

GUYANA CAN FEED THE CARIBBEAN.

**KEYNOTE ADDRESS BY PRESIDENT CHEDDI JAGAN TO DECLARE OPEN BOUNTY FARM LIMITED POULTRY PROCESSING PLANT AT TIMEHRI, EAST BANK DEMERARA, ON JANUARY 25, 1997.**

Manager and other members of this farm.

I bring you my personal greetings and that of the PPP/Civic Government of Guyana. As I look through the record of your progress, I am indeed very heartened, and I want to say Congratulations and to wish you more successes in the very near future.

I noticed that you have increased production in the last four years, 1992 to 1996, from less than 200,000 chickens in 1992 to over one million last year -- that is, a more than five-time increase in chicken production. Congratulations, and let us continue with this rate of progress that you have achieved.

I note that we are producing 50% of our poultry needs in Guyana. Let us hope we will be producing 100% of our needs in the very near future.

We are living in a very precarious world situation today, but we are holding up our heads. Still, we have to become more and more efficient, day by day, and more and more competitive, because while on the one hand we are producing, on the other hand the protective duty that we have is going down.

In the Caribbean region under CARICOM, the protective duty for all things produced in our regions was around 40%; it is now 30%. Next year, 1998, it will be 20% and, in accordance with the pronouncements made at the Conference which was called by President Clinton in Miami in 1994, it will reach zero% in 2005. That means we will have no protection for local manufacturers.

We haven't even gotten the end result of the 20% of the Common External Tariff in CARICOM and already, regrettably, certain industries are closing down. In Trinidad, two factories assembling motor cars have closed down. Of ten factories in Barbados producing electronic components for the North American market for the last seven to eight years, only three still operate. In Jamaica, where there was a big dairy and poultry industry -- I was there talking to the Private Sector and met with the head of one of the major families of Jamaica, Mr. Matalan, not very long ago -- I was informed that a big dairy farm is now closed. On top of that, the Matalans have big problems because they have to pay as much as 40% interest if they want to establish any new undertaking. And just a month ago we heard that about four factories in Jamaica producing garments for the America Market are likely to close down. The Government there has had to step in, offering concessions -- subsidies, so to speak -- in order to save the jobs of those workers.

So we are living in a very critical world situation; and if we are not careful and produce efficiently and become competitive, I'm afraid all we'll be doing is importing things from outside. We will have no production inside the country and therefore we will have no jobs.

I've recently had to refer to the banana question in the Caribbean, in the Windward Islands, which depend mainly on bananas for their livelihood. One country, Dominica, generates 70% of its income from bananas. The Windwards are now getting a special price in the European market. But, one company, called 'Chiquita,' which controls 92% of the world banana market, wants the remaining 3% of the market that is controlled by these Caribbean countries. Chiquita is going to the World Trade Organization to say that that special price given to the Caribbean must be removed, on the altar of free trade.

I also had cause to write the World Bank President telling him about our own problems. We are not supposed to subsidize anything. In North America they subsidize agricultural products -- rice, chicken and everything else -- but we are not supposed to subsidize. And they have lower rates of interest than we have. This is another example of people in the developing world who are at a trade disadvantage vis-a-vis their counterparts in the industrialized countries. Farmers in Brazil recently lined up their tractors and agricultural implements in the Presidential Palace compound and asked, "How can we compete in our own market if we have to pay 16% interest while our competitors in North America have to pay only 6% interest?"

I posed a similar question at the World Food Summit. "How," I asked, "can we compete if 40% of our farmers own five acres of land or less and have to produce peanuts, for example, with cutlasses, hoes, shovels and forks? How can we compete with peanuts coming from outside?" Our farmers, including Amerindians, simply won't be able to sell their peanuts under these conditions.

So, as I was saying earlier about my letter to the World Bank President, I told him that if banana goes on the altar of free trade, and if on that very altar of free trade it isn't possible for us to sell our peanuts, then, as the former Prime Minister of Dominica said at a conference in Denver, our farmers would have to grow marijuana. I added in that letter that besides growing marijuana, we would be sending refugees of Guyanese and Caribbean citizens to the developed countries, and those who cannot get visas will go back track. Obviously we don't want all those things to happen. What we want is a level playing field. If you are giving subsidies to your farmers over there we must be allowed to give subsidies to our farmers over here. But the World Bank and IMF, when they give us balance of payments support, say we must not subsidize anything.

They protect their industries, they protect their farmers, whether it is rice or sugar; but we are not supposed to protect anything.

How are we then to survive?

I therefore said, when I was in Rome, that we are struggling. I had an audience with the Pope, and I congratulated him for the speech he made at the opening of the World Food Conference. I congratulated him for saying that 'every person must have the right to food' for half of this part of the world, in Latin America and the Caribbean, are living below the poverty line. The big powers, of course, said "No" to that recommendation. We cannot write in documents "the right to food" they said, because if we write that in the documents and we don't give the people food they can sue us.

So although the Pope was looking at it from a humanitarian point of view, his recommendation was thrown aside. He also said it was immoral for countries like ours to have to pay so much of our revenue and foreign exchange on debt servicing since this is hampering development in our country. He said something must be done about the issue of debt payment and I congratulated him on that, too.

I told him what I had written the World Bank President; that is, that in the last three years we had more money going out than what was coming in -- a net outflow of capital. In the last three years we paid \$308 million in foreign debt. But, as I said to the World Bank President, if our debt payments had accounted for just 10% of our export income, we would have had to pay only \$108 million. That meant \$208 million of our own money would have remained to boost our developmental thrust.

The former President of Zambia (Dr Kenneth Kaunda) and the former President of Peru and a Nobel Prize winner, Oscar Arias, said in Belize, in the course of a CARICOM meeting there, that debt repayments shouldn't absorb more than 10% of a debtor nation's foreign exchange earnings. Since that isn't now the case, we unfortunately have to tax poor people and impose as the first charge on the budget, the debt payment.

That's why I am agitating everywhere in the world, in keeping with the principles advocated by the Pope, that we should not have to allocate more than 10% of our export income for debt payments. I am rallying people all over the world for this reason, because if the institutions and nations we owe agree to this kind of debt repayment arrangement, we could give you many, if not all of the concessions you're asking for. You want duty-free this, duty-free that. I would like to remove all duty -- all duty on anything dealing with production. From a development point of view, that is the best thing to do. From a financial, budgetary viewpoint, if we don't get the duties we'll have a big deficit in the budget, and if it goes beyond a certain limit the World Bank and the IMF will come down on our heads and say we cannot get any balance of payments support of US \$45 million a year. This is the situation which we face.

By the way, let me tell you another thing: When I was in Rome I went to the World Food Programme, which has been giving us free food, because we had inherited a situation where 60% of our population was below the poverty line when we got in the Government. We have since been talking about how well we are doing, like this report on Bounty Farm Limited indicating the progress of the company from a minor to a major poultry producer, and so the World Food Programme is saying "You are self sufficient in food; why do you want more?"

So the WFP has cut out one programme and has limited two others for one more year. I had to plead with them and tell them "Sorry, you have gotten the statistics wrong," because, while in the last two years we have doubled the production of, say, rice, imports have increased by three times. This is why I am constantly appealing to the businessmen not to just import things into Guyana but instead to get into production.

There was a uniform rate of taxation for all businesses. It was dropped from 55% to 45% to 35% when we got in the Government. We kept it at 35% for manufacturing and productive enterprises, but raised it to 45% for trading and services. The World Bank and IMF told us we can't do that, but that was one time we did not listen to them.

In the budget you will see where importers have been bringing a much larger variety and quantity of goods. Yet, recently, as we were holding meetings with various groups as a prelude to drafting the 1997 budget, these importers more than anyone else were pleading that we should reunify the rate at 35% for traders. But I say we cannot become a nation of traders, of importers only, because if we keep importing everything, as I said already, then we will have no jobs and no incomes for the very people who will have to buy even the imported goods.

So my dear friends, I want to assure you that this Government has made a tremendous amount of progress. No doubt about it. And we have done what is not done in many other countries, where there is growth in their economies but where the benefits of that growth go only to the rich. We have made sure that, yes, the rich must make profits, but that the poor must be able to survive, too. That is why I told the civil servants -- I met with the TUC yesterday in my room -- "Yes, we would like to pay you more. What we have done for you in terms of wages, direct benefits in the form of wages and salaries, and indirect benefits in terms of education, health, the nonpayment of income tax, raising that level or threshold from \$8,000 a month to \$18,000 this year, is unprecedented. Nearly 40,000 workers will now not have to pay income tax. All these benefits we are giving you, and we would like to do more. We would like to see more done."

And I told the people who are striking and who are doing this and the other, "tell me which country in the world, including developed countries, which have gone as far as we have gone in this area of

income tax benefits and wage/salary increases for the working people, both directly and indirectly?" Indeed, even in the developed countries now, in Europe, for example, the so-called 'Welfare State' is being whittled away and the gains which the people have already made -- their social benefits -- are being cut.

Therefore, if I may congratulate ourselves, we have done remarkably well and I hope the public will understand this in Guyana.

There has been all kinds of propaganda about our ideology, about our not being in favour of private business and so on. That is really false propaganda.

The first Industrial Estate, in Ruimveldt, was set up by our Government and that remained the one and only industrial estate in the country until we got back in the Government. Now we have built another one at Coldingen on the East Coast and we're building yet another one at Eccles on the East Bank of Demerara. And we hope to have at least one industrial estate in every administrative Region in the country in order to help people like you to establish industries and factories all over the country.

I want to repeat that as our economy grows we hope to come out of the conditionalities of the IMF/World Bank and that we will be able to balance the budget with more revenues, not having to pay so much debt, and in that way be able to give you more and more concessions so that you can expand.

I went to the Stockfeeds Factory some time last year, and I saw about a dozen ingredients we can use for the making of stock feeds. But about half of those are imported. Why can't we produce all of that here?

I would like to appeal, to make a strong plea to the people in the business community who are simply importing goods: 'Please, limit that.' We don't want to force you, we don't want to make laws to stop you, but you are not doing what is in the national interest.

I had to refer yesterday to rice crispees and cereals produced by Banks DIH. One packet costs about \$80.00, while a similar product coming from outside costs ten times as much. Yet, the Guyanese people are buying the imported cereal because the supermarket owners are putting it on the shelves and putting our own coming from Banks on the floor.

So my dear friends, I would like to conclude on the note that there is great possibility in this country, especially in the poultry industry, to go on to embrace more farmers to produce more and to expand more quickly so that very soon we will be able to produce not just 50% of our imports of poultry meats in this country but at least 80%, if not 100%, not only to meet our own needs but to supply the Caribbean, to supply Latin America, which are so short of food that they have to import from outside.

At the World Food Summit I was told that the world's big stocks of food have all gone down and that in the next 25 to 30 years nations will have to produce 75% more food. I made a plea there that if 40% of our farmers have 5 acres of land or less and if a lot of them have to produce with primitive tools -- cutlass, hoe, fork, shovel -- let us be helped here with drainage and irrigation, with sea defences, and with credit, and let us give each farmer at least 100 acres and all the machinery he or she needs.

Every Amerindian Village, for instance, will have a machine and tractor station run by the Village Authority to lend to the farmers. This is what we have in mind and this is what I said in Rome at the World Food Summit. We will help to feed not only all Guyana and the CARICOM region, but Latin America and farther afield. The Caribbean alone is importing one billion U.S. dollars worth of food each year, not to speak of Latin America. We can provide food for them and for the World.

Finally, I'd like once again to congratulate you, Bounty farm Limited, for demonstrating your confidence in the economy by building this \$62 million poultry processing plant here at Timehri.

END OF SPEECH.