

THE
PARLIAMENTARY DEBATES
OFFICIAL REPORT
[VOLUME 3]

**PROCEEDINGS AND DEBATES OF THE FIRST SESSION OF THE NATIONAL
ASSEMBLY OF THE SECOND PARLIAMENT OF GUYANA UNDER THE
CONSTITUTION OF GUYANA**

12th Sitting

2.00 p.m.

13th March, 1969

MEMBERS OF THE NATIONAL ASSEMBLY

Speaker

His Honour the Speaker, Mr. R.B. Gajraj, C.B.E., J.P.

Members of the Government

People's National Congress

Elected Ministers

The Hon. L.F.S. Burnham, O.C.,
Prime Minister

Dr. the Hon. P.A. Reid,
Minister of Finance

The Hon. R.J. Jordan,
Minister of Agriculture and Natural Resources

The Hon. M. Kasim,
Minister of Communications

The Hon. N.J. Bissember,
Minister of Trade and Parliamentary Affairs

The Hon. C.M.L. John,
Minister of Local Government

The Hon. W.G. Carrington,
Minister of Labour and Social Security

Mrs. the Hon. S.M. Patterson,
Minister of Education

The Hon. B. Ramsaroop,
Minister of Housing and Reconstruction

The Hon. M.N. Carter,
Minister of Information

The Hon. H.O. Jack,
Minister without Portfolio

Dr. the Hon. S.B. Talbot,
Minister of Health

Parliamentary Secretaries

Mr. P. Duncan,
Parliamentary Secretary,
Ministry of Local Government

Mr. J.G. Joaquin, O.B.E., J.P.,
Parliamentary Secretary,
Ministry of Finance

Mr. A. Salim,
Parliamentary Secretary, Ministry of
Agriculture and Natural Resources

Mr. J.R. Thomas,
Parliamentary Secretary,
Office of the Prime Minister

Other Members

Mr. J.M. Aaron
Miss N.M. Ackman
Mr. K. Bancroft

Mr. J. Budhoo, J.P.
Mr. L.I. Chan-A-Sue
Mr. O.E. Clarke, Deputy Speaker
Mr. E.F. Correia
Mr. M. Corrica
Mr. E.H.A. Fowler
Mrs. P.A. Limerick
Mr. S.M. Saffee
Mr. D.A. Singh
Mr. R.C. Van Sluytman
Mr. C.E. Wrights
Mr. M. Zaheeruddecn, J.P.

Members of the Opposition

People's Progressive Party

Dr. C.B. Jagan, Leader of the Opposition
Mr. Ram Karran
Mr. R, Chandisingh
Dr. F.H.W. Ramsahoye
Mr. D.C. Jagan
Mr. E.M.G. Wilson
Mr. A.M. Hamid, J.P.
Mr. G.H. Lall
Mr. M.Y. Ally
Mr. R.D. Persaud, J.P.
Mr. R. Ally
Mr. E.L. Ambrose
Mrs. L.M. Branco
Mr. Balchand Persaud
Mr. Bholu Persaud
Mr. I. Remington, J.P.
Mrs. R.P. Sahoye
Mr. V. Teekah
Mrs, E. DaSilva
Mr. M.F. Singh
Mr. J.A. Sutton

Officers

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

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

Absent

The Hon. M.D. Hoyte,
Minister of Home Affairs

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

The Hon. H. Green,
Minister of Works and Hydraulics

Mr. W. Haynes,
Parliamentary Secretary, Ministry of Works and Hydraulics

Mr. R.M. Stoby

Mr. R.E. Cheeks

Mrs. E. DaSilva

The National Assembly met at 2 p.m.

[Mr. Speaker *in the Chair.*]

Prayers

PUBLIC BUSINESS

MOTION

APPROVAL OF ESTIMATES OF EXPENDITURE 1969

BUDGET DEBATE

Assembly resumed debate on the Motion moved by the Minister of Finance on 28th February, 1969, for the approval of estimates of expenditure for the financial year 1969, totalling \$146,698,155 (excluding \$20,567,751 which is chargeable by law).

Mr. Speaker: The hon. Minister of Housing and Reconstruction.

The Minister of Housing and Reconstruction (Mr. Ramsaroop): May it please Your Honour, when the Sitting was concluded last evening, the hon. Member Mr. Chandisingh, allegedly the shadow Minister of House, made a few remarks with reference to the housing sector of this country. Some of his remarks were totally misleading and mischievous and I desire to set the record straight and to correct some misunderstanding in the area of an economy that is so sensitive that unless a correction is made thereto, it is likely that mischief may be done.

I will not, Mr. Speaker, as I have had occasion to remark a few days ago, descend into the arena of sophistry and emotionalism which seems to be the *penchant* of my colleagues on my right. I would not be part of the plausibility and the rhetoric which in the main characterised the mouthings and spoutings of those who sit on my right. I think that the institution of Parliament predicates a much more serious task and it is because of my regard for these high traditions that I desire to correct these statements.

My hon. Friend the Minister of Finance has already succinctly and powerfully dealt with housing in the Budget Speech on page 61. However, I think I ought to amplify some of the statements made in that segment of his speech so that the nation of Guyana can be more apprised of the history and factors that surround the housing situation in this country.

The hon. Minister of Finance postulated as his thesis, a thesis which is manifested in every section of our economy, the fact that the maximum social advantage must be brought to bear in every sector of our economy. That thesis holds good not only in the field of housing but it holds equally good in other sectors of the economy to which this Government directs its competent mind.

It has always amazed and bewildered me that the Government, headed by the People's Progressive Party, from 1957 to 1964, did not pay due attention to what the housing situation was at that time. For that Government housing was a mere social circumstance. This is an area of fallacy which one would have to correct and which we, with vigour and enthusiasm, have started to correct during the term of our administration in the last four years and as we have commenced to do in this term of our administration.

It baffles me, and I shudder to express the thought that gentlemen of such competence - or maybe incompetence - could have conceived of housing as being a sterile area of economic development, but the stability and peace we have brought to our country has had a most dynamic impact on our economy and it is now a common place observation that since January 1965 over 15,000 houses have been erected and/or extended in this country. I shudder to think that hon. Members on the other side regard this sector of the economy as a sector that cannot and would not generate profits and dividends in this country.

With the building boom that started in January 1965 and which still continues in the building trade, furniture and related skills like carpentry and masonry, there has been an upsurge and it is this ancillary benefit which housing has brought to the people and the nation. I do not

desire to address my major remarks on this for, as I said before, this is a mere subsidiary benefit that is a concomitant of the peace and stability which we have brought to this country.

It would seem that we are treated in this House to a large measure of repetitious and pointless remarks. Classical tradition has it on record that Sisyphus was a gentleman whose ceaseless job it was to move a piece of stone. It would seem that the hallmark of my friends on the right is that they indulge in intellectual acts similar to Sisyphus' activity.

That is not their only vice, for I have noted during the discussion that preceded my speech that there is a schizophrenic approach to the problems of housing in this country. I was amazed to have heard the hon. Member Dr. Ramsahoye speak about the Government not putting enough into housing. My amazement was intensified when the hon. Member Mr. Reepu Daman Persaud said housing is a sector of the economy which does not deserve the outlay of capital. That was a most startling statement because in every country in the world housing is regarded as an index of economic progress and productivity and when such irresponsible and erroneous statements issue from the mouths of my friends on the right I contemplate and shudder with apprehension at what has been the fate and destiny of the people of this country from 1957 to 1964 when my friends had the misfortune to misrule in this country.

As I said before, I am not here to deal with sophistry and rhetoric. I desire to allude to some more concrete and substantial achievements which have been wrought by this Government from an administration which was noted for its ineptitude and incompetence. The hon. Members on the other side tell us about working class housing and the inability to provide proper housing. We inherited from them housing estates that were in a state of derelict. We inherited from them a Ministry whose documentation was going to rack and ruin. We inherited from them a Ministry that was so depressed that I am now having a herculean task to rehabilitate this section of the economy.

Let us forget the social impediments that beset this Government and let us think of the more physical impediments. I have heard, and I have no reason to disbelieve this, that the policy of the P.P.P. Government was not to plough anything into housing because at that time housing only affected a part of our population that did not give support to that party. This is only one area where one sees the deep-rooted, entrenched racist feeling that characterises the lack of progress of the last P.P.P. Government.

When we assumed office from December, 1964, we sought first of all to rehabilitate most of the public buildings and housing estates that were in a bad state of disrepair. We sought to clear large tracts of land so that housing could be provided for working-class people of this country. I have been informed that there was a tract of land at South Ruimveldt that was intended, during the P.P.P. regime, for the site of TUCville and I have heard that the last Minister of Housing refused to give up this tract of Land for the same reason I adumbrated a short while ago, that is, because this was a scheme that was going to benefit certain sections of our people who did not support that party. We released the land on which TUCville is not sited, and there is now on that land one of the finest housing schemes that has ever been seen in this country.

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Let them know this. TUCville has been transformed from the back water, abandoned piece of land into an ever increasing housing estate. The members of the P.P.P. Government did not have the imagination, wisdom, or intelligence to conceive that that area could have been so transformed.

I again shuddered last night when I heard the hon. Member talking about housing estates and not putting money into the housing centres because, for the seven incompetent years they were in office, they made no attempt to effect working-class benefits to the people of this country. Now they have the audacity and the gumption of telling us that we are not providing for

the working-class people. Let the facts speak for themselves. Let the people know what is happening in this country.

The T.U.C. Housing Scheme envisages the construction of 568 houses. A total of 163 houses have already been completed and 48 are in the course of construction. This scheme will proceed to Greater New Amsterdam where it is intended that over 300 houses will be constructed for the working-class people of this country. Are my friends on the right so obtuse that they cannot see the light of day and the facts that are now happening in this country? Can they not see that we are transforming large areas of our country into viable and vital schemes to house the increasing population of this country? But this is only TUCville.

Let us proceed to the C.D.C. project. The lands that now site this project were available in their time for them to transform them. They did not do this. It took this Government to clear those lands and to provide those lands to the C.D.C. so that, today, over 1,000 houses would be constructed for the working-class people of this country. The first phase of this building construction has already yielded 150 houses for the working-class people. Yet these mealy-mouthed, hypocritical and parasitical Members tell us that we are not working for the benefit of the working-class people of this country. As Shakespeare said:

"Oh judgment! Thou art fled to brutish beasts,
and men have lost their reason."

The C.D.C. scheme envisages in its second stage a construction of over 229 houses which will be finished by March, this month. Let the members of the Opposition know that the Guyana Mortgage Finance Company, which is a subsidiary of the C.D.C., is allowing mortgages to the extent of 60 per cent to the tune of \$10,000. This means that the ordinary man in this country can get the bulk of the housing benefits provided by the C.D.C. Sixty per cent of the mortgages are under the \$10,000-bracket that accommodates the working class of this country, when these members of the Opposition falsely twist the facts and tell us that we are not providing houses for

the working class, I must either impute this to a lack of competence, or sheer folly, villainy, on the party of the Opposition.

I need not refer to the Brezina Corporation because discussions are now afoot to provide for the construction of over 1,500 houses for the working-class people of this country. These are benefits that are in the offing and will soon take form.

Now let us forget Government investments or investments provided by Government and proceed to self-help. Although the P.P.P. Government did not provide benefits by way of the expansion of the housing estates, it could have embarked on self-help housing during its misguided regime, but it did not. There were the resources, imagination, initiative and enthusiasm of the people of this country to be drawn upon but my friends did not have the imagination themselves to conceive of this. It took this Government to conceive of a massive self-help housing programme. It started in January 1965 and it is continuing in a most vigorous form during this term. Let not the people of this country be deceived by inept and inane mouthings of my friends. Let them see the facts and examine our record as to what has been done in the field of self-help housing.

My friend last night whom I excuse misconceived the facts because at that time of the evening on suffers from varying sorts of mental depression. Let us examine the facts in the light of day. Self-help housing is the silent revolution that has taken place in this country. During the regime of the last administration, 227 self-help units were erected in Phoenix Park and Meadow Brook Gardens and 26 in Greater Georgetown, Prashad Nagar. At this very moment, 52 self-help houses are being built in South Ruimveldt and 46 self-help houses in Reliance, Essequibo. Note the areas. We straddled the length and breadth of this country in our vast, extensive self-help programme and we have not only taken areas that traditionally give support to the P.N.C., but our self-help activities straddle throughout the length and breadth of this country. Our self-help programme has gone further, for over 100 lots are available in South Ruimveldt and, during this year, 4 more self-help groups will start building.

The hon. Minister of Finance referred to other benefits to be provided to the working-class people of this country, and that reference is to the C.S.A. scheme, among other schemes in mind. The Government has released over \$1/2 million to that scheme to provide finance for the necessary developmental works in that area and very soon work will commence on that site. This is one example where this Government will not only address its mind to the lower income housing needs of our country but also the middle income needs. As I said, 100 lots are now available South Ruimveldt for further self-help purposes, but housing cannot be viewed in a vacuum and development for housing that starts this year may not conclude this year.

As an adjunct to our development in the housing sector, Government has allocated - and those who have eyes to see would see - over \$120,000 for the purchase and development of land, and negotiations are now afoot for the acquisition of over 178 acres of land at South Ruimveldt. The necessary developmental works will be done on these lands so that any future new schemes can be started. At this moment a housing development programme is now going on at Cumberland where 115 residential sites will be made available to the people of this country, and not people who support our party.

2.40 p.m.

So let them know the facts. These works will be completed by September and we intend to purchase more lands at South Georgetown. Developmental works will be carried out and 150 lots are to be provided for the people of this country. This is only one phase of the housing programme. The other phase envisages the sale of large tracts of lands in this country.

During the term of the ill-conceived and infamous P.P.P administration, they had intended to sell lots to people who had erected houses on those lands but nothing was done in this regard. It took this Government to start the exercise whereby 1,586 lots have been made available to people at Meadow Brook Gardens, Phoenix Park and other places where lots are being sold to the ordinary man. We have tidied up the work in the La Penitence Village area so that today many of their supporters can purchase over 192 residential sites and 28 business sites.

We not only give lands to people to build houses, we not only expand derelict housing estates, we have not only encouraged self-help housing, we have not only provided the necessary incentive for housing estates, but we have gone further and we have provided more loans for housing by the Guyana Credit Corporation than my friends of the misconceived previous administration did. From July, 1960 to June, 1964, they provided \$3,219,729 as loans for housing. We, from July, 1964 to December, 1968, provided \$4,432,000 so we are helping the working-class people of this country. We are helping the un-housed and ill-housed in many ways and in many areas of activity, so that when my friends advance spurious, erroneous arguments they must know the true facts and see that their arguments lack cogency and force.

Let me proceed to discuss what I regard as the most imaginative expansion of the housing programme. In the past, housing was regarded as a coastal exercise. It took this Government to look at housing not from a coastal angle but from a regional angle so that today one of the most comprehensive housing projects is in the North West District. Soil, forest, communications and forestry surveys are now in progress. Large areas of lands in that area will be provided to accommodate a community. Over 10,000 square miles will be made available to provide for the first comprehensive attempt at regional development.

One of the interesting features of this development is that this region will combine both coastal and hinterland characteristics. Here is a subsidiary thrust of a general thrust that this Government is pushing for us to possess and commandeer our interior. I was startled, indeed aghast, when the leader *par excellence* of the Opposition said that we should not be egged into interior development but only in the coastal area. It passeth my understanding, that a man who has had the misfortune of heading the affairs of this country is capable of such a grave misconception.

Let us proceed and discuss other areas of our economy where housing would have some impact. In our thrust towards regional development, we have just completed the planning for several communities to be set up at the back of Soesdyke covering an area between four and

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seven square miles. I understand that such a community is in the initial stage and will be soon in the stage of completion. Five more communities will be along the Atkinson Field-Mackenzie road. We do not operate *in vacuo*.

This Government sees development on a national and regional basis, and we are expending every nerve and effort to accomplish this task. Guyana has had a new day dawned for her in December, 1964 when the P.N.C. assumed office. On that day the Cassandras who had predicted doom for us were confounded. Having regard to the limitation of time I may not be able to go into every sector of housing but I desire to refer to certain other developments which would affect housing in our forward advance.

We have just started an exercise to transform those who pay rentals into owners of the houses they now occupy as tenants. We have, in pursuance of this scheme, decided to sell most of the rental units and the mechanics of this scheme are being worked out, that is, decisions on party walls and corporate, co-operative or individual ownership. We have decided to guarantee mortgages for low cost housing and this is done to encourage construction of houses for the low income group of this country. So when my friends being hypersensitive, or in disgust or frustration through remaining where they are for so long, make these feeble, sterile arguments, in the light of the development which is taking place in this country, with a population explosion, the problems of housing faced by the central government would become more difficult to solve and unnecessary obstacles are put in our way.

With the creation of Municipal and District Councils which is an important piece of legislation to be advanced during this year's legislative programme, provision will be made for municipal and district councils to take over the responsibility of the central government with respect to housing. The recommendations of the Persaud Commission have been received and one is to the effect that money should be provided for areas that adjoin extra nuclear areas.

Let my friends know of this ... you did not attend the conference. And ... *[Interruptions]*

Mr. Speaker: Order! Order!

Mr. Ramsaroop: These are some of the aspects that have to be viewed when one considers the housing problem. One must see the broad vistas of our programme in its entirety and not be like Humpty Dumpty who falls to the ground. We must not take an argument, a feeble, shallow argument and seek to convince the Government and the intelligent people of this country. I will not stand to see, such arguments ... because they are not worth it. I desire that these facts be known to the people of this country so that we can all know what is going on with respect to development in Guyana. These are some of the facts in the field of housing to which I desire to direct your attention.

You must forgive me if I seem actuated by arguments that cannot be regarded as parliamentary, but I feel that these facts must be known to the people of this country - the fact that housing development is not only viewed as a social service but as a factor. We cannot do everything in one term of administration to solve all the housing problems of this country. The Hansen Report of 1957 says that we have to provide over 8,000 housing units a year to accommodate the 3% increase of the population. Although we may not have licked the housing problem yet we are gradually getting to the stage where we are providing houses to those who need them most.

This is the position of a government if it is to help the working-class people in this country. Let us forget the endemic doctrinaire approaches of the other side of the House who bring to bear on our situation a foreign thesis oriented irrelevant to the facts and realities of our situation. Let these disciples of Castro know that if we are to solve the problems in this country we have to solve them here and have a regard to the stringent resources of our finances and to the spirit and enthusiasm of the people of this country. Should we seek to govern influenced by such scurrilous sentiments as these, then this Government would not be governing properly. It is trying to institutionalise a form of racial pattern which can only augur ill for this country. Let them have

regard to the vehicles that have fashioned over the past four years for development in this country- development like a spirit of self-help, development like trying to decolonise the mentality of the people of this country. Let them have regard for these facts. People whose once-professed ideologies were as far apart from each other as the North and South Poles, are now together. People who some years ago fought with each other now try to get the benefit like ... the Granada program. *[Interruptions]* I do not desire by process of permutation to change the alphabet to make words like rigging sound different.

Mr. Hamid: On a point of order! Page 25 of the Standing Orders: -

"32. Time and Manner of Speaking"

It is stated clearly here:

"(1) A Member desiring to speak shall rise in his place and if called upon shall address the Chair."

The hon. Minister is addressing us. I see notes are being taken of what he is saying. I feel that it is wrong for him to do this and I ask you to ask the hon. Member to stay in his place and speak.

Mr. Speaker: He is speaking on his own side of the House. I was watching him carefully. As long as, in his enthusiasm, he does not go beyond the line there he is alright.

Mr. Ramsaroop: I have noted, over the last four years, that all the principles and philosophy of my friends on the right have gone astray. They are an opposition without any consistency; they have no cohesion. They blow hot one day and cold another. They abrogate one day and reprobate another. An opposition that is guilty of such acts of hypocrisy is not with its salt. Indeed, it is said that those whom the Gods seek to destroy they first make mad. [**Mr. Ram Karran:** "You are crazy like hell!"]

We hear about neo-colonialism, but I shudder to conceive how a Leader of the Opposition can speak about the people of this country as having only a coastal mentality. To think like this is the very quintessence of a neo-colonialist mind. They are a party noted for rigging and they claim that we are rigging. We hear of democracy in a party that supports an army in Czechoslovakia.

It is shibboleth, madness, hypocrisy that spouts through the mouths of the Members on the other side of the House. I do not desire to take the rest of the time because I think that I think that I have made some of the points I wanted to make, since yesterday when I listened with some measure of disgust to the remarks issuing from the lips of my hon. friends on my right. I think we have got to change our pattern of thinking. We cannot forever remain as far apart as the Poles, tearing each other's throats apart.

That is the question I pose and I ask: if a person has legitimate and constructive approaches I am sure in all wisdom we will entertain them, but let their criticisms border on the rational. We are not here to indulge in rhetoric. We are here to subscribe to some of our natural endeavours and to grapple with the problems that now face us and I wish that in future, when they seek to speak on housing, as they will on other Ministries of this Government, their remarks will be coloured more by reason rather than by emotion, honesty rather than untruth!

3.00 p.m.

The Leader of the Opposition (Dr. Jagan): Sir, we have been fully entertained by the last speaker and behind all the emotionalism and the rhetoric, what does one find in the country today? We have heard a great deal about how much has been done; how much has been achieved and what the PPP Government did not achieve. But if one were to take just a cursory glance at the Guyana scene today, one would see that what is being said as accomplishment is mere empty mouthings.

The Minister of Housing and Reconstruction (Mr. Ramsaroop) has just been telling this House, about houses here and houses everywhere. But what is the reality in Georgetown? He speaks derogatorily about the disciples of Castro on this side, but in Castro's Cuba people do not have to pay rents today. What do the people in Georgetown have to face today? One-third of their wages is set aside for rentals and that is if they can find a house. One man told me the other day - an ordinary worker - that he has to spend about \$35 a month for one single room and he has to do all the boarding up to get this room in an empty space. This is the reality. [**Mr. Jordan:** "That is not true."] That is not true? Go around to Breda Street and you will find people living in half of a bottom of a house which is not wider than 35 feet and the rental is \$72 a month.

The hon. Minister has been telling us how much land the Government has been negotiating for. A house lot in the suburbs of Georgetown – you just name it. A man telephoned me only this afternoon and told me that he had negotiated to buy a house lot in Prashad Nagar for \$9,000 and he and others were removed and one individual took the lot, no doubt at a higher price.

The hon. Minister said that \$1 million more than the previous year has been given, but he did not tell us how many big shots received loans. [**The Prime Minister:** "The only big shot was Feilden Singh."]

One could go further. The T.U.C. Housing Project required a deposit of \$1,546 and a monthly payment of \$62. The workers - many of them are sawmill workers and the Government has enacted a Minimum Wage Order - can they pay this? One can go from housing to health, to education, and to other social sectors. In spite of all the talk, one can still see that the people of this country are ill-served. Their position is far worse than it ever was. This is the reality. Measure the cost of living; measure all the other factors, we see people now have to pay large sums of money to the doctors in hospitals in order to get attention. The hon. Minister of Health (Mrs. Talbot) said it is not to be expected that the Government could solve all the health problems of the people. What is this? One would have hoped that the Government would have

told us something new. A budget time is a time of stocktaking - the actual review of long term strategy perhaps.

About a year ago, the Prime Minister told us that there was a big re-consideration of the whole development programme - strategy of development, etc. That was a year ago. During the elections period we were told that the PNC's hands - the so-called socialist party's hands - were tied by the capitalist United Force, so the people must not expect all that had been promised in 1964. The Government's hands are no longer tied. A year ago the Prime Minister told us about economic review; all that we can get from the Minister of Finance is a fiscal review for the future. We are always getting these empty promises reviews, more and more committees of enquiry.

Let us see where we are going because we are dealing with a budget which seeks to put more burdens on the people of this country. Expenditure has been mounting. One does not mind taxation. One does not mind expenditure if one could see a general upliftment in the standard of living of the people, generally speaking.

3.10 p.m.

We see unemployment increasing; we see crime increasing as a consequence of the high incidence of unemployment. We see other factors such as people frustrated and leaving this country in larger numbers, some of them being very skilled people whom we can ill afford to have leave the shores of this country.

We have previously made our position very clear in this House. We are not opposed to the Government imposing taxation, but we want to be assured that this will result in the general upliftment of the people of this country.

If we study the Development Programme we will find in the Ministerial Paper appended to the back of the book that the Government had set out the contemplated spending year by year. If we add up the figures in the Current Expenditure for the first four years, the total comes to \$354 million. This is as set out in the Programme. Thus far the Government has spent, including \$105 million this year, \$374.7 million. This is an excess of \$20.7 million. The Government has expended \$20.7 million more, but compare this with taxation.

In the Development Plan it is stated that there will be a deficit of \$10 million in seven years in financing the whole Plan and the amount will have to be raised by taxation, but in four years the Government has already raised \$58.3 million roughly in cumulated taxation.

It is clear that the people in this country cannot help but have a hard time and this is expressed by all lips today. In this same Paper, on the subject of the very high incidence of taxation in Guyana, it is said:

"More finance can be found only from increased taxation. But this is already very high. When the tax-holidaying manganese and alumina projects begin to pay income tax, the Government's revenue will amount to about 25% of the GDP. The Government is therefore taking a very large share of the country's income."

In most countries the share of the G.D.P. taken in taxation is around 20 per cent, and this is where the economy is generating in the productive sector not merely in infrastructure as we are doing.

A point which needs to be made is that when advisers on this Plan, Professor Sir Arthur Lewis and others, recommended this Programme they said Guyana was already a very highly taxed country. They anticipated taxing the people of this country in seven years a total of \$10 million. We have had accumulated taxation amounting to \$58.4 million already, that is, \$58.4 million extra taxation in the face of excess expenditure amounting to only \$23.7 million.

Where has the expenditure taken place? That is the next question that we should ask. The Budget Statement of the Minister of Finance last year mentioned some of the quarters in which

additional money was spent – a bigger bureaucracy, the Police and Army, Prisons, debt payments. This is where most of the expenditure is going over and above what was planned. Here we see excessive taxation in order to finance a Plan which is not producing what it was intended to produce for the people of this country – employment, higher living standards.

We come to the Development Programme. We see that debt charges are mounting, not only the bureaucracy, but debt charges. This past year it was \$18 million. I note that the Minister has earmarked only \$16.8 million for 1969. Perhaps he will explain how it is that during this year debt charges will be lower than they were last year.

Those two factors, a growing bureaucracy and increased debt charges, are becoming a millstone around the people's necks, and this is why, in spite of all the bluster, when we come down to the social services - health, education, pensions, housing - we see the sad state of affairs in this country.

It is of no use perpetually going back to the past and asking what the P.P.P. did. Go into the markets and ask the people what prices they have to pay! Milk, which they were supposed to get free - and cassava, as our Prime Minister promised, was also to be free - is now 16 cents for a half pint of chocolate milk. This is in the advertisement. Why did the cost go up when you have dropped the price of milk paid to the farmers by 12 cents a gallon? My friend from the Pomeroun, Mr. Van Sluytman, has forgotten to tell us how the Produce Depot refused to buy oranges from the farmers at one time, how the Depot insisted that the farmers must put them in crates.

3.20 p.m.

He does not seem to know that the price of milk has been reduced by twelve cents per gallon. Surely, the Produce Depot can show that it has a turnover and because of this turnover, it has cost the Government less in terms of subsidies. Surely, you will always have this if you pay the farmers less for coffee, less for milk, less for citrus. Surely, you will make profits at the R.M.B. if you pay the farmers less and withdraw certain grades. There is no magic in that. It is no use

coming here and telling us that you are doing so well. What about something you are running, like the R.D.C., where you have sole charge? You cannot pay up your debts and meet instalments.

We have been hearing a great deal about what is done, about how much is being achieved, but the Development Programme itself is lacking in many respects. First of all, while expenditure has been going up in the current Budget, not in the vital sectors affecting the people, it has not been keeping pace with what was contemplated. At the beginning it was contemplated that an average of \$44 million would be spent annually to finance the \$300 million 7-year Development Plan. But what is the position so far? If we include the walloping \$62 million this year, we would get a figure of \$132 million for four years, which is an average of \$33 million per year, and not \$44 million.

For the past three years, the Government has resorted to deficit financing to finance even less than was anticipated to be spent and, at the end of this year, deficit financing will be \$30 million. This is why we have to look at the economy as a whole. Government is resorting to borrowing from the banks, to borrowing short term. The result is that private sector investment is going down, as is admitted, and little money is going to the small people of this country by way of loans and so on. The Credit Corporation is merely lending out what is coming in, as is stated in the Bank of Guyana Annual Report for last year. There is no new capital, although during elections we were told that it would get \$6 million.

If the bankers have to finance the Government for deficit financing, there would be less for productive expenditure. The bankers have a predilection for commercial lending business. Since the Government is not coming in to prime the economy because of the shortfall in private investments, we are going to find that the economy will be running down further and further. We are getting figures from the Government which, year by year, speak about increase in the Gross Domestic Product. But G.D.P. figures can be very misleading and they do not always show the reality, as the Minister will have us believe.

The Government has said a great deal about surveys, that these are essential. Nobody is quarrelling about this. In fact, I would venture to say that the Government has not embarked on anything new even in the field of surveys. Let the Government name one scheme that it has gone into *de novo*. The Minister told us about the forest inventory. This was planned by the P.P.P. The position is the same with respect to the soil survey.

What are the new services? The Tiboku hydro-electric project was also started. [**The Prime Minister:** "Untrue; I signed the agreement."] Just a minute, the Prime Minister does not do his homework, we can excuse him. Who brought the hydro experts: a Dutchman and a Canadian who came from the United Nations? These hydro experts came here to do feasibility studies and estimate what is available in this country in terms of water resources. It is out of these reports that the suggestion was made that Tiboku is the scheme which has the greatest potential. [**The Prime Minister:** "That is not so."] Yes, have you ever heard a man called Smetledge?

Topographic surveys were necessary; other surveys had to be embarked upon, to be completed. This is what I am saying but, as one hon. Member said, it is no use telling us about surveys. Did we not get the impression during the election campaign that this scheme will be embarked upon by this Government during this term? Was that not what the electorate was made to feel, and not that this was one of the pies in the skies? In this report we are now being told that the hydro-electric development project at Tiboku will be feasible only if there was metallurgical demand. Every schoolboy knows this.

3.30 p.m.

If it had been only for domestic consumption, we would have gone ahead with the Tiger Hill project as Preece, Cardew and Rider recommended. But we were talking in terms of our timber resources, wood pulp, which requires a great deal of electricity, smelting which requires a tremendous amount of electricity. But now we are told this is still in the dreaming stage.

What we want to hear is not surveys. The P.P.P. started out the surveys because there was nothing before the P.P.P. got in. But it was not the intention of the P.P.P. to remain at surveys. *[Interruption]* That is not what the quarrel is about. What about wood pulp? As regards wood pulp and timber development, 70 per cent of our resources are forest. What are we doing about it? I remember when I was talking to the people in the Forestry Department about doing an inventory, they said it would take five years to do it. I said, "All right. Go ahead with an inventory but why cannot we get a few square miles done intensively, quickly, so that we can plan industrialisation for that particular area?" We realised that this was one of the most valuable assets of Guyana.

The Cubans at one time told us they were interested in wood pulp to combine with bagasse pulp to make paper. Okay. This scheme did not come through for reasons which are understandable today, because the British Government was not interested in such a project, considering that it was taking orders from the United States, which did not want any relationship between this country and Cuba. As the Prime Minister asked us, would the Cubans have been willing to write in more rice? Leave that on one side. Has the Government made any effort to approach the Cubans on this kind of deal?

We have wood, we have all kinds of mixed forest which can make wood pulp to combine with hundreds of thousands of tons of bagasse which the people have. We wish to hear about that. We do not wish to hear about surveys. The people in this country cannot eat surveys. We are not saying that surveys are not necessary. We must know what we have before we can develop. But, sir, there is nothing new in this budget indicating that we are going anywhere at all.

The agricultural sector - we had the banana project. That was the first balloon that the last Government blew. This has been pricked already. This is burst. As my hon. Friend said, the most vital sector is agriculture in this country and \$40 million is earmarked in the development plan for drainage and irrigation but only less than \$1 million was spent in the last three years. This year the Government has lumped it all together, drainage and irrigation and everything else - sea

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defence, water supply - and that comes up to \$13.5 million. The bulk of that will no doubt be for sea defence.

What new crops are we talking about? Sugar we hear about, rice we hear about. It does not take much ingenuity. We do not need a Minister, for this. In fact, the Minister is a hindrance to the rice industry. What are we doing about new things? Soya bean, for instance, milk, beef. They tell us that we hid the report of Dumont. Dumont made mention that milk and beef are the twin areas in which this country should begin to plan. It is not as my new Member friend seems to think, that we did not want to develop the Rupununi - as he distorted it. It is a question of how and where. He may know law but as a Member of this House, he will take a little time to learn economics and the two are not always compatible.

It is said we are importing \$5 million worth of milk products every year. Yesterday, the Leader of the House (Mr. Bissember) said that we had raised the duty on milk in 1962. Clearly, this was a protective tax because those were the days when milk was flooding the place, being given away. That is why the Prime Minister said that when he got in, free milk would be given away. *[Interruption]* Certain things are beyond the comprehension of certain people.

What clear cut policy does the Government have for the development of this vital section of dairy milk farming, cattle and agriculture in the Ebini area? Research at the Ebini middle savannahs had been done even before the P.P.P. got in. Experts from F.A.O., experts from New Zealand and Australia, came here, wrote reports that with proper pasture management, proper control techniques, dairy cows, beef cattle and food crops can be produced economically. Where is the plan?

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We are talking about capturing the trade with Carifta in Carifta countries, sending them agricultural goods because, in industry, we are not able to compete against them. As far as I

can see, the scheme of things are such that they will be sending the goods manufactured from there to here.

Let us take agriculture. Cassava and sweet potatoes were coming from Barbados and St. Vincent to this country and competing with one of our products which were selling here for between 12 and 18 cents per pound in the markets. They were coming from the Caribbean countries. I read in the papers that the Prime Minister said that we should develop the interior and grow such things that will bear high air-freight and I think tomato was mentioned. When I was in Montserrat, I was told that they gave up tomato cultivation because the company which was caning was only willing to pay the people a penny per pound. The whole cultivation had gone down the drain.

Why did the banana industry go down the drain? Because we cannot compete against the small Islands. Are we going to have industries all over the small islands? We are yet to see that. Time will tell against the pipe dreams of this government, where Carifta potential is concerned. Produce crops here to send to the West Indies!

I repeat, milk and beef are the areas which have been recommended not only by foreign experts but by our own experts. Are we to be told, now that the Government has no plans for the development of bananas, that they have no plans for cattle rearing on a big scale? Where is this plan, if there is one? Aside from the internal market for milk, beef has a potential not only in the West Indies but farther abroad. We find in those countries, even such as the United Kingdom, the United States of America and Canada, beef prices are equally high. What we want is some initiative by this Government. The Minister of Agriculture should put forward, through the development section of the Budget, some definite schemes.

In the field of industrialisation what has been done? We hear that the Government has now participated in two schemes - one is the Pegasus Hotel and the other is the flour mill. We have not been told to what extent the Government has participated. We have not been told whether we are minority shareholders or majority shareholders, but I would assume that,

perhaps, we have a small shareholding. Was this the intention of creating the Guyana Development Corporation with their big bureaucracy there? What are they doing except putting some advertisements in tourist magazines showing how one can get cheap labour in Guyana, how one can get tax holidays and so on? We would have expected, by now, that from the G.D.C in terms, not of participating with the imperialists, but, if necessary, of taking over and setting up Government-owned enterprises.

Of course, this is a new day of participation with imperialism. Our dear Minister of Labour (Mr. Carrington) on leave from his presidency, now talks of harmony. There must be harmony - no industrial strikes! So, in this harmonisation process, the Government must also be a junior partner in the process of exploitation. Workers must not strike for better wages and working conditions lest it not only affect profits but also Government's profits. This is the new stage, the strategy of this so-called socialist party now in the Government. One would have expected these things for they were laid out in the New Road manifesto: that the Government, when entrenched in office, when they had their feet on the ground, would move on even to those sectors controlled by private enterprise.

Why have we not touched the other schemes on which there were feasibility studies which people like Dr. Das from the United Nations had made and which had been investigated later by the Guyana Development Corporation itself through their economist? Feasibility studies which were checked, cross-checked and re-checked were sent out to private entrepreneurs to set up industry; glass, cement, bicycle tires and so on. But nothing! No wonder there is so much frustration in the country today.

Is the Government afraid? Has not its hands been untied now? We were made to believe that it was tied by the United Force before. Then why is it that, in this development program in this year's Budget, we have not been told of a new departure in the industrial sector so that jobs can be provided for the people of this country who suffer from such a great deal of unemployment.

If the Minister of Finance, I believe he is in charge of industries now, will look through the files he would see that the PPP Government had proposed to put into the Guyana Development Corporations \$5 million for the establishment of industries; \$4 million of which was to be used to set up Government-owned industries. Considering that these factories could have been had on a down payment of 20 per cent, it would have meant that with \$4 million, the Government could have financed \$20 million worth of factories. One million dollars was earmarked for loans and joint ventures of the private sector; that is the Guyanese private sector, not of partnership with Pegasus Hotel and Flour Mills. This is socialism?

Despite what the Prime Minister and other Ministers would say about decolonisation, they do not intend to decolonise the economy. They would decolonise the fringes. Among those who are wearing light shirts now is the Prime Minister. This is a good sign. In another sector, we see that Mr. Sydney King is recommending to other Afro-Guyanese that they change their names to African names. He is also recommending that they abandon the idea of wearing European clothing. I am certain that the Minister of Information and Culture will tell us that culture is not only on the fringes of dress, but it is to incorporate the whole society, including the economy of the country. One cannot have economic and foreign domination and hope to have cultural freedom and social freedom.

One has only to listen to the radio everyday, which is under the control of the Minister of Information to hear what Ambassador Armstrong has to say on the programme called "Thoughts against Evolution, etc." Yes, this is also culture and it is educational too. But it is clear that the Government does not want to decolonise the main sector. What about Garnett James the man who was in charge of the Decolonisation Institute? Where is he? *[Interruption]* He is one who heeded the Prime Minister's "back home call". The Prime Minister said that socialism is going to blossom out in the country now. Where is Mr. Garnett James today? **[Mr. Ram Karran:** "British citizen now."] There is frustration, corruption and nepotism in this country. We heard he has gone back to England because of frustration. *[Interruption]*

I hope that I am wrong. But whether I am wrong or not, the fact of the matter is that there is no decolonisation taking place. What is taking place is the re-colonisation of our country more so than it was in previous times. If one looks in the bank and insurance sectors, one would see that more foreign companies are coming in this country and the Government is joining with these imperialist enterprises as junior partner. What is most important from the imperialist point of view is that there should be no opposition, as in France and Canada, to the economic take-over of their country. Because they see growing resistance, they now seek to incorporate local people, and better still, local government.

Recently, the Demerara Tobacco, and the Diamond Liqueurs Companies sold shares to Guyanese. This is a country which needs capital; but this Government allows Guyanese to buy shares in these imperialist concerns which take the money out of the country. [*Interruption by an hon. Member.*] Because it is their company and they take the money out of the country. [**The Prime Minister:** "What about the local million-dollar investment?"] We are not developing because we are taking orders; we cannot break out of the imperialist embrace.

Let us take the rice industry for example. One hon. Member on this side in his speech referred to the large number of experts who came to carry out investigations into this industry. How many have come here to advise the Government about setting up industries and about going abroad to find markets to arrange package deals?

This morning I heard on the radio that the new President of Venezuela Rafael Caldera said that he is going to establish diplomatic relations with the socialist countries. We see that other countries are sending trade missions to negotiate agreement aid with countries in Latin America. What is wrong with our Government? We have said already in this House that the Czechs and other socialist countries were willing to sell factories to this country on credit and to take payment in materials produced in this country. We cannot produce bananas, but we can produce soya beans. The Czechs told me that they were prepared to take unlimited quantities of soya beans. Has the Government brought in industrial experts in this country? Has it brought

intrade experts, and not only from the Western countries but from the Eastern European countries as well?

Mr. Speaker: I think it is a convenient time for us to suspend.

Sitting suspended accordingly at 4.01 p.m.

4.34 p.m.

On resumption --

Mr. Speaker: When the suspension was taken at 4 o'clock the hon. Member of the Opposition was still speaking. He has already spoken for over an hour. I did not interrupt him because I felt sure that the House would wish to give him that opportunity to speak. Is it the wish of the honourable House that the hon. Member should be given an extension of half an hour?

Agreed to.

Dr. Jagan: I was making the point at the suspension that new initiatives were necessary if Guyana was to move forward again, for if one looks at the Government's Budget Statement one sees a situation which is not by any means optimistic in terms of the future. If we take the field of private investment, since the Government is committed to a Programme in which the private sector will play the greatest role, naturally the scale of private investment is important in understanding whether we will be making progress or whether we will be retrogressing.

The Minister himself in his speech referred on page 21 to a decline in private investments. He said that private investment declined from \$80 million in 1967 to \$67 million in 1968. In the same speech at page 27 - I do not know whether this is a misprint - the Minister speaks of

private investment for this year being what it was last year and the figure is cited at \$99 million. I do not know whether the Minister's home work was not properly done and as a result we see all these inconsistencies in the Statement. There was a reduction, it is stated, from \$80 million to \$67 million last year and then we are told that the level of expenditure in the private sector will be the same as last year.

If we look at the Budget Statement for last year we will see some further inconsistencies. I will read this section from page 8:

"Since 1965 this country has attracted foreign capital - private and official - to the tune of \$102 mn. In 1967 alone capital inflow reached \$50 mn., some \$16 mn. higher than that achieved in 1966. In 1968, the anticipated inflow is of the order of \$44 million. .."

I do not know which figure to believe. *[Interruption]* If it is private and public, as the Prime Minister said, it should be even higher than the figures given. *[Interruption]*

The point I am making is this: if it is private and public, as the Prime Minister is reminding me, then it should obviously be higher than what is stated. We are told that investment, private and public, in 1967 was \$50 million whereas in this Statement we are told that private investment alone was \$80 million.

The whole Budget Statement is full of these inaccuracies and no doubt it has a lot of jumbled and padded figures, like the one which deals with the cost of living, namely, that the cost of living rose last year by two per cent. Clearly that is impossible. There was devaluation and there was \$7.9 million raised by taxation, of which only half a million dollars fell on the capitalist class, with the taxation that fell on molasses and shrimps. The rest were consumer taxes.

As I have pointed out, we have not heard anything significantly new in this Budget Statement. If there is going to be a drop in private investment, then the Government will make

this up by further expenditure in the public sector, in the construction field. But this is where the Government runs into another dilemma; the one hand, because of the loss of confidence in the Government, people are not investing; those who have money are trying to get it out of the country. Government, at the same time, must keep up the rate of expenditure in order to provide employment.

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Herein lies its dilemma. It goes abroad to borrow funds and, as the Minister of Finance admits in the Budget Speech, these loans are not only tied to specific projects but they are tied in the sense that, generally speaking, only the overseas component of the project cost is met by foreign aid and the local cost of the particular project has to be met by local funds. We have seen the steep jump from last year to this year, because of the fall in private expenditure. Obviously, there is need for more money to be found within the Budget, thus the Government's taxation policy.

Let us see how this is mounting. In 1966, \$2.77 million in taxation, mostly on consumer goods, fell on the people. In 1967 it increased to \$5.4 million. Last year it was nearly \$8 million and this year it is practically doubled again - \$15 million. If we follow the overall picture of what is happening in and out of this country, we would see that this will be a recurring decimal every year, and one excuse or another will be given.

Last year we had a development tax, a special tax on business. [**The Prime Minister:** "I suppose that was working class."] This year we have a defence tax. My friend says, "I suppose that was working class." Let him take a fine tooth-comb and analyse how much of the total taxes levied fell on the working-class people of this country. He has all the statistics, the statisticians, all the people, he certainly must have that information. It is clear that the incidence of taxation is falling very steeply on the working class because most of the taxation is indirect taxation.

If the Government was really sincere in what it said, it could have brought forward some new proposals in this Budget in place of the consumption taxes and the Bill of Entry Tax. Mr. Odle, acting Head of the Department of Economics, University of Guyana, speaking of the kind

of taxation which should have been imposed, makes the point - and I quote from the *Guyana Graphic* of Saturday, March 8, 1969:

"The value of capital allowances granted in Guyana in 1965, in terms of tax revenue foregone by the government, was approximately \$8½ m."

This was the first year of the concessions to big business. I am not going to bring in the bauxite deal and some of the deals made with the C.D.C. and so on. From the first year of concession, \$8½ million could have been obtained. So says Mr. Odle. He goes on to argue why it is not necessary to have this kind of subsidies to the capitalist class. He points out that mechanisation has been taking pace in this country, for instance, in the sugar industry. We saw it in the bauxite industry and these are the centres which, in some respects, are being subsidised. He talks about subsidising labour instead of capital.

He makes another proposal: export taxes which he says could provide the Government with \$6.5 million. Last year we made a suggestion to the Government to impose an export tax on those products - sugar, rum, molasses, gold, diamond, bauxite, timber - which were going out of this country to Canada, U.S., and to some countries in Europe which had not devalued when the pound was devalued. We pointed out that, as a result of devaluation, the capitalist class was likely to make about \$10 million in extra profits. Last year we suggested to the Government that an export tax should have been imposed. Mr. Odle has taken up this point and he gives an estimate of \$6.5 million which could have been obtained from such a levy. Adding the two figures together, \$8.5 million in terms of capital taxes foregone and \$6.5 million, would give a total of \$15 million. The Government could have got its \$15 million in taxation - which let us say for a moment it must have - but not from the backs of the poor people.

Let the Prime Minister tell us that the Bill of Entry Tax and the consumption taxes are not going to hit the poor people, in spite of all the talk about black marketers and so on. We have already heard this talk of jailing the sharks. The Government is only trying to fool the people. Okay, we have argued on the strategic realities, etc. with respect to defence. Let us say that the Government needs the money. Why does it not tax those who can afford to pay?

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4.40 – 4.50 p.m.

Mr. Odle mentions another tax, deposit tax on banks - \$1.5 million. We are talking about decolonising banks. Sydney King wants to change the colour in the banks; we are not opposed to that. [The Prime Minister: "You aren't?"] Surely, we are in favour of that, but do more than shout about decolonisation. Do something to stop the money, profits, and savings, from going out of this country. Then you will have the money not only to defend our country but to carry out a programme which will generate employment for the people of this country.

4.50 p.m.

In the employment sector, Ms. Odle said:

“What is particularly disturbing, however, is the fact that no explicit mention is made of the way in which government expenditure will help to alleviate the severe unemployment problem (20%).

Now they have many more economists than when the P.P.P. was in the Government. Any plan must also calculate what employment possibilities will accrue from the expenditure of funds. Where are the figures? Mr. Odle ended up ...

“The time for paying mere lip service to the need for a reduction in unemployment is over.”

We hear talk about defence. All of this is weight and burden on the ground of defence. Another individual, Dr. Richmond, former Member of this House, wrote an article which appeared in the *Sunday Graphic* of the 2nd March, 1969 on this question of Venezuela. The article is entitled, "Aren't we being too nice to hostile Venezuela?" He makes the point and quite correctly, that a small country like this cannot only rely on building a bigger and bigger army because we do not have the resources. Taxable capacity is limited and already taxation, as the Government's statements prove, is the highest in the Caribbean. Dr. Richmond suggests in this article, new diplomatic initiatives in terms of our defence. He says and I quote:

"It is best of all to have powerful friends whose interests are served by supporting us. France and Russia could be first among them. To the best of my knowledge France

does not have extensive Venezuelan investment. In addition, deGaulle is always willing to extend his influence, and when this can be done at the expense of the 'Anglos' the urge can be made irresistible. The advantage to Russia is too obvious to require explication. There are those among our brethren who go into intellectual paralysis at the sound of Russia. They will need to be reminded that the issue is the survival or disappearance of our country."

If a one-time chairman of the United Force, a capitalist party, can talk about new initiatives in the diplomatic field, surely, our so-called socialist friends can take some new initiatives. But no. When an estimate was produced to provide for new diplomatic posts, when we tried to find out where these posts were to be, the Prime Minister said we will know. He knew. There was no debate. Nothing. We heard it was in the West Indies. No diplomatic initiative. A conservative is more progressive than these so-called socialists. They do nothing.

What are they doing about resources for trade and aid and development so that we can get factories? They ask, "What about market? You cannot run factories unless you have guaranteed markets." These possibilities are there to be explored and as I said, we have not explored them. When we talked about nationalisation, we had a member of the Critchlow Labour College, Mr. Sancho, going about the street corners talking against nationalisation. Yet they talk about socialism and do nothing.

I mentioned that the new President of Venezuela, no socialist, belonging to the extreme right wing party, the rightist party, has now said that new diplomatic initiatives will be taken. I have the *Newsweek* of the 3rd March, 1969, referring to the situation in Peru where a military dictatorship, which traditionally is backed by the United States - and these Governments are generally put into power by the United States and maintained in power - has nationalised the International Petroleum Co., a subsidiary of Standard Oil of New Jersey.

According to this article, if no compensation for expropriated property is made, the United States Government under the Hickenlooper amendment to the Foreign Assistance Act can cut off aid and also cut off trade. The Peruvian sugar market in the United States is threatened but the

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people do not say, "Because we are afraid we will lose our market we do not go after the imperialists." Even a dictatorship which is normally pro-United States does not sit. The article states:

"The document signed with such fanfare in Lima last week seemed to be less a commercial treaty than a declaration of independence. The first trade agreement between Peru and the Soviet Union, it provided the Peruvians with a line of credit for the purchase of as much as \$100 million worth of heavy equipment from Russia. More important, declared Peruvian Foreign Minister Edgardo Mercado Jariñ, the agreement marked the end of an era in which our trade was channelled in only one direction."

One direction, of course, means the United States of America.

5 p.m.

In the Budget Speech, the hon. Minister of Finance made reference to UNCTAD and its development. What he did not tell us was what happened at the New Delhi Conference where the rich countries were not prepared to reverse the trend of the widening gap between the rich and the poor. Something more fundamental should have been done at the last Conference if the poor countries are to get out of this rut - the rut of declining standards and increasing debt charges which creates the problems every year for additional taxation, as we see in Guyana today. Incidentally, the Prime Minister said some time ago that the debt charges that this Government has to pay now were what were contracted by the PPP Government. If he refers to his own Development Programme and Ministerial Paper he will see that there is on page 7 of the Ministerial Paper a projection of debt charges arising out of this plan: \$2 million in 1964; \$4 million in 1968; and \$7 million for 1969. So he was not correct when he misled the House. But the Prime Minister is always accustomed to doing this type of thing. I do not know who is his adviser or who writes these figures for him, but the facts are always inaccurate.

I repeat, new initiatives are needed on the diplomatic front, not in the same thread worn areas. A little bit more expenditure, not qualitative, but a quantitative change. Quantitative-looking judgments will not solve the headache because you would have a recurring decimal

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5 – 5.10 p.m.

every time. Diplomatic initiatives are not necessary only for the purpose of defence as Dr. Richmond argued, but also for economic development which clearly ties economic development with trade for industrialisation, and with selling the products which you produce.

The Government's budget is getting bigger every year. The gross domestic product is increasing every year. This is like a big bubble being blown every year. In Pakistan, one of the areas of the world where US imperialists had a foothold, my dear friend and ex-colleague (Mr. Burnham) when we were in India in 1953 told the Indians that the United States was causing them many problems by Pakistan arming etc. For ten long years, the whole world was made to believe that Pakistan was making great progress and it was an economic model for stability and prosperity in the whole of Asia and Africa. The *Daily Telegraph* said in 1967 that Guyana's economic development and planning strategy was also a model for Africa. [**The Prime Minister:** "Poor Africa."] The truth is at long last out in Pakistan.

It is no use giving us G.D.P. figures and how the rate of economy is growing at 6 per cent year. What is now coming out is inequality. Not only a gap between the rich and the poor countries, but a gap inside the country because of imperialist domination of the economy. The gap is mounting between the rich and the poor as in Guyana, Jamaica and many other countries.

We have moratoria. We have one and two per cent soft loans, but as night follows day, the time comes when we will have to pay. South America countries, India in 1967, had to ask aid donors for more time to re-pay debts. As Pakistan is finding out that more than half of the aid has to go to pay debts, so will Guyana soon find out.

Last year, the Prime Minister told civil servants that the bureaucracy was eating up 50 per cent of the Budget; and now with a bigger defence bill etc., it is going to be more.

5.10 p.m.

Let the Government give us a projection of the debt charges. What are they going to be as a percentage of the Budget? In 1967, when the debt charges were only \$15 million, they were 16 per cent of the Budget. Last year the debt charges were \$18 million. Give us the projection and

then we will see that is ahead for the Guyanese people. We do not want explosions *a' la* Pakistan in Guyana. We do not want such explosions.

But, despite the Minister of Labour and his talk about harmonisation, the harmony of the interests of workers and capitalists, and despite the need, as he sees it, to bring a law to ban strikes, when things get very bad for the people laws will not help. Ayub (Khan) had all the military might; but the time comes when you cannot shoot down all the people in the streets.

We were unpatriotic, as the Prime Minister said in one speech. The Government which beats its breast in the name of patriotism and nationalism is today selling out the rights of the people of this country. We are willing to co-operate. I agree with the members of the Government when they say that self-help and community development and other such schemes can do a lot. I agree, but you cannot expect co-operation and real community effort when you have discriminatory practices, when you have schemes in which people have no confidence. Even your capitalist friends now do not have confidence in the Government. You are betwixt and between, where neither the capitalists nor the working people have confidence in you. Those who now have confidence will lose it as time goes on.

We agree with self-help and community development but see the difference between what is done in other countries and your approach to co-operatives and self-help! Despite all the ballyhoo about co-operatives, they play a very small part in the economy as a whole. They have a marginal role.

If the Government of this country had the confidence of the people, then one would not see all the huge machines on the roads. Never have I seen so many huge machines making roads as I see now. *[Interruption]* You should have sent your Development Officer not to Taiwan but to People's China to see how they build roads. You should go to Tanzania to see. The Chinese are now showing the Tanzanians and Zambians how to utilise surplus idle manpower to build infrastructure schemes such as roads. **[Mr. Jordan: "Slave labour.]**

That is your dilemma. The Minister tells us about persons in prisons at page 71 of the Budget Statement. He says:

“Why should they not produce goods like chain link fencing, for the manufacture of which I understand that the Georgetown Prison has a suitable machine? Couldn't they make or repair boots and shoes needed for the Guyana Defence Force?”

To whom is the Minister of Finance posing these questions? To this side of the House? To the people? Why did you not talk to your Minister? Or, do you not talk? Who is running this? We have told this Government over and over that we need a Prisoners Earning Scheme. A Judge has sentenced one man to life imprisonment with twelve strokes. Is that a solution to the unemployment problem?

The Government is in a dilemma because of its bankrupt overall policies. The cost of living is going up. The Government will be perpetually plagued with demands for higher and higher wages, but that is not going to solve the problems either of the working class or of the country as a whole, because whenever you go and talk about prison labour doing things to earn money, immediately the Trades Union Council and others say, "What about our workers who are unemployed and the Government sits in the middle and does nothing.

The Minister comes and asks, "Why, can't this be done?" Let him ask his colleagues and bring the proposal. The Government is obviously inept, inefficient and corrupt. As I said, we will co-operate whether it is self-help or community development, provided the Government changes its course, provided the Government takes a genuine, patriotic, national, anti-imperialist course. We will give you all the backing. [**The Prime Minister:** "When Dubcek took it, what happened?"] Do not worry with Dubcek, worry with Burnham. Look at what the Prime Minister told the people. He said, "I promise equality and if, immediately after I get into office, I do not see that there is no hungry man or woman, you can remove me from office bodily." [**The Prime Minister:** "Try it."] Well, "immediately" has passed. Five years have gone. I appeal to the Minister to change his face otherwise like the Pakistan dictatorship, this dictatorship will be removed bodily as was said. [**Hon. Members:** "Hear,hear."]

The Minister of Finance (Dr. Reid) *rose ...*

Mr. Speaker: Am I to understand that the hon. Minister of Finance will reply?

[*The Minister of Finance indicated in the affirmative.*]

Mr. Speaker: Is there anyone else who wishes to speak before the hon. Minister replies?
(*After a pause*) Then the hon. Minister will reply.

Dr. Reid (replying): We have listened during the last five days to the debate on this Budget. We have listened with patience to all that has been read and all that has been said.

The Budget Debate is always one of great interest in this House. We remember in 1968 when the Budget was presented we had shots from the back of us and shots from in front of us. On this occasion, fortunately for us of the People's National Congress, we can see all our friends and enemies in front of us. It makes it somewhat easier to deal with the remarks that have been made.

5.20 p.m.

Under normal circumstances, I would have stood up here in defence of the Budget, but today there is no need to stand here in defence of the Budget because this Budget has been presented in such a way that all the information is there for the public to read.

When the last speaker said that Questions are posed in this Budget and to whom, I have a feeling that he has not learnt from his experience in the past, because we on this side of the House have no intention of presenting three Budgets in one year. Our objective when we present a Budget is to take the Guyanese people along with us, and this is the key to the matter. I am certain that the majority of the people of this country are involved in this Budget and no amount of shouting, screaming, moaning, or weeping, will be able to irritate people to the stage where they will behave as they behaved in 1962. People have realised that taxes are paid in this country for a purpose. We do not hide the purpose of taxation from the people.

I have to make, however, one correction which I indicated during the "Face the Nation" programme the Sunday after the Budget was presented. On page 27, the figure given is \$99 million. This is a misprint; it should be \$67 million. This was raised by the hon. Member Mr. Feilden Singh. This is an obvious error and we had no intention of deceiving anyone. There is no

reason to do so, or else we would not have presented all this information- some to our advantage and some to our disadvantage. This Budget is the truth of our financial situation.

I want to start now with the remarks made by the Leader of the Opposition. In his last remarks he spoke of corruption. I have here a Report on the Financial Position of this country when it was British Guiana. An expert by the name of K.C. Jacobs was invited to British Guiana by the P.P.P. Government. The date of this Report is August 1963. I want to take two things together: one, when the Leader of the Opposition talks of corruption, and the other, when he invited this Government to go out to seek contractor finance. At paragraph 27, page 9 of this document, this is what is recorded by this financial expert, K.C. Jacobs - not Jacob whom we know of here:

"Secondly, shortage of funds has led the Government of British Guiana, like other Governments, into contractor-finance engagements. In the particular case of the Parika-Bartica road there were very early on unusual"

- the man is so kind to them -

"... and unfortunate difficulties, arising from complications over the registration of bonds in the U.S.A. and the Government is now faced at best with the alternatives of the loss of most of \$3 1/3 m. already spent or a commitment to incur debt of a further \$7 m. (involving an increase of \$2 m. above the original estimate) on a contract similar to the first in order to complete the work. The Government may have been misguided in the choice of contractors but they also seem to have been unlucky over the complications. The result of the venture shows up the dangers of this form of financing, which though appearing to be on favourable terms usually contains a high interest element, involves repayment over a short period of time and limits the choice of contractors."

This is the record of the findings of an expert who was brought by the P.P.P. when it was in the Government. The P.P.P. now invites us to turn to Russia, forgetting the experience of the African territories. When they made arrangements with Russia for equipment, to their great dismay and frustration, they found out that the bits and pieces of equipment could not perform. Are we to take that type of advice now in building this young nation? I say "no".

I want immediately to expose some of the inaccuracies made by the last speaker. Here I want to include the Member Br. Ramsahoye, former Attorney-General, when spoke of deficit financing. I presume they do not really understand what is meant by "deficit financing because the Budget that is presented here is a Budget that has been balanced. This is not a deficit financing Budget. Here we have shown all those who have examined and analysed this Budget that this Budget is balanced.

I wonder how many of them took pains to read through this document carefully and to analyse statements presented to this House because, in talking about the Development Programme, the last speaker confused capital Budget with current Budget. I thought that he at least would have known that we are talking of current Budget as well as capital Budget. Capital expenditure for 1966/1969 is \$174.52 million and this is mentioned in the 1966-1972 Development Programme. Obviously, within a total of \$295 million, if we divide that up, we would find that we are supposed to spend some \$42 million per year.

5.30 p.m.

But we indicated that in the present budget, not the 1966-1972 Development Programme, what the capital expenditure will be for this year and we have already shown in that budget very clearly how the money will be raised to finance this capital expenditure. I daresay you will not find when we have come to the end of it that there is any change whatever.

You mentioned debt charges you once knew. You know that the debt charges have been raised. Last year we had \$18.1 million and this time there is a fall because we have been able to cash in on our Treasury Bills to the tune of \$0.9 million and then from redemption of our sinking fund, another \$1/2 million. So, it finishes off at a figure below the figure in 1968. This, I think, is to the credit of the Government in office. Notwithstanding what is happening, this country is able to reduce its debt charges.

I have been hearing from so many persons about this distribution of the tax - a familiar term is, "ease the rich and soak the poor." Some of them are so brazen, I sometimes wonder what human beings are these. Some of them are barefaced enough to tell people that all the taxes come

from the poor. I do not know what has happened to them. We have heard in the budget proposals, proposals to raise \$15.14 million. Any school child can read this and come to the conclusion that all these taxes can never, no matter how you stretch it, come from the poor.

Well, let us go through it carefully. I have indicated that we will raise a defence levy of \$7 million through a Bill of Entry Tax. There is no doubt that this will be passed on but what my friends would rather forget, when we say all consumers will contribute to this tax, is that the rich are consumers and the poor are consumers. I do not know how they take this to mean only the poor, and what is good for the public to know is that this tax is put on imports so that the wealthier the person, it is expected under normal circumstances, the more imported goods he will consume, hence the more of the \$7 million he will contribute. So, you find straightaway that all this cannot come from the poor.

Moreover, the essentials for living, if I am very poor, some I must endeavour to produce. I may not be in a position to grow plantain and cassava and rice, but if a man is as poor as I am, he must endeavour to grow his own food and so for his basic necessities, he must not be called upon to pay in the same proportion as the wealthy.

The consumption tax is just keeping the balance. This is not adding to the cost of living. Import duties - we have taken particular care to isolate the commodities that have been taxed and I have heard the argument, yesterday and the day before, about spoons. I think the Minister of Trade and Parliamentary Affairs (Mr. Bissember) made it quite clear that the tax is on the high cost spoons. Those who want to buy fancy spoons, must pay for that facility, but those who want to buy ordinary spoons, like myself, must escape the tax.

Now we come to the income tax, that is, \$6.0 million. When we came to the income tax in this budget, we explained that this is coming straight from companies. Now they want to tell us that the companies too are poor people. The sum of \$6 million out of \$15 million will come direct from the companies, something that they could not collect from the companies in their time. This is not the regular 45 per cent. This is additional to \$6 million; and even those companies, we do not hear them mourning and weeping. It is the way it is presented and this

makes all the difference. Now that we have found out I hope there is no further confusion, that at least \$6 million will come straight from those who are classed as wealthy in this country, I cannot see by any stretch of imagination how Members continue to rehearse that we ease the rich and soak the poor. Probably it sounds good and that is the only reason they use the phrase.

We find here that this Government is moving ahead. I want to just finish off with the last speaker before I proceed any further, when he talked about bankrupt policies, co-operatives and self-help. We have indicated to this House and to the people of this country that this our financial position is not a glorious one but we are in no financial difficulties. We are getting loans on reasonable conditions, better than most places, better than any place in the Caribbean, because we are able to bargain for the people of this country with devotion and dedication and the people and institutions are aware of the seriousness of our effort.

I think the Minister of Education (Mrs. Patterson) made reference to the amount of money that will come to our educational system, and we have got half of that as a very soft loan, no interest charge at all. We have got loans with moratorium. We have got loans extending 50 years for repayment. Our burden is not as great as it would have been and some of these are in the area of production. I just signed a loan agreement for rice - and I will talk about rice later on - in the sum of \$20 million with some 40 years to pay. If we manage our affairs well, then these loans ought to be so used that we will get into greater productivity and we will have the ability to pay. As a matter of fact, we have seen in rice in a very short time, the loan will be repaid and we will continue to move ahead.

5.40 p.m.

The hon. Minister of Trade (Mr. Bissember) has already compared the present budget with the 1962 Budget - the budget which hon. Members opposite prefer to refer to as the Kaldor Budget. The Budget which caused serious trouble in this country as we all know. *[Interruption]*

It was intended in the last Budget that efforts will be made to control prices and I am happy that the hon. Minister of Trade is tackling this matter right now. It is good for persons to

know; even though when one picks up the newspapers one can only read about choke and rob. The cases of blackmarketing are not put in the newspapers. In 1968 there were three hundred and fifteen cases of blackmarketing which went before the court. I think the hon. Minister of Trade mentioned that the Police will be co-operating in this exercise.

In this Budget, we have introduced a tax on professionals. We have in mind such persons as lawyers, solicitors, doctors, surgeons - dental and veterinary, accountants, architects, engineers, agents of insurance companies and persons who are liable to pay will be the professionals who are in private employment - self employed. Professionals working with a firm of lawyers, such individuals will be asked to pay this professional licence fee. If an individual is a doctor of Medicine in a firm of practising physicians and surgeons he will be required to pay this licence fee. Professionals in part-time, practice with Government and part-time private employment, irrespective of whether the latter involves self-employment or employment by a firm, he will be required to pay licences. Professionals in part-time private employment will have to pay the fee.

There are some professionals who will not be called upon to pay. These are the professionals solely in the employment of Government. Another group will be the non-practising professionals. Persons qualified as professionals in a particular field but who are working with a firm other than the one specifically established for private practice for which they are qualified. For instance, if a man is professionally trained as a lawyer and he has turned to teaching then he will not be asked to pay.

What is of interest too is this. The fee to be collected is not exorbitant. It is just a small amount of two hundred dollars per year. *[Interruption]* But this is one profession where whatever tax is imposed could very well be passed on. This is no excuse for a change. What we want to do and what will be done, is that before a professional man gets his licences he will have to get income tax clearance to show that he has submitted income tax returns for the previous year. *[Interruption]* This tax is going to serve a very useful purpose other than just collecting this mere fee. We are in a position to identify those people very easily and to proceed with our

business and get revenue that is due to the Government. I thought of making mention of that early so that we will not pass it over this time.

I wish to refer to some of the other remarks that were made. There is no need to stand here to defend this Budget. I just want to give explanations to the other things which have been said. One speaker said that he cannot see any unforeseen circumstances that occurred over the last year. I am a little surprised at that. It would appear that that individual is not really living in Guyana and is not interested in the welfare of the people of this country. Because he would have been aware of the unforeseen circumstances which took place in 1968.

All of us in this House, people on the streets, and people everywhere ought to know that the Manganese Company had decided to discontinue operations in this country. As my colleague the hon. Minister of Agriculture (Mr. Jordan) explained yesterday, this Government cannot sit idly by and allow over five hundred people to be hovering about there, there and everywhere seeking employment. The Government took the necessary steps to make funds available so that these people could remain in that area and so provide themselves with a livelihood. It is interesting to know these individuals have been able to send their first product to Georgetown which is one thousand pounds of cabbage. [**Hon. Members (Government):** "Hear! Hear!"] This is indeed a fruitful reward for those who are involved in the exercise of ensuring that these people were not left idle without any work. [*Cheers*]

5.50 p.m.

[**Mr. Ram Karran:** "What about Black Bush?"] The hon. Member refers to Black Bush. It has already been explained by my colleague (Mr. Jordan), and I have no intention of making repetitions, as hon. Members do on the other side, except for emphasis. We indicated in the Budget Speech, without any apology, that our hopes for collecting arrears in Inland Revenue and in other areas were not as fruitful as we had hoped because of various circumstances. Because of this, some people said that we were inefficient and that is why we were not able to know what we would collect.

It is worth knowing that the collection of arrears is not done only by the officials of the Inland Revenue Department. I think this is the situation in all other Departments: the collection of arrears depends on people outside of the Inland Revenue Department, people over whom Government can have no control and over whom Government does not wish to have any control.

In the Inland Revenue Department we can make out hundreds of cases, but when these matters have to go before the Courts, we have no control over the Courts. We do not hope to control the Courts and so Magistrates or Judges, as the case may be, are free to decide how persons who are in arrears will pay. For this reason, among others, it is not possible to collect all the arrears that we are outstanding.

My friend from the United Force, the hon. Member Mr. Sutton, made the remark that his party is the honest nasty, that we are the ones who are inept and who are fooling the people, that we are dishonest, we are telling them about what we are going to collect and we are not collecting. I am a little surprised that the hon. Member was bold enough to make that statement in this House. We do not want to go over some things. When you talk about honesty, this Government has a record not only here but in all parts of this world for its dedication and its honesty. People have seen this; people have experienced it. One wonders how persons who go about during election campaigns telling people that the voice of God is speaking to them from the tree tops – [**Hon. Members:** "Shame."] - can come into this House and tell others how honest they are. If you do not really know, then you should not express yourself in this House to people who know the truth of the matter.

But let us pass on. I want to indicate at this point that even though our friends have said that the Trades Union Council Housing Scheme is not a low-cost housing scheme, the people who are getting into the houses are ordinary workers. We have seen to it that it is possible for ordinary workers to get these houses and that is the evidence before us. It is not a matter of talking and preaching. The deeds are there to show. As one goes through the scheme one sees ordinary workers, water-front workers and so on. One will see them occupying the houses that are visited.

The crux of the matter is who are going into these houses? Is it the middle income group? Is it the wealthy? Or is it the people from the lower income group? This Government has made the type of arrangement to make it possible for the lower income group to occupy and own these houses. We do not hope that they will do so without sacrifice. It is good for them to spend their money acquiring their own homes and if they have this expenditure to make they will be more careful with their earnings. I believe less will go to XM and more will go into their housing schemes.

Now, it was said that the estimates for the Office of the Prime Minister have soared up and up. The estimates have increased and we know the reason why. There was a time when the Youth Section was in the Ministry of Education; there was a time when Community Development was in the Ministry of Education; there was a time when Interior was in the Ministry of Local Government. All these have been transferred to the Prime Minister's Ministry and hence it is reasonable to expect that Estimates for this Ministry must show an increase.

We have moved Community Development, the Youth Section and Interior over to the Prime Minister's Ministry and we are satisfied that this is the right thing to do because, as even the hon. Leader of the Opposition has admitted, Community Development is really doing a wonderful job in this country by bringing people together. We have the record to show that, notwithstanding what is said in this House.

As one goes, through the various districts, as one goes to Craig, to Leonora, to Prashad Nagar, to West Coast Berbice - there is a long list of places, Mocha, Sandvoort and so on - as one travels around and goes to Aurora, on the Essequibo Coast, Akawinni in the Pomeróon, Sand Creek, Rupununi, one will see evidence of people working together for their improvement and their own good.

This self-help programme is even more useful than merely putting up structures. I had the opportunity of seeing the people of Leonora working together to build a school. When one visits Nos. 5, 4 and 5, West Coast Berbice, one finds people who used to fight each other, people who used to cheat each other are working together to improve the facilities they have so that their communities can be better. I agree with the Leader of the Opposition that this is a system that

should get the support of all the people in this country. We have the record of evidence of development to show that we are doing a job for all the people of this country in this direction.

I must, however, say a word about the defence allocation. We have proposals to raise \$7 million. I made it clear in elaborating on this that this money must not be seen in terms of arms and ammunition alone.

6 p.m.

I also made the point that we must not look at this only in terms of the Guyana Defence Force and the Police Force, even though these are very important. I pointed out that in our overseas mission there is work for them to do and we on this side are very pleased to know that, because of the diplomatic art of our overseas representatives, many of our enemies have been kept at bay. But more than that, we believe if we are to really defend our border and there is a real threat - notwithstanding the circumstances, notwithstanding the evidence before their very eyes, some people are still saying it is a mere threat from Venezuela - we cannot depend on the Army and the Police alone. We cannot depend on our overseas representatives.

We must possess the Interior, as was mentioned in the Throne Speech, and so young people and probably people not so young will be encouraged, from time to time, to go into the Interior and take up permanent residence so that we will have people occupying the lands and not just looking for the enemy. They will be engaged in agricultural pursuits, probably livestock crops, e.g. cabbages, corn, so that we can increase our production. With the outlook in the Caribbean, there is more and more hope that if we produce goods in quantity and quality, then we would have available markets for them. I re-emphasise that the yield from the defence levy will not be spent only on arms, ammunition, the G.D.F., the Police, but it will also be spent to strengthen our overseas Mission and to help us in possessing the Interior.

We have already shown that the Credit Corporation has been giving loans to the small man, and the position is not as our friend has said. This brings me to the point where I want to say a word about these corporations. I will deal with rice lastly. Our Guyana Credit Corporation

has on record a performance I believe it can be proud of. Our friend has mentioned that money is not allocated to the Credit Corporation.

We believe that when loans are made to individuals they must be so used that the individuals will be able to repay. In the days of the P.P.P. Government, either consciously or unconsciously, deliberately or not deliberately, people were given large loans and, at the very beginning, some of them knew that they were not going to repay. Many of them had no intention of repaying. A few years ago I spoke with one such person who had acquired a loan of about \$50,000. When he was asked about repayment, he said that he did not get all the money, that some other person had collected \$20,000 out of the \$50,000, and he saw no reason why he should pay now.

This loan was made before we came into office in 1964. This was a pre-1964 loan. Now we make it clear to people that when they receive loans they must so use them that they can repay. We insist on this, and so every effort has been made over the last four years to collect some of the outstanding debts. We are making sure that persons who have been given loans since we assumed office will do all they can to repay. If people do this, then the Credit Corporation will have a revolving fund; as we collect, we will lend.

The test of it now is how much did we lend in 1968. Notwithstanding the position, they are saying that we did Credit Corporation anything. We want to remove subsidies. We are endeavouring to do this and we hope to do it by being more and more efficient in the management.

With respect to housing loans, there were about 300 loans to a value of \$1.2 million. I am certain that the majority of these loans went to the small man. There were 75 agricultural loans which amounted to over \$200,000. There were 24 loans for machinery which amounted to over \$150,000. There were 35 industrial loans which amounted to over \$200,000. For that year, the Corporation loaned out over \$2.5 million, and this is a fair rate of lending for the period involved.

We are certain that the type of loans that we have made will be very useful to the people. For instance, in the fishing and shrimping sector, which is a very important dollar earner, loans have been made for the first time, and in this country we can report that the very small man is now engaged in the trawling business through help from the Credit Corporation and many of the small fishermen are also getting loans. We have made loans for stone quarrying and so we see the Corporation is doing a useful job in this country.

Let us look at some of the other corporations. An hon. Member mentioned that the Guyana Development Corporation is not serving its purpose. We on this side have seen that this Corporation is playing a very important role in attracting private investment in industry. In the area of housing, we have seen what work is being done in the private sector. We have given incentives through this Corporation, and people are taking advantage of these. During 1968, 33 projects were completed and the investment is over \$2.9 million. Employment has been created since some of these projects have begun to take shape. Construction has commenced on the wheat flour mill and the Pegasus Hotel.

We have seen new processing and shore facilities on the East Bank for the shrimping industry and also the processing of additional food produce. Metal fabricating is being done and ceramics, cosmetics, and other goods are being produced on the East Bank. All these new things have come about through the work of the Development Corporation.

6.10 p.m.

This year, you will see more and more progress in this direction. I think that covers the corporations that were not mentioned before. My hon. Friend, the Minister of Agriculture and Natural Resources (Mr. Jordan) dealt with the Guyana Marketing Corporation.

We want now to say a few words about the industry that is attached to the Ministry of Finance, an industry that almost every speaker had something to say about. I can understand that even if I cannot understand anything else, that all my friends on the other side are irritated because of the new look that the rice industry has taken. I sympathize with them because I know some of the reasons they feel like this. They have not been able to continue the tricks that used to

happen in the past. I have a script in my hand before I start to talk about the rice industry so that Members will understand why there is so much irritation about this particular industry.

In the days when the P.P.P. managed or mismanaged the affairs of this country, particularly the rice industry, they were in the habit of giving loans to people from the Rice Marketing Board and there was a travel agency in this country which disappeared into nothingness. The Luna Roja travel agency, commonly known as the Red Moon travel agency, was set up when the P.P.P. was in office to promote visits to Cuba. The owner of this agency has disappeared into thin air but he has not disappeared with nothingness. He has taken from the Rice Marketing Board \$11,640 that we can never collect. The Guyana Agricultural Workers' Union used to take rice from the Rice Marketing Board to probably feed the strikers. I do not know. But on our books this union is indebted to the Rice Marketing Board to the tune of \$9,290.

I am not finished. *[Interruption]* They made an arrangement in the meantime to sell rice to East Germany and on that arrangement the Rice Marketing Board suffered a loss of \$570,000. They made an arrangement - and one of them was a Member of this House, he was part of the Board then - to get bags from Cuba. He was the agent *[Interruption]* He says it is an old story. It is an old story but it is a true story. That is why they are irritated. He was the agent for bags for the Rice Marketing Board. He got as agent his commission but the Rice Marketing Board lost \$150,000. This is why they are so worried that the Rice Marketing Board now is not in the hands of their stooges.

Mr. Speaker: The word "stooges" has been banned from the House.

Dr. Reid: I apologise for saying that the Rice Marketing Board is not in the hands of stooges. But let us talk about the rice industry. We heard that since we have got into office, we have been inviting mission after mission, expert after expert, we have been getting report after report about the rice industry in this very House. On 11th August, 1967, I made it quite clear in reviewing the rice industry, how many reports have been made on the rice industry and about the rice industry, and it was then sixteen reports. We were not in office then. They came from all parts of the world and we have the record of the reports, but even when their experts gave advice on what should be done to make the rice industry viable, to make it an industry that the farmers

can benefit from, my good friends on the Opposition benches did absolutely nothing to improve the rice industry because if an industry like the rice industry is to be improved, this must be demonstrated in increased productivity.

In the history of the rice industry when it was first introduced in 1917 or 1918, the average yield was 17 bags of 140 pounds each per acre. Today, the average yield is no more than 12 bags of 140 pounds each. What has happened during this period? Nothing was done because for my friends the rice industry was part of the political organisation where it was more important to get votes than to develop the industry. That is why they did all sorts of worthless things. That is why they made the arrangement with Cuba to purchase rice from Guyana. If they were so interested in those farmers, those suffering people, why did they not make a good arrangement with Cuba to purchase rice? No. They made an arrangement that lasted just about the time they were to go out of office.

That is the arrangement they made for their good friends, the rice farmers. When they go out of office, they do not care if they die. They made the type of arrangement that as soon as they were out of office, their Cuban friends said, "We cannot buy rice anymore." In any event, Cuba would have stopped buying rice because they are growing their own. Any Government that would make any arrangement, in an important industry upon which the people of this country depend for a livelihood, that will come to an end as soon as it goes out of office, by its own act has condemned itself against being given an opportunity to manage the affairs of this country.

6.20 p.m.

I hope that they will remain sitting on that side permanently. [**The Prime Minister:** "But they will sit on that side permanently."] When the PNC came into office the hon. Members opposite said that we will destroy the rice industry. Now that they are seeing progress in the rice industry they are asking us what we are going to do with the profits. Bearing in mind, this Government was to destroy rice. They want to give us directions on how we must use the profits. What kind of thing is this? [*Interruption*] Are we here to take directions from them?

Let me tell you, sir, what their friend Dumont said about the rice industry. He came here in 1963. On page 12 of his report it is stated:

“The acreage under rice has grown very quickly in recent years, but production has not kept up with it, as paddy yields per acre seem to have decreased since 1925 from 16 to 14 bags of 140 lbs. each.”

That is what the PPP Government was doing with rice. This same gentleman said that the return of 8.2 bags per acre in 1961 paid only for rent and mechanisation expenses and barely brought in more than \$50 in gross production per acre. That has been the situation for years. Now that something is being done for the rice industry and they are seeing progress they are telling us now that the profits must be distributed by increasing the rice of padi. What good will it be to the poor farmer if we do that. If we could move from twelve bags per acre to eighteen or twenty bags per acre then we will be helping him. This is the key to improvement.

Today, certain things will have to be fixed right. Because farmers, in the past, up to two years ago, were accustomed to receiving, through devious means, higher grades for their padi than they deserve. Some of them were even accustomed to receiving pay for two truckloads when they only carried one into the mills. We have now changed the system of grading and this is good for the farmers so that they will get what they deserve. A farmer must understand that once he does his business properly he will be paid for it. We are paying farmers very promptly. There are individuals who have been so accustomed to using this rice industry for all sorts of purposes, that they are afraid now that farmers will realise who is really interested in their welfare. [*Interruption by the hon. Member Mr. Ram Karran.*]

Already research is going on to improve the rice industry. We have research stations actively engaged in putting on the ground results from these experiments. I was happy to look at some fields yesterday morning and to compare the old varieties with the new varieties. Plots which were under the same area had the same facilities and one farmer who had planted the old variety was getting ten bags per acre and the farmers who planted the new variety were getting twenty bags and the difference in cost of production is not that much so that he would not make more money for himself.

There is much talk about Blue Belle. One does not stop learning; it is a continuous process. Research will always be going on. We are now in a position to report that we have made all arrangements so that we can have a modern research station to do this business of rice, and we hope to put the experiments on the ground so that our farmers will continue to benefit. It is interesting to know that organisations - [Mr. Ram Karran: "Like the Dharam Shala."] - which were totally against this Government regarding the rice industry are now beginning to see the light. I note with pride that the great sabotage which was planned for the rice industry has failed.

We have been happy now that many farmers are interested in what is going on. On Monday, some one hundred farmers, drawn from all parts of the country will visit the Mahaicony area to see for themselves. We hope that with these things happening in this industry it will become a viable one, because this is our industry. [Hon. Members: "Hear, hear."] We must not do anything to our farmers that will make the industry an unprofitable one. Now it is a profitable industry, we can proceed. There is much more I can say about the rice industry, but I think that is enough for now.

6.30 p.m.

Hon. Members mentioned that our economy is so tied to the sterling area that it is bankrupt and we must look out for what is coming next. I am pleased to report to this House that since devaluation occurred over a year ago steps have been taken to ensure that if this should happen in future Guyana will not suffer. During 1967 arrangements were made to offer facilities, especially to countries that hold their reserves in sterling and Guyanais in the happy position today that its sterling reserves are now guaranteed to the tune of over 80 per cent.

Mr. Speaker: Will the hon. Minister be much longer? It is now half past six.

Dr. Reid: We can adjourn and I will return. I have a few other points to make.

Mr. Speaker: If the points will take a few more minutes we might finish before adjourning.

Dr. Reid: I have more points.

Mr. Ram Karran: I be to move, with the agreement of the hon. Leader of the House, that we proceed until 7 o'clock to give the hon. Minister time to finish his speech.

Mr. Speaker: I would be quite willing to do that.

The Minister of Trade and Parliamentary Affairs (Mr. Bissember): If that is agreed, we will continue.

Dr. Reid: I just mentioned about the security of our sterling reserves and the facilities we have obtained. It was mentioned here that this economy is in serious trouble because we did not know what was going on. I should like to make reference again to this Report on the Financial Position by Mr. K.C. Jacobs, which was done when the P.P.P. was in office. This is on page 6 under the heading General Conclusions. I shall read just one sentence, which will bring out the point:

"The orderly and systematic conduct of Government affairs and its services cannot be expected when there is the necessity constantly to count the money in the till or look up the over draft in the passbook and to alter course according to what is found."

This is what the situation was when the hon. Members on that side of the House attempted to manage the affairs of this country. This point about corporations is made on page 11:

"But when Government-sponsored corporations which are closely bound up with the basic economy or services of the country have contracted large debts the Government's position is bound to be precarious. More so when its own finances are in a critical state. Good management is a vital consideration in this respect."

So, notwithstanding the noise that the hon. Members have been making, this was the Report on what they were doing during their term of office. We have now brought this economy to a point where we can proceed in the development of this country and this 1969 Budget is to give effect to the work that has already been done, so that we have reached the point of consolidating in order to move forward with greater speed.

We have been criticised that some \$62 million will be spent by the public sector and that the private sector has reduced its investment. We have explained that the reduction in the private sector is due mainly to the completed investment by the bauxite companies. Bauxite companies have been carrying on a plan of expansion over the last few years to the tune of very many million dollars. This work is now complete and, as would be expected, investment in the private sector must show a decrease. We are not worried about this because other areas are coming into business in this country.

I just made that point to show that we understand why it is that for this year investment in the private sector will be about the same level as that of last year. During the past four years we have been able to increase our private investment because one of our principles is that we will participate in private enterprise. Our participation has been demonstrated and more of this will be seen. We are participating in the construction of the Pegasus Hotel. We are moving forward in this direction.

In the Budget we have allocated to the Guyana Development Corporation the sum of \$2 million so that we can proceed in industry in the public sector and in some of the productive undertakings. Already negotiations have moved forward for the production of stone and Government is certain that this will succeed.

I want to say a word about the Tiboku project because we do not make a noise before reality takes place. We indicated some time ago that once we produce hydro Power, the bauxite companies in this country will have to produce aluminium here. Some people laughed at this, but we are getting nearer and nearer the stage since the Tiboku feasibility study has progressed. Talks have already proved fruitful and discussions have begun. I trust that our friends on the other side will be able to pay due regard to the fact that the Tiboku project is materialising not only for the bauxite industry but for the other things, because we have millions of feet of lumber in this area and work is being done in this direction.

I can report that, because of the way the financial arrangements are being carried on in this country, international organisations, the World Bank and International Development Association, are showing a keen interest in the development of Guyana. We have indicated to

them already some of the projects that are being studied and we have commitments, once there is a feasible project, instead of getting higher cost money, Guyana will qualify for another loan from the International Development Association.

We trust that finances of this type will be so used in this country that the productive sector will be developed and in time there will be no problem of paying these loans. Some of them are very long term, but some people believe that money is the only thing that is necessary for development. They say we should go to Russia and to all those other countries and those countries will lend us money without conditions. We are not making any secret of it that Government-to-Government arrangements are made with certain conditions. If one goes to the East one will have conditions attached; if one goes to the West one will have conditions attached. This Government notes the fact that when conditions are hard, money must not be used.

6.40 p.m.

There is on record an instance where we refused to use funds offered by a particular Government because the conditions were too harsh. I made the remark that the African countries, in their early years of Independence, did make arrangements with the Eastern bloc countries and many of them got their fingers burnt. Right now they have found that not only are the goods brought into the country but also the labour. This is now happening in Africa. Here we are forced to use our loans to buy goods from the country that is granting the loan.

It is not money alone that can develop a country, it takes people to do the work. That is why as we proceed to make right any deficit, by necessary taxes in this country, and people in the country are co-operating because they have the opportunity to visit their own areas and distant places to see how the money is spent.

I have already spoken of projects in several parts of this country that have been possible through development loans. We have got some of the bigger projects that everyone can see, like the road to Mackenzie, the new airport. These are projects that have been financed by loans and the people have seen how the money was spent. Before long, people in the rice industry will see how the loans are being used in that industry. Already at Anna Regina, M.A.R.D.S., Wakenaam,

Leguan, foundations are being laid for better storage facilities for this industry and people are given the opportunity to see these. People co-operate with this Government, and even though our friends on the opposite side have sworn that they will not co-operate, we ask the Guyanese people to co-operate with the Government. This is the policy that is being carried on, a policy of co-operation between the Government and the people, and even in the rice industry we are getting this type of co-operation.

We hope that the point made about the new hospital is taken. We had indicated that there will be a hospital in Georgetown and we had started to raise funds for this new hospital through the Radio Bingo. When we were presenting our Development Programme we had indicated that it is a flexible programme and we are free to make the necessary adjustments as the country demands. One adjustment is that we are not proceeding at the moment with the new hospital and we are making this known to people. Other facilities are being made available. Some services are being rendered at the Campbellville clinic since the earlier part of this year so as to ease some of the burden at the Georgetown Hospital. Some extension work has been started there and at the Suddie Hospital so that these places can give the facilities that we need for the time being.

I want to conclude by asking the people of this country, especially the women, to ensure, when the Ministry of Trade puts out its list, that they pay only what is indicated in that price list. We have said that the control of prices is not only a job for Government and Government officers but for all. I trust that the women of this country will organise themselves and use all the means at their disposal to expose those business places that are cheating. In some countries, women picket places that sell above the controlled prices. If our women do this diligently, then we will continue to catch some of the people who are determined to sell above the controlled prices, I repeat that last year the police were able to bring to the courts a total of 315 persons who were convicted for selling above the controlled prices, so that work is being done in this direction.

I trust that even though there was no need to defend this Budget - because it needs no defence - these explanations will benefit the Opposition and the public at large. I am certain that

those who read this document will understand that taxation in Guyana is not a burden but a responsibility.

We have become independent. We have to manage our own affairs given unto us to develop this country, hence it is for us to bear the sacrifices and responsibilities for development with the hope that our children and grandchildren will not have to do some of the jobs that we are doing now. They will not have to do the job of building a road to Mackenzie, this will have been done in this generation. They will not have to build a new airport, we have already done this. We hope to lay the infrastructure for development in the North West and the Rupununi and they will be given the benefit of all these things and it would be better for Guyana. I am happy and I feel honoured to wind up the general debate on the Budget for 1969.

Mr. Speaker: Hon. Members, this concludes the debate on the Motion and the next stage will be for us to resolve ourselves into Committee of Supply to consider the Estimates Head by Head, but as we have passed the stage of Adjournment, I wonder whether the hon. Minister for Parliamentary Affairs would indicate what he has in mind.

The Minister of Trade and Parliamentary Affairs (Mr. Bissember): I have discussed this with the Opposition and I suggest, with Your Honour's approval, that we adjourn to Monday, 17th March, 1969.

CONGRATULATIONS TO MEMBERS

Mr. Speaker: Before we adjourn, I think that I ought to take this opportunity - because it is probably the best opportunity for me to do so - to say that, during the debate on the Budget Speech and the Speech from the Throne, we had the opportunity of listening to many of the hon. Members who have made their maiden speeches in this House. I think, according to the custom of Parliament, that we ought to take cognisance of the fact that they have made their maiden speeches and I feel, therefore, that they ought to be congratulated on having done their part.

13.3.69

National Assembly

6.40 – 6.50 p.m.

There are still some hon. Members who have come into the House for the first time and have not yet made their maiden speeches. Let us hope that the opportunity will not be too far distant for them to do so.

Mr. Ram Karran: They have to get a licence, sir.

Mr. Speaker: If a licence is needed, it is only the Chair that could grant that.

ADJOURNMENT

This House is adjourned to Monday, 17th March, 1969, at 2 p.m.

Adjourned accordingly at 6.20 p.m.
