, allocations for capital works in many Ministries are sometimes to be found under the Ministry of Finance. It is important therefore that we avoid the popular error of believing that the total allocation for a particular sector is necessary to be found in the vote for one department or one Ministry."

I make this point, Cde. Speaker, because in the Press, I noted a criticism coming from a person

(Cde. Hoyte continues)

who holds a high office in the political life of this country. I read a criticism from that person in which it was said that the amount for Health was too small. I would draw attention to this point I am making and ask the high political personage to take account of the large allocations for potable water of \$6 million, I believe, under the Ministry of Works and Housing; to take account of the amounts under Office of the Prime Minister for training; to take account of the amounts under the Ministry of Economic Development for contributions to International Organisations concerned with Health; to take account of the amounts under the Ministry of Regional Development for sanitation and other works; to take account of the amounts under the Department of Community Development for works related to the real improvement of the health of the people of this country; and to add all of these amounts together in order to appreciate fully the sums of money which in fact have been allocated to the health sector.

I note that this same criticism is made in this scrap of paper to which I have referred which was issued by this moribund organization called the People's Progressive Party. Having answered the high political personage, there is no need for me to say anything more in relation to that particular point. **[Interruption]** Precisely, Cde. Speaker, that is the point I was making, that is a naive, that it is simplistic to take up the Estimates and look under the Ministry of Agriculture and say: "Well, the total seen here is all the money to be spent on agriculture", when drainage and irrigation, sea defences, are vitally associated with agriculture and the allocations for those works are to be found under the Ministry of Works and Housing. It takes a certain perspicacity to understand these things.)

May I spend a few minutes rebutting some of the untruths, the distortions, which appear in a document issued by a moribund organisation called the P.P.P. and entitled "Budget discloses need for a Revolutionary People's Democracy." In that document there are so many examples of gross stupidity that if we were not dealing with high matters of state, matters concerning the economy of this country, we could be forgiven if one had come to the conclusion that this document was intended to have some comic effect because the writer of this document, after

scribbling many inanities alleges that the debt charges of Guyana will be \$100.8 million and then goes on to make a point about 28 per cent of the anticipated current revenue and 25 per cent of the current expenditure of 1976.

When the People's Progressive Party was in this honourable House and wasted our time with a lot of irrelevances, my comrades on the Government benches and I took the occasion to try to enlighten the Leader of that Party and his colleagues on this question of debt charges or debt burdens. We sought to point out to him that the question was really the country's ability to pay, and the real issues was not debt charges in relation to current expenditure or current revenue but debt charges in relation to earnings from foreign trade. We explained that the relevant point was the debt service ratio which was the debt charges vis-à-vis the country's foreign exchange earnings.

It seems that our efforts were unrewarded, and these professional oppositionists persist, either out of malice or gross stupidity in peddling this kind of misinformation to the public at large. In fact, Cde. Speaker the debt service ratio for 1975 for Guyana is only 4.5 per cent, for 1976, the debt service ratio will be 7.6 per cent, both of which figures are regarded as being extremely low. Some countries have debt service ratios of 20 per cent and 25 per cent. I think, 4 to 7 per cent is very low. It shows that the economy is in a healthy viable state. Indeed, I should point out that that increase to 7.6 per cent next year reflects really a once-for-all payment in connection with the nationalisation of the bauxite company (Demba) the magnitude of which will not recur in the future years.

There are some other points in this document to which I will allude. Without knowing it, the writer makes the most valid point in support of Government's policies and, in fact, highlights the success of Government's fiscal and other policies during the year 1975. Says the writer:

“The Minister has admitted that the domestic inflation rate in 1974 was 20 per cent and in 1975 domestic price levels increased by approximately 6 per cent. Import prices on the other hand, rose by 25 per cent.”

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National Assembly

2.55 – 3.05 p.m.

It is true that in 1974 there was a sharp up-turn in prices, not only in Guyana but all the world, because of the tremendous impact of high prices caused by the oil crisis. But this Government took that 20 per cent increase and brought it down to 6 per cent in 1975, notwithstanding the fact that import process rose by 25 per cent. And the writer of this document believes that he is making a criticism against the Government when, in fact, he underscores the correctness of Government's policies and underscores the great regard of this Party and this Government for the welfare of the people of Guyana!

The writer cavils at 6 per cent increase in price levels when the rate of inflation in 1975 in other parts of the world is very, very high indeed.

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For example, in the United States of America it is 7.8 per cent; in the United Kingdom it is 27 per cent; in Canada it is 10.8 per cent; in Italy it is 15.2 per cent; nearer home in Trinidad and Tobago it is 16.2 per cent; in Jamaica it is 16.6 per cent and in Barbados it is 18.6 per cent.

We of this Party and this Government have a right to feel justifiable proud that through our efforts and through our policies we have been able to contain inflation in this country to 6 per cent, which I believe to be a record in the world.

We have not seen our development in isolation, for we recognise that Guyana is an integral part of this region and, indeed, of the world. It behoves us, therefore, to have regard to what is happening in the rest of the world and co-operate as far as possible with countries similarly circumstanced which have an interest in protecting themselves and in developing themselves. For this reason in the course of the year we strengthened our links with our CARICOM brothers, thereby deepening the integration process. One very important point has been the joint corn/soya bean project between Guyana, Trinidad and Tobago and St. Kitts, the kind of project which makes sense in the context of CARICOM and which certainly will be one

(Cde.Hoyte continues)

of the important landmarks in the development of the Community. Similarly, this year has seen the finalisation of an agreement between Guyana and Barbados for the establishment of a joint cement factory to be sited in Barbados. These are the tangible things which demonstrate our commitment to the Caribbean Community and which demonstrate, despite the fears of the doubts, that CARICOM is alive and vital and is going from strength to strength.

Further afield, Guyana was one of the founding members of the Latin American Economic System which was established by the Convention of Panama last month, an organisation which brings together, for the first time, all the independent countries of Latin America and the Caribbean to take action for their development, to co-operate for development, and to co-ordinate their various positions so that they could, as far as possible, speak with a single voice in the international forums of the world; so that as far as possible they can present a united front to the great economic blocs which have arisen in the world within recent years.

Earlier this month in Havana, Cuba, Guyana also became a founding member of the Caribbean Committee for Development and Co-operation, a committee which has been set up as a sub-group of ECIA in order that the peculiar problems of the Caribbean may get greater attention and greater understanding and to enable the Caribbean countries to co-operate more effectively to protect and promote their own vital economic interest. In the course of the year we have pursued our policy of non-alignment, and have strengthened our links with many countries in the world as we expand our economic and commercial relations as we diversify those relations.

During 1975, we saw links with China being consolidated and new links by way of technical, economic and cultural agreements being forged with Rumania, Venezuela, the German Democratic Republic, Cuba and India. All of these developments signify the vitality of our internal and external policies in as much as we contend that foreign policy is largely a reflection and extension of internal domestic policy.

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National Assembly

2.55 – 3.05 p.m.

While I have, I believe rightly, identified the achievements of the people of Guyana in 1975, particularly of the workers of Guyana, I must not be interpreted as implying that we do not have problems or that we will not have problems in 1976. In fact, every year brings its peculiar difficulties and for a country like Guyana, there are certain persistent problems which we have to face and overcome. During 1976, I foresee that there will be several constraints to our developmental efforts, constraints arising from the uncertainty of sugar prices, and therefore the uncertainty of foreign exchange earnings; constraints arising from an ever-increasing demand for skilled man-power and the difficulty of satisfying that demand as our economic activities become wider and wider, and the problems arising from the continuing demand for more and more building materials as our programmes get off the ground and as our projects materialise. I believe, however, that these are the normal problems of development. They are problems which we can and will overcome. I believe that in 1976 the workers will respond again to the challenges of development with greater production and productivity, with a sense of dedication and with the patriotism and political awareness which are indispensable for the development of a country.

3.15 p.m.

During 1975, the workers of this country have performed well. The people of this country have performed well.

In fact, one could write the history of the past 10 years around the continuous improvement in the production of workers; a continuous improvement which is directly linked with the advent to office of the People's National Congress and with the policies which that party has pursued over the years.

During 1976 there is no reason to believe that, a magnificent response from the people of Guyana will not be forthcoming. In fact, we know that it will be forthcoming and we believe

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(Cde. Hoytes continues)

that, given the continued leadership of Cde. Burnham, given the continued inspiration of the People's National Congress, given the continued inspiration of the People's National Congress, given the continued direction of our socialist ideology, the people of Guyana will make 1976 another year of grand effort and great success. Thank you. [Applause]

Cde. Speaker: Hon. Leader of Opposition.

The Leader of the Opposition (Mr. Singh): Mr. Speaker, let me first of all congratulate the hon. Minister of Finance and his staff for having presented to Parliament this 1976 Budget so well ahead of the usual schedule. This is very commendable indeed for it has the distinct advantage of making it possible for all the necessary paper work to be done so that from the very start of the new year the various Ministries and Government agencies will be able their allocations; they will know what their detailed programme is and they will be able to get cracking on it without the necessity for special warrants and so on.

I have read this 1976 Budget Speech very carefully and with very great interest. While I noted the usual optimistic tone which has been the hon. Minister of Finance's trade mark for the past several budget presentations, I am also quite impressed with the figures which he has presented. According to him it would appear that Guyana has weathered the financial storm which has racked the world since the first major oil price increase levied by the Organisation of Petroleum Exporting Countries, with the resultant world-wide inflation and we are now preparing for another major thrust towards the achievement of our major objectives. And, of course, there is no new taxation in 1976.

Any budget which does not impose any new taxation is almost certain to be hailed as an excellent budget. But, as I said last year when replying to the Hon. Minister's 1975 Budget Speech, the simple fact of the matter is that the Guyanese public have reached saturation point as regards taxation.

I think it would be fair to say that the P.N.C. supporters would be the first to raise a big hue and cry if there was any more direct taxation imposed on them. As it is there is constant complaint by everyone about the escalating cost of living. Nevertheless, and this is interesting, when we look at the increased revenue which the Government estimates for 1976, we will realise that by indirect taxation the Guyanese public will still be paying more in 1976. I give an example of what I mean. Consumption tax which has been revised at \$41 million for 1975 is now estimated at \$44 million for 1976. So it was revised at \$41 million. We are estimating for 1976 \$44 million. That is an increase of \$3 million which the Guyanese taxpayer, by and large, will have to foot. So, to that extent, there is increased indirect taxation.

I make no pretence at being an expert in economics with all the fancy sounding expressions which the experts love to use. What I do know is to balance my modest budget and to balance my modest budget I have to ensure that the money I spend closely approximates the money I earn. That is simple economics. I submit that this is precisely what this budget exercise is about, a simple question of addition and subtraction. You earn and you spend.

The hon. Minister has stated that the proposed budget for 1976 will be \$663.9 million made up of current expenditure \$402.1 million and Capital Expenditure of \$261.8 million. Revenue during the same period according to him will amount to \$449.8 million. Therefore, according to the Hon. Minister, the deficit will amount to \$214.2 million. Up to this point his addition corresponds with mine. But he also tells on page 37 of his Budget Speech – I hope, sir, that you have the same page as mine; I understand that some of these pages are printed differently – at the head of the page about three lines from the bottom of the first paragraph, there will be a Budget deficit of \$17 million for 1976. I cannot find the provision to eliminate this \$17 million deficit. If it is not in the Public Debt for 1975 then it means that we will have to add it to the Current Expenditure amount and this would increase the 1976 Budget deficit to \$231.2 million.

But let us deal with what he tells us. Let us deal with the proposed deficit of

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(Mr. Singh contd.)

\$214.2 million. I am certainly perturbed to read at the end of the Budget Speech that in the true tradition of port-knocker economics we propose using up our savings over two years of sacrifice in one fell swoop to wipe out the deficit.

We would not wish to see already excessive taxation increased but is this Budget deficit really necessary? That is the question? Should we not have our coat to suit our cloth? And, moreover, will we really have the reserves to meet a deficit of \$214.2 at the end of 1976?

3.25 p.m.

On page 27 of the Budget Speech the hon. Minister states that the gross international reserves at the end of 1975 are expected to be \$256 million. But he goes on to say that after certain end-of-year public debt payments the net international reserves are expected to settle at around \$179 million – **[Interruption]** – or \$256 million gross by the end of the year. I said that already; you were not listening. The sum of \$256 million gross, and \$179 million net, and the \$179 million net comes about because you have to pay at the end of the year public debt payments, you have to pay out money, and that is what reduces it to \$179 million. **[Mr. Hope:** “No.”] The wording is very clear. It is expected, “after certain end of year public debt payments, particularly to Alcan, to settle at around \$179 million or \$256 million gross by the end of the year.” The net is \$179 million. I do not want to enter into any dialogue with you, it is here.

The question is: How do we use \$179 million to pay a debt of \$214.2 million? Where does the remaining \$52.2 million come from? I rather suspect that the Government’s answer would be that during 1976 we will continue to export and thus we will continue to add to the size of our international reserves. If that is the answer let us look at pages 39 to 41 of the hon. Minister’s Speech. He stated that Guyana cannot expect to increase her international reserves during 1976 and in fact it can be expected that exports will not exceed imports with the result that our international reserves will be diminish. If this is the case again, how then will we erase the proposed deficit of the \$214.2 million.

Of course, it can be argued that they need not be balancing of the Budget. You can argue that in developing countries of the world deficit spending by Government is an accepted means of providing goods and services. But there is a great difference between developed countries and Guyana. The former have established a sound financial basis on which to borrow. Guyana, on the other hand, at least at present, has a very limited base which is dependent upon the vagaries of the international market place. It stands to reason, therefore, that Guyana is much more susceptible to such vagaries.

Frankly, I am at a loss to comprehend how the hon. Minister proposes to balance his 1976 budget. But perhaps he uses a new system, the socialist mathematics, while I, on the other hand, admit to a much more elementary and a well proven system. I do not make claims to understanding the socialist mathematics. What I would ask is why could the pruning knife not have been used particularly on such things as the Army, the National Service, the executive aircraft, the helicopters? Why could the pruning knife not be used on those? As a young developing nation, surely, we must understand that we have to creep and then we have to walk and after that we can start running. But here we are trying to run before we can even start to creep properly.

In lines 4 and 5 of the beginning of the Budget Speech it is stated, and I like this phrase, "This particular budget marks a milestone in the history of our country." It might well be that this particular budget will go down in history as the millstone around the necks of the Guyanese people. I sincerely hope that this Government will heed what we say on this side and that this will not be. But that is my fear.

Today, we are dealing with figures, figures which are intended to give us a reasonably close idea of what our accounting will be like in 1976. Let me say at the onset that I do appreciate that these figures are only estimates. But what I do emphasise is that they should be estimates and not "guesstimates." They should not be far removed from the final actual figures. We do not expect them to be the same, but they should not be far removed from that.

Unfortunately, the Government's record in the past has been one of guesstimates rather than estimates, for it has been overspending on the Current and underspending on Capital. That is, we in this country, according to the Budget, consume all the income and then we eat into the capital, the capital that would otherwise have been utilised to finance productive projects. Let us look at the figures and see whether the pattern has really changed. It is a repetition, but it is important.

In 1968 we budgeted for \$96 million on recurrent expenditure, the actual amount spent was \$98 million, so we overspent \$2 million. In 1969 we budgeted \$105 million; the actual amount spent was \$107 million so we overspent \$2 million. Recurrent expenditure in 1970 was worse. We budgeted \$116 million; we actually spent \$123 million so we overspent \$7 million. In 1972 we budget \$146 million; we actually spent \$153 million so we overspent \$7 million. In 1973, we budgeted \$174 million; we actually spent \$211 million; so we overspent \$37 million. In 1974 we budgeted \$222 million; we actually spent \$260 million, so we overspent \$38 million. This year, 1975, we have budgeted \$304 million. It is estimated that we will spend \$347 million so that we will overspend \$43 million. In 1976 next year, we are budgeting \$402 million.

In respect of this recurrent expenditure the pattern has not changed. In 1975, as I said, we will overspend approximately \$43 million which is more than ever before.

3.35 p.m.

Let us look at capital expenditure now. In 1968 we budgeted \$45 million; we actually spent only \$40 million, so we underspent \$5 million. In 1969 we budgeted \$62 million; we spent \$45 million, therefore we underspent \$17 million. All this is capital, the productive sector. In 1970 we budgeted \$79 million; we actually spent \$45 million so we underspent \$35 million. In 1971 we budgeted \$75 million; we actually spent \$58 million so we underspent \$17 million. In 1972 we budgeted \$79 million; we actually spent \$63 million therefore we underspent \$16

(Mr. Singh continues)

million. In 1973 we budgeted \$138 million; we actually spent \$83 million; we underspent \$55 million. In 1974 we budgeted \$173 million; we actually spent \$107 million; we underspent \$66 million. In 1975, we provided \$227 million; we are to spend \$255 million so that in this year, 1975, for the first time it is estimated that we will overspend by \$28 million.

But, let us examine this \$28 million of Capital which, for the first time, we are to overspend. What were the major areas of this capital overspending? They are very easily identified. Let us look at page 35 of the 1976 Estimates. Under the heading Capital Expenditure, Division V, Prime Minister, For Purchase of Equipment, G.D.F. the sum of \$1,400,000 was approved but this was revised to \$12,448,800, an increase of \$17,426,800. So, these two increases alone total \$28.4 million.

For the first time there will be capital overexpenditure amounting to \$28 million but the excess on these two Heads alone amounts to \$28.4 million. In fact, if we take the total revised expenditure on these two capital Heads alone, Equipment for the G.D.F. and National Service, it amounts to \$40.9 million. So, Mr. Speaker, we see that the pattern of underspending on development projects still continues and we cannot wholly accept what the Minister says on page 35 of his Budget Speech. Let us look at that page. Dealing with 1975, he says:

“On the Capital Account the Estimates as presented for 1975 envisaged total Outlay on Capital of \$227.3Mn. During the course of the year a number of projects for various reasons did not move ahead as rapidly as we expected and therefore did not absorb in full the allocations that were available to them. On the other hand, implementation and new projects became ready for financing. Consequently, the expenditure distribution was varied during the year to accommodate the changing situation in terms of proposed outlays.

So, he has given the reason for the change and the overspending projects as he calls them. But what were they? National Service and Equipment for the Army. Those were the heads that caused the Capital Estimates to be overspent to that extent.

Let us now turn to Revenue. Again, the pattern has been predominantly one of under-collecting but within the last two years sugar has come to the rescue and made all the difference. Again, let us look at the figures. Figures are very important in respect of these Estimates. Let us deal with recurrent revenue first. In 1968 the budgeted amount was \$106 million; the actual amount received was \$103 million, a short-fall of \$3 million. In 1969 \$119 million was budgeted for; the actual amount received was \$111 million, a short-fall of \$8 million. In 1970, the budget was \$122 million; the actual amount received was \$133 million; the difference was a surplus of \$11 million. In 1971 the Government budgeted for \$146 million; the actual amount received was \$128 million. So we go back to a short-fall of \$18 million. In 1972 the sum of \$148 million was budgeted for; the actual amount collected was \$158 million, a surplus of \$10 million. In 1973, \$174 million was budgeted for; the actual amount received was \$160 million, a short-fall of \$14 million. In 1974, the year of sugar, the Government budgeted for \$203 million; the actual amount received was \$300 million, a surplus of \$97 million. In 1975, it budgeted for \$370 million; the actual amount received was \$484 million, a surplus of \$114 million. In 1976, the amount budgeted for was \$362 million. The revised estimate of current revenue for 1975 is \$484 million. The sugar levy accounts for \$225 million or over 46 per cent of that \$484 million. And of the increase of \$114 million, let us understand that there was the surplus of \$114 million which was over-estimated. The sugar levy accounts for \$69 million of that \$114 million.

The original estimates for the sugar levy was \$156 million and it was revised to \$225 million. So that the revised figure provided \$69 million more and the total figure was \$225 million out of \$484 million. Therefore you see that were it not for the fortuitous circumstances of sugar, the Government would have been very deeply in the red.

3.45 p.m.

The hon. Minister of Finance claims that the balance of payments position is a measure of

the soundness of the nation's economy and he says that the policy the Government has pursued has been appropriate and they have been successful. Actually, the present sound financial position is certainly not due to Government's policies and planning. It is the result of sheer good fortune from unexpected world market development in the price of rice and in the price of bauxite, too, stocks of which were available in Guyana at the right time. It is true that the Government did seize the opportunity to break contracts and to sell for higher prices on the world market and to impose a levy on export. But if we were to take out the levy from the budget figures in 1974 and 1975, it would be clearly seen that there was no proper planning and not even a hope of such a successful position as did, in fact, happen.

The entire country has benefited from the increase in the price of sugar and that is as it should be. No one quarrels with that. But are not the sugar workers entitled to some little extra consideration under these circumstances? Everyone knows the kind of pension given to the former sugar workers who spent the best years of their life toiling and slaving in the cane fields. My understanding is that they get a miserable pension of between \$2 and \$4 a week. The wages of sugar workers are still comparably low and the housing in some areas is still atrocious. We have heard lots of propaganda about the Government pulling down the logies. That in itself is an acknowledgement that the housing conditions are atrocious. Government is doing something about it, that is good, but it needs to do much more than that.

The workers in the bauxite industry enjoy good wages, they enjoy good conditions of employment. They are no longer separated from the capital city. They used to say that they were far away in the interior. Now they have a nice, new road which was known as the Atkinson/McKenzie Road but is referred to in the Estimates as the Atkinson/ Soesdyke Road. Some say it is the Linden/Soesdyke Road. It was built under my administration. Surely, the sugar workers are entitled to treatment at least comparable with the bauxite workers. I appeal to the Government and, indeed, to the Minister of Labour to see that sugar workers are given a better deal. I know he is working on it and I am looking forward to great things from him in respect of sugar workers.

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National Assembly

3.45 – 3.55 p.m.

Let us take a look at some of the details of the Budget Speech for 1976. As regards the Government's new policy in education, it will certainly create conditions and planning to lay the foundation for equal opportunity. This is commendable indeed but like everything else enough thought and planning has not been put into it by the Government in order to get the best possible results within a reasonable time. Government seems to be in a hurry to take over everything without first having qualified people to carry out the policies.

Quite a lot of money, as the hon. Minister of Economic Development said to us, has been spent on the erection of huge buildings in various parts of the country. But what about the staffing and the equipping of these buildings? Buildings alone cannot teach children. My information is that a significant number of teachers are not properly trained or not properly qualified. This happens even at Queen's College. Let us understand that Queen's College is one of the premier secondary schools in this country. I am told that the students there have very many free periods. Why? Because there are no teachers for the subjects.

If I may touch on the teachers for the National Service, they are recruited from the poorest possible standards and the few who are qualified are taken from the established primary and secondary schools, thereby reducing the standard and the numbers in those schools. How can children be trained or educated by persons who, by and large, are not themselves properly trained and who lack a proper sense of discipline? The tragedy seems to be that Government is in a hurry to get control of all the institutions of learning in order that it can indoctrinate the children or brainwash them, as my colleague says, into their own particular type of socialism.

I say their own political type of socialism but I am reminded of the utterance of Dr. Reid, Deputy Prime Minister. According to him, this socialism is no different from Russian's communism. He said that we are pregnant with the revolution that took place in Russia and the child would be born shortly. According to him, our brand of socialism is Russian's communism. Is that what we mean when we talk about laying the foundation for equal opportunity? Free education is good but under the existing circumstances I can see a lot of problems ahead. Perhaps

a school or a business which has been operating for some time with its full staff can be taken over and it can carry on without much difficulty provided there is no interference with the management by the Government.

3.55 p.m.

Everyone knows that when Government has to start something from scratch, the end result is, invariably, chaos. Look at the fiasco recently in respect of school books. The books were supposed to have been airlifted. Has the airlift taken place. Have the books arrived? The answer is, No. Government tried to blame the bookshops but I am told by the bookshops that their applications for licence, even for such things like stapling machines and staples, have not been granted. They are just not getting their licence granted. The Government has made big announcements and now it is 'passing the buck' by trying to blame the bookshops. However, the bookshops tell a different story and when one hears the story, as I heard it, then one understands what is the real situation.

The end result of all this, Mr. Speaker, is that much needed schoolbooks are still not here. Students and teachers alike in schools all over the country have said so. And not just ordinary schools but even Queen's College. I have been told, by students attending Queen's College, that essential textbooks are not available to them. Schools in places like Santa Rosa, Moruka do not have books and they have been scrounging all over to get books. The teachers do not have books to teach the children. The result when Government walks in and takes over, is chaos.

According to the Government's new policy, one must presume that it intend to take over all the denominational schools and all over schools. Yet I have searched these Estimates and nowhere in them do I find any provision for compensation in respect of these schools that are to be taken over. Does the Government intend to seize the school properties without compensations? Is that its intention? Surely the school authorities are entitled to know. They

have been coming and asking me. The Government has not announced anything at all. It has not said how this will be done. It has announced free education from Kindergarten to University. And, incidentally, kindergarten is spelt wrong in the Estimates it has 'garden' instead of 'garten'.

What is the Government's policy? What will it do? Will it take over these schools and pay no compensation? At least the Government should let the people know its intention. However, the members on that side of the Government. They have the two-thirds majority; they can change the Constitution; they can twist it and turn it any way they like. They are there. We would not go into how they got there but the point is common courtesy demands that they should tell the people what they propose to do. As it is, the school authorities are completely in the dark as to the Government's intention in this respect.

Now, Mr. Speaker, as regards Health, I do not agree that more has been provided in 1976 but it is still only 5.3 per cent of the total budget. I noted all that the hon. Minister of Economic Development said about what other votes would back up the Health vote. We are not dealing with that. We admit that there must be a certain amount of overlapping. Let us deal with the specific vote. That is the one that we have to deal with because we have to compare it with the other Heads.

I do not think that any individual in Guyana would dispute the statement that our health services in this country are absolutely atrocious. All you need to do is go to the Casualty Department or enter the open wards, for example Ward E or A of the Public Hospital or even the Children's ward. In spite of the fact that a bottom flat has been added one would see the terrible conditions. I have been in there and I have seen two and three children in a bed. Are we satisfied with that? This is a country which says that its people are its most precious assets. Are we really satisfied with that?

I have examined the details of the Head on Health and it is obvious that more needs to be done and very quickly indeed, particularly in the rural areas and in the interior areas. The hon.

Minister in his Speech talked about money being allocated for the purchase of drugs but if we look at page 174 of the Estimates we will see, as regards the purchase of drugs and medical appliances, the estimate is actually \$110,000 less than provided in 1975.

I have looked in the Capital Estimate and there is nothing there in respect of purchase of drugs and medical appliances. So why are we talking about pure water supply, of this, that and the other? What happens to people when they are sick? They go to the hospital and they cannot get attention; they cannot get drugs. That is important. And yet, Mr. Speaker, for the Army, the police and National Service we propose spending approximately \$74 million or 11 per cent of the amount budgeted for 1976.

I sympathise with the hon. Minister, Mr. Mingo because it seems to me that the Police have now been relegated to the position of being the poor cousins of the National Service and the Guyana Defence Force. I am sorry for them. They seem to have been pushed aside; they take last place in respect of the services. This is really scandalous. We all know that the Police are most important; they protect us. I agree with the hon. Regional Minister who said that for this reason they should be given priority. They look after us; they are the ones who are operational; they are the ones who are most important in that they are responsible for the maintenance of day-to-day law and order in society. So I would urge the hon. Minister to be more articulate in his demands for more money in respect of the Police.

Why should the National Service seem to have no limit to the money available to it. It spends and asks for more; and more always seems to be forthcoming. It has a multitude of new vehicles creating havoc in Middle Street. And here again I will say to the hon. Minister of Home Affairs that the National Service drivers seem to have taken over as leaders in reckless driving and wrecking vehicles. There is no other service to top the National Service in respect of that now. The Government, on the whole, has a bad record but, from what I see in Middle Street, the National Service is without comparison in this respect.

1.12.75

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3.55 – 4.05 p.m.

I note that members of the National Service are being trained in the use of the latest military weapons. Why? Is it to counteract indiscipline in the other forces? The army is being expanded to enormous proportions. What are we really trying to do? Are we aspiring to be the foremost military power among our neighbours? Mr. Speaker, not only is this impossible, but we obviously cannot afford it. First of all, it is impossible, and secondly, we cannot afford it. Look at who are our neighbours.

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What I would urge is that we should change our priorities, and give some money to Health and give some money also to Housing, because only 1.1 percent of the 1976 Budget has been allocated for housing. If that is all that housing got, it is obvious that our target of housing the nation by 1976 could never be met.

While I am talking about the excesses of the Government, perhaps I can urge that they make sure that the old folks receive a decent old age pension and, as my hon. Colleagues said, the figure needs to be revised. Moreover, I recently heard that in the Moruca area the old age pensioners have not had their pensions for the last six months.

Cde. Speaker: Hon. Leader of the Opposition, how much longer are you going to speak? Another hour?

Mr. Singh: I do not think as much, sir.

Cde. Speaker: Well then perhaps we should take the suspension. The Sitting of the House is suspended for 30 minutes.

Sitting suspended at 4.07 p.m.

On resumption –

Cde. Speaker: Hon. Leader of the Opposition.

Mr. Singh: Mr. Speaker, on page 4 of the 1976 Budget Speech it is noted that the Inland Revenue Department will be called upon to exert continuing and maximum effort to ensure that taxation evasion is kept to a minimum and that all categories of taxpayers, actual and potential, contribute their fair share to the public revenues. Of course we agree that all who are liable to pay tax should pay their tax, and equally we say that the Inland Revenue Department should carry out its functions courteously and efficiently as a Government Department. But for some time now there have been bitter complaints by the Guyanese public about the discourteous treatment meted out to them at the hands of some of these bureaucrats and little Caesars in the Inland Revenue Department.

Particularly they complain bitterly about the way they are pushed around when they go to obtain tax clearance certificates. They complain also about the great delays in obtaining tax refunds but most unsatisfactory of all is the operation of the Board of Review. In this connection, let me refer to page 31 of the Budget Speech for 1975 presented by the Minister of Finance. I quote:

“Thirdly, in order to determine taxpayers’ objections to assessment expeditiously, the Board of Review will be expanded to enable an increase in the rate at which appeals are finally disposed of by members of the Board.”

Mr. Speaker, my information is that this promise given by the hon. Minister of Finance in his 1975 Budget Speech has not been put into operation and I am further informed that even the Commissioner of Inland Revenue is dissatisfied and, indeed, frustrated with the operations of the Board.

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It is said that the Chairman of the Board calls a meeting for 2 o'clock. He arrives between 2.30 and 2.45. He stops promptly at 3.50 p.m. it is suggested that the reason for this is that a fee of \$30 per day is paid for attendance. This means that the number of appeals keeps piling up. I am sure all will agree that this is a most unsatisfactory state of affairs. The Board of Review is intended to be a cheap and an expeditious manner in which to dispose of appeals. I am sure that the hon. Minister recognised that when he made his statement in the 1975 Budget Speech. At present, this Board is operating like a Court with the appellants having to engage lawyers.

I should like to request the hon. Minister to amend the legislation so that we may have several full-time Boards to get rid of this backlog. I understand that under the existing law it is the Chairman who has to write and deliver the decision in every case. The law could be amended so that we can have several Chairmen of several Boards in order to really let the Board of Review operate as it was intended to operate. It is not doing that at the present moment and I am sure that the problem has been recognised because it is in the 1975 Budget Speech.

Turning to another aspect of the 1975 Budget Speech, I note on page 25, that it is stated that two million pounds of white potatoes were to be harvested at Paruima and Kato. I would like the hon. Minister to tell us what has happened to the two million pounds of white potatoes. Where are they? And where is the expert who was supposed to be looking after the growing of these potatoes? Why did the hon. Minister tell us in these Estimates that we would get two million pounds of potatoes?

Another aspect which needs looking into is the aspect of these people who are migrating from this country. Let us understand that the policies of the Government are chasing people out of this country. As the present time, these people are allowed only the equivalent of \$100 (Guyana). How far can that really go in respect of a person who is migrating to set himself up in a new land to start a new life? He may have slaved here for all his life; he may have made

sacrifices; he may have built a small bank account here and he is allowed to take away the equivalent of only \$100 (Guyana).

I am not saying that he must be allowed to take all that he ever made in this country; I am saying that a reasonable sum should be allowed to him. We have allowed up to \$600 for holiday travel calculated to \$200 per year for three years. Can we not be generous to these people who are migrating? There is no guarantee at all that they will come back after they take the \$600. This is one area in which I think the Government can extend some goodwill. They have done it in respect of persons going on holiday. They say that the balance of payment position is so good. Why should we keep people tied here if they do not want to stay? Let us show a little charity to these unfortunate people.

Let me perhaps deal with some of the inaccuracies in this Budget Speech and let us see how versatile the hon. Prime Minister is with this. At paragraph 6 on page 1 of the Estimates it is stated:

“The Current Account shows a deficit of \$39,599,473 and the Capital Account a deficit of \$174,182,673.”

I say that that last figure should be around \$174,583,200. [**Cde. Hoyte:** “What’s the difference?”] You do not know the difference between \$174,182,673 and \$174,583,200? That figure is wrong. If one subtracts the capital expenditure of \$261,844,620 and take out capital receipts of \$87,661,420, the balance will be \$174,583,200. On page 2, Summary of Budget Estimates, the correct figure is shown as excess of expenditure over receipts under the heading “Capital Account”.

Let us turn now to page 5, Under the 1875 approved Estimates, the current revenue was approved at \$369,695,800. The figure listed here is \$363,695,800. There is a difference of \$6 million.

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Let us look at page 23 of the 1975 Budget Speech. Under Current Revenue it is stated:

“In 1975 Government expects to collect revenue amounting to \$369 million.”

That is the figure listed there. Yet, here it is set down as \$363 million, a difference of \$6 million. I know where the difference comes in and I will tell you where it is. If you look at the right hand side of page 5, the sum of \$80,895,000 is recorded against Inland Revenue in the 1975 Approved Estimates. That should be \$86,895,000 and the total should be \$369 million instead of \$363 million. If we are preparing Estimates they must be done properly. Anything that is worth doing is worth doing properly.

On page 6, at subhead 15, the estimated revenue for Consumption Tax in 1976 is \$44 million; for 1975 it was \$41 million, so there is an increase of \$3 million. Recently some persons have pointed out that there is a hardship here in respect of this Consumption Tax and have asked that I bring it to the information of the hon. Minister. It appears that furniture and jewellery, both of which have no foreign content, are also subject to Consumption Tax. Raw materials that come into make things which have Consumption Tax on them are free of duty. The things that are made locally with our materials pay Consumption Tax. There seems to be an unfair advantage in that some manufacturers get raw materials in free whereas others, using local materials, have to pay Consumption Tax and they get no benefits of any raw materials coming in.

In respect of Inland Revenue, I may point out that the details of that \$6 million appear in the 1975 Approved Estimates on page 6. In respect of Income Tax – Self-Employed, the amount should be \$3.2 million, not \$2.2 million and in respect of Corporation Tax, it should be \$18 million, not \$13 million. If you look in the 1975 Estimates that were presented, you will see the correct figures there. It does leave me wondering how the figures were balanced with a

discrepancy of \$6 million. The sum of \$6 million is a significant amount of money. It may not be to some of the other Members here but it is to small people like me.

In respect of Income Tax – Companies, in the 1975 Revised Estimated, the figure is \$31 million, in the 1976 Estimates it is \$20 million which is \$11 million less. One wonders what is the reason for this. We read in the Budget Speech that there was back collection of taxes so presumably this is the answer. In respect of Corporation Tax – Companies, again the Tax envisaged for 1975 is \$38 million but all we are expecting for this year is \$24 million. We have got some sort of reply in the Budget Speech in respect of Companies Tax as regards back collection, but we do note that under subhead 3, Income Tax as – Others, the sum of \$28 million is listed in the Revised Estimates and the sum of \$29 million in the 1976 Estimates. What we are saying is that in respect of Income Tax for individuals the amount will go up by \$1 million. What I cannot understand is why the National Development Surtax, which is item 24, is put up by \$800,000. It is estimated for 1975 at \$6,700,000. For 1976 the estimate is \$7,500,000 which shows that \$800,000 more has been estimated for National Development Surtax, which is only 5 per cent of income but on the item Income Tax from individuals the increase is \$1 million. It does appear to me as though that figure is a little too much. If your increase of Income Tax is only a million dollars then your Surtax, which is only 5 per cent of income, should not be as much as \$800,000. Either the \$1 million is too low or the \$800,000 too high.

Turning to the right-hand side of the page, item 12, Passports. We note that the Approved Estimates of Revenue for Passports is \$100,000 in 1975. That is the estimate of revenue. The amount was revised to \$14,000 and for 1976 we have reflected that \$20,000 will be received. The sale of Passports at \$10 each would mean 1,400 Passports in 1975 and 2,000 in 1976. One wonders whether this may not be a deliberate attempt not to issue passports, particularly when we look at some of the figures which have been quoted. The figures quoted for passports issued between 1969 and 1973 are as follows; in 1969 – 18,764; in 1970 – 22,597; in 1971 – 13,754; in 1972 – 17,450 and in 1973 – 21,624.

Cde. Speaker: Hon. Leader of the Opposition you will have to quote your source.

Mr. Singh: This is taken from the *Mirror* newspaper of Sunday, November 30, 1975, page 8. The figures quoted came from an official Statistical digest of December 1971. So the source is authentic.

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(Mr. Singh continues)

It means that we are restricting passports to 1,400 in 1975. Is this a deliberate decision by the Government of Guyana to restrict the granting of passports to Guyanese citizens? At the moment the Constitution of Guyana provides for freedom to leave Guyana and if there is such a direction it would be circumventing its provisions. We did estimate originally \$100,000.

Now, sir, on page 6, on the right hand side we see subside 55, Matthews Ridge. For the very first time Matthews Ridge is showing an expected return of \$200,000 in 1976. After years of pouring millions into that area the paltry sum of \$200,000 is now being reflected as revenue from that area. When will we get anything approximating a reasonable return for the investment that has been made since 1967 in that area?

On page 7, at subhead 54 we see Overseas Examination, Local expenses. I have to do this now because when we are dealing with the Estimates of Expenditure there is no provision whereby I could speak on revenue. This item appears for the very first time and the sum reflected to be collected in 1976 is \$225,000. I would like the hon. Prime Minister to tell us what this is all about. From whom will it be collected? If education is going to be free, one would presume that examinations would also be free. There must be some explanation for this expenditure. Examinations form part of education. You cannot hand it to students with one hand and then take it away with the other. This item never appeared here before. If it was hidden somewhere else I do not know. Let the hon. Minister tell us.

We move down to subhead 51, Code number 152 – Tolls, Corentyne Highway. The return envisaged for 1976 for the Soesdyke/Mackenzie Highway – I see they still call it Mackenzie and not Linden – is estimated at \$620,000. On the other hand, the Corentyne Highway is estimated at \$1,600,000. It is a tremendous disparity between the two. The Corentyne people are being made to pay a tremendous lot of money. I went to the Corentyne recently and every time you pass a toll station you have to pay a dollar. If you move from one point just past the toll station to visit a relative a few miles down the road, you have to pay another dollar when you are passing back.

I am not saying that you must remove the toll gates entirely. The Government seems to be intent on imposing tolls but at least the people are entitled to some reconsideration of the toll charges. The quantum seems to be far too much. Let some system be devised whereby if you go past one toll gate and not beyond the other there could be a way in which you can pass back at a reduced fee or at no fee at all.

Let us understand that the principle on which tolls are based is that you have an alternative route. Those people on the Corentyne do not have an alternative route. That is the road they have known from time immemorial. They have not other road by which they could travel, and they are being made to pay a toll. On the other hand, if you want to go to Mackenzie you can either use the highway or travel by river. We improved the East Coast road and we did not charge a toll. Yet we put tolls on the Corentyne highway.

On the right hand side of page 7 under Head 18, Code number 247, I note that under the heading “Licences – Oil Exploration” there is no revenue listed. I wonder whether the hon. Prime Minister would tell what is the position in respect of oil exploration in and around Guyana.

Item 23, Code number 252 – Royalties. The sum reflected in the 1975 Approved Estimates was \$500,000. In the Revised Estimates this was reduced to \$175,000. And of course,

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they seem to have kept it at the same level in 1976, that is, at \$175,000. Why was this reduced from the original estimated amount of \$500,000 in 1975 to \$175,000 at this time of the year? Why the decrease? Perhaps the hon. Prime Minister would take the opportunity to tell us whether the bauxite companies are still paying royalties or whether, now that they are Government owned, they have ceased to pay royalties. There must be some reason for this reduction.

Page 8, subhead 7, Code number 356 – Public Corporations. Nothing was listed under the Approved Estimates. In the column, Revised Estimates 1975, the sum of \$124,000 is listed and for 1976 what is envisaged to be collected from Public Corporations is only the sum of \$30,000. Why, one wonders, is it only \$30,000 as a return from all these public corporations? These corporations are supposed to run along commercial lines. I know what Government thinks about the profit motive but nevertheless one would expect that there should be some amount of money earned by these public corporations, at least in excess of \$30,000 in view of the fact that Government is taking over so much more of what before had been enjoyed by private enterprise.

On the right hand side of page 8, under the heading 'External Grants' we note that there would be grants from Canada, the United Nations Agencies and from 'Other' sources. I do not see China listed there but it could be that 'Other' includes China. We wait to hear what explanation is forthcoming from the hon. Prime Minister.

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Now in respect of External Loans we do see reflected –

Cde. Speaker: Hon. Leader of the Opposition, I know you did say that you were going to speak exhaustively, but I did not know you were going to complete the Estimates today.

Mr. Singh: Yes, sir. This is a real beauty. We see under External Loans China is listed to give us in 1976 an amount of \$1,200,000 as external loan. In the Budget Speech it was stated that

(Mr. Singh continues)

the Chinese will be helping us in respect of the clay brick factory, the New Amsterdam Hospital and the textile mill. This sum of \$1,200,000 does seem to be rather small for all these things and I am wondering what was operating in the minds of the people concerned when I read in the *Peking Review*, No. 33 of August 15th, 1975, and I am wondering whether what is written here might not, in fact, have influenced them in giving us such a small sum. Maybe they thought we do not need it. Order from our local dealer or write direct to the Mail Order Department P.O. Box 399, Peking, China. It is stated here on page 24:

“Take Guyana for example, a country without machine-building industry before Independence. It is now producing rice threshers, rice dryers, cassava crushers, portable steam boilers, collectors and water treatment equipment as a result of giving priority to small and medium sized industries to meet daily needs of the people. The Government has also set up various places a number of factories producing such articles as garments, batteries, nails, plastic goods, bricks and food.”

I really would like the hon. Prime Minister, if he can tell me where are these rice threshers that we are producing, rice dryers, cassava crushers. That is what the Chinese are saying about Guyana. Perhaps I should invite the hon. Prime Minister to write and tell the Chinese that these things are far removed from the truth. I do not know whether that influenced them to give us only \$1,200,000. But certainly \$1,200,000 cannot be for a claybrick factory, hospital and textile mill.

[Interruption]

On page 34 of the Budget Speech it is stated that the recurrent expenditure would increase by \$43.5 million and we are asked to interpret this in the light of inflation. But we will see on page 3 that the hon. Minister said and I quote: “During the past two or three years most of the western industrialised economies were characterised by high and continuing inflation.” Why then was not account taken of these inflationary trends in preparing the Estimates? Why give for the increased inflation when you were quite aware between 2 and 3 years ago that there was inflation.

(Mr. Singh continues)

Another significant statement is on page 34 and that is that there was a saving of \$3.6 million on personal emoluments. I am told that this occurred because of the failure to fill vacancies, so that if these vacancies had been filled the deficit would have been not \$43.5 million but \$47.1 million.

This is a very serious matter. Public servants are complaining bitterly that they are being called upon to do several people's jobs. They are complaining about unfilled vacancies and the situation has become even worse recently because of the announcement and the carrying into operation worse recently because of the announcement and the carrying into operation of that announcement that people who are involved in self-help housing and attending particularly the University of Guyana will be allowed time-off; they will not have to be on the job. That has further resulted in a number of vacancies in the Civil Service. We need to have a satisfied Civil Service in order that they be efficient. I know for a fact that recently in the Accountant General's Office paysheets were held up because staff had gone off to the University of Guyana full time and they did not have staff to carry on the work. Their paysheets were passed subsequently, but this is a problem.

I should like to see an efficient Civil Service and I am sure the hon. Prime Minister would like to see an efficient Civil Service. We cannot have an efficient Civil Service if we do not fill the vacancies in all Government Departments. If we have the posts, then we must fill them. Otherwise, take the posts out of the Estimates. There is no need to have them in the Estimates if you merely put them there and come back every year and say "Ah, we have done well. We have got a saving of \$3 million dollars in respect of personal emoluments."

In his Budget Speech, the hon. Minister spoke proudly of the growth of bank deposits by individuals. But what he did not tell us was the real reason for this. I have been told the real reason. The real reason is that most of the money was put in the bank because of fear. People are afraid to invest in private enterprise because of Government's attitude towards the private sector.

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There is the threat of nationalisation; there is the stringent licence requirements; everything is controlled. You must have a licence, so that there are those stringent trade restrictions. Prices are controlled with stiff penalties and I have no apologies for the stiff penalties; I believe in stiff penalties. There is the increasing involvement of the Government in the day-to-day trading activities. All these restrict the opportunities of the individual to invest.

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People have decided that instead of investing and running all these risks they will put that money on fixed deposits at 6 ½ per cent. [**Cde. Member:** “The Government can borrow it.”] Yes, but that is the reason. The reason is that he is afraid to invest and the Government is stifling initiative by doing that. The man cannot give of his best if all he does – [**Interruption**] Do you know the parable of the talents? The Good Lord told the man who took his talents and hid them in the ground: “Get thee yonder.” The Good Lord accepted and recognised that a man must have initiative and that he must use his initiative, otherwise, let him go. [**Cde. Prime Minister:** “what of the money changer? What did he do to them?”] In respect of the money changers, they were indulging in things that you and I object to. They were not indulging in honest and straightforward trading. Is the hon. Prime Minister saying that anybody who trades should be put aside and beaten? That cannot be so. Those who are extortionists, those who do not do things in the proper way, those who try to demand and expect an unreasonable return from their investment, those can be dealt with condignly by the Government but surely the man who merely wants a reasonable return from his investment should be allowed to invest and should not be scared out of investing his money. That is the point I make very strongly, sir.

Mr. Speaker, I earlier referred to this Budget as the “millstone” budget. It is certainly cause for concern that the public debt will rise during 1976 from \$72.9 million to \$100.75 million. Even though the Budget may be passed as printed, I appeal to the Government to hold down expenditure particularly in those areas which I have criticised and, please, I ask of the hon.

Minister not to let us have the spate of requests for supplementary provisions which we have been having in recent years.

One point that I had not mentioned before and a point which I must mention is something which we have been talking about year after year: When will this Government keep its promise to the indigenous inhabitants of this country, the Amerindians, to give them their lands? This has been promised. It was promised at Independence; it was promised after the 1968 elections; it was promised by the P.N.C. Government to the Amerindians gathered together before the P.N.C. officials. These people have been coming to me and pleading: When will the P.N.C. Government keep its promise to them? In all fairness to these people, the P.N.C. Government must keep its promise to them. They made the promise. They reiterated what we demanded. At one time the excuse was shortage of surveyors. Perhaps the hon. Prime Minister would like to tell us what the excuse is on this occasion.

On the credit side of the Government, we must admit that the cost of living has been kept down to a much lower level than in our neighbouring territories. This, as one must admit also, is due in large measure – **[Interruption]** I am not saying it has been kept down sufficiently but at least, comparatively speaking, it has been kept down much lower than in our neighbouring territories. This, in a large measure, is due to certain Government policies, notably the Feed Yourself programme and the banning of certain non-essentials and certain items for which substitutes are available. I do not agree with the banning of those items in respect of which substitutes are not available.

There has also been some bold and imaginative excursions into industrial developments. All this, however, - and, this is the tragedy – is marred by the inexplicable and the unnecessary emphasis on National Service and the obsessions with defence spending. On the debit side also is the failure of the Corporations to produce any significant gains to offset the losses of some of the Corporations and also the comparatively modest returns of the nationalised industries. I appeal to this Government to rethink its position in respect of this Budget, to rethink its policy and, as I

said once before, I would like to see this government practising all those ideas which were set out in the United Nations Declaration of Human Rights.

I should like to make one last point before I take my seat and that is a point which was touched on by the hon. Minister of Economic Development and that is in respect of Caricom and our association with Caricom. It does seem to me that we continue to be receiving the dirty end of the stick. From which countries do the imports? The imports of Caricom products come, by and large, from the European developed countries. They come to countries like Jamaica, Trinidad and Barbados. They are merely repacked, put in containers and then they come down here to Guyana and we have to buy them. What do we see in return? Nothing.

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They get all the benefits. Something should be done to remedy, this state of affairs. Not only do we have to buy the products but we have to pay almost double the price. If we obtained those things from the western countries they could cost us less. We buy them from the CARICOM countries and we pay more for them. Whom is the Guyanese housewives subsidising? The producers in the western countries? Is that what CARICOM means to us? I wish the hon. Prime Minister would look into that aspect of CARICOM.

Before I take my seat let me say that I had hoped that there would have been more of us on this side of the House to deal with this Budget and the Budget Debate. After Dr. Jagan announced his policy of critical support, I hoped that we would come into this Parliament for the very important debate which we are having today and the ensuing debate on these Estimates. I think it is a tragedy that the people who voted for that Party are denied representation by the people of their choice. We will continue to represent them on this side of the House but what we do say is that this seems to be yet another case where Dr. Jagan seems almost to be a traitor to the people who voted for him. This is the place where he must come to represent the people who voted for him. I have said before that the advent of Dr. Jagan and his Party in this august

(Mr. Singh continues)

Chamber might well have arrested the swift drift towards extremist policies which we have been seeing within recent times and that is why I would have liked to see him come in here to get involved in this debate. He takes time to make up his mind. Maybe he will sneak into Parliament next year. Maybe he will, but what I do say is that I consider it a national tragedy that for this debate the P.P.P. with Dr. Jagan and his members, did not come into Parliament to put forward their views before the Government and the Prime Minister of the country.

Cde. Speaker: Cde. Prime Minister.

The Prime Minister: Cde. Speaker, I did not rise to take any point of order when my learned Friend was examining the Estimates of Revenue in some detail even though I feel that those minutiae are for the House in Committee of Supply. And aware as I am of his ingenuity I thought that he would raise them then. Some of the questions which he has raised seem valid though and some of the discrepancies, real or alleged, might have been the result of the printer's devil or what have you and some of them would require notice to be dealt with in Committee of Supply. As far as I understand it, in the Budget Debate we deal with broad principle and not with whether it should be 33 million or 39 million, 2 million or 3 million. Albeit there have been some matters of principle which have been raised by the Leader of the Opposition to which I would desire at this stage to make some reference.

Now, as I understand it, the position of the Leader of the Opposition is that weren't it for the fortuitously high price of sugar during the years 1974 and 1975, we would not have been able to present a budget with a surplus on current account. That statement is more apparently true than really true, because there is one Commonwealth country, which I know, has a higher production of sugar than Guyana, which has a lower cost of production than Guyana, and which reported in 1974 a deficit on current account and seemed to be heading for another deficit on current account in 1975.

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(Mr. Singh continues)

First of all, the Leader of the Opposition seems to be unmindful of the fact that were it not for the intervention of the Government in 1974, a larger part of our crop for that year would have been sold at the old price of about £61½ per ton in the United Kingdom. In fact, when we intervened, the sugar producers were somewhat alarmed at our intervention. The Leader of the Opposition cannot be forgetful of the fact that subsequently, as a result of the Government's negotiations, that price was further raised to well over £80 – and I am talking about the Commonwealth Sugar Agreement only – and then again during the course of last year the British Minister of Agriculture came here to bargain, to negotiate with the Government of Guyana as to the price that the united Kingdom would pay for our sugar.

Certainly, the Leader of the Opposition cannot be suffering from so severe a lapse of memory as to forget that Government's taking over virtually the marketing of sugar, except for the details, deciding into which markets the sugar would be sold, whether it would be China, Morocco, Soviet Union, Algeria, was responsible eventually for the high income to the sugar industry during 1974 and 1975.

Certainly, the honourable – he prefers to be called “honourable” as a matter of courtesy

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rather than “comrade” as a matter of affection. Leader of the Opposition is aware of the fact that a marketing committee was set up between the sugar producers and the Government, on which committee the Government has majority representation and it is that committee which is responsible for the destination of any sugar that is exported from Guyana. And then, if I may borrow a Macaulayan concept or phrase, “every school boy knows” that it was the Government that then imposed a levy when other people were suggesting that we should impose an excess profits tax. We imposed a levy because the levy then became part of the cost of production and it was payable, in any case, and could not be reduced, as excess profits could be reduced by figure

juggling or anything of that sort. It is the Government that took advantage of a certain situation and brought to the people of Guyana a greater return on sugar during the years 1974 and 1975.

Incidentally, in the world of sugar marketing, some of our interventions were responsible for pushing the price of sugar up. For instance, when it was announced that we were selling twenty thousand tons of sugar at a particular time to China, that affected the London daily price. I am sure that it is a very peculiar that the Leader of the Opposition as alleged that the lift to our economy from sugar receipts cannot in any way be referable to the good management and the sensible and serious intervention on the part of the Government.

May I deal, Cde. Speaker, with another matter which seems to be bothering certain sections of our community. But before I do so will you permit me, Comrade, a digression. It seems to me that what with critical support on one hand, whatever that means, and paying credit where credit is due on the other hand, it should be critical support on the left hand, paying credit on the right, that we are moving towards a political consensus in Guyana and I am very happy to think that my hon. And learned Friend is playing a significant role in this national consensus politically which is now being achieved. **[Applause]**

Now may I deal for a moment with this question of migration which seems to be bothering not the little man, not the office assistant, not the stevedore. It is not a matter that is concerning the little man who is prepared to make his contribution to the building of Guyana. It is bothering primarily a minuscule section of the so-called “middle class”. **[Interruption]**

Cde. Speaker, a miniscule section of the so-called “middle class” wants to migrate. All those who have acquired the bulk of their wealth by grinding the faces of poor people into the dust, they want to migrate. Under the Constitution, and by conviction on my part, I have absolutely no objection to anyone migrating who wants to migrate, but let me give a lecture in elementary monetary and economic matters. You may slave, as the Leader of Opposition says, or rob, as I would say, the poor to accumulate wealth here in Guyana. You have not earned, as a

shopkeeper, a commission agent, foreign exchange. Foreign exchange is to the credit of the country. Having earned this money here, if you want to go to a land of opportunity and a “Land of Hope and Glory, mother or stepmother of the free” let that “Land of Hope and Glory” give you the opportunity to make more money there. As long as I am Head of this Government we will see to it that our foreign reserves are not used up by allowing people to export them, to go and settle abroad. [Applause.] And that is that.

Cde. Speaker, we have said this, that if there is an alien who is under contract here, that alien will be permitted to export a certain amount, based on what his earnings are. We are quite fair. If people come from abroad, on contract, at the termination of their contract they should be free to take away what savings they have made during the period of their employment here.

But what sort of Guyanese is he who makes his money here and then takes it to Canada, to the United States, to Britain, to help to build those countries? If you love Britain, because you can take a man out of a colony, you cannot take the colony out of some men; if you love the United States with the Stars and Stripes, or if you love the Land of the Maple Leaf, you can go. You are free to go. As the song says “You are free to do, darling.” But you are not going with Guyanese foreign reserves especially at this time or our economic history. And let there be no more pleadings. Let us save our breath for more important things.

I do not know what is responsible for the difference in estimates and revenue from passports as between this year and last year? That is not my portfolio. But let me assure all Guyanese who want to migrate that unless under the Constitution it would be a threat to national security we are not going to revise the estimates of revenue for those who would like to leave these sunny shores for the damp and cold of the temperate climates.

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(The Prime Minister contd.)

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Let me now deal with this question of education and the takeover of the schools. We have given notice to all those who own or operate schools that we are preparing ourselves to execute a duty which in most civilised countries falls irrevocably within the ambit of the Government's responsibilities, that is, the responsibility for education. Of course, as one who was educated, at least at the primary level, in a denominationally-owned school and as Prime Minister of this country I pay tribute to all those denominations, Christian and non-Christian, charitable and non-charitable, which have made a contribution to our education but the time has come when the Government must be responsible for education in its totality otherwise it will be renegeing on its duty.

During the course of the next few months the Cde. Minister of Education will be having discussions with these various "owners" of schools. I understand that the Leader of the Opposition is concerned as to whether we would pay or not pay for those schools. All these Christians, these religionists, imbued by the desire to serve the poor, to help the meek and to lift the helpless, I would be the most surprised individual in this country if I were to hear them asking for payment. These pillars of charity, these people who took us out of paganism into Christianity. I would be disappointed but I suppose a politician of my age – **[Interruption]** Cde. Speaker, I suppose at my age, nothing should surprise me for I hear a spokeswoman of one of these denomination saying **sotto voce** "If you can pay compensation to Demba you can pay compensation for school buildings." If they want that, we will consider it. The matter is not foreclosed; we will consider it. We are a reasonable Government. We will discuss with them. But may I remind them all of the powers of Parliament.

Further I say not on this question, except to remark that it little lies in the mouth of the Leader of the Opposition, considering his religious attachment, to talk about the migration which is being encouraged by the religious organisation to which he belongs. Hear his Vicar-General in a letter to his parishioners! The headline is: "Still the Exodus continues" and when one reads the

story it is about a young man who is going on a scholarship to U.W.I. to do Art. But the headline is – “Still the Exodus...” and the particular Vicar-General’s whole family, except for him, is in the land of the maple leaf. It does not lie – **[Interruption]** You are still quoting Jagan? He gave you one bird already. What do you want now? **[Laughter]**

Cde. Speaker, some people learnt nothing. It was said of the Bourbons that they learn nothing and they forget nothing but some people are worse than the Bourbons. They learn nothing and they forget everything. **[Mr. Singh:** “Suppose a church wants to start bible classes”.] Bible classes? We can supply the bibles free. In the same way as we are providing school books we will provide free bibles, free copies of the Bhagwat Gitas, free copies of the Holy Koran. **[Mr. Singh:** “You have taken away the schools. Where would they keep their bible classes?”] Cde. Speaker, I have not foreclosed the matter. We will discuss but I just want to bring to the attention of the public the situation that apparently we will be faced with. These mothers and fathers and sisters of charity who said they were doing this thing for us out of the deep affection they had for us, want to see the buildings if I am to believe the hon. Leader of the Opposition whose filial and religious connections make him an expert on this subject. And I want the public also to know that these buildings on which public revenue has been used for maintenance over the years, which maintenance now exceeds the capital cost, these buildings which have not paid rates and taxes under the law, that we should be asked as representatives, as trustees, of the taxpayer to pay for them. If we have to pay, we will pay. The matter is not foreclosed.

Mr. Singh: Mr. Speaker, on a point of correction.

The Prime Minister: Point of correction? I do not know of any point of correction under the Standing Orders.

Cde. Speaker: The hon. Leader of the Opposition intends to say something.

Mr. Singh: On a point of order, what I did say was that I wanted to know what the position is because everybody was in the dark about it. I did not say that the Government must pay compensation. I made no such remark. I said that the people are in the dark. We wanted to know: Will they pay compensation? What will they do? I merely enquired what would be the position. I never said that they had to pay compensation or they did not pay compensation. It was more an enquiry rather than assertion.

The Prime Minister: Cde. Speaker, I am most grateful to my hon. and learned Friend for the charming neutrality which is his in these circumstances: “I do not say the Government should pay compensation, I do not say it should not.” I am very grateful. With the growing consensus between the United Force and the P.N.C., I am sure that whatever action the Government decides on after consultation with the owners of these buildings will be agreed by the Opposition, such as it is at the moment.

I shall deal with another matter of principle that has been raised by the hon. Leader of the Opposition: National Service. It has been raised directly, it has been raised obliquely. National Service is the “hobby horse” of many politicians and would-be politicians. It is not my intention today to repeat the reasons for National Service, it is not my intention to explain once more the rationale. Those who have forgotten can read both the State Paper and the Hansard and they can read other speeches made by myself or other members of the Government on National Service. But let me point out that the normal intake at any centre of the National Service is hardly more than between 800 and 1,000 and never has there been a number of less than 5,000 applications.

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So, it seems to me that the “namby-pamby” solicitude which some people are showing, or purporting to show, for the young people who are eligible, is misplaced. From each intake we have had well over 4,000 people we could not take because we did not have the facilities. So

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(The Prime Minister continues)

what is the fuss about?

Then, there is the suggestion that 1975 is probably one of the first years during the course of which we were able to exceed our projected capital expenditure – because of the amount of money spent on the National Service for 1975. Now, an examination of the figures for 1974 and the figures for 1975 would show that in 1974 we spent well over \$7 million on National Service and yet we were not able to spend as much as we had projected for expenditure in 1974 on the capital side. The fact is first that in 1975 we were better mobilised and our logistics better assembled to carry out the programme which we forecast and even if, advantageously, it happens that about the same sum spent on National Service as the over-expenditure on the capital side, let us look and see what National Service has done.

The National Service has put us back into cotton production. The National Service this year is going to earn well over half a million dollars in foreign for the sale of cotton alone. The National Service is contributing to our being in a position to export, later this year, things like black-eye peas. On the National Service cotton fields, we have carried out successful experiments in the growing of sea-island cotton, the long staple, which is, in the world today, a very expensive type of cotton.

Part of the \$28 million spent on National Service during 1975 includes the putting down of hostels, equipment, the cultivation of fields and the purchase of a multi-million dollar gin for the ginning of cotton. Out of the National Service, several; young people have gone to the University of Guyana; others to the Guyana Technical Institute; others to the G.I.T.C., and still others have gone away to pursue studies in disciplines like Medicine. These are young people who ordinarily would not have had that opportunity; young people who, apart from getting to know their colleagues from other parts of the country, have learnt new skills which would be useful to the country and, incidentally, to themselves.

Now why do we continue to hear this “muling and puling” about National Service? It is, of course, under the Westminster model, the duty of the Opposition to oppose, but as I understand it, it is the duty of the Opposition to oppose intelligently unless it has lost faith in its popular appeal to put itself in a position to be an alternative Government and therefore to put forward counter-proposals. That is how I understand the Westminster system operates and I think my hon. and learned Friend has been steeped in these Westminster practices and I am a little disappointed since he is attacking National Service, since he is opposed to it, that he has not been able to give us an alternative means of providing the things which National Service has so far provided. [Ms. DaSilva: “Provide it in the schools.”] “Provide it in the schools”

Cde. Speaker, National Service encompasses not only young people in schools but also young people who have left school. And therefore, it cannot be provided only in schools. Further I say not on that question. But there is a matter which has recently been ventilated in all opposition circles, and that is, the necessity for those going to the University of Guyana to do one year in National Service. First of all, this was announced by the head of the Government last year when the Faculty of Education was being declared open by him and the hon. Leader of the Opposition was there and since he suffers from no aural defect, he heard. Then the government announced that there would be no fee paying at the University of Guyana as from the 1975/76 session. And further, the Government intends to be even more generous in carrying out its duties by bringing assistance to those under-graduates at the University who, in spite of the fact that they have to pay no fees, may find difficulty in continuing their courses because they need other means of support and Government is making provision in a certain vote to help those persons. In addition, all Ministries and Public Corporations will give, in proper cases, leave with pay to all persons who are accepted as under-graduates at the University of Guyana.

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Every applicant for admission to the University of Guyana signs an application form which states clearly and in English – which may not be our native language but is the language spoken – that “I understand that I may be called to do National Service or some activity to

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National Development at any time.”

Now, there was no duress, they signed that and may I say that the Government is quite clear that everyone from now who passes through the University of Guyana will have to do such National Service, lasting as long as even a year, as the Government calls upon him or her to do. There is going to be no dictation as to when any student does it. That is a matter within the discretion of the Government though from time to time the Government will be prepared to listen to and give weight to any reasonable representations.

If there is any undergraduate at the University of Guyana who believes that he or she will make a political issue of that by calling to his or her assistance any of the political parties in opposition and hopes thereby to make an impression on the Government, let me say for the benefit of the students, for the benefit of the political parties and for the benefit of the public, those representations will be ignored. This is not about politics; this is about policy and this is about honouring an obligation which you undertake when you sign an application form and this is about the consistency of the Government which made the declaration way back last year. This is not a namby-pamby Government that lays down a line of policy and then retracts. They entered it with their eyes wide open and I am happy that I have this occasion to make Government’s position pellucidly clear. **[Applause]**

I should like to deal with the question of the Amerindian Lands Commission. It is true that this Government undertook to give to the Amerindians certain lands as recommended by the Amerindian Lands Commission. Some surveys have been started and the explanation is that we have not had enough surveyors. I do not know what you call it, I think it is called geodetic surveys. We are now using a new name – is it geodetic? Certainly not cadastral. I think it is proposed for us to use geodetic surveys to demarcate the areas which are to be given to the Amerindians. Let me repeat that we intend to keep our words; we intend to keep our promise and our undertaking and let me just remind the Leader of the Opposition that as a result of our

intention to keep our undertaking, there are certain areas which are closed to non-Amerindians for purposes of winning gold and precious stones. It is clearly a mechanical and physical difficulty with which we have been faced.

Let me say a word about the Public Service which I feel is a matter of principle which has been raised by my hon. and learned Friend. I have no major complaints about the Public Service as a whole in all of the Ministries for which I am responsible or even for the other Ministries for which I am not responsible. But there has been a tradition in the Public Service that if there used to be on body here and even if that one body is not fully employed, if that one body goes, another body should be put in that former body's place. I am satisfied, as head of the Public Service, that some Ministries are over-staffed though undoubtedly others are understaffed. In some cases, for instance like Custom, the Accountant-General, Audit, Economic Development, Energy and Natural Resources, I have particularly asked the Public Service Commission to proceed with recruitment. But a system which is operating now, and I think the hon. Member ought to know, is that unless the Public Service Ministry asks, the Public Service Commission will not fill the vacancies. In the meantime, we are looking at the Service as a whole to see whether we are making the best use of all bodies. I remember going into a Ministry once and finding that there was one public servant who had absolutely nothing to do at that particular time, and this was early in the morning. Why? Because that particular public servant had been employed to look after the National Insurance Contributions and that particular public servant had completed his or her duties, since the day before, for the week and therefore had nothing to do. I am not saying that that particular public servant is lazy. I am merely saying that we have to have a look at the Public Service to see that we make the best deployment of the persons who are employed in the Public Service and that is why there may be vacancies.

Many senior public servants, including Permanent Secretaries, lack the imagination to deploy properly the staff which they still have and they say, "Well, the Estimates call for four A.S.'s, I must have four A.S.'s; the Estimates call for six Class I Clerks, I must have six Class I Clerks." We are trying by discussion and seminars with the rank of our senior civil servants to

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get them to the position where they take a serious look at the staff, because as we proceed to expand the public sector, as we proceed to give extra opportunities for employment, no longer must the Public Service, as it has sometimes been in the past, be a place for hiding unemployment or underemployment. The Public Service must be productive and the Public Service must use only so many bodies as it needs.

When we are to staff some of the public corporation, we find need for people whose services could better be deployed in the public corporations. There are going to be more public corporations. Regardless of those who are afraid, the Government has said quite clearly, unequivocally, unapologetically that no sector or sub-sector is sacrosanct and that furthermore it proposes to control absolutely all foreign trade, import and export. That is the only way that we can effectively monitor the economy and the only way that we can ensure that the consumers are not cheated in many cases. But you hear from time to time that one person or another has been convicted for blackmarketing or hoarding, for imposing conditions of sale, and has been sent to gaol.

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I am happy to hear that no Opposition Party has objected to those heavy sentences. But, Cde. Speaker, sometimes for every one you send to gaol there are ten who have got away with it or with murder. It is not a question of ideology; it is a question of being practical and using the best means to achieve an objective, that is, to make sure that the consumer pays only a reasonable amount for what he or she uses. Therefore, we have to control foreign trade, imports and, naturally, since the Government is ultimately responsible for the economy of the country, we have to control export.

If we did not intervene with sugar in 1974, do you think we would have a surplus in 1974? Do you think we would have had a surplus in 1975? You think that my hon. and learned Friend, the Leader of the Opposition, would not be talking about giving the sugar workers more? There would have been no more because the sugar producers at that time were prepared to sell to

the United Kingdom at a price that was lower than the world price and one of them is heard to have said, when we negotiated the £189 per ton with the British Minister of Agriculture, “Oh dear me, what is going to happen to the English housewife?” Now he is making his living off of Guyana’s sugar. When Guyana gets a good price he is worried about the English housewife. I love the world but charity begins home here in Guyana.

We have heard that the Government is being given credit for the cost of living, but it should have been more. I would not say it was static. But my hon. and learned Friend should have been more expansive to point out that the 6 per cent inflation in Guyana in 1975 is not only the lowest in the Caribbean but is amongst the lowest in the world. How did that come about? Not by accident, but by proper management and by the deployment of some of our resources or subsidies.

Here I want to answer those simpletons who suggest that what the Government ought to do is to introduce a cost of living allowance. If one introduces a cost of living allowance, what happens? It is palpable that that will lead to further inflation, money chasing goods and services which you may not have. What the Government has done instead is to give subsidies, subsidies to flour, subsidies to electricity, subsidies in rice because the price at which the consumer purchases rice in Guyana has a built in subsidy this year of about 12.4 to 12.8 million dollars.

The Budget Statement shows that, not counting the subsidy on rice, some of the more outstanding subsidies like those on flour, oil, water, amount to 36 –odd million dollars this year and, according to our calculations, if we looked at the picture globally and took into account all the subsidies it would be nearer 60 million dollars in 1976. Even in sugar there is a subsidy because the sugar producers have not been permitted to raise the price of sugar for local sales. And admittedly local sugar is sold in Guyana below the cost of production. As I always say that is the price they must pay for our history, for having Cde. Sase Naraine dressed in that garb and Cde. Brunham dressed in this garb and named Burnham. That is the price they must pay.

[Laughter]

And if one takes into account the fact that had that sugar been sold, with a margin of profit, there would have come to the Government that much more in income tax and other taxes, one should recognise that the Government itself is involved in the subsidy on sugar and I cannot for the life of me understand some of these economists – they are not economists, they are gentlemen with degrees in economics and there is a real distinction between one who has a degree in economics and an economist, just as there is a distinction between one who has a degree in law and a lawyer. I cannot for the life of me, Cde. Speaker, understand what is this talk about a cost of living allowance.

If there are proposals to be made to show that other items should be subsidised, as how we subsidise our stockfeed and the price of pork, let those representations be made. We do not claim omniscience. We operate under no papal dispensation of being infallible when we speak *ex cathedra*. We are prepared to listen and to discuss but I cannot be persuaded that a cost of living allowance is the answer, especially in the light of the fact that our inflation has been at the rate of 6 per cent during the year 1975 and, of course, our real growth at the rate of 14 per cent.

The year 1976, Cde. Speaker, has been designated Education Year and Health Year and we propose that there should be significantly greater expenditure in both fields. We can see the beginnings in 1975 but I admit that there has been some administrative foul-up with the books. That happens in the best of regulated societies. That happens in more sophisticated societies than ours, but I would rather have that than have some of those bloodsuckers selling books to children. You know what they do? They may be agents for a number of houses, on the basis of which they get a 25 per cent rebate, and then they put the mark-up on a 100 per cent. Mark-ups going right up to 33 and 40 per cent on 100 per cent when they have paid 80 and 75 per cent. I would rather have that foul-up than allow children and young people to be exploited and it is the form of exploitation. It is exploitation at the level of the education of people. You get a 20 to 25 per cent rebate and then you go and put your mark-up on 100 per cent. **[Interruption]** That is not so. You bring me both bills and you show me the f.o.b. and c.i.f. cost. Why does the United Force find it necessary to defend the indefensible; to defend the rascals and exploiters in our

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society? I thought we were reaching a national consensus but as soon as you raise your voice against exploitation they have an answer. They are the official plasterers for all sores.

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So far as education is concerned, 1976 is going to be the year when we are going to have free education at all levels. At the moment, we have only free primary education, free University, free technical and free co-operative education, but even at the primary level there still are private schools and Government has no intention whatsoever of coming down on these people. Government is going to have discussions with them, but Government has a duty to get these schools into the system and also to make education there free. There are many – I do not want to mention any of them for fear of appearing invidious – fee paying primary schools where the education and training that are given are of a good quality and a good standard and I would expect that when the time comes for these schools to be brought into the national system those who are responsible for instructions at the schools at the moment will be prepared to come into the system. Let us be very clear, we are not here to crush; we are here to do our duty, as we see it.

With Health, during the course of our discussions in the Committee of Supply more details can and will be given about our plans: to erect a new hospital at New Amsterdam; to refurbish and bring up to a reasonable standard the Georgetown Hospital. I agree, as I said at the First Biennial Conference of the People's National Congress on 18th August this year, in the past years we have been so intent upon getting the economy on an even keel and is expending money on infrastructure and other developmental projects that we have not spent as much as we might have spent on health. Apart from that, it is proposed to begin before the end of 1976, hopefully, the construction of a teaching hospital as part of the higher education complex at Turkeyen where, as you know, there is the University of Guyana and the Teacher's Training College and

there will be sited the Secondary Teacher's Training College also.

Then, according to the health plan there will be the provision of various facilities in various areas. There will be the cottage hospitals, properly served and serviced, in various parts of the country and on the 1st January, 1976, it is proposed to start a course for training paramedics who I think, Cde. Speaker, there is a lot of fuzzy thinking about foreign reserves and I put forward my thought which may be in conflict with my expert friends: what do you keep foreign reserves for? You keep foreign reserves to be able to pay for your imports.

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Because of the present international monetary structure, if you keep high foreign reserves and do not draw them down, what are you in fact doing but lending money to developed countries? Because, it is the developed counties in whose currencies and securities you can keep foreign reserves. You cannot keep foreign reserves, say in Tanzanian shillings; you cannot keep foreign reserves in Zambian Kwachas; you cannot keep foreign reserves, say, in Barbados dollars because when you go to pay for your imports, they will say: "Well, Barbados dollars, what are it?" **[Laughter]**

The result is that because of the present international monetary structure, big foreign reserves means lending money to already rich developed countries and therefore, the Government's attitude is this: that a developing country like Guyana that has on the drawing board, a number of sound projects which require certain foreign inputs should not be keeping an unnecessarily high level of foreign reserves, thought you must keep enough to be able to pay for your imports whenever those occasions arise. Well, the experts have had arguments as to whether it should be so many weeks' or so many months' foreign reserves to be kept. I am not entering into that disputation. Therefore, there is nothing to be frightened about if through the banking system, we draw down our foreign reserves for development. We are not drawing down for knick-knacks; we are not drawing down for idle consumer items. We are drawing down for

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(The Prime Minister continues)

development – the Upper Demerara River Project, the Upper Mazaruni Hydro Power Project, the smelter, things like that. Those are the things, increasing our capacity to produce more in forestry, our Farm-to-Market Road on the East Bank of Berbice from Mara to New Amsterdam. We will be drawing down our foreign reserves to cover the foreign inputs for such projects.

There can be, of course, a variation of our programme because, as you are aware, from the Press at least, if we can reach the point of being able to carry out the projects, there is something like \$50 million available from the European Development Fund and the European Investment Bank but out of caution the full amounts have not been put in because it has not yet been ascertained whether we can carry out all the projects for which we can draw down the \$50 million.

I am not worried about drawing down our foreign reserves. This is not an exercise in shopkeeping or similar to the exercise the housewife carries out when she is running the home. We are talking about foreign reserves, balance of payments, productive enterprises, the necessary infrastructural development. Those are the things we are talking about and not should I buy 3 cents pins or 4 cents salt fish. [**Mr. Singh:** “We only get local saltfish.”] Local salt fish, and there is nothing sweeter than local fish – even salted.

Now, Cde. Speaker, I want to say a word on a matter of principle with respect to this Budget. The real answer in the final analysis is the increased production and productivity of our people in the country during the year 1976. From my point of view, there has been a rather conservative estimate of the surpluses that we can produce and here I hope that we will get the support of the Opposition and other sections of the community. For instance, if we were able to produce more rice, it can be sold, thereby producing a surplus for further developmental works. If we can produce more sugar, even though the price today is hovering between £150 and £160, that would represent a marked contribution to the development of the country.

We are not here interested at the moment in going into the “whys” and “wherefores” of this last strike in the sugar industry which, unless the whole crop is brought in, will mean a loss in revenue of well over \$50 million which could mean a loss, if you take it cumulatively - - the strike in the early crop and the strike now if the crop is not brought in, that can mean a loss in revenue of \$89 million and a loss in foreign exchange of about \$153 million or thereabouts.

We hope that the crop will be brought in but we hope also that the crops next year in rice and in sugar will be brought in. We hope that we will not have these subversives going around, as one so-called “responsible fellow” did about four weeks ago, telling rice farmers “Just grown enough rice for your own needs so that you can break the economy” because no man is an island; no man stands alone. The rice farmer cannot break the economy and still eat; the sugar workers cannot break the economy and still eat. No man is an island.

When the time comes we shall speak more on this. On Thursday night I had already recorded my broadcast but circumstances intervened which made the broadcast unnecessary. But I would like to say two things: (1) no section of the community can ruin the economy and get off unscathed; (2) this Government will not allow the people of Guyana to be held to ransom by any trade union, any groups if trade unions, any group of employers at all. It will not sit idly by and allow any of these groups on one side or the other to hold the country to ransom but after Thursday, there is not much more I want to say at this moment.

Then, Cde. Speaker, if you look at the stress the Cde. Minister of Economic Development laid or placed on the development of our forestry industries you see another area in which there can be and should be greater productivity and production and for the financing of which we have planned in the 1976 Budget, but conservatively and cautiously the surpluses that can be got in this area have not been fully set up.

And then there is, of course, the bauxite industry which enjoyed a 17 per cent lift in price during this year and the alumina facilities which are being expanded during this year and next

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year as well as the calcine facilities. If the bauxite workers – and by workers I include management not only is this a matter of correct scientific analysis, but it is a matter of fact – if the Government owns Guybau, management, or what used to be called management, and what used to be called workers are all workers and all are contributing.

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If the workers at Guybau and Bermine perform in the way that they perform in 1974 and 1975, here again increased production and productivity will pay off and not necessarily prevent us from drawing down on some of our foreign reserves but give us the facility and means to execute an even more ambitious development programme during the course of 1976.

It is noteworthy that for the years 1974 and 1975 by far the largest source for our development programme, the finance for our development programme, has been local. This, of course, is because we have managed the economy, we have creamed off the profits in sugar, we have expanded our rice production and our rice market. Because we own Guybau and Bermine, we have had more flexibility in the market and we have been able to see into certain markets into which Demba or its parent Alcan did not see in the past. We have been able to make Government-to-Government agreements and sales.

In fact, while in those developing countries where the bauxite industry is owned by transnationals there have been retrenchments, in the case of Guyana, at Guybau and at Bermine, there has actually been an increase in employment. We are not telling anyone how to manage their affairs, we merely seek to manage our own affairs. It seems quite probable, from certain enquires and proposals that have been made, that we should be able to increase, significantly, our bauxite production.

Perhaps, it is apposite at this point to explain to my hon. and learned Friend, the Leader of the Opposition, the reason for the sort of perpendicular rise in the debt payments for 1976. In

(The Prime Minister continues)

1976 the first payment of about \$22½ million to Alcan falls due. Therefore, it is really repayment that has caused that steep rise. But when you take into account the fact that the previous payments were deferred and the fact that we have enjoyed other benefits, like the profits, like the integration of the industry into the rest of the economy, like the use we have been able to make of the earnings of the Guybau when they buy Treasury Bills and invest in Government securities, it is understandable and it is nothing to weep about.

We have also, at the same time, been in receipt of assistance at one level or another or of one kind or another. I do not mean to single out any particular country, but I must refer to the People's Republic of China because there are these snide remarks, "Oh, it is only \$3.1 million you are getting from China. Compare that with \$8 million from Britain." First of all, let me explain to my colleagues and Parliament, the \$8 million from Britain is with respect to the Thermal Electricity programme and it carries an interest rate of about 7½ to 8 per cent. The Chinese loan carries an interest rate of 0 per cent. There is a five-year moratorium and at the end of the moratorium we are free to re-negotiate the terms of the loan. I do not think that we who speak in this forum should be making snide remarks about some aid donors out of ideological blindness or quirks.

We have put \$1.2 million down for next year because we do not know exactly how fast the work on the textile mill sits and on the New Amsterdam Hospital will proceed. But if we want to be realistic, let us examine and see what has already been done with the claybrick mill at Hubabu on the West Bank. I think my hon. and learned Friend ought to go over and see the substantial work which is soon to be completed, if not by the end of this year, very early in next year. Certainly that is worth millions of dollars. My hon. and learned Friend must go and see it and not snidely say "1.2 million."

There is another point about the Chinese aid. I am not here to tell you that one donor is better than the other. I leave that to the hon. Member's judgment. My hon. and learned Friend

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who at some time warmed a Cabinet seat will understand the point that Chinese aid also covers local cost completely, 100 per cent. So it is not for him to be snidely suggesting that Chinese aid is less valuable than other aid. **[Interruption]** It is not what you said but what you did not say. Politics is like love. I am not defending the Chinese or anyone else. It is my duty to put the facts. The hon. Member has already exercised his political right to be unfair. It does not lie in his mouth to plead for fairness. I have been perfectly fair. I have merely given the facts and I want the public to know the facts. The hon. Member has given me an opportunity to tell the public.

As the Cde. Minister of Finance in his Budget Statement said, we are committed to regional integration; we are committed to the strengthening of Caricom and so far as we can see, in the same way as other economic communities and Common Markets have moved forward and

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are moving forward towards political integration, Guyana itself feels that Caricom will eventually move forward to the further stage of political integration.

During the course of our exercise with respect to Carifta and Caricom, we have learned a number of things and I must concede that in some cases it must appear to the Guyanese consumer that we are being taken for a ride by some of the exporters from some of the Caricom countries. When Carifta was originally set up there was the rule about the use of indigenous materials and the fashioning of manufactured commodities out of indigenous materials did not attract duty; it was free entry. But then there was a basic materials list under which certain raw materials, semi-processed materials, though not produced or processed in the Caribbean were deemed to originate in the Caribbean and that is what we are up against now. But at the last ministerial meeting of Caricom, as I understand it, there was an agreement to re-examine this basic materials list. Because what has been happening in fact in some countries in which it happens – it is merely, as the Leader of the Opposition says, a packaging exercise which permits

(The Prime Minister continues)

them to send into Guyana goods at a higher price than the price at which these goods or commodities could have been got if purchased from outside the Caricom area.

And, of course, we have another problem with the Caricom which we will seek to solve by discussion. There are some transnationals or multinationals operating in some Caricom countries and they were able to show that there is 51 per cent or more value added and to bring in therefore into Guyana goods that are banned from other areas. We are going into that question. For instance you find in Guyana that thing which they call Nescafe and it is not coffee; it is hardly even coffee essence. It comes here from Caricom.

In the final analysis it is a question also of the education of the people of Guyana. We produce our own coffee. Years ago the importation of coffee was banned by a previous Government with the support of my Party which was then in Opposition, but now you find Nescafe still coming in. You find multinational like “Grace” and “Unilever” attempting to use Caricom. These matters are now being discussed seriously and will probably be the subject of further discussion at the Heads of Government meeting of Caricom countries which is supposed to take place between the 8th and 10th December in St. Kitts.

Further, it may be noted that Jamaica has now followed the lead of Guyana in putting under licence all importation including that of goods from the Caricom countries. Let me admit that Caricom is not perfect. Let me admit that there are certain loop-holes in the agreement but let me assure hon. Members that these matters are the subject matter of serious discussion and some of the weaknesses have been identified not only by Guyana but by other Caricom countries and we certainly intend to get over these difficulties while our commitment to regionalism continues.

Those who say that Guyana gets nothing out of Caricom are slightly mistaken. We sell our rice into the Caricom countries. It is true that the rice agreement is theoretically dehors the

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Caricom agreement but it is because of the Caricom relationship that there have not been fluctuations in the price we get for rice in the Caricom area parallel or similar to the fluctuations in the price of rice on the world market. If you study the grain prices you will see what I am talking about. Because of our Caricom relationship we have not had fluctuations. Therefore it is not right to say that we get nothing out of Caricom. Technically, those goods which come in under Caricom seem to have a one-way movement, the manufactured and semi-manufactured but we must not forget what we get from rice.

Another point that should be noted on this question is that the bulk of our imports from Caricom is in the form of petroleum and petroleum products from Trinidad and Tobago, the prices for which we all know have risen extraordinarily over the past three or four years.

We do not claim, Cde. Speaker, that the year 1976 is going to be an easy year. I know that there are many Guyanese who may feel that since we have again in 1975, after 1974, a surplus on current account, since again at the end of 1975, as in 1974, our balance of payments is in a healthy position and our foreign reserves appreciably high, there should be some relaxation of the restrictions which were imposed in 1974 when our economy was faced with rack and ruin as was the economy of many other developing non-oil-producing countries. There are some Guyanese, Cde. Speaker, who would ask that we reduce the levels of taxation; that, for instance, we make the wife separately taxable from the husband. **[Interruption]** I promised not necessarily to attach the woman to the man but I did not promise to reduce the rate of taxation. We are going to put them together, but either can make the returns.

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I am quite frank – and this is a point I am about to make – that there are some people who want everything out of the economy but they are not prepared to pay for it. The combination of the wife's income with the husband's income hits me as hard as anyone. I do not ask anyone what to do what I will not do. When I tell those young people before they take up their Guyana Scholarships they have to go and do a year's National Service I tell my daughter that. She came

back today to do her National Service because it was quite clear that she was not getting to do the profession of her choice unless she did a year's National Service like any other university student in Guyana.

So I shall not listen to these pleadings. You cannot sit there and tell us what to do with the surplus when you are busy trying to reduce the surplus by reducing your liability to tax. If you are a socialist you say, "From each according to his ability"; if you are a Christian you say, "It is more blessed to give than to receive". Whom are we discriminating against? Against the women? The families that jointly have large incomes as Christians must know it is more blessed to give than to receive, that is, if you are a Christian but if, in addition, you are a socialist you say, "From each according to his ability." You will find that in the gospel according to St. Matthew, St. John, St. Luke and St. Mark.

As I was saying, there are some who would want to say, "Let us have a reduction in the level of taxation; let us have an ease on taxation." There are others who would say, "Since there is a surplus, since your balance of payment seems to be all right, since the foreign reserves at the moment seem to be all right let us allow more imported consumer goods to enter, the entry of which was restricted in 1974." But, seriously, that is to take a shortsighted view. Are we going to fritter away our surpluses by allowing the importation of things from without? I do not see the health of our community affected. In fact, I see it improved, because we are using more fresh food instead of tinned food and packed and stocked food from abroad. I do not see that our health has been impaired by the absence of apples and pears and apricots and grapes. I do not see we have suffered from non-consumption of salmon and sardines. I do not see that our homes look less beautiful because we can no longer import carpets. I do not see that we are seriously inconvenienced by the restriction on the number of motor vehicles to be imported and we must look again more carefully at that in 1976.

As a developing country we have to develop our resources for the benefit of our people. There is no Guyanese who would object to our having hydro power in Guyana; there is no

Guyanese who would object to having a smelter and further integrating vertically our bauxite industry. These things have to be paid for. Apart from the fact that they give employment during the course of construction, they have to be paid for, and also they necessitate the use of foreign reserves. And if we merely allowed more people who want to go to make a new life to take out the foreign reserves, the foreign exchange, how then shall we build the hydro-power road? How then shall we build the hydro-power dam? How then shall we build the smelter? How then shall we build the roads from farms-to-market? How then shall we offer more employment to people? How then shall we develop our forestry resources?

There must be a certain consistency. At one time there were people who prattled, “But more into the productive sector.” In the majority of cases the productive sector requires a certain amount of off-shore buying which calls for the use of your foreign reserves. You cannot eat your cake and have it. You cannot go to New York and back and enjoy yourself and still expect Guyana to move out of the 19th into the 20th century. We will not have moved into the 20th century until we are able to develop our resources, especially our hydro-power resources.

So today I want to explain this to my colleagues in Parliament and to the public at large. We have done relatively well. Let me admit that, as far as I am aware, outside of Trinidad and Tobago we are the only CARICOM country that has ended up with a surplus two consecutive years, 1974 and 1975. There is the exception of Trinidad and Tobago because they produce oil. Let me admit something which has been pointed out by the Secretary General of CARICOM as well as the President of the Caribbean Development Bank, although he did not put it directly; we have the healthiest balance of payments and foreign reserves position outside of Trinidad and Tobago, which of course, has oil. But we must spend this on development. And I should like to make a plea to the Opposition and the rest of the community to understand that the price of development means a suppression of some of our fancy tastes, whims and caprices. You cannot go travelling all about, we cannot go eating exotic foods here in Guyana or drinking exotic drinks in Guyana and still expect the country to be developed.

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Christmas is coming, the season of good will, and I know that a lot of us are hoping to have a good time, but I should ask – and I hope that the Members who sit on this side would set the example – that we do not at Christmas indulge in wasteful expenditure.

We cannot afford to be wasteful and in any case there is opportunity for real rejoicing next year which marks the tenth year of our independence.

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I am not saying that Guyanese must sit down on Christmas day with mournful faces and clasped hands. What I am saying is that the Government has been called upon to exercise discretion in expenditure and accepts that advice from the Opposition. Similarly, we would ask the population to exercise discretion in expenditure. I shall not be like the proverbial wife who continues to make a point when it has been accepted. I have been assured by the Opposition that they accept this point.

We have done well in 1974; we have done well in 1975, but let me say, 1976 is going to be a difficult year. It is going to be a difficult year because some of the prices of some of the commodities, as has been explained by the Cde. Minister of Finance and the Cde. Minister of Economic Development, do not seem to be holding up. It is going to be a difficult year because many of the countries from which we shall have to import the capital goods for development have not been able to control their inflation or have not been interested in controlling their inflation. It is going to be a difficult year. I would say that it is a year during the course of which we shall eat bread in “the sweat of our brow”. But we have done it in 1974, we have made it in 1974; we have made it in 1975 and we can make it in 1976 provided all sections of the community, of the nation, (a) understand the goals and share the goals; (b) understand the price to be paid and appreciate the need for greater production and productivity.

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(The Prime Minister continues)

As I said before, there seems to be a growing national consensus. The left says it will give critical support – and I understand that they called off the strike in the interest of the national economy. [Mr. Singh: “You believe that?”] If I believe the Leader of the Opposition, I must believe them. The right says there are certain credits to be given to the Government. With this growing national consensus, though 1976 is going to be a difficult year, I can see it being recorded in the annals of our history as the most successful year that Guyana has ever had. [Applause]

Cde. Speaker: Cde. Minister Finance.

MOTION

GUARANTEE TO CARIBBEAN DEVELOPMENT BANK FOR LOAN TO ACQUIRE VESSEL FOR WEST INDIES SHIPPING CORPORATION

“Be it resolved that his National Assembly authorises the Minister of Finance or such other person duly authorised by him, acting on behalf of the Government of Guyana, to give a joint and several guarantee with the Governments of Barbados, Jamaica and Trinidad and Tobago to the Caribbean Development Bank in the sum of Four million, four hundred and ninety-one thousand, seven hundred and fifty-four Trinidad and Tobago dollars (TT\$4,491,754). [The Minister of Finance]

The Minister of Finance: Cde. Speaker, I wish to move the Motion standing in my name. The Motion merely seeks the authority of Parliament for the Government to enter into a joint and several guarantee with the Governments of Barbados, Jamaica and Trinidad and Tobago to guarantee a loan which the Caribbean Development Bank proposes to give to the West Indies Shipping Corporation to enable that Corporation to purchase a vessel. The loan involved is a sum of \$4,491,754 (TT) and the purpose of the loan is to enable the West Indies Shipping

Corporation to acquire a ship which will ply the inter-Caribbean route, serving the whole Caricom region.

It is well-known that this is one of the areas which the experts advise that all developing countries in regional integration movements should be pursue because it is, in fact, an important service which developing countries should seek to control if they are to control the routes, the cost of transportation of goods and so on. I think that the Caribbean Development Bank is in fact performing its proper role in seeking to provide this money, except that the law governing the Bank requires that loans of this sort must be guaranteed and it is for this purpose that the four Governments of the four more developed independent countries of Caricom have agreed jointly and severally to guarantee the loan. The purpose of the Motion is to seek Parliament's authority for the necessary guarantee.

Question proposed.

Mr. Singh: Mr. Speaker, I merely want to reiterate what I have said before. We are firm believers in Caribbean integration and certainly very heartily support the Motion.

Question put, and agreed to.

Motion carried.

Cde. Speaker: Cde. Leader of the House, before you move the adjournment, may I intimate that we will be sitting, if necessary, until midnight on Wednesday and on Thursday to complete the Estimates.

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ADJOURNMENT

Resolved, “That this National Assembly do now adjourn to Tuesday, 2nd December, 1975.” [The Minister of Parliamentary Affairs and Leader of the House]

Adjourned accordingly at 7.35 p.m.
