

Speech by the Premier, Dr. Cheddi Jagan, During the Budget Debate in the Legislative Assembly, 3rd April, 1962.

"Abolition of unearned income. . . the complete sequestration of all profits, nationalisation of all joint stock companies, participation in the profits of big concerns, establishment of a sound middle class, immediate municipalisation of the big department stores which shall be let to small tradesmen, the utmost regard for the latter in the allocation of government orders, the death penalty for usurers and profiteers."

One would have thought that what I have just read is a part of the PPP's manifesto but, believe me, it is part and parcel of the programme of the National Socialist German Workers' Party — the Nazi Party of Adolph Hitler. Hitler started out by being a Nationalist as well as a Socialist, mouthing slogans which, apparently, appealed to the working people at that time. The intention was to get the working class behind his Fascist Party.

We saw not only in this debate, but outside of this House similar steps being taken as were taken by Hitler in order to get working class people against the very party which has agitated, has fought and continues to fight on their behalf. The debate started off with the question of having confidence in the Government, and as it progressed we had little pin-pricks here and there. Honourable Members spoke of the incompetence on the part of the Government, not having enough land for the people, inadequate services and so on.

Yesterday, an Honourable Member attempted, in a very long speech, to give us what appeared to be a serious discussion on economics. Great play was made about all the ills in British Guiana. We are all aware of these facts. It was I and the PPP who, several years ago from the inception of the Party, brought forward in very strong language to the people of this country the imbalance in our economy.

What do we find today? Primary production takes up 41 per cent of the gross domestic product. By primary production, I mean agriculture, fisheries, forestry, mining and the processing of these products. The manufacturing of these consumer foods accounts for only 31 per cent of the gross domestic product. The last category catering for personal service and entertainment amounts to 1 per cent only.

One Honourable Member referred to the thousands of acres of land which we have in this country, no doubt referring to the serious land-hunger problem facing the country. But merely saying that is not an indication to show that the PPP, this Government, is responsible for such conditions.

These Honourable Members have not, unfortunately taken time off to observe what is taking place not only in the whole world, but even around us. Let me just make reference to one area, Latin America, because we have a similar situation here: lack of industries, economic imbalance, land hunger and so on. Let me refer to some of these countries to show the situation there.

Tin 59 percent of Bolivia's exports

Coffee

86 percent of Colombia's exports

61 percent of Haiti's exports

74 percent of Brazil's exports

51 percent of Nicaragua's exports

84 percent of El Salvador's exports

82 percent of Guatemala's exports

Most of these countries depend on coffee — one crop. Before the present Government, the Castro regime, got into power, before the attempts at rapid industrialization which are now on foot, 85 percent of Cuba's exports came from one produce — sugar. Take the Dominican Republic next door — 50 percent of its income comes from sugar. Some Latin American countries are called "banana republics". Here they are: Ecuador — banana accounts for 56 percent of that country's income; Honduras — 66 per cent; Uruguay — 52 percent; Costa Rica — 59 per cent. Go down further south — Chile: 63 percent of the country's income comes from one mineral, copper. In Venezuela, 97 per cent of the country's export comes from one product, oil. Oil employs only about 3 per cent of the total population of the country.

The Honourable Member says the PPP is responsible for the situation in British Guiana. It seems to me that if we are to follow this argument to its logical conclusion, then the PPP bug must have been very active in the Latin American republics also where we have a similar situation; where we have unemployment today at a high level, where we have the same attempts being made to improve the economy from its depression, from its state of stagnation.

Ten years ago and even before that, when the People's Progressive Party went to the street corners and said that there was need for land reform, that all the big holdings in the hands of sugar estates and others must be divided up and given to the people; when we talked about the need for industrialisation; when we talked about planning, it was

then said that we were communists, that only communists talked about land reform and about economic planning. I was fortunate to attend a conference of the Economic Commission for Latin America last May, and it was pleasing to hear that all the Latin American countries are now thinking about these same things — land reform, planning, industrialisation.

Indeed, the position has deteriorated so badly that President Kennedy has said in his Alliance for Progress Programme that unless there is basic social and economic reform, fiscal reform, land reform, there will be no more aid coming. Yes, a lot of money went into Latin America, billions of dollars went in, but where did it go? My honourable Friend speaks about incentive, creating confidence, low taxation. Go into Latin America. What do you find? Taxes are low, but that is not all. No one bothers to collect the taxes because the people who are the collectors of taxes and the politicians own everything. There is no land reform because the politicians own most of the land. And when the money is given, it goes down the gutter — corruption, bribery, nepotism.

Foreign capital was invited. Conditions were certainly very favourable to the encouragement of private enterprise, of foreign investments. More capital has flown into Latin America in the immediate post-war era from the United States than into any other area in the world. But where is Latin America today? In 1958, because of a fall in price of primary products, Latin America's income dropped by \$700 million. At the last conference, Dr. R. Prebitch, the Executive Secretary of ECLA, pointed out that Latin America had to export larger quantities, in some cases as much as 40 percent to 50 percent in volume, in order to get the same income.

It is not for the want of confidence, for the want of encouragement, that Latin America is today in the doldrums. Today, this area of which we are a part is in the doldrums because of the basic economic philosophy which my Honourable Friend is pleading for in this country. Capitalism is in serious trouble today, and its death pangs are having serious repercussions in the underdeveloped countries of the world. I will develop that point a little more in a little while when I talk about the need for industrialisation. But the fact is that these countries — all of us, whether we are colonies or semi-colonies, politically dependent or politically independent — are economically subservient. Whatever the situation, we are the producers of raw materials which the manufacturing countries, the industrialised countries, need and we have been getting the raw end of the deal. President Kennedy, in a statement made not long ago, referred to this problem of the gap between the rich countries and the poor countries getting wider.

We do not have only two worlds today — the communist world and the capitalist world. We have three worlds, for inside the belly of the capitalist world there is another world. This one is fighting for its deliverance. The world's population is estimated to be about three billion, of which one billion is today in the socialist sector of the world. One billion people are today living in the system wherein socialism is the dominant economic creed. Two billion live where capitalism is dominant. Of these two billion, we find that two-thirds live in the underdeveloped areas like Latin America, the Caribbean, the Middle East, Africa and Asia. The other one-third live in the rich countries.

Mr. Nehru, the Trade Commissioner for India, not the Prime Minister, at a recent conference — a World Trade conference — in Ronoake, Virginia, mentioned the fact that the underdeveloped countries in the capitalist orbit of the world make up 1,350 million of the 2 billion. Their people enjoy annually an income of \$190 billion. The two-thirds enjoy \$190 billion, but the one-third enjoys \$864 billion in national income. Such is the distribution of wealth in these areas. President Kennedy referred to the north and south relationship. By this he meant the industrialised metropolitan countries and the underdeveloped colonial and semi-colonial countries, whether in the south or the north.

This was certainly a misnomer, but for the purpose of ordinary conception it was probably a correct term to use. Let me just quote from *Labour Research*, a United Kingdom publication, an article from *Westminster Bank Review* quoting Sir Robert Hall, late Economic Adviser to the British Government. This article is called "Two Sorts of Nation" — not the communist and the capitalist, but the two sorts in the capitalist world, what is regarded as this prosperous monolithic bloc but which, in fact, has one bloc which is desperately poor and one bloc which is very rich. The article states:

The under-developed countries, like the poor, are always with us. But sometimes more so than others. In the last seven years, the terms of trade have changed by 20 percent to their detriment. The prices of the goods they sell have fallen by one-fifth relatively to the prices of the goods they want to buy from developed areas. Sir Robert Hall, late Economic Adviser to the Government, writing of the relationship between the advanced industrial countries in the Northern Hemisphere and the under-developed countries most of which are near the tropics or in the southern half of the world, points out: "Many of the outstanding political and economic problems of our time are connected with this North-South relationship..."

Another section of this article states:

The UK is, as Sir Robert Hall says, a particularly acute example of the process. Between 1953 and 1961, the terms of trade have improved by 18 percent. Import prices have dropped by 5 percent (to October 1961) and export prices

risen by 11 percent. Unit prices at exported engineering goods have risen by 22 per cent. This has provided a temporary hidden bonus to the economy.

No wonder that a few years ago the Tory Prime Minister said, "You have never had it so good." Apparently time is catching up with them because, as this article points out, you cannot go on buying cheap and selling dear, and hope forever to get people to have money to buy from you. The time will come when the account will not balance up. If the people have no money they will not be able to buy from you. This is why today the UK is hustling to join the European Common Market. It is claimed that trade with the Commonwealth is falling for many reasons, one reason being the fall in total income as the result of the drop in prices — a lack of purchasing power. Another reason is the fact that from those countries there is a perpetual drain on wealth.

Churchill was able to boast, when he was Chancellor of the Exchequer, that income from investments amounted to 300 million pounds per annum, and from other services like shipping and insurance, about 65 million pounds per annum. He was also able to say that this accounted for the very high standard of living in the United Kingdom, comparatively higher at that time than in any other country in the world. Today the situation is more or less the same, especially from the directions of trade. The average annual income from dividends, profits and interest from 1955 to 1957 was 275 million pounds, and from 1958 to 1960, 336 million pounds per annum.

I give those figures to show that the poverty of British Guiana, indeed the poverty of the world today, is not due to the PPP and the wicked communists, as we are led to believe. Indeed, if communists and socialists are winning power, making gains all over the world, it is because the basic wickedness and the inherent contradictions of the capitalist system are grinding out poverty on a wide scale. The results are inescapable, as we see them today. Let us look at Latin America. Has capital flowed in? Let the Honourable Member who is the spokesman for capitalism and "people's capitalism" tell us about the drain from Latin America, and indeed the drain from British Guiana. In one year (1956) \$450 million was going out as payment for interest and capital, while an almost equal sum was coming in by way of loans to Government. In the period 1945-1955 a total sum of about \$7½ billion was made in Latin America, of which 1½ billion was re-invested, during which time a sum of \$2 billion was brought in which meant a net drain of \$3½ billion in one decade. It is not due to the wickedness of a few people as you see on this side of the House. Don't they look like reasonable men? [Laughter]

The fact is that we are living today in a world which has become closely knit together. We are not living in the days when communications were difficult, when countries were more or less economically content. We are living today when international trusts, combines and cartels are devouring the world; the big giants are swallowing up the little giants, the sharks eating up the sardines. There is a book written by a former President of Guatemala which provides very interesting reading.

While on this point I would like to suggest to Honourable Members that if they would like to get a complete grasp of the situation they should look at the bible, *The Political Economy of Growth*, by Professor Paul Baron.

(Interjection — Mr. d'Aguiar: That is the communist bible).

The Honourable Member will soon be seeing communists under his bed. I recall that a former US Minister of Defence had to be sent to a mental home. He jumped through a window because he thought he saw some communists coming after him. I have heard that a lawyer of a very famous family in British Guiana is in the same condition. He is going around telling people, "Jagan is taking away my property." I am seriously recommending this book to Honourable Members because they will see the relationship I have been talking about. Whether it was written by a communist, a Marxist-Socialist, or what, does not matter. We do not read only books written by Marxists; we read books such as *Economic Growth*, by Rostov, *Must Men Starve?* by a Professor of Columbia University; we read Myrdal's work, *Rich Lands, Poor Lands, The Geography of Hunger*, by Dr. Jose de Castro, former Director General of FAO, and *Problems of Capital Formation*. We read everything, but believe me, after we have read them all we are still of the opinion that this is the master.

Let us come down to some specific details with respect to our own country. Take agriculture, first of all. On one hand we are told that the Government is doing nothing; that there is a lot of land, but Government is doing nothing about it, and people are land hungry. On the other hand we are told that the Government has squandered, wasted \$100 million and cannot account for it. We are told that Government has done nothing for the people at Black Bush Polder, and in the same breath we are told that Government has spent too much money at Black Bush, and nearly \$20 million on the Torani canal. Where are we going? I am not going to say who made the mistakes — why stop gates had to be put in the Torani canal. It was not this Government that formulated the programme dealing with the Torani canal, but I am not going to lay blame at this stage.

The point is that this Government is aware that agriculture must be put on a sound footing.. Agriculture is basic, not only for development of this country but of any country. We have spent a great deal of money on agriculture, and indeed we need to spend much more on about a quarter of a million acres of land at Mahaicony-Abary, on half a million acres in the Greater Canje scheme, and on development schemes in the interior. The Honourable Member for Georgetown Central (Mr. d'Aguiar) suggested that we should build a road into the interior, This Government has in its programme the construction of a road into the interior. It was I who got the Americans to come here to make a feasibility survey for a road to the interior.

It was this Government who got the United States Government to send engineers here and spend a great deal of money on this project. To build a road requires about \$56 million. I suppose we will get it by giving away the land. We do not have money even to carry out the schemes which are right here on the coast. If we had money we would build the East Coast Road, build a new hospital and so on. You are aware that we argued that the two projects which were initiated and started by the Interim Government should have been included in the \$110 million Development Plan.

Some Honourable Members referred to the waste of money on the Torani Irrigation Scheme and at Boerasirie. We are not going to apologize for that, because those projects were neither conceived by us nor mainly executed by us. Those who criticize our agricultural policy must know that when Mr. Adler from the World Bank came here he said that he had a peep at the Government's Development Programme and was satisfied that the priorities were correctly assessed. I suppose that Mr. Adler will soon be called a communist, too! It is quite simple to call people names, but it is not an objective way to look at the situation.

There is no doubt about it that the agricultural policy of this Government has paid off. We hear a lot of talk about Jamaica, Barbados and Trinidad. Go to those places and ask the people about the cost of living. Ask those officers who have left here and gone to Jamaica — the officers who were attracted by the high salaries offered — what they think of the cost of living? Ask them how they find things after paying for rent, rice and so on?

We can supply the statistics. The Director of Agriculture has produced them to show what has resulted from the development of agriculture in British Guiana. This has been the pay-off for the present Government's policy. Commodities are available on the market not only in sufficient quantities, but also at cheap prices. Honourable Members must find out what is the price of rice in Trinidad and Jamaica. It is sold at 18 cents per pound in Jamaica — nearly twice as much as the price of our rice. I understand that Trinidad's latest Budget indicates that the price of rice is going up.

The basic commodities in this country are rice, flour, oil, beef, fish and sugar. Practically all of these commodities have stood still for the last decade. That is why the cost of living in this country has remained fairly constant and has not moved forward very much. This explains why, even in the original Budget proposals before the taxes were withdrawn from some of the important commodities, the increase in the cost of living index figures would have gone up merely by about 1 per cent on imported articles. Why? Because the basic necessities are here. That is what this Government has done, despite the criticisms and insinuations that the Government was doing things only to please one section of the community. By the way, Honourable Members did not tell us who operates the draglines, tractors and so on. They did not tell us that, had it not been for these schemes, the people in Georgetown would have had to pay more for certain commodities. They did not tell us of the indirect employment which is provided by way of transport, marketing and on the waterfront as a result of produce being produced in other parts of the country. It is not good to create strife by fooling the people and not telling them these things.

Quite recently we heard a great deal of noise about Trinidad. I do not want to criticise any Government because it is not in good taste to do so. But let it be known that four economists recently resigned — Ifill is one of them. These are not supporters of the PPP. [Interruption] Those who talk in race terms are always thinking about race. They are not Indians; they resigned from the IDC. There was an article in the *Graphic*. And not one of those people has said that the course being pursued will lead to the salvation of the people in Trinidad. [Mr. d'Aguiar: "Four years ago."] It was not four years ago; it was two years ago; it was then that these resignations took place. Honourable Members should talk to the economists in Jamaica who sat on the Social and Economic Research Committee. Ask them what they think of the so-called plans for the West Indies, and they will tell you why many of them want to leave and come to work in British Guiana.

When a Trinidadian comes here to work, some of you keep shouting "Jack go home." How do you expect them to come here with Fascist and people like that in this country?

I will spend a few minutes in order to deal with what the Honourable Member for Georgetown Central (Mr. d'Aguiar) said when he tried to compare Trinidad and Suriname with British Guiana. He referred to the fact that those countries are making rapid strides while British Guiana remains static. I do not like to deal with exceptions to rules. That is why I have tried to give, first of all, a comprehensive view of what is happening in the world today. One can take examples which are not characteristic and which are exceptions to the rule. The Honourable Member, for instance, could have referred to Puerto Rico, but I notice that he has not done so. I do not know whether it is because Governor Munoz Morin got into difficulties with the Catholic Church as a result of his education policy. He referred to the national growth or national income in Trinidad and in British Guiana and, *ipso facto*, drew the conclusion that this was because Dr. Williams' policy is different from Dr. Jagan's. Good propagandist that he is, he said: "Look at oil. Trinidad is today a small producer of oil in this world, and yet Trinidad is far ahead. Look at British Guiana which is a large producer of bauxite, the second producer in the world, but because of Dr. Jagan it has gone to third place."

We hope that Honourable Members will not argue in the Legislature as one argues at the street corners or in certain newspapers. We hope that one will debate things here logically, and put all of the facts before this House. What was the rate of growth in Trinidad before Dr. Williams took over? It was left to one Honourable Member on this side of the Table to say how much was accruing by way of revenue from oil in Trinidad. Do not worry about

whether it is 10 percent or 100 per cent of the oil world; the important thing is how much is it contributing to the national income of the country.

Why are we slipping from second place to third place in the bauxite world? Because ore was discovered in Jamaica; because it is cheaper to transport ore from Jamaica to the United States of America and Canada — shorter distances — and it does not take a genius to recognise that. It was not because of Government's policy. The Government gave all of the concessions that were demanded by those companies for the Alumina Plant. These concessions were given long before the PPP came on the scene. We are dealing with the laws of economics; we are dealing with economic factors. One must take into account all of these facts.

As regards industrialisation, surely it is basic that if people are going to set up industries, first of all, they must have certain common services. They must have water. They must have electricity. They must be able to have a market, whether internal or external. They must have good port facilities. Can we say that British Guiana has the same pre-conditions as Trinidad? Can it be properly charged that it is because of the PPP Government that we do not have these pre-conditions? Did we make the bar? It was this Government which went to the United Nations and got a Special Fund team to come and spend nearly one-third of a million dollars to do a research to find a solution to the problems of the bar. Is it this Government which was responsible for the fact that the Electricity Company did nothing, only extracted profits instead of doing what it was supposed to do by law, that is, to supply its franchise area with electricity to have sufficient power available for industrial development and so forth? The PPP is to be blamed for this too? Arguing by simple analogy is not sound argument.

Let us take Suriname — again a neighbouring territory. By the way, Trinidad has a larger home population than British Guiana as regards being a market for industrialised goods. [*Mr. d'Aguiar: "Surinam has less."*] — We will deal with Surinam just now. Suriname is developed. Why? Incidentally, it is not industrialised. It was developed, but what are the factors involved in Suriname's development? Immediately after the War, the Dutch were kicked out of Indonesia. They were not as fortunately or unfortunately — whichever way you want to look at it — placed as the United Kingdom. They had only a few possessions.

Having been kicked out of the Far East — Sumatra, Java, Borneo — they had only the small islands of Bonaire, Curacao and Aruba in the West Indies, and Suriname next door. Therefore, they decided to be very generous and to hold on to these. [*Mr. d'Aguiar: "The British were kicked out of India."*] — The British were kicked out of India, but they had the whole of Africa and elsewhere to deal with. That is why when I went to them for loans they said, "Look at our responsibility. If we give you so much, what about the other places?"

Some people suffer from myopia. They say we never had a plan. The present Plan was formulated with the advice of a World Bank expert, Mr. Adler, Mr. Berrill of Cambridge University, and the blessings of the Treasury and the Colonial Office. But yet we hear we never had a plan. I do not know what one can do with people like these.

Suriname developed because the Dutch, having been left with these two small areas, decided to make a magnanimous gesture and poured money into it. One-third of the Development Programme of Suriname is by way of grants from the Netherlands. Let the Honourable Member say that. He does not tell us these things. What is more, many of the Dutchmen who left Indonesia came to Suriname bringing a lot of capital know-how. They set up a big rice scheme. There was not such situation in this British colony. The British were not running away from anywhere. This was not their last outpost.

In addition to that, what kind of development has taken place there? The Honourable Member referred to the \$60 million US investment in hydro-electricity. What he has failed to understand is that that was not done primarily for Suriname. That was done because Alcoa wanted to have cheap hydro-electricity. The aluminium world has a few big monopolists — Alcoa, Aluminium Limited, which was formerly a blood relative, and now on the scene, Reynolds. Alcan is a holding of Aluminium Limited in Canada.

Aluminium Limited and Alcan have the cheapest source of power in Canada. In the United States of America, they have two disadvantages in competing in the aluminium world. Number one, they have very low grade ores, and number two, most of their power has to come from high-cost electricity for the smelting of bauxite into aluminium. Some of the smelters are using electricity made from coal, and this is why, to put Alcoa in a relatively more competitive position, they have decided to develop hydro-electricity in Suriname. It is not a matter of encouragement. It is a matter of what was in their interest.

Alcan — with its subsidiary, Demba, here — does not have to set up plant because it has surplus capacity in hydro-electricity in Canada at the moment; more than it needs. It was thinking of doing so at one stage — you remember, it carried out investigations here — but gave up the idea because it was too costly, costly not in comparison with what electricity was being generated for by its competitors in the United States, but costly in relation to the cost in Canada. Developing electricity here would be no more costly than in Suriname, but it depends on who wants the electricity and why it is wanted. This is the point I am trying to make, but the Honourable Member cannot comprehend this. In other words, it is left to the companies to decide when and where they are going to develop.

Indeed, right now, you see what is happening. A company is about to pull out. They say we are not encouraging companies. One is on the point of pulling out. I refer to Harvey Aluminium which has been spending several

hundred thousands of dollars, more than a million, in trying to find bauxite here. But what do we find? Well, that company is trying to pull out. Other companies have ores which may last for a long number of years and which they are not working now — companies which have subsidiaries in other parts of the world. Reynolds has a subsidiary in Jamaica and in Haiti; Alcan has in Jamaica and elsewhere, and so it goes.

If I were to take away any of this — if the Government were to take away any of the large reserves held to give to another company which is prepared to do a bigger scale of operation; which, if it had sufficient bauxite here, would have been prepared to set up an aluminium plant here — which company is now going to the Virgin Islands — you will find the mighty wrath of the big vested interests of the United States of America and Canada coming down on the Government, and people, who say they are interested in the workers, attacking the Government vigorously. The bauxite which is buried down there may, in a few years' time, mean nothing to us. During the War, when resources in bauxite were regarded as being small because all the discoveries of bauxite deposits all over the world were not yet made, experiments were being carried out in the United States to develop technological processes which would smelt low-grade ores into ores from things like mud. The Arkansas mines, owned by Reynolds, are generally low-grade ores. Who knows what technological process will be developed in a few years' time as a result of which our ores might become valueless?

The Honourable Members say that we by our policy, have driven away these people, that we have no industries. Tax holidays were on the statute books of British Guiana since 1951. The People's Progressive Party first came into office in 1953, but that was only for a short period. You cannot count that. Even though it came into office in 1957, it did not have power, nor did it do anything to hinder those companies from operating here. There is no change. The policy is a policy which was enacted into law in 1951.

What about Mr. Case? Mr. Case was talking about industries here before many of us were born. Why didn't they set them up then? Why weren't they established? In those days there were not even the tax incentives which have come in the West Indies. These are all new features. Why weren't they established? It is all right to say that it is because of the PPP's policies there is no industrialisation in British Guiana, but I can assure Honourable Members that as long as we are in office, this country will be industrialised.

Suriname has moved forward because of a big influx of foreign capital from outside for a specific purpose, to develop one scheme, but that is not balanced development. A lot of capital flowed into Venezuela next door. A few years ago the Honourable Member was praising the dictatorship of Jimenez and was saying what a wonderful, glorious place Venezuela was. Where is it today? [*An Honourable Member: "It is still there."*] It is still there, but things are different. How many people are out of work, are living in the slums in the hills bordering beautiful Caracas?

We do not want only segments of our economy developed and controlled by the imperialists outside. We want a balanced growth instead of an immediate short-term development, as in Suriname. That is not real development, and indeed one will find, after a few years, that more money will flow out of that country than is coming in. We have the classic example of our Electricity Corporation. I have cited that often enough, and I do not think I need say any more. Suffice it to say that the Electricity Corporation, with extension to the Georgetown environs and with rural electrification, is estimated to produce \$60 million profit in 20 years. This is what we want to hold in this country, not to allow the imperialists to decide when and where they must develop. For instance, in the case of our bauxite reserves we cannot even get another company to come and work them now, because the reserves are tied up. Must we wait forever on the companies to decide where and when to choose their victims, and play one against another?

This plan has not borne any fruit in the under-developed countries of the world, and that is why the people in those countries today are in revolt. That is why today even from right wing politicians we hear talk of protection. In Venezuela and Brazil there are high tariff walls to protect native industries. That is why we hear today talk of planning so that the resources of a country can be mobilised. We cannot allow large sums of money to be frittered away which could be useful for development. That is the problem today in the backward countries. We intend to have such a programme. And remember that whatever the Government may be, it cannot do anything unless there are financial resources at its disposal. Whether money will come from outside or inside the country, it has to be found. Most of the experts who are now looking at this matter say that we must look increasingly to internal resources for development. We hear that \$500 million is going to come here for infrastructure development, and that another \$500 million will come as private investments -- half a billion in loans and half a billion in investments. I do not know from which world these millions are going to come, whether from Mars. We should send some of our politicians to the moon in the next flight.

What did the Missions say when they came here before I went to the United States? The aid which the US Government gives to other parts of the world amounts to \$5 per head of the population. So that if British Guiana were to get aid from the US it will be entitled to five times 600,000 people — nearly \$3 million. That is what was told to us, but some people apparently have the ear — I do not know whose ear they have but they are going to find these millions of dollars. They are going to encourage half a billion dollars of investments to come here. This country of half a million people is going to get half a billion dollars of investments. Brazil, with between 30 and 40 million people, cannot encourage half a billion dollars in private investments, but British Guiana is going to encourage it with a small home market.

Honourable Members are not facing the reality of our situation. If we do not produce for our home market where would we be producing for? What are we going to ship outside? We cannot produce sufficient rice even for the Cubans, but at least we have that market sewn up. [*An Honourable Member: "How long will Castro be there?"*] Castro will be there for some time. Sugar — we see what is happening in the sugar world. At one time we said "Grow more coffee." Farmers grew coffee but now Honourable Members are objecting because we are trying to protect our farmers by increasing the import duty on Nescafe. The bottom has fallen from the coffee market in the world. Cocoa — when I was in Ghana it was fetching a good price, and our experts said "Let us grow cocoa." Now cocoa is in a state of flux.

When I was in Canada I was entertained by the Aluminum Company at dinner, and the high officials of Canadian company pointed out that there is at present a surplus (existing capacity and what is planned) of 2½ million tons of aluminum. Is it being suggested that the capitalists outside are going to come and set up aluminium plants here for markets which are flooded with aluminium? If people think so they need to have their heads examined. Harvey is a small company which has no bauxite reserves of its own. I am talking about the giants who control the bauxite world — the monopolies. Our bauxite reserves are controlled by two companies, Reynolds and Demba. Both of these companies have surplus capacity at the moment. I do not know if the Honourable Member intends that Government should take those reserves away from them and give them to somebody else.

I would like to hear him on that point. Let us take either of the fields of activity. We have iron ore, and it is said to be of low grade. We are advised that it cannot be worked economically, and that ore of this grade is not being worked in the developed countries which are readily accessible. We have not found oil yet.

With regard to timber, the markets are also glutted. I will show you how things can be produced and marketed later on. Reference was made yesterday to the "package deal" arrangements. Criticisms were levelled at these arrangements. What were we told? We were told that we have to pay dear for equipment that is unsatisfactory and so on. But the fact is that this country will not be developed unless it moves forward in the industrial sector simultaneously with agricultural development. We must have a balanced growth, industrially and agriculturally.

Thus far we have concentrated on the agricultural sector. This is bearing fruit as I have pointed out, but it must be noted that, unlike most agricultural countries, British Guiana is a high-cost agricultural producer. In most countries unemployment problems are solved by putting people to work on the land for cheap wages. Putting people to do agricultural work is generally regarded as the cheapest form in solving unemployment, but it is not so in British Guiana because of the very high cost of drainage and irrigation and so on. We have done it, and we will continue to do it, but the economy will never be able to stand if it is restricted only to a certain sector. That is responsible for our present position.

One Honourable Member said that we should build more roads. Should we take all of the money which we are putting into agriculture today and divert it to the building of roads?: We need both; if we had the money we would build more roads, but when one has limited financial resources one must decide on priorities. If it is a question of drainage and irrigation, then I say that we have, perforce, to look after drainage and agriculture first because the rate of economic growth from agriculture is far greater than from the development of roads. It must not be understood that we do not want to build roads. As I have mentioned already roads are costly, and people who have constructed, monuments, highways and roads — Venezuela is an example — have found out bitterly that the mere construction of these is not sound development.

The capitalists have had a field day in this country and they have not taken advantage of it. It is no use complaining that it is the fault of the PPP. There was incentive legislation here on the same scale as in other places, and nothing was done to take advantage of it. It is absolutely necessary for us to have industrial development. It was not done, and I say it will not be done in the future — not because of our philosophy, but because of the general trend of things in the world today. Private investors are running away from underdeveloped countries to the developed ones.

I see in a paper here called the *Sun* an article headed "Jagan Talks from Lord Rootes' Belly." This paper is dated Saturday, 7th April, and it is published by Mr. d'Aguiar. I quote:

It is impertinent for the author of this statement to palm it off as having been issued jointly by Lord Rootes and Jagan. Jagan is trying to make the public believe that Rootes shares his ideological beliefs.

The *Sun* goes on to state:

The mission agreed that with the smallness of the British Guiana market there is little immediate prospects of fresh large-scale private investment.

Lord Rootes and this Mission share the same economic and political beliefs as the Honourable Member for Georgetown Central, but, because Lord Rootes has contradicted the nonsense that he is peddling around here regarding private investments, he says that I am lying. The fact is that Lord Rootes and two of his colleagues spent hours with me before this statement was made, and Lord Rootes not only agreed with but congratulated me before his departure. Yet we read these lies and misstatements in this paper. I will refer to these statements in a moment.

The point is that this country must have industrial growth. That has not been done by private investors in this country or from outside before, and I say it will not be done in the future for many reasons. The present stage of recession in the capitalist world will not permit certain things to be done, though it is in the interest of capitalists to continue investing money. I am talking in terms of industrial development and manufacturing industries, and not merely of a few small industries for producing things for the home market.

The Honourable Member referred to Jamaica. Yesterday it did not suit him to refer to Jamaica so he referred to Suriname and Trinidad. He did not refer to Puerto Rico because Governor Marin fought very vigorously Church interests because of his education policy which, incidentally, is the same as this Government's. In Jamaica there is also a tremendous growth in industry. The other day we were given the figures, but today they have not been cited. Why? Because Mr. Manley was defeated at the recent election!

It just shows that all these "Nansi" stories we are hearing are not true, that these superficial statements which are made as being pointers to real development have not got any substance in fact.

I would like to deal with what was referred to yesterday as package-deal arrangements. I say that this country will be industrialised and that the Government will take a leading hand in industrialisation. We have set one example which is now proving to be successful. This is the Electricity Corporation. [*An honourable Member: "The Rice Development Company."*] Let us not keep referring to the Rice Development Company. The Rice Development Company, first of all, was badly conceived. Equipment much bigger in capacity than the padi available in the area was first established. Now, milling capacity is adequate, but drying, milling and cleaning facilities are inadequate. That is the kind of planning which went on in this country before.

We see the necessity to integrate this, but it requires money. As you know, we have tried to get money. Last year May, I took the requirements to the Import/Export Bank, an agency of the United States of America. We pointed out the urgency; we pointed out that the equipment was required for the last crop. Up to now, unfortunately, we have got no word about this equipment. We have got some offers from East Germany which are now being examined, and I hope that very soon we will be in a position to establish these mills and demonstrate that they will pay.

One of the main reasons why these mills are losing money, apart from the fact that they were badly planned, is the amount of money that is paid out in interest each year. You are aware of this. It is a fact that the high interest rate charged by the Colonial Development Corporation is putting a heavy burden on this enterprise, and this is one of the main reasons why it is losing money. If it had a 2½ per cent interest rate which one can get from the Soviet bloc, if it could get the easy terms, then certainly, it would not have been in the position in which it has found itself today. We do not want to set up plants which are going to lose money. These package deal plants are going to be examined critically and carefully. Only when they are found to be feasible, economically sound, will they be embarked upon.

The Honourable Member said, "Tell us which country has developed." I remember when I was in the United States I was told, "Why don't you criticise the Russians for imperialism in the so-called satellites?" I said so far as I was concerned, imperialism was an economic relationship. This relationship inevitably meant lack of industrialisation. Rumania, Poland, Czechoslovakia, Hungary, Bulgaria — all these countries before the War were colonies of Germany. They were free, but they were no more than economic nerves and colonies of Greater Germany. Today, these countries are in a position to sell complete plants, complete factories. United Nations statistics have shown that they have moved forward industrially at a comparatively greater rate than any other country in any other sector of the world.

The Honourable Member referred to the high prices of these goods. Let me refer to the glass factory which he mentioned. We did not make the negotiations. A previous Member of Parliament, Mr. Ian Mikardo, who was an industrial consultant, approached several countries. Finally, from West Germany, from England, from the United States, and from Hungary, quotations came for a complete glass plant. It was found, on comparison, that the Hungarian plant was the cheapest. Some little noise was made that it was the smallest. I am talking about comparative figures which took size into consideration.

Why was it not established? This is another matter because of the set-up that we had in this country; because of the kind of advisers we were getting here who clearly saw some other policy, so that they did not want countries like ours to be industrialised. I would like to quote from a speech which I made at Howard University during my recent visit:

Mr. Albert Powers, the leader of the US delegation to the International Industrial Exposition in Bogota in 1955 gave this answer on behalf of the US Government: "It is the policy of my government not to intervene in the financing of activity which should properly be promoted by private enterprise. It is up to you people to create business and industrial opportunities which will attract investment capital from the United States. Remember, too, that you must offer the possibilities of greater profits than can be obtained at home."

Greater profits! What does it mean? The average profit on US foreign investments abroad is 17 per cent. I am not speaking of the 40 per cent that is paid by people like Banks Breweries. You have this freak in Africa — 220

percent and 300 percent in the copper mines. I am talking of average. At average profit of between 17 percent and 20 per cent per year, a factory can pay for itself between five to eight years. It means that the factory will be self-liquidating in a short time.

That is the kind of assistance that we need, not for people to come and tell us, "Do the infrastructure only. Build roads only." When we went to the United States of America on the mission, we drew up a list of projects, an expanded list. Adding this to the present Programme, it came up to \$413 million. Build a road to the Interior; start drainage and irrigation schemes, a small hydro-electric scheme. Of that \$413 million, only \$60 million was devoted to industries. Another \$40 million was for a hydro-electric scheme. Subtract that from \$413 million. That leaves \$313 million merely for infrastructure development here, which economists will tell you does not bring money back quickly.

How much does one have to pay? I do not know if Members are aware of the debt burden. One Member has said that nobody must develop his country from taxes, but from loans.

Whether we have industrialisation by private enterprise, by the Government, or by a combination of Government and private enterprise, it is necessary to do all that is required to lay the basis for the take-off, to use Mr. Rostov's term. But Members must appreciate that if we are to get funds of this magnitude in this country, if they can be found at all, this country will be faced with a colossal burden if loans have to be raised at conventional rates of interest. When Mr. Berrill came here he made a simple calculation to illustrate what the debt burden on the country would be like if British Guiana undertook a large Development Programme. Taking the then current rate of interest of 6 percent he pointed out that if we embarked on a \$200 million Development Programme instead of the \$110 million, our debt charges would be increased from 12 percent of our revenues, which was the figure from 1955 to 1959, to a figure of 31 per cent by 1970-1974.

It should be appreciated that no country can face such a fantastic burden on its recurrent revenues. Even a limited programme of \$200 million, which cannot even be regarded as being adequate, would have imposed a fantastic burden on this country at the then prevailing rate of interest. Fortunately, since that time, because of East-West competition because Russia began to give loans particularly to countries like Egypt and India at nominal rates of interest -- I recall the loan for the Aswan Dam which was given free of interest -- because of these factors we now see that the US Government has also embarked on procedures by which loans can be made available at very nominal rates of interest, as low as three-quarters of one percent. Under the Alliance For Progress Programme interest rates vary, depending on the scheme, but there again, for social development, for the building of schools and other infrastructure development, the rates of interest are also very low.

This, therefore, brings us to the point that if we are to have bigger and bigger development programmes this country must inevitably depend on mobilising its own resources, whether the PNC or the PPP is in office.

The fact remains that no one is going to give away money, and even if we got loans interest free, those loans would have to be paid back. The debt burden is not only on the basis of the interest charge but also on the principal, the capital which has to be paid back over a period of years. Whether a loan is for 12, 20 or 40 years it has to be repaid. This also contributes to the debt burden. Indeed, one can say it is the greater factor. So that all countries are now being advised, whether the adviser is a communist or a middle-of-the-road economist, or a right wing socialist or a capitalist sympathiser, the advice from every quarter is that every Government must try to mobilise as much of its resources as it possibly can within its own territory.

This is the reason why this Government has attempted to mobilise its resources (1) by taxation, and (2) by savings. Persons may say that those measures will impose severe hardship. That is a matter for debate. The quantum of hardship has to be measured carefully. The Government has taken due care in proposing taxation measures, that the higher incidence will fall on those who can afford to pay. It was most unfortunate that many people began demonstrating against the Budget even before reading what the Budget proposals were, or even before being aware of the incidence of the burden, if burden there was, on what categories they would fall, and so forth.

Honourable Members of this House must begin to face realities. This country is on the threshold of Independence and we cannot continually assume the role of being a subservient people, always looking to a god father to give us doles and hand-outs. Even the mighty United States of America has not got enough money to give the kind of hand-outs which we are told can be given to this country. Who have been getting money? Quite recently high-ranking US officials went to Africa. The Africans were asked: "What do you need? Please let me know your requirements." One of the African leaders retorted: "Please send us a few Communists." It is quite clear from what has transpired in recent times that the States that are under the control of imperialists get little or nothing. We are always told: "Say whether or not you are a Communist?" I will go into that in a moment.

Has Dr. Williams, Mr. Manley, or Sir Grantley Adams either individually or collectively received more financial assistance for their respective countries than British Guiana? No. They have toed the line; the latter two had a lot to do with the Caribbean Labour Congress; they collaborated in the breaking up of the militant, strong, working-class Caribbean Labour Congress. No doubt, that is why they are now reaping the bitter fruits. Sir Grantley Adams has lost the Federation and the election in his own home. Bustamante has won the Jamaica elections. The right wing has won against socialism, but there is no fear of that in British Guiana.

The point is that assistance from the United States of America has been going to countries where right wing Governments — capitalist, fascists and so on -- are being threatened by people in working-class movements which are referred to as socialist or communist dominated. They talk about Sigmund Rhee, Salazar, Franco and so on. They have created a strong working-class movement. Put things under the leadership of the right wing and then, possibly, we will get assistance. In fact one Honourable Member suggested that we should take turns over here. He would take one term and frighten one side while we get aid from one side, and then we would reverse things and get more aid from the other side. [Laughter]

Let us be realistic. Every country which is now preparing a development programme -- India, Ghana and so on -- has to grapple with the economic question which we have been talking about for the last 10 years. We have been talking merely in political terms, but those countries are, today, doing precisely what we have been saying should be done. Some of my Honourable Friends on the opposite side of the Table used to hold Ghana's Day Celebrations. I notice that they have stopped it, because Dr. Nkrumah is now doing, in his economic and foreign policy, precisely what the PPP has been advocating during the last 10 years.

Every country must mobilise its resources. If the PNC were in office for one year with the PPP in the opposition, the PPP would be in office forever because of this talk about \$10 a day. This talk about increased wages and aid coming from "heaven" would disappear, and some of the same working-class people who have been fooled and misled would be marching under the banner of the PPP.

Loans are not going to be forthcoming because money is not available in sufficient quantities. This is what the US Mission experts have said. If they give us loans they will have to give other people. That is the clear logic of their position. If they give us more than \$5 per head or the vast sums of money we need, then other territories would make the same claim and they would be in an embarrassing position for they could not find the money to give them.

Secondly, we must realise that, if we were able to borrow the money, we have to repay the loan even if we got it at a reduced rate of interest. Mr. Berrill's figures will show that this country will not be able to pay back large loans. We will only be able to repay loans if we have industrial development simultaneously with infrastructure development at a cost of at least \$300 million. The Honourable Member for Georgetown Central said during the recent election campaign that he was thinking of \$500 million. Even if we were able to get this sum, we will not be able to pay it back unless we had industrial development which will be able to generate income so that the economy of the country will be able to afford the repayment of its debts as a result of going in for a big Development Programme.

I have said that private industrial development alone cannot succeed because of the present state of things in the world today; because of recessions and depressions; because factories are idle; the steel industry, the barometer of industrial health, is now working nearly half of its full capacity in the United States of America. In Canada 10 percent of the people are unemployed. In England you have similar unemployment. In the United States of America five million to six million are unemployed, and the economies of the countries are practically at a standstill. Even West Germany, which had a fantastic growth in economy, is now slowing down.

The Honourable Member for Georgetown Central says that we must not believe people like Lord Rootes. The newspaper said that I was lying. Let us hear what the people from the United Nations have said. The Under-Secretary for Economic and Social Affairs of the United Nations, Mr. Phillipe De Seynes, addressing a Conference of the Economic Commission for Latin America in 1961 said:

In whatever direction the present combination of circumstances may swing, there are serious grounds for believing that the principal forces which for many years have generated and maintained a noteworthy expansion of the Latin American economies are now partly dissipated. To whatever extent certain forecasts may be ventured, there is little reason to expect that exports of raw materials, whether agricultural or industrial — even if a systematic effort were made to secure a foothold in markets hitherto outside Latin America's trade orbit — can possibly develop a pace approaching the predictable rate of increase of the population. Any attempt to conjecture the future movements of foreign capital is clearly the merest speculation; the least that can be said is that the considerable inflow in recent years has probably largely absorbed the most obvious and safest investment possibilities, and that at the present juncture there is no trace of any likelihood of a further contribution on the same scale.

The rate of growth in the postwar period was 2½ percent per annum. That was recorded as a remarkable rate of growth. But 2½ percent is relatively small considering what is needed in under-developed countries where you have a population increase amounting to 2½ percent to 3 percent a year, and even that small rate is not likely to be achieved at this time. Honourable Members must face these realities. As I see it, the time has come for us to grow up. There must be a budget and there must be money to run a country.

The Honourable Members on this side or that side cannot run this country without money — money is not going to come from heaven. How are we going to run it? We need industries to generate wealth as well as infrastructure development. I agree with Honourable Members that without infrastructure development you cannot have full industrialisation. But one beer factory alone is not industrial development! [Mr. Burnham: "You used some of the beer."] I drank one or two when the beer factory was opened.

It means that Government must take the bull by the horns and develop industries. The reason why this country has not been developed has nothing to do with the ideological belief of the party in power. It has nothing to do with remarks made by the Members of the Government. From time immemorial this country was underdeveloped. We are faced with a difficult problem. If we are to get aid or loans for industrial development we are told: "Leave it for private enterprise to do." What is left for us to do? We must explore all possible sources not only for equipment and money, but also for markets.

Indeed, markets are the first prerequisite today for industrialisation. It is no use setting up a factory unless you have the market. We can protect the local market by tariff barriers as we have protected some goods already, and we will go ahead with this. Mr. Tenenbaum gave us a list of industries and said that private enterprise should have established at least twelve of them by the end of 1960. We are already in 1962 and we have not seen private enterprise coming forward.

The Government is now considering offers which have been made by the Governments of some countries — Poland, Czechoslovakia and elsewhere. We have been told that not only will we get these factories on favourable credit terms but that a trade agreement will be signed and payment can be made by materials from this country. The Poles have indicated that they want 20,000 tons of rice. The Czechoslovakians have told us they want a similar quantity. Cuba imports nearly 200,000 tons of rice a year. We are producing merely 125,000 tons, but we are now increasing that quantity.

What have we done in the past? We knocked at the World Bank for assistance since 1958. All we got was about \$200 million for agricultural equipment. The money is taken and given the Credit Corporation. If a farmer requires a tractor or a dragline, he goes to Bookers or Sandbach Parker or Sproston or one of the other merchants and the money is passed to them. We have been told that we will ill get equipment on credit to develop not only industries but agricultural schemes. The Poles have said they want peanuts, castor beans, and the Director of Agriculture is now busy working on this. They will give us the necessary equipment, and will take their payment in the products which will be produced by that equipment, whether they be rice, peanuts, castor beans or fibre.

Let us face the reality of our situation. We go to the West, and we get promises and "pushing-around." We do not get markets. When I went to Canada, I said to the officials: Can you buy some more rice from us? Can you buy some more sugar? Can you buy molasses? Can you buy rum? Can you tell us whether you can buy any other thing so that we can begin planning our production? They said: Sorry, we do not make bilateral trade agreements; we will buy in the open markets of the world; we believe in free trade. As Gunnar Myrdal said in his book, free trade is good for those who had a start. It is like telling a little two-by-four sweet drink shop to compete with d'Aguiar Brothers, which is highly integrated.

Small countries cannot compete in the free markets of the world. To break into the United States with one product costs millions of dollars merely to carry out the advertising campaign. The honourable Senator, Mr. Tasker, told me that before he came here he was associated with a tea company which was trying to break into the United States market with a new brand and of the fantastic sums of money this company had to spend to carry out such a campaign.

The only way a country like ours can develop is to secure the markets in advance by tying the markets up in a long-term trade agreement and being able to get the necessary equipment, either in the agricultural or industrial sector, to carry out that development. This trend has begun and is continuing. One Honourable Member said that this will be to our great disadvantage; that we will have to pay high prices and will get defective equipment, and so on and so forth; that we will be paid low prices for what we sell in return. Experience has taught us otherwise.

When I came back here in 1959 and announced that the Cubans were interested in buying rice, what were we told? We were told, "No deal with Cuba". Secondly, we were told that they would not pay; thirdly, that Cuba was now buying rice from China dirt cheap. We have learnt from experience that the rice deal with Cuba has really been a blessing for this country. It has given us a price which is higher, and the fears which were generated have dissipated, have disappeared. Moneys are coming here long before the rice is taken out.

This is the atmosphere, unfortunately, in which we have to work, even though a deal is good and experience has shown that these deals are good. How is it that these capitalists in Water Street who criticise us are importing shoes, furniture and everything else and making fabulous profits? Yet, they are criticising the Government for wanting to enter into such barter deals. I can assure you that these capitalists will not trade with those countries unless it had been for the fact that these commodities are being sold at a cheaper price. Why is it they can sell at a lower price? Some may say it is for politics. Some may say it is because they need foreign exchange. I do not care what the reason is. I want the best deal for this country. This is what my party and my Government want — the best deal for this country.

If the private capitalists can import "Cebu" shoes and make fortunes out of Czechoslovakia and also Polish furniture simply because they are interested in profits; if they can import textiles which are cheap, why can't we import factories and tractors if they are going to be cheap and provide employment for the people of this country, and if the deal is going to be as favourable as the Cuban deal? But no, we must not do it because this is entering the Cold War.

Let me read a statement by a high-ranking, well-respected economist, Mr. Thomas Balogh, Fellow of the Balliol College, Oxford. Incidentally, he is not a Communist. In fact, he is just the opposite — an anti-Communist. In a paper entitled "The Economics of World Tension", this is what he says about trade between Russia and the Communist bloc, and the underdeveloped territories. He talks about the increasing trade which has been developed with all parts of the underdeveloped world, and concludes thus:

If Russia were to make use of her superior industrial productive capacity to obtain raw materials and food by exchanging them for industrial products, the terms of trade of the primary countries would violently shift in their favour, and these countries would have considerable benefit by trading with Russia. At the same time, Russia, far from suffering a disadvantage from such exchanges, would also benefit as she would obtain food and raw materials on far more favourable terms, by concentrating her own efforts on industrial expansion, than she is capable of doing at present. Thus, Russian self-interest and the interest of the poor countries would coincide. This is an extremely menacing prospect for the industrial countries of western Europe which depend on the import of primary products and export manufactures.

This is not a Communist speaking, but he speaks of reality. He is facing reality. But some in our country who call themselves Guianese, who call themselves Christians, are not interested in the people of this country. Not all those who cry, "Lord, Lord," shall enter into the kingdom of Heaven. [Laughter]

It is being demonstrated on all sides that this is the only way that we can move forward. Mr. Dudley Sears, an economist who was with the Barbados Government for a little while, who went to ECLA in Chile, gave a lecture here once at the Public Free Library. Some Honourable Members might have heard of him. What did he say? He pointed out that in industrialised countries, production of substitute synthetics was causing a drop in demand for goods from primary producing countries. Right after the War, production of synthetic rubber in the United States dislocated the economy in Malaya, in Ceylon, in the Far East, so much so that one of the best friends of the West — so anti-communist was he that he refused to allow the leader of the PNC and I to set foot in Ceylon in 1953 — was forced to make a deal with Communist China to exchange rubber, which he could not sell because of synthetic rubber production, for rice. The same thing happened to Nasser and to others. The economic contraction of the capitalist system has forced even their allies to go and make trade deals with the socialist sector of the world.

This has now become not a question of ideology. We who see ten years ahead know what is going to happen, but there are some leaders who want to hide their heads in the sand. Some think only pragmatically, but this is the time to combine theory with practice. Those countries which have had dealings with socialist countries are increasingly coming to the realisation that it is to their interest. I refer to countries like India and Ghana. One steel mill from the Soviet Union in India started aid coming in from other places — from Germany, from England. Now I understand the Americans are willing to give one even though it is not required. Competition in this sector is good for the underdeveloped countries.

I submit that we will not be able to industrialise in the conventional way; our home market is too small. We are not Brazil, we are not China. No capitalist is going to come here and establish large factories, and Lord Rootes has said so. He said so in a statement he issued, and he also said that he saw nothing wrong with trading with the Soviet bloc; England does it and other countries are doing it. This was the reason for the launching of an attack by a certain group in this country, who attack us not on the realities of the present situation but merely on fears which they are generating in the minds of the people by saying that this Government is going to take away people's rights, destroy freedoms, and so forth. For example, look at this statement which appeared in the *Sun* recently:

CHILDREN MAY BE SENT INTO FACTORIES — VICIOUS PLAN BARED. — The Government plans to take children from the Upper Division of schools and put them to work in communist factories. This revelation was made by a source close to the Government. It is said that the Ministry of Education has plans in the draft to empower the Government to take children who have failed their examinations twice in the Fourth, Fifth and Sixth Standards and put them to work in factories to be built here.

This disgraceful propaganda is being spread throughout this country. This is why some countries, like Ceylon and Ghana, have had to close down rags like this, because they see that such organs do great harm to the people of their respective countries. They cause fear in the country itself, and cause a lack of confidence in the country by people outside. I am not talking merely of investors but of people who trade and give 90 days' credit, and things like that. It is a disgrace, and I hope the public will keep these factors in mind. Let us hear from the Opposition how they will set up these industries, and who will set them up. If they have friends who are private investors they should encourage them to come here. But why did they not encourage them before?

I say that the only way this country will be able to move forward, taking all the factors into consideration — smallness, the size of its consumer population, the relative state of depression and recession in our traditional markets — is to make approaches to other quarters, in the East and West. If markets can be found and loans can be had, we should accept loans so long as the terms are favourable and conditions are satisfactory. The Honourable Member for Georgetown Central (*Mr. d'Aguiar*) said "Let us imitate those who succeed." By that remark he obviously meant the United States of America. I have a statement here which I copied from a book (*Social and Economic Studies* of the University of the West Indies) which was written on the West Indies Federation while it

was coming into being. One writer was dealing with the obstacles which would be in the way, and the difficulties which would be faced by the new Federation. This is what he wrote:

The technological gap between pre-industrial America and Western Europe in the late 18th century was insignificant in comparison with the gap between the pre-industrial Caribbean and the Western world today. It was not so difficult for the US to catch up, when capitalism and industrial development was everywhere rudimentary, and material resources were largely unexploited by powerful companies.

I have quoted that merely to show that one cannot argue by simple analogy — that what caused America to develop several years ago will *ipso facto* cause British Guiana to develop under today's conditions. America had a large population, tremendous resources and a great deal of technical know-how. People had run away from Europe and settled there. But I need not go into all the argument. Even in that wonderful country let us not think that everything is heaven on earth there. That is what the Honourable Member would like us to believe.

Let us look at the distribution of income in the mighty United States of America. We find that 5 per cent of the people at the top in the USA earn 19 per cent of the total income, as compared with 40 per cent of those at the bottom who earn the same income. I am quoting from statistics which have been produced by the U S Chambers of Commerce and other organisations. We also find that 61 per cent at the bottom earn 34 per cent of the total income as compared with 13 per cent of the people at the top who earn the same 34 per cent of income.

Let us look at the distribution of income and savings. We are told that in the USA everybody is well off. That is the kind of "Nansi story" which is peddled in this country. The University of Michigan Research Centre conducted a study some time ago, and this is what was discovered: With regard to liquid savings, the top 10 per cent of families in the US had \$64 billion, or 66 per cent of liquidated savings. There is a book entitled *Four Hundred Families In America* which I would recommend to Honourable Members. The next 10 per cent from the top saved 17 per cent, the next 30 per cent saved 16 per cent, while 50 per cent at the bottom saved only \$1 billion, which was equivalent to one per cent. So that America is really owned by a few hundred families under "people's capitalism."

I have given the figures as they relate to liquid savings, to show that the myth about everyone in the United States of America having two chickens in the pot and two motor cars in the garage is not necessarily true.

One-tenth of the people in family units receive less than \$1,000 a year, and 52 per cent of all families receive less than \$4,000 a year. This \$4,000 year is regarded by the Bureau of Labour Statistics as the minimum family budget. In other words, even in the mighty United States of America we can see large numbers of people who are still living under sub-standard conditions. The position has deteriorated over the past few years.

Since 1951 the United States of America had three depressions. The position today is worse than before. I can give the House more figures, but if I do so it will take up the whole evening. I have used these figures not as an attack on the United States of America, but merely to show the facts. I want that to be clearly understood, because reference is constantly being made to the United States as the ideal country we must follow slavishly whether the conditions there are applicable to this country or otherwise. I have, perforce, to point out these factors in order to give a clear picture to this House.

I will quote from what Mr. Leon Keyserling, former chairman of the Council of Economic Advisers, wrote in *The New Republic*, dated January 13, 1958, on "The Economy in '58":

But this recession of today . . . is only the inevitable outcome of a much longer . . . adverse trend. An overall economic expansion of about 4.5 percent a year is essential in the American economy, to make new jobs for the growing labour force plus those displaced by technological progress. On the average during the period 1947-1953, we exceeded this annual growth rate. But the average annual growth rate in real terms slowed down to little better than 2.5% in 1953-57, to only about 2 percent in 1957. . . The result is that the annual rate of our total production is now more than \$32 billion below full production. . . During the past five years as a whole, we have lost more than \$78 billion worth of potential production through departures from full production, and lost about 8.5 million man-years of potential job opportunity through departures from full employment.

I shall give the figures for April 1955, in order to show how the position has deteriorated since then because the slow rate of economic growth from an average of 4.5 percent to 2.5 percent. On second thought I do not want to tire Honourable Members with these figures. I will say merely that production in many key-productive fields has been reduced. Let us take things like autos, steel, cotton, TV sets, refrigerators; the figures show that the rate of the productive capacity of the United States of America is far in excess of what is being produced from the mills at the present moment.

As Honourable Members may be aware, the United States of America has developed a soil bank with a view to withdrawing land from production and to give farmers a bonus for keeping certain land idle. It pays billions of dollars in subsidies merely to collect agricultural produce and store the items away. Therefore something must be fundamentally wrong for people who have the capacity to produce things and yet have people living a sub-standard life. You will find people in the United States of America living a sub-standard life, but the United States Government is still trying to help people in underdeveloped countries. Surely something is wrong with this system.

This is a system which is being defended by certain Honourable Members in this House, and we are told to follow it slavishly.

In 1959 I said that this Government must adopt a neutralist approach; the Government must be on friendly terms with all countries; it must negotiate with all countries as long as it is in the interest of British Guiana and our people. A British writer by the name of Patrick O'Donovan writing in the *Observer* newspaper in London, and I think it was reproduced in the *Argosy* of the 31st March, 1958, stated:

But it is true that since the end of World War II the rate of growth of the American economy has been declining. From 1947 to 1953 it increased on a national average by 4.7% a year; from 1953-56 by 2.7% and from 1956-57 by less than 1%. And all this at a time the Russian economy has been increasing at a rate of from 7 to 10% a year.

Because we mention these things, we are told that we are trying to impose a new form of slavery in British Guiana; that we do not believe in God; that we want to take away the rights of the people; that we do not believe in heaven and earth; that we believe in fantastic slave camps and the horrors of the other side. We are not told the truth, but the truth will come out as it is coming out in the United States of America today.

In the United States of America the oil billionaires and millionaires have been called before the courts. Here is a clipping from *The New York Times* of the 9th December, 1960. It is headed: "2 BIG OIL CONCERNS CITED IN US SUIT."

A few months ago the manufactures of electrical equipment were sent to gaol for price-fixing and breaking the laws of the United States of America. A few days ago we heard that President Kennedy has arranged for a grand jury investigation into the latest increase in the price of steel by the steel barons who are determined, according to President Kennedy, to wreck the United States economy and the chance for the United States Government to survive in the jungle of international trade. Those are the people we are told to follow! The Government of the United States today is battling to survive, but the capitalists, the powerful elite, want to frustrate President Kennedy's plans. The new administration has a group of enlightened people around it who are willing to face the realities of the international situation. These people are bent on saving the system which is dominant today. But while certain people are trying to make progress, others can be found in their midst who are sabotaging the efforts of the administration.

It is no wonder that Professor Wright Mills in his book *Causes of World War Three* — he died last week, but he was a Professor at Columbia University — said:

The United States is an over-developed society full of ugly waste and the deadening of human sensitivity, honouring ignorance and the cheerful robot, pronouncing the barren doctrine and submitting gladly, even with eagerness to the uneasy flow of a leisureless and emptying existence.

Not only Professor Mills, but many other new writers and scientists are giving a proper analysis of the American scene today. Honourable Members should read books such as *Status Seekers*, *Power Elite* and so on which are now coming out as best sellers and are very critical of this system which is so heavily being defended in this country.

What about the other side? We are told that this Government is going to take the people of this country into slave camps; that the people will lose all of their rights; that there will be no more salvation or liberty for the people and they may as well run away from this country.

What is alarming is the extent to which some people can try to deceive themselves. For a long time all that was being done in the Socialist bloc was pooh-poohed, was laughed and sneered at. Let this be clear; I am not defending the Russian system or what prevails in Cuba, but I am defending socialism because my Government and my party believe in socialism. When socialism succeeds, even if others do not want to do so although they call themselves socialists, I will stand up and cheer because socialist gains in any country are gains for the working class everywhere else in the world.

Lest the Guianese people be fooled, let me quote from an inveterate enemy of the Soviet Union and its socialist system. I refer to Mr. Edward Crankshaw who writes for the *Observer* and whose articles are generally reproduced here. In his latest book, a Penguin special, called *Khrushchev's Russia*, on page 29 he said that in the field of agriculture —

. . . the foundations have at last been laid for a decent and flourishing agriculture in a land where the winter cold and summer droughts make high farming, even in favoured areas, very difficult and chancy indeed.

Then he deals with the social side. He says:

Life in every conceivable way has changed much for the better, and it continues to change for the better, regardless of intermittent checks here and there which have been especially noticeable in the sphere of literature and drama: it is not merely better in degree; it is different in kind.

He went on to say that the younger generation almost inspired him; that the youth "are so well behaved"; "at twenty-one, you are well-fed, well-dressed, well-educated, in some ways well entertained" Among the younger generation he found many "well-turned-out young men in their thirties, usually Party members, relaxed and easy in manner, often with a pleasantly ironical approach to life, and very much in touch with realities of every kind. . . These confident and unfrightened young men are springing up like grass."

I am sorry that I have to repeat some of these observations, but, apparently, since lies are being repeated over and over again, the truth has to be repeated over and over again. Mr. Reginald Maudling, when he was President of the Board of Trade — now he is Secretary of State for the Colonies — had this to say:

The rate of the Soviet Union's economic growth which was higher than the rate in Western Europe or the United States was a matter of very great concern; the West also would ignore at its peril the rate at which the Soviet Union was training scientists and technicians.

A writer by the name of Fletcher, writing in the *Tribune*, June 17, 1960, said that — . . . the Soviet Union has increased and is increasing its capacity to produce goods at a rate higher than any recorded in history. . . The dynamic factor in world politics is neither the sputnik nor the ICBM. It is the Soviet economy.

If the Soviet economy is producing factories, complete plants, if former colonies which were in the same backward condition as countries like ours — Poland, Rumania, Hungary — are today in a position to develop rapidly in the industrial sector, are we to close our eyes to developments in this sector of the world? If favourable offers of trade and aid are made, must we not accept them?

A point, incidentally, to be noted is the criticism which was made yesterday about Soviet aid. It was said that aid from the West comes in large quantities. I do admit that the West is very wealthy. Certainly, I have admitted that the West is very wealthy, but I did not stop there. I pointed out where the wealth came from and where the looting and plunder took place, and said that this looting and plunder must stop otherwise we will never get out of the rut in which we find ourselves. I also said, and I say it now, that what is important is not only the quantity of money. What is more important is the quality of aid.

By all means we want aid, large quantities if we can get it, but, above all, what we want is aid to be used in a particular sector, in the industrial sector, because we know that a lot of aid has been given out with strings attached. You can have aid as Mr. Powers said if you are going to build harbours, roads and infrastructure development which have no profits.

Indeed, aid such as this can be very embarrassing as the Latin Americans have found and are finding today to their regret. What they want is aid without strings, aid to develop industries, particularly their natural resources such as oil, bauxite, copper, tin — their mineral wealth which has been dug out and taken out of their countries. A great deal of noise is made about Trinidad. We are not told that Trinidad's oil reserves are not very large. This is a source of concern. I wonder what will happen to Trinidad when the oil reserves are gone.

The Honourable Member asked: Why don't you invite Indians or sound economists here; why only Bettelheim and Kaldor? We are bringing people who have got a wealth of experience both in the West and in the East. We have brought people here because we feel that from the breadth of their experience, they will be able to advise us on the best road to follow. Many have cursed Mr. Kaldor. It should be noted he has also been called a Communist. He is far, indeed, from being a left-wing socialist. As an expert in his own field, in taxation, there can be no doubt about it that he is fully qualified. What has hurt the reactionaries in this country is the fact that he has stepped on their toes with the capital gains tax, the net property tax, the gift tax and the plugging of the loopholes through which evasion has been taking place. It is not the quantity of money which will come out of it right away, but the principle involved. That is what has hurt them.

Let me wind up by saying we must not be bigotted. We must not do as some people are doing today and adopt fascist techniques by cursing foreigners and making scapegoats of them; by perpetrating deeds and attacking other people, innocent people. Reference was made yesterday to a circular where the poor Cubans, as if they have not got enough worry from the United States, are being attacked, people who have come here to help us. Such tactics were good enough for Hitler and Mussolini. They may be good for Salazar, but let us not allow these tactics to do the kind of harm here as they have done in those countries.

The late Aneurin Bevan, in his book, *In Place of Fear*, said this:

The fear of communism has led the United States and those who follow her lead to take a distorted view of the world situation and of the forces at work in modern society.

I say "Amen". Again, let me say that Aneurin Bevan was not a communist. He was an anti-communist.

Today, it is fashionable in certain quarters to call everyone a communist as long as you do not agree with him and his views. That was the old technique long before communism was ever thought of, before Marx came on the scene.

In the days when the United States was fighting for independence, the Republicans were called dirty names. To have been called a Republican then is to be called a communist today. Let us not be obsessed with this fear. People talk of fear and confidence. We must ask ourselves whose confidence we are talking about — the confidence of the working class or the confidence of the sharks: whose confidence, whose freedom, and who is generating this fear.

Our country is passing through serious times. The great President Roosevelt of the United States, in the midst of a depression, had to fight against the monopolists, against the cartellists, against the robber-barons, and against those who did not want to recognise trade unions. He had to pass laws for the compulsory recognition of trade unions. He had to pass laws to provide that company unions shall not exist. What did he say? He said that the liberty of a democracy is not safe if the people tolerate the growth of private power to the point where it became stronger than the State itself. That, he said, was the essence of fascism.

That is the concentration of power we had here. We have broken to some extent the back of that concentration of power, and we are dedicated to its destruction. But certain elements in our country are prepared to hold on to their privileged positions even if it means the downfall of this country; even if it means wrecking the economy of this country. Everyone knows who started it all. Everyone knows who are today trying to hold back the clock of progress, but whether they like it or not, we of this country are prepared to face what is happening in the world. The world will move on.

Take a look and see what is happening in Venezuela, Brazil, Chile and Argentina. Fascists and reactionary elements have just cancelled elections in Argentina. First they used force to smash it, *a la* Guatemala in 1954, and the PPP Government in 1953, and Mossadeq Government in 1951. Send force and smash it, they say. They tried it in Suez, but little Nasser turned them back. They tried in Cuba. They said "The Cubans are all opposed to Castro. Let us send a handful of men, Cuban people will turn out in an uprising against the regime." But where are they today? I am asking Honourable Members to face the realities of our situation. To some people British Guiana is the world; they do not comprehend what is happening around and about them. There are others outside of this country who, unfortunately, as the result of the activities of some people in this country, adopt a megalomaniac approach which is just hostile. They say that this country will be a base for international communism; that this country will be the route to invade the whole of Latin America. They do not know what is happening in Venezuela — that if there were elections tomorrow the left coalition front would win; that in Chile the left coalition front lost the last election, a corrupt and rigged election by 80,000 votes. The reactionaries tried to oust Quadros but did not succeed. His successor has taken office with reduced powers, but Quadros is back there and elections are to be held again this year. Are they going to cancel out all elections? That will succeed up to a point; it will not succeed all the time.

With those who are interested in this country and in its stability I plead not to take our country down into the mire. This country and its people are relatively poor at the present stage. There is no doubt that we have tremendous prospects, but we cannot devote our energies to fighting battles which will bear no fruit. There must be agreement on certain broad issues — what is in the interest of the country, what is the best economic approach. If you have sound proposals, Government is at all times prepared to listen to them and, if need be, to adopt them. But they must be sound and not based on airy fairy tales. Let us grasp the opportunities that are before us. As Mr. Dell said, the world is willing to help. British Guiana has goodwill outside, except in a few crank quarters. Let us mobilise that goodwill by showing first of all that we can help ourselves, and that we can establish real order and democracy in this country.