

HUGH DESMOND HOYTE, S.C.
NATIONAL ASSEMBLY SPEECHES
VOLUME 1

March 1969 - November 1972

Hugh Desmond Hoyte, S.C.
National Assembly Speeches Volume 1
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PREFACE

On the death of Mr. Linden Forbes Sampson Burnham, President, on 6th August, 1985, Mr. Hugh Desmond Hoyte, Prime Minister, acceded to the Office of President. Following the 9th December, 1985 General Elections he was declared President. As his Biographical Summary shows, he held several Ministerial Offices including Vice-President and Prime Minister prior to these dates.

Following the General Election held on 5th October, 1992 Dr. Cheddi Jagan was declared President on the 9th October. Mr. Hoyte became Minority Leader and he held this office until his death on 22nd December, 2002.

This collection of his Parliamentary Speeches over the years 1969 to 2001 is the first step taken in keeping with the Fourth Resolved Clause of Resolution No. 67 dated 7th August, 2008 of the National Assembly, which states –

“Be It Further Resolved:

That this National Assembly calls on the Government to designate a State Institution to be responsible for Historical Research and Documentation to chronicle and archive all of the works of each of the Presidents of Guyana for the benefit of future generations of Guyanese.”

These speeches are recorded in four volumes as follows:

- (i) Volume I - National Assembly of the Second Parliament of Guyana, 1969 – 1970
National Assembly of the Second Parliament of the Republic of Guyana, 1970 – 1972
- (ii) Volume II - National Assembly of the Third Parliament of the Republic of Guyana, 1973 – 1980
Transnational Assembly of the Third Parliament of the Co-operative Republic of Guyana, 1980
- (iii) Volume III - National Assembly of the Fourth Parliament of the Co-operative Republic of Guyana, 1981 – 1985
National Assembly of the Fifth Parliament of the Co-operative Republic of Guyana, 1986 – 1992

- (iv) Volume IV - National Assembly of the Sixth Parliament of the Co-operative Republic of Guyana , 1992 – 1997
National Assembly of the Seventh Parliament of the Co-operative Republic of Guyana , 1998 – 2001
National Assembly of the Eight Parliament of the Co-operative Republic of Guyana , 2001 – 2006

Volume III of these speeches contains Mr. Hoyte's addresses to the National Assembly on the Ceremonial Opening of the First and Second Sessions of the Fifth Parliament of the Co-operative Republic of Guyana.

A number of Official Reports (*Hansard*) of the Proceedings of the National Assembly are missing for the years 1969 – 2002. Some of these contained speeches of the Late Hugh Desmond Hoyte, and it seems unlikely that these will ever be recovered.

FOREWORD

It is an honour to present this foreword to the parliamentary speeches of His Excellency, Hugh Desmond Hoyte, S.C. This is especially important to me because in many respects, President Hoyte was my political godfather as it was he who called me into the world of politics in the post 1992 era. These speeches will allow everyone with an interest in politics to understand better who Desmond Hoyte was and the basis upon which his decisions were made.

Hugh Desmond Hoyte began his political and parliamentary career on January 3, 1969, as a Minister of Home Affairs in the 2nd Parliament of the newly independent state of Guyana. His Excellency, President Hoyte had a long and illustrious career in the National Assembly as Ministers of Government and later as Minority Leader and Leader of the Opposition. In a manner of speaking he was more than a technocrat than a politician even into his days as President. That this is so is evident from his speeches, presentations and interventions made in the National Assembly in the twenty-six years that he was a Member of Parliament. These twenty-six years were interrupted only once when he left the hallowed Chamber of the National Assembly to serve the nation in the highest office as its second executive President from 1985 to 1992.

Mr. Hoyte once described to me how he became a Minister and it was due to his association as legal colleague to His Excellency, Linden Forbes Sampson Burnham, O.E., S.C. Burnham had distinguished himself at the bar as a Queen's Counsel and practised law out of the law firm of Clarke & Martin. Desmond Hoyte later joined the firm as a Barrister, and it is there that his association with, and admiration for, Forbes Burnham was kindled and developed later into a lifelong relationship.

Mr. Hoyte explained that on January 1969 Prime Minister Burnham was leaving the country on an official visit and requested that he join him at the airport for a talk on something important; however not disclosing what that important subject was. Not knowing the nature of the matter to be discussed, he informed me that he believed that it concerned some legal matter that he would be asked to assist with. Without prior notice or consultation, Mr. Burnham apparently there and then informed Mr. Hoyte that he had been appointed the Minister of Home Affairs with immediate effect! The rest as they say is history. In many regards, this is not unlike the manner in which I was made a Member of Parliament at his insistence in 1997.

Hugh Desmond Hoyte went on to serve in numerous other ministerial and parliamentary capacities including:

- ◆ Minister of Finance
- ◆ Minister of Works and Communication
- ◆ Minister of Economic Development
- ◆ Vice President- Economic Planning and Finance
- ◆ Vice President-Administration
- ◆ Vice President-Production
- ◆ Prime Minister

Mr. Hoyte returned to the National Assembly as Minority Leader in 1992 following the defeat of the People's National Congress at the October 5, 1992 polls, and later became Leader of the Opposition in 2001 – a position he held until his death in December 2002. In his later speeches as Minority/ Opposition Leader one can actually glean a stark difference between his presentations as Opposition Leader, as against those made when he was a Minister. In the former instance he seemed more settled and confident and in the latter, more cautious and precise. Some political pundits have argued that he should never have gone back to the National Assembly as Leader of the Opposition having been President of the Republic and that this role diminished the good contributions he had made as President. However, he was resolute in his opinion that democracy needed to be advanced in Guyana and that regular changes of government were as necessary as they were refreshing. Therefore, his was the view that being in opposition was not necessarily a retrograde step for him to take, but rather, a positive one that contributed immensely to the development of our fledgling democracy.

Readers of these speeches will discover new aspects of Mr. Hoyte's personality and his convictions, and confirm long held beliefs about his personality. Being a former school master at the prestigious Grenada Boys School, one will be able to easily see the steady, instructing and sometimes regimented way in which presentations were made by him in the Parliament Chamber. This has led many to remark that he was stoic and staid in his personality and presentations. He was a no nonsense man.

One example of this can be found in a 1971 response made as Minister of Finance to concerns about a Financial Paper where in a firm manner he states:

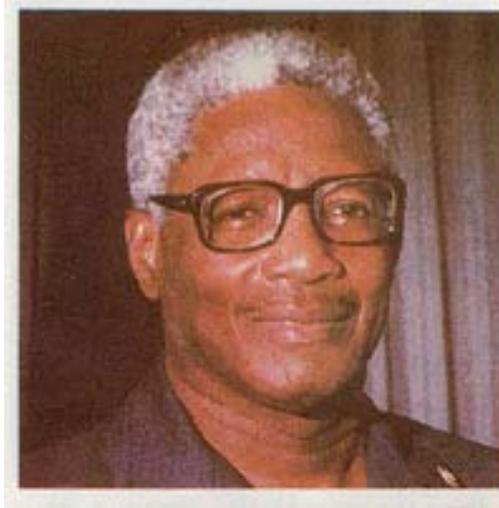
“Before proceeding, let me say this: Government makes absolutely no apology for coming to the assistance of trade unionists and workers in their endeavours to house themselves. Government is not and has never been a fair weather friend of the trade unions. From the very outset, Government demonstrated its faith and its confidence in trade unionists by becoming involved in the scheme to build these houses and by giving the necessary guarantees without which the financing would not have been available to trade unionists. I hope that nobody is under any illusion that the Government retreated one inch from the position it has always taken up in connection with this project. It is obvious that Hon. Members have

failed to understand the nature of the scheme, although it has been debated on at least two occasions in this honourable House."

The publication of the Presidents' speeches is a tremendously important contribution not only to the body of literature that exists on our politics, but just as importantly, to the development of our democracy. In many respects, the past is a light on the path for the future and these publications will take us a long way forward as we seek peaceful, cohesive and sound development as a nation.

Hon. Raphael G.C. Trotman, M.P.
Speaker of the National Assembly

Biographical Summary:



Hugh Desmond Hoyte was a former President of the Co-operative Republic of Guyana, former Leader of the main Opposition Party, the People's National Congress (PNC) and former Leader of the Opposition in the Parliament of Guyana.

Born in Georgetown, Guyana in March 9, 1929, Mr. Hoyte received B.A. and LL.B. degrees from the University of London. He was a British trained lawyer, a Barrister-at-Law of the Honourable Society of the Middle Temple and a Member of the Guyana Bar. He was appointed a Queen's Counsel in 1969, which designation was changed to Senior Counsel in 1970 when Guyana became a Republic.

Between 1969 and 1984, Mr. Hoyte held many Ministerial offices, including those of Home Affairs, Finance, Works and Communications and Economic Development and Co-operatives. In 1980 he was appointed a Vice President and in 1984 he became First Vice President and Prime Minister.

On the death of the first Executive President of the Republic Mr. Hoyte served as President of the Republic from August 1985 to October 1992. During his Presidency, he initiated far-reaching electoral and economic reforms which strengthened the bases of the democratic culture of Guyana, promoted market oriented policies, and stimulated economic growth.

As a Minister of Government, he had at various times responsibility for African, Caribbean and Pacific (ACP) affairs under the Lomé Convention and was the ACP spokesman on sugar from 1981 to 1983. His portfolio also included Caribbean Community (CARICOM) Affairs. As a member of its Conference, the Heads of Government of CARICOM charged him with responsibility for promoting freedom of movement within the Community and for coordinating CARICOM's policy on the environment for the Earth Summit in Rio in 1992, and in general. He was also nominated CARICOM's spokesman on sugar.

Prior to his full-time service as a Government Minister, he held many other public offices. He was Chairman of the Legal Practitioners' Committee, a statutory body which deals with disciplinary matters relating to members of the legal profession; Chairman of the Timber Grants Wages Council; Chairman of the Customs Tariff Appeals Tribunal; and a member of the Elections Commission, among other offices. He was also deeply involved in the Trade Union Movement and was Legal Adviser to the Trades Union Congress and several member Unions.

In his ministerial capacity, Mr. Hoyte served as Guyana's Governor on the World Bank, the Inter-American Development Bank and the Caribbean Development Bank and headed many delegations to the Economic Commission for Latin America and the Caribbean; the Caribbean Committee for Development and Cooperation; the Commonwealth Finance Ministers Meetings; ACP/EEC Meetings; and other regional and international conferences on economic, financial and developmental issues. He was Guyana's chief representative at the deliberations which led to the establishment of the Latin American Economic System (SELA), and was a member of the Latin American Council from 1975 to 1983. He had maintained a strong interest in regional and hemispheric affairs and spoke and wrote widely on this subject.

Mr. Hoyte had a keen interest in ecological and environmental matters. In this area, he had worked closely with the London-based Commonwealth Human Ecology Council and had written and spoken on these issues, both locally and internationally. He was the architect of the Iwokrama International Rainforest Project in Guyana, which he initiated at the 1989 Commonwealth Heads of Government conference in Kuala Lumpur, Malaysia.

Mr. Hoyte was a Life Senator and a member of the Supreme Council of the Presidency of the International Parliament for Safety and Peace, which has observer status with the United Nations; a member of the Advisory Board of the Women's Federation for World Peace; and an honorary member of the Board of The Americas United Foundation. He was also a Patron of the Errol Barrow Memorial Trust Fund (a regional Trust established in honour of the late Barbadian Prime Minister) and a Patron of the Commonwealth Human Ecology Foundation based in London.

Mr. Hoyte, who was married to the late Mrs. Joyce Hoyte and had two children who predeceased him, died on 22nd December, 2002.

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PART ONE:

**NATIONAL ASSEMBLY OF THE SECOND
PARLIAMENT OF GUYANA
1969-1970**

Motion on the Approval of Estimates of Expenditure 1969, in Committee of Supply: 18th March, 1969

Mr. Hoyte: Mr. Chairman, the comments on Subhead 1 – items 1 and 2 are mainly repetitions. I would suggest to Honourable Members that repetition is not a touchstone which converts irrelevance into pertinent comments. The crux of the matter is that most Hon. Members do not seem to understand that the Provisions 1 and 2 are really Statutory Provisions. There is no question of not providing them unless Hon. Members on the other side of this House are prepared to move a Motion to amend Article 68 of the Constitution which provides for the establishment of an Elections Commission. It is not within the competence of the Government, unless there is an Amendment to that particular Article. That is, not to provide them for the Chairman and Members of the Elections Commission.

Indeed, it has been suggested that the Elections Commission is serving no useful purpose. I find this rather astonishing, because in 1967 when the General Secretary of the Party to which the majority of the Members on the opposite side belong was appointed, the same allegation was made. She made headlines by saying she was not prepared to accept the salary which was voted for her because she had nothing to do. At that time the salary due, owing and payable to members of the Commission, was well over \$1,000. Suffice it to say that when the good lady crept into the Ministry of Home Affairs and uplifted that money there were no headlines. I am forced to the inevitable conclusion that at that stage she discovered that the Elections Commission was doing work and that she, the labourer, was worthy of her hire.

My Hon. and learned Friend, Mr. Derek Jagan, enquired what the duties of the Elections Commission were. I would think that this question was largely rhetorical because he himself referred to the relevant article of the Constitution – I believe it is Article 69 – and he then proceeded to give us his interpretation of the meaning of Article 69.

At this stage I would say there has been a lot of comment, which to my mind should not really have been made, at least as we lawyers understand the position, because this matter as to the meaning of Article 69 is at present *sub judice* in two matters, Petrie *et al.* Against Jackson and Persaud *et al.*, against Jackson and others, which are engaging the attention of the High Court. I would not encourage or indulge in references to matters which are *sub judice*.

[**The Chairman:** May I interrupt the Hon. Minister at this point to say that I agree fully that if a matter is *sub judice* it should not be discussed here or anywhere. The Chairman is in no position to know that matters are *sub judice* unless it is brought to his attention.]

[**Mr. Jagan:** My understanding of the Standing Order is that even if a matter is *sub judice* a person should still be able to refer to it in the House if it does not prejudice the interests of the parties thereto.]

Mr. Hoyte: I knew that my Hon. and learned Friend Mr. Jagan knew what the position was and I left it to his judgment as an Hon. Member of the House; but I would break a lance with him on his interpretation of Article 69 because I think it is made abundantly clear in paragraph (4) of Article 66 that Parliament has the right to make provision for the registration of electors and the manner in which lists of candidates shall be prepared and entered for an election.

There is no question of the Elections Commission exercising any function as a legislative body. I do not propose to dwell on that because the matter is before the Courts and what is more, in the interlocutory proceedings, in the matter of Petrie et al against Jackson et al, the learned Chief Justice had cause to advert to the meaning and significance of Article 69. I believe he gave an interpretation which is at variance with that propounded by the Hon. Member Mr. Sutton. I would say, in passing, that I would prefer to be wrong with the Hon. Chief Justice than to be right on a matter of law with my Hon. Friend Mr. Sutton until I am satisfied as to the Inns of Court from which he has emerged.

I would also say in passing – my Hon. and learned Friend Mr. Jagan did allude to the fact that I had been for some time a Member of the Elections Commission – that at all material times when I was a member of that Commission the representative of the United Force never expressed any dissatisfaction with the conduct of the registration for elections or with the manner of the preparation of the preparation of the electoral roll. Indeed, in this Honourable House, Mr. Hilbert Spence, who had been my colleague on that Commission, defended the role of the Elections Commission. Up to November 1968, when I resigned from that Commission, there was no word of criticism – indeed, there was active commendation of the role of that Commission from the person who succeeded him. Between November and December how that goodly gentleman came to a somersault is something which I cannot explain, and he has not seen it fit to explain.

I cannot understand the allegation that the Elections Commission was by-passed and that its powers were eroded. In the National Registration Act of 1967, in Section 16 thereof, specific provision is made conferring upon the Elections Commission the right to have supervision of the preparation of the registration roll in so far as registrants therein may be qualified as electors to the National Assembly; and that particular provision is also enshrined in the Representation of the People (Adaptation and Modification) Act, 1968. Therefore, in all the relevant legislation which impinges upon elections, you will find that the constitutional powers, the rights, the privileges of the Elections Commission are fully honoured and enshrined.

I find it difficult to understand how Hon. Members can say that the Elections Commission was by-passed. I do not think it is necessary to labour this point any further and I do not propose to do so.

The Hon. Member Mr. Harry Lall was querulous of item (14), Subhead 1, a new post of Stock Verifier. That is quite simply explained. The post was recommended by the Public Service Ministry. I think that Hon. Members will understand and appreciate that one of the functions of the Public Service Ministry is to examine the structure of various Ministries with a view to streamlining that structure and making it more efficient. Very often you will find that the Public Service Ministry recommends that posts be created or that posts be abolished or that persons be transferred in the interest of efficiency. In other words, it is a two-way process. Some Departments may well be over-staffed and some under-staffed. In some Departments, it may well be that the deployment of personnel is not in the best interest of the efficient functioning of the Ministry, and so it is in regard to item (14). The Public Service Ministry, having had a look at the structure of the Ministry of Home Affairs, recommended that the Field Auditor should be assisted in his functions.

The Ministry of Home Affairs is responsible for this Department, and the Field Auditor has the duty of servicing this Department, checking on stock; and he alone cannot efficiently discharge such onerous functions. I think Hon. Members will know that one of the great sources of loss in Government Departments comes from pilfering, bad stock-keeping, and things of that sort. It is in the interest of good and efficient Government that there should be an officer who keeps a very close watch on stock and be in a position to prevent what the Hon. Minister of Finance may well call "*unauthorised borrowing*". It is in deference to these considerations that it has been recommended that there should be this new post of Stock Verifier. He does what his name suggests, he checks on stock, he verifies and makes sure that the stock is there.

My Hon. and Learned Friend, Mr. Jagan, raised a query on item 19. Again, that is very simply explained. In the course of a year, a regular watchman sometimes becomes ill and it is necessary to employ a temporary watchman in his place, so you find that you have to pay two sets of wages. We do not withhold the wages of a man if he is ill. You will find that, over and above the figure which is approved, there may be payments which have become necessary because of contingent circumstances such as I have explained. There is not much in that.

With respect to item 20, that is a token provision which frequently appears in these Estimates and which I believe my Hon. Friend Mr. Balchand Persaud will understand when he has had a little more experience in dealing with Estimates in Government.

The Hon. Minister, in trying to defend the work of the Elections Commission, certainly has given this House the wrong impression of what was done. He knows, as one of the early Members of that Commission, that

for many months the Chairman and the other Members of the Commission were merely twiddling their thumbs doing very little, not that they did not want to do something but they were not allowed to do what they were supposed to do by law. The Minister knows about this. He has seen the letter which the Chairman wrote to the Minister complaining that, in the early stages, the Commission was not allowed to participate in the compilation of the voters' list. He knows that the then Minister told the Chairman that the Commission will function when the elections legislation empowering them to operate was passed. He knows all of this.

He knows also that the Chairman and the PNC Member voted on one side and the UF Member and the PPP Member voted on the other side to have the list revised.

[Mr. Jagan: *"Not in my time"*, he says. But you know about that. The Chairman used his casting vote to prevent this from being done. Everyone knows that the list was corrupt. It contained the names of dead people, people who were under age and many others who did not even exist.

If the Commission is working so well, why has the Chairman of the Commission refused to make available to another Member of the Commission the proxy list which was supposed to be made available and published four days before voting day? Why tell us that we have to vote money, that this is a statutory body and it has statutory functions, etc.? This is all to fool the world. The reality is that this Commission was not allowed to function in the early stages when the Chairman wanted it to function and later on he was muzzled.

This Government operates on the basis of coercion and bribery. Those whom it cannot bribe it pushes with bayonets; it pushes them against the wall, and others they bribe with \$1,000 per month. We had a case this afternoon—]

Mr. Hoyte: The Hon. Member, Mr. Ram Karran queried the Subhead about telephones. I think that the Prime Minister has already given an explanation of these items, telephones, which appear under various Heads; that explanation I will repeat for the benefit of Hon. Members who did not understand. With the coming into being of the Guyana Telecommunication Corporation, the various Government Ministries and Departments, which prior to the establishment of this Corporation were provided with free telephones and telephone services, have to pay their own bills. When you look at the Departments under the Ministry of Home Affairs alone, it is obvious that the use of the telephones is pretty extensive. So I do not think that the Hon. Member is serious when he challenges that Subhead.

With regard to Subhead 12, I would point out that there seems to be a great deal of confusion and misunderstanding over the question of the Independence Celebrations. In all embassies all over the world, Independence Day or the national day of the guest country is celebrated. It

is not a celebration for the members of the host country; it is a celebration primarily in the interest of the particular country whose independence or national day is being celebrated. It is a celebration to which members of the diplomatic corps are invited. Perhaps when Hon. Members understand the nature of independence celebration abroad, we will stop getting this type of niggling and wholly irrelevant questioning.

With regard to Subhead 13, the Hon. Member Mr. Ram Karran questioned the provision of the sum of \$50,000. Again there have been expenses, bills from the last elections exercise, which have not been paid. They have come forward to the new financial year and provision has to be made for meeting those bills as and when they come.

Subhead 14: There was some questioning as to that provision and again the answer is quite simple. National Registration is conceived as a continuous process. If Hon. Members would remove from their eyes the scales that blind them, they would realise that National Registration is not directed primarily to elections, but is a system that will continue from year to year providing information which is popularly called vital statistics; this information will feed a large number of services that require data. Already requests have been made by the Minister of Labour and by the Statistical Bureau for information which has been gleaned from the last exercises and this has been filtered to these Departments to be used by them in the particular field of investigation for which they were required. I find it difficult to understand what the quarrel really is.

Motion on the Approval of Financial Paper No. 6/1969: 30th June, 1969

Mr. Hoyte: With respect to the sum of \$15,782 sought under the caption 'National Elections', I should like to say that the point made by Hon. Members has been made time and again during debate on the Estimates. At the end of a financial year there are usually many accounts outstanding so that, after the financial year, accounts in respect of matters which were transacted during the previous year still keep coming in. Those accounts must be paid and provision has to be sought in the year following that during which the transaction was actually done or contracted.

With respect to National Registration, I can think of a simple example to illustrate my point. Some cameras were damaged and parts had to be imported. Some of those parts came in last year and some came in this year, but the accounts have only come in this year; so that even though they are with respect to contracts made in 1968, the sums have to be paid this year and the provision has to be sought this year. Those are simple points which are simply explained and which my Hon. Friends on the other side are making much about.

I was astonished to hear the Hon. Member Mr. Ram Karran asking when National Registration will come to an end. I would have thought that the Hon. Member and his colleagues understood the purpose of National Registration. National Registration is not going to come to an end. It is a continuing process which we hope to keep going so long as the State exists. So long as we are going to have an up-to-date national register, from time to time we will have to open that register in accordance with the Act.

I am certain the Hon. Member knows that, at the moment, there are regulations in force requiring the Commissioner of Registration to revise the register with reference to 30th June, 1969. When the register has been revised by the Commissioner, I propose to issue further regulations in accordance with the National Registration Act giving citizens the right to make claims, file objections, and generally do the things which the Act requires to be done in accordance with the provisions for keeping the register accurate.

There has been a great deal of talk in this House about lists which are padded, which are not accurate, but yet when provision is sought to ensure that the provisions of the Act are carried out according to the intention of the legislature, we hear quibbles, queries, and statements which tend to show that some Hon. Members do not understand the intention of the National Registration Act.

I think I shall deal with the query of the Hon. Member, Mrs. DaSilva. In an exercise of this magnitude, one has to expect that photographs will be spoilt and that there will be minor difficulties of the sort. The retaking of

photographs is the exercise in issue and I think that the Ministry of Home Affairs has made it abundantly clear to the citizens of Guyana what the drill is for having photographs retaken. Between January and June this year, notices were sent to people whose photographs were spoilt asking them to report to various centres to have their photographs taken. Some people afforded themselves of the opportunity, some did not. Another opportunity was afforded and is being afforded now for persons to have their photographs taken. The drill was set out in a press conference which I had before the distribution of identification cards began and much publicity was given by the press and on the radio, so I do not see that there is any difficulty in any registrant having his photograph taken.

It seems to me, Mr. Chairman, that the Hon. Mr. Ram Karran, still does not understand what National Registration is all about and he keeps harping on what he considers to be fact, that it is only persons who have reached the age of fourteen who will be affected by the revision of the register. That is an obvious fallacy because there are people who were not twenty-one years at the date of the last registration, who have now reached twenty-one, and those persons will have to be taken into account and put in their correct category. There are persons who for one reason or another might not have got their names on the register last year, might not have been photographed, might have been out of the country: other facilities will be given them when the provisional list is put up to make their claims.

For the purpose of distributing the identification cards, Government had to employ a large number of persons as registrars, deputy registrars, clerks, photographers. For the purpose of revising the register, Government will have to employ registrars, deputy registrars and clerical assistants and they will have to be paid. They will have to be paid in accordance with the regulations for remuneration which have been made since last year. If any new service is to be rendered, regulation will have to be promulgated to authorise the payment of these people, so money must be voted to cover the cost of this national exercise which we are carrying out.

I have already made the point in connection with the activities of the National Registration Centre to this effect, that already the data which has been acquired there is proving to be of inestimable value to the Ministry of Labour and Social Security in relation to the proposed National Insurance Scheme and the Statistic Bureau in relation to the duties which are cast upon the Bureau.

The Hon. Member Mr. Maccie Hamid has been true to form this afternoon in attempting to entertain this House. I can assure him that the capacity of the Guyana Defence Force to defend this country and, also, to come to the aid of civil power in circumstances which require that aid, remain at a high level. The morale of the Defence Force continues to be high despite the scurrilous campaign which has been waged by the official organ of the PPP, the *Mirror*, for the greater part of this year to undermine

the morale. Such policies will have no effect, they will not succeed. I merely mention this in passing, Mr. Chairman, so as to remove any delusions or illusions which may be, perhaps, in the minds of Hon. Members on the other side of this House.

Under this Head, Mr. Chairman, control of explosives had been the charge of the Guyana Defence Force for a long period, but it is considered a waste of highly-trained men to have then occupied as static guards. The Guyana Defence Force has got a more important role to play at this time as part of our highly-equipped, highly-trained, highly-mobile fighting force and it is considered that the time has come when the static guard duties should be taken over by the police. I do not think that I need say anymore on this point.

It is easy to ask questions which really have no substance. The control of explosives is something which the Government has to look at every carefully from time to time. I have already explained during the debate on the Estimates that what happens is that private firms such as Toolsie Persaud which use large quantities of explosives pay the Government and the Government provides security people to watch the explosives, to distribute them, and exercise control of the storage. So, how many men will be required by private firms; what quantity of explosives will be required, over what distance they will be transported; how often they will be distributed – these are things which nobody can say for certain at any given time. As the projections for quantity and distribution over the period come in, then provision is made for embodying more men, as required, in order to provide the necessary guards. Now when that happens, the private firms pay an additional amount which in turn is paid out by Government. Let me give an example, the Hon. Member Mr. Hamid apparently does not understand.

[Mr. Hamid: I understand. You are confusing yourself]

Mr. Hoyte: Let us take for example a new mining firm which may be established at the moment. That firm will have to use explosives and it will then have to make a request for a certain number of guards so as to comply with the law relating to the control and distribution of explosives. The Government will have to supply guards. It will have speculation if one were to attempt to say what number of guards will be required for the control of explosives between now and year end.

[The Chairman: Would the Hon. Minister like to speak now?]

Mr. Hoyte: Yes, Mr. Chairman. Certain Members of the Police Force are, from time to time, being assigned very arduous duties which require them

to be away for very long periods from their homes and which put them in a position where they have to provide themselves with food and other necessaries if they are going to carry out their duties properly. It is the Government's view that these men should not be made to carry this financial burden, therefore, this Subhead provides for the payment of duty allowances to policemen who from time to time are assigned guard duties and other duties which place them a financial burden.

With respect to the first point made by the Hon. Member, I think that it is a general policy of the Government that where public servants have to be away on special duties which involve additional expenditure, they are given certain allowances.

With regard to the second point, I think that the Hon. Member knows that the scale of allowances usually worked out by the Ministry of Finance in conjunction with the Public Service Ministry. This is a matter which will not be in the competence of the House.

Motion on the Second Reading of the Public Holidays (Amendment) Bill, 1969: 20th November, 1969

Mr. Hoyte: Mr. Speaker, Hon. Member, earlier this year, to be precise on the 29th of August, this Hon. House resolved on a Motion in the name of the Hon. Prime Minister that Guyana should become a Republic. The date chosen for this important transition was agreed upon as 23rd February, 1970. Later, on the 22nd of September, the Hon. Prime Minister laid in this House the report of the Republic Committee and, at the same time, took the opportunity of making a statement setting out the decisions which Cabinet arrived at in relation to the report.

The Committee recommended, among other things, that Republic Day should be a public holiday and that, as from 1970, Independence Day which, hitherto, had been a public holiday should no longer be a holiday, but that its national significance be marked in some appropriate way. In keeping with the acceptance of the Government of that part of the report, this Bill was introduced seeking to amend the Public Holidays Ordinance by substituting Republic Day as a national holiday for Independence Day and to give effect to that recommendation. I bet to move the Second Reading of the Public Holidays (Amendment) Bill.

Mr. Hoyte: (Replying) Mr. Speaker, it is disconcerting to find such irrelevant statements in relation to a matter which is of national importance and significance. It was clearly spelt out, both in the report of the Republic Committee which was circulated in this Hon. House and in the Statement made by the Hon. Prime Minister, that it was hoped that Republic Day would be a day when the entire nation would forget political partisanship, civic strife and all the petty divisions, and come together in unity to mark our common respect to the nation and country of Guyana. It is also hoped that on Republic Day, we will gather up all our national attributes and the things which tend to unify us as a nation in this common and public act of allegiance, under the flag of Guyana.

It is difficult to understand how the Hon. Member Mr. Ram Karran can get up with such an air of levity to say that Independence Day should be a Public Holiday. The Government cannot accept that there should be an additional holiday. It is hoped and, indeed, it is Government's intention that under the Co-operative Republic, there should be an understanding that a nation must be founded upon hard work. There will be no room for people who feel that you can make economic progress and in the final analysis, political progress by idling on seeking every opportunity to avoid work.

I think, Mr. Speaker, it is important that we remember Independence Day, and I have indicated that that day will be marked as a day of national significance. There will be appropriate acknowledgement of Independence Day but that day will no longer be a Public Holiday. Republic Day is significant because, unlike Independence Day, it has arisen out of the consensus of the Guyanese people and indeed out of a consensus of Hon. Member of this House. Republic Day will be a greater significance than Independence Day. Mr. Speaker, I beg to move that the Bill be read a second time.

Motion on the Approval of Financial Paper No. 7/ 1969, Ministry of Home Affairs: 25th November, 1969

Mr. Hoyte: The Hon. Member Mr. Ram Karran adverted to item 67 and spoke at length on the sum provided for Republic Celebrations. I think that it was made abundantly clear in the report of the Republic Celebrations Committee, and also in the statement made by the Hon. Prime Minister in this House accepting the report of the Committee, that Government had set a limit of \$100,000 as public expenditure for Republic Celebrations. This sum of \$70,000 represents the amount which will be spent this year leaving a balance of \$30,000 to be spent next year. It is hoped, and indeed the Committee has been so advised that expenditure would be kept to the minimum. It will be recalled that the Government's policy on the Celebrations was very clearly stated, namely, that there should be no lavish public expenditure. But the Government hopes that the people themselves will make the occasion a grand national one by their participation.

On the question raised by the Hon. Member Mr. Balchand Persaud under item 68 on which he did roam at length, it has been the pattern in this House by Hon. Members of the PPP and, indeed, outside of this House, to take every opportunity to malign the Police Force and the Security Forces as a whole. I wish it to be publicly understood that the Forces have the entire confidence of the Government and I would take this opportunity to commend those gallant, hardworking men on their efficiency and their devotion to duty and the way, despite all the difficulties of their jobs, they carry on their work. I reject entirely the allegations made against the Police Force.

The Hon. Member Mr. R.D. Persaud was at pains to allege that there was no transportation at Springlands. Recently, I think it was last week, there did appear in one of the evening newspapers, a picture of the Commissioner of Police in front of a large number of new vehicles which has been acquired for the Police Force. In order to increase mobility and efficiency in the Force, we have withdrawn from service a large number of vehicles which we thought had outlived their usefulness, and we have provided, and are still providing, new vehicles to replace them. I think that Hon. Members on the other side should not live in a sense of delusion. The Police Force must be in a position to act swiftly in the face of civil disturbances, and I give the community the assurance that it is able and ready to ensure public order in this country.

On all of these occasions we have to listen to the Hon. Member Mr. Ram Karran going over the same old tirade of abuse against the Police. I have already said that I reject these allegations. It is remarkable how the People's Progressive Party operates, because what the Hon. Member has done today is what the party has been doing throughout the length and breadth of this

country, that is, taking the tragedy of simple country folk who have lost their children and turning it into a political, and very often racial, question. I scorn, Mr. Chairman, to make any further reply to the Hon. Member on this point. The extent of his rascality is patent.

I think the Hon. Member Mrs. DaSilva raised an important point in relation to the traffic lights at the corner of Camp Street and Church Road. The position is that those lights were struck twice by motor cars involved in accidents at that point, and the technicians have advised that because of the damage to the central unit, it is impossible to repair it. Therefore, a new unit has been ordered. It has taken a considerable time for the manufacturers to deliver it. My latest inquiries have revealed that the unit should arrive in this country sometime next month.

I will draw attention to the fact that if motorists will follow the normal indication of the traffic lights there should be very little difficulty because one set of lights blink amber, which means "*Proceed with caution*", and the other set of lights blink red, which means "*Proceed with caution but give way to the traffic which is coming in the other direction*".

On the question of local labour and foreign labour I cannot say I am quite sure what the Hon. Member means by 'labour'. I have no doubt she is referring to the technicians who put up the lights. I am unable to say whether she is right or wrong, but I am advised that in the case of the lights at Church Road and Camp Street it is not a question of any inefficiency on the part of the technicians. It is just the history of accidents which those lights have had.

The Hon. Member, in an excess of enthusiasm, or perhaps suffering from what the Romans called *cacoethes loquendi* has failed to understand that all he has said has no relationship to the item which we are discussing and the matter are not really matters concerning the probation services which are, in fact, specialised services.

PART TWO:

**NATIONAL ASSEMBLY OF THE SECOND
PARLIAMENT OF THE REPUBLIC OF GUYANA
1970-1972**

Motion on the Extension of Part II of the National Security (Miscellaneous Provisions) Act, 1966: 15th June, 1970

“Whereas it is provided by subsection (I) of section 14 of the National Security (Miscellaneous Provisions) Act, 1966, that no provision of Part II of the said Act shall be in force after the expiration of a period of eighteen months commencing with the date of the enactment;

And whereas the said subsection provides that thereafter the said period may, before its expiration, be extended by resolution of the National Assembly for not more than one year at a time;

And whereas by Resolution No. XIX of the 25th day of June, 1969, the National Assembly resolved that the said Part II shall be in force for a further period of one year commencing on 28th June, 1969;

And whereas the said period will expire on 27th June, 1970:

Now therefore, be it resolved that the period during which Part II of the National Security (Miscellaneous Provisions) Act, 1966, shall be in force and be extended for one year commencing on 28th June, 1970.”

[The Minister of Home Affairs]

Mr. Hoyte: Mr. Speaker, this Motion seeks to extend the provision of Part II of the National Security (Miscellaneous provisions) Act, 1966, for one year with effect from the 28th June, 1970. When the National Security (Miscellaneous Provisions) Act was framed in 1966, it was contemplated that the provisions of Part II would be of a temporary nature. It was therefore provided that Part II would expire periodically and would require a Resolution of this House to extend its life for a period not exceeding one year. The time surely must come when Part II will lapse finally; but that time depends solely upon the conduct of the Opposition in this country.

It was hoped in 1966 that the Opposition would settle down to meaningful political work in this country and would place the interest of Guyana first and foremost in its considerations. Unfortunately, to date, that has not proved to be so. Unfortunately, the members of the Opposition have not seen it fit to eschew violence and subversion as a cardinal act of their political faith and, until such time as the Government is satisfied by their public protestations and their covert and overt actions that they have repudiated violence, the Government cannot avoid its responsibilities to the nation.

In the circumstances, I respectfully move that Part II of the National Security (Miscellaneous Provisions) Act, 1966, be extended as set out in the Motion standing in my name.

[Question proposed]

Mr. Hoyte: (Replying) Mr. Speaker, it is regrettable that Hon. Members of the Opposition have sunk to so low a standard in this debate here this afternoon. In particular the attacks made by the Hon. Member Mr. Balchand Persaud are deemed sufficiently contemptible not to warrant further mention. I would invite him when he has matters of this sort to ventilate to say them outside the precincts of this House or insert them in the *Mirror* which newspaper, I believe, is an arm of the Party which he has the honour to represent in this House.

Mr. Speaker, literacy in English is one of the requirements for membership of this House and I had quite wrongly, and I regret my error, equated that with a measure of intelligence. But listening to the Hon. Member Mr. R.D. Persaud I was disillusioned.

I could not for the life of me understand how the Hon. Member could come to the conclusion that, in the context of my remarks when introducing the Motion, I was referring to the Members of the House who sit on the other side alone. I speak of the Opposition, I speak of the People's Progressive Party. It is clear from the remarks which I made that there is an element wedded to violence in that Party. There is no doubt about it.

At a meeting of the General Council of the People's Progressive Party held at Freedom House on the 27th April, 1970, at 8.30 p.m., the Leader of the Party, who happens to be the Hon. Leader of the Opposition in this House, had occasion to speak on the recent disturbances in Trinidad and he himself admitted that there were elements in his Party who had been urging him to a violent course of action. Indeed, he said it was the same type of struggle that certain elements in his Party, like Ramon Gaskin, were advocating and if the People's Progressive Party had taken their advice it would also have failed like the Black Power Movement, because of US assistance to the Government. He argued that had the Trinidad Opposition joined forces with the Black Power Movement, events might have taken a different turn. He said that he preferred to pursue a Parliamentary struggle for the time being, while at the same time inciting the people against the Government, so that they would become dissatisfied and "*revolt spontaneously.*" When the time came it would be ripe for the PPP to seize the opportunity to identify itself with the violent struggle.

The point is this: the Hon. Leader of the Opposition himself, in his capacity as Leader of the People's Progressive Party, admitted that there were elements who were bent on armed revolution. In all the speeches made at political meetings organised by the PPP, one gets this idea coming through from what may well be the undisciplined forces in the Party.

I do not say that the leader of the party is so stupid as to feel that he can embark successfully on a course of armed revolution. Old Members like the Hon. Member Mr. Ram Karran know better. Old Members like the Hon. Member Mr. Wilson Know better. They know that condign, swift and massive retaliation would wipe them from the face of Guyana. But the Hon.

Member Mr. Balchand Persaud persists in his diurnal excursions, not to mention his nocturnal excursions, up the Mahaica Creek. Let him beware!

"A two handed engine at the door, standing ready to smite once, and smite no more."

[Applause]

Mr. Hoyte: I am not unaware of the various movements, the various currents and under-currents. That is not my job. I do not pretend like Benjamin Jowett, the English scholar, to say I know everything and what I do not know is not knowledge. I make bold to say however, I believe the information which reaches me in due course is information which is accurate and which has been tested and double-tested. In the light of such information and in the light of the refusal of leadership of the People's Progressive Party to repudiate violence as a course of action, a legitimate weapon of political action, I say that Part II of the National Security (Miscellaneous Provisions) Act must be extended for another year.

Let me say a few things. Let me say that I know of the plans which have been prepared for the P.Y.O. to indulge in certain exercise whenever the Trade Disputes Bill comes up and I know of the system which is being devised to bring their members into Georgetown. I say *"let them come."* I know of the plans which have been made for the Women's Progressive Organisation to mount what they call 'massive demonstrations'. They are going to demonstrate with a view to inciting disorders and this is the thinking behind it, that when you put a number of women on the streets the Police will be embarrassed to take action. Let them beware! I know of the 'October Revolution' planned to start in the sugar belts. My good friend, the Hon. Member Mr. Harry Lall, says he is waiting for the autumn crop. Let this be clear: the Government will not tolerate any challenge to its authority and people who are prepared to risk that challenge must be prepared for the consequences which will follow.

I know of the violent speeches which have been made up and down the country, I read the *Mirror* every day with its call for violence. I know of the arrangements which were made prior to the visit of Mr. Stokely Carmichael by these novices who thought that the visit of Mr. Carmichael would have resulted in civil disturbances in this country. They were bent on becoming involved in the expected disorders so as to promote, incite and inflame violence in this country.

Unfortunately for them, Mr. Carmichael did not turn out to be the sort of person they had hoped and their plans were frustrated. I do not proceed on wild allegations. I have said, time and again, that the people in this country are entitled to engage in their lawful occasions without fear, with the firm knowledge that the consequences of their lawful acts, the fruits of their labour will redound to them.

With respect to what has been said by most Hon. Members, I will say that we have been treated to host of irrelevancies. The press is here in large

numbers and I have no doubt that with the Local Government elections imminent, this opportunity was being used by Hon. Members of the Opposition to do a bit of politicking. I do not think that there is anything basically wrong with it, but I think we must deplore that sort of thing when it descends to scurrility.

With respect to what has been said by the Hon. Leader of the minority Opposition – if I can so describe him – I will dismiss it by saying *ex nihilo, nihil fit*.

Mr. Speaker, no particular point has been made by the Members of the Opposition. They lost every opportunity to raise the level of this debate, to say something which might, perhaps, cause the Government to think again or review some aspect of policy. All that has been done is to waste time; as I said, to indulge in irrelevancies. Not one valid point has been made against the extension of Part II of the National Security (Miscellaneous Provisions) Act 1966. With those few remarks I would ask that this House approve of the passage of this Motion.

Motion on the Approval of Financial Paper No. 5 of 1970: 26th June, 1970

Mr. Hoyte: Your Honour, with respect to points made first by the Hon. Member Mrs. DaSilva, I must confess that her remarks underscore a guilty conscience. We are dealing with an item for payment of fees to counsel who were assigned by the State to defend people on a capital charge, a charge of murder.

The Hon. Member seized the opportunity to say that these people should not have been charged because the perpetrators of the Rupununi incident have all fled. We know that they have not all fled. We know, and the public knows, the extent to which the United Force was involved in the treason.

There is a vast difference between the trial which took place and a charge of treason. These persons were charged with a straight criminal act of murder. Nevertheless, the United Force went all over the country and all over the world trying to malign this country, telling people that the accused were not going to get a fair trial. Let them deny that they did not write Amnesty International; let them deny that they did not write the I.C.J.; let them deny that they did not go to the Movement for Colonial Freedom in London telling people that this country is dictatorship and that the accused were going to be 'railroaded'.

The Government has demonstrated to the world that justice prevails in this country and that the right to fair trial is being respected and maintained. It is perhaps a matter of regret to members of the United Force that the accused were not convicted and hanged so that they (the United Force) would have had the blood of these people to use for political capital.

I think that the time has come when we must tell these rascals of the United Force that we understand what the score is. After these forthcoming elections, when the electorate will have rejected them, it will be time to sweep them under the political carpet where they belong.

[Interruptions]

Mr. Hoyte: You bandits! You rascals!

[Interruption]

Mr. Hoyte: Those political infants over there, they have learnt nothing in all their years!

[Dr. Jagan: You thieves!..]

Mr. Hoyte: Let me go further. The Hon. Member Mrs. DaSilva says that the elections are a farce. But I should like to ask this question: Why then are they taking part? Why are they wasting time?

[**Dr. Jagan:** To expose you crooks.]

Mr. Hoyte: The Hon. Leader of the Opposition says that he is taking part to expose the Government. After the 1968 elections, Your Honour, the Hon. Leader of the Opposition went to London “to expose the Government.” He went to see the Prime Minister of England, Mr. Harold Wilson, and Mr. Wilson chased him. He sought the occasion of the Commonwealth Prime Ministers’ Conference to approach Dr. Kaunda and Dr. Kaunda chased him.

[**Interruption**]

Mr. Hoyte: He sought opportunity to talk to Dr. Nyerere and Dr. Nyerere chased him. After that he left to go to Canada to see the Prime Minister of Canada, Mr. Trudeau, and Mr. Trudeau chased him.

[**Dr. Jagan:** That’s a lie!]

Mr. Hoyte: Your Honour, a leader of a political party, a man of years of political experience, a man who should have been entitled to universal respect, goes to the very people whom he abuses, the white imperialists as he calls them, to be chased and to be pushed around.

[**Dr. Jagan:** To expose you crooks. You don’t want to show the film.]

Mr. Hoyte: He talks about showing “the film”. His great ambition is to be a film star, instead of looking after the interest of the Guyanese people. That is the difference between the PNC and the PPP. We are committed to the interest of Guyana, first second and last.

[**Hon. Members (Government):** Hear, hear!]

Mr. Hoyte: Hon. Members will recall that when these Bills were being debated, the Local Authorities (Elections) Bill and the District and Municipal Councils Bill, the Hon. Leader of the Opposition was not here, he was in Canada, in Manitoba and Saskatchewan and places with such strange-sounding names. When the Budget was being debated, he was not here: he had no interest at all. He was on a lecture tour in foreign parts. When elections were held in 1968 he had the presumption to write the Hon. Prime Minister asking that the elections be deferred because he wanted to go on a lecture tour. What manner of man is this? He has put other things over and above the interest of the people of this country.

[**Dr. Jagan:** What about the proxy lists?]

Mr. Hoyte: It is easy to make wild allegations. The Hon. Leader of the Opposition, following the ...

[Mr. R.D. Persaud: But this is true.]

Mr. Hoyte: ...he says that it is true. If Hon. Members will look at the *Official Gazette* of Wednesday 3rd June, 1970, they will see that all of these persons, with the exception of one individual, are public officers. How is this allegation to be substantiated? They have said that the elections are not being fairly conducted but they are taking part to expose the Government. It is their duty to take part.

[Interruption]

Mr. Hoyte: The Government has formulated legislation which provides all the safeguards, yet they ignore the law and procedures set out in the legislation to safeguard the rights of their members who are voters. And, in the final analysis, persons who are aggrieved by the conduct of elections have got the right to go to the courts and challenge the elections. All these allegations against the integrity of public servants who are manning the election machinery must be rejected as being absurd.

Yes, your Honour, with reference to a question raised by the Hon. Member Mr. R.D. Persaud, the amount of \$153,000 represents the estimated cost of holding Local Government Elections in all of the areas which will come under the Local Government legislation. The first amount of \$50,000 represents the estimated cost of holding those elections in areas where elections are being held in the first phase.

If the Hon. Members on the other side of the House wish to delude themselves, they are entitled to do so. The Hon. Prime Minister at a public meeting held with representatives of various councils said that Local Government Elections will be held in 1970 in all of the areas qualifying and he did say that the first phase is going to start in June. He made this statement in May, but despite the nonsense written in the press that elections were going to be postponed and that the election machinery is in confusion, the elections are still being held as promised.

I have heard the Hon. Member Mr. Balchand Persaud who has had the misfortune of being described as 'ignorant' in New Amsterdam, saying that the elections were postponed. Elections were never postponed. The date fixed was June 29th consequent upon Orders signed by the Hon. Prime Minister and myself. The press had originally speculated that the date for elections might have been Monday 22nd June, but no Member of the Government, not the Prime Minister, not I, ever fixed Monday 22nd June as the date for these elections. So I hope that all the nonsense which has been coming from the Members of the Opposition will come to an end and they will get down to the business of continuing as a serious political party.

The Hon. Member, Mr. R. D. Persaud, also alleges that people are still collecting proxies. Assuming this to be so, I do not know what they are going to do with them.

[Interruption]

Mr. Hoyte: The notice published by the Chief Election Officer, consequent upon the Election Order made by me, set out clearly the last date for submission of proxy applications. In any case it is a matter which is prescribed by law. I think we have got to be more serious and stop using this House as a forum for cheap allegations. This is not going to help in any way. Instead of asking questions relating to the business of the House, Hon. Members of the Opposition waste time on wild allegations.

Your Honour, I think that Hon. Members of the Opposition do themselves a disservice by not asking straight questions on the Supplementary Provision asked for. I think the Hon. Member has asked a legitimate question. He is entitled to a proper answer. Obviously one cannot give details of expenditure which comes under this Head. He himself provided himself with the answer when he said the figure has been \$33,000 for a very long time. That is so.

I have taken a much wider view of the work of the Special Branch and have formed a wider concept of what are matters of security. Accordingly, I have required the Special Branch to consider things like the traffic in drugs and narcotics as a matter of security interest, a matter which in collaboration with the regular Police will fall under their jurisdiction, so to speak.

We have read in the press and have heard statements made about the probability that there has been some trafficking in narcotics. Now, one has to set up the necessary structure. It calls for manpower; it calls for acquisition of materials; it calls for the making of the necessary contracts; it calls for training. Already as a result of the new thrust, so to speak under this particular Head, I have been able to identify no less than three persons who have been proved to be engaging in this illicit, this dastardly, traffic and I have taken the necessary action to exclude them from this country.

We have had a very serious situation with regard to the smuggling of diamonds and precious stones. While, in fact, our diamond production is known to be going up, the official returns have shown a downward trend and consequently revenue from diamonds and precious stones in this country has dropped. I have required Special Branch Officers to consider this particular aspect of crime to be a matter for their responsibility. As I have said, it is necessary to make contacts; it is necessary to have the requisite training. These things call for money. Let us be adult and sophisticated; you have to pay for information and you have to spend money for a variety of reasons on such an exercise.

Again, we have had a large measure of success. We have been able to identify a large number of people who are engaged in this type of activity. I have been able to exclude from this country at least three persons who have been identified as being engaged in this trade. We have been able to make about four arrests and these people have been dealt with in accordance with the law, either the criminal law or revenue law. Therefore,

when you look at expenditure like this leaping, you have to understand what the reason is for it and the reason, as I have said, is a very simple one. There is nothing sinister here.

I would like to draw attention to the fact that a vote like this is, in fact, audited, because the expenditure has to be certified by a number of people including the Minister. As recently as last month, the Director of Audit made certain recommendations to tighten up control over this vote and a similar one which is being operated by the Ministry of Home Affairs. I am happy to say his recommendations have been implemented to his satisfaction and to the satisfaction of the Ministry of Finance.

I can give the Hon. Member an explanation but I cannot give him intelligence. I cannot give him understanding. I reject any suggestion coming from the Members of the Opposition that they can dictate to me how to organise the Security Section of the Police Force. I will not listen to them. They are absurd and improper in making any such suggestions. I wish to make it clear that I have given an explanation. The Hon. Member can take it or leave it.

Motion on the Approval of Financial Paper No. 7 of 1970: 1st December, 1970

Mr. Hoyte: Mr. Chairman, there is really nothing to which I can reply on these items. It is interesting that the Hon. Leader of the Opposition who has for years been accused by members of his own Party – notably Mr. B. S. Rai who was a Minister in his Government – of rigging party elections, now has the utter gall to stand up in this House and talk about rigging. A man who pretends to live on \$360 a month for income tax purposes, yet educates a son on that money in Canada, by-passing institutions of higher learning in the West Indies, stands up there and talks about Guyana and patriotism.

A man who attempts dishonestly behind the back of his colleague, Mohamed Kassim of GIMPEX, to dispose of certain agencies owned by the said GIMPEX, a man who with his wife drew two car allowances for one car, this is the gentleman who stands here and talks about honesty –

[Interruption]

Mr. Hoyte: I was saying, the Hon. Leader of the Opposition is in no position to stand there and cast aspersions on the characters of other people. I would remind him of the saying, “*Cast out the beam from thine own eye before considering the mote in the eye of another.*” He talks of corruption and juggling oblivious of the fact that all the institutions he and his party control are based upon corruption and juggling, that the *Mirror*, the New Guyana Company Ltd., whatever it is for example, has not been paying any dividends to anybody. We find, however, that its assets are mortgaged to one Janet Jagan and one Ram Karran, yet the Hon. Leader of the Opposition stands there and tells us – as late as yesterday – that the *Mirror* newspaper is not the organ of the People’s Progressive Party. What utter nonsense!

I merely wish to say I can go on and on. He talks about people rising up as if the Government is not aware of the various activities, of the meeting with Jefferson, Cardin, de Alencar Osorio, the ex-Brazilian Colonel who was expelled from the Brazilian army and who cannot go back to Brazil because of his terrorist activities. We know of that meeting in Georgetown with the Hon. Leader of the Opposition and his wife. We know about other activities subversive to the State but, as I always say in this House, the important thing is to keep one step ahead and be ready to act when action is called for.

There has been a lot of talk, veiled threats from Hon. Members on the other side, but we have become accustomed to this. The links which the

Hon. Leader of the Opposition is now attempting to make in Venezuela, we know about them. We know that his wife is about to leave, ostensibly to attend a women's organisation meeting in Venezuela. Mr. Chairman, we wish to say we let them know these little things from time to time to let them understand that Government's patience and Government's tolerance are not based upon a lack of knowledge or upon weakness but merely upon the capacity of the Government, within the philosophy of the very democracy they say does not exist here, to absorb this kind of thing.

[Interruption by the Hon. Member, Mr. Hamid]

Mr. Hoyte: My dear Sir, I did not come from the ranks of the unemployed. I reject the various allegations made in respect of the elections. The Hon. Leader of the Opposition, as far as I know, on Election Day during the first phase of Local Government Elections earlier this year, was in Georgetown. I do not know by what kind of obeh he was able to stay in Georgetown and know what was happening in Leguan. He was no time in Leguan on that day.

[Interruption]

Mr. Hoyte: He says he was told and he believes.

He referred to some allegations that the votes did not tally with the records; but he did not tell this House that on the final count, when he was present, and members of all the interested parties were present, the votes tallied out. When one is counting thousands of votes, error is likely to creep in, in one way or another, either in the addition or in the separation of votes; so why come and mislead this Honourable House by saying that the votes did not tally, when in fact a final count was taken and the votes turned out to be right? Maybe this sort of thing is good enough to keep the Opposition politically alive in their own minds but for a serious forum like this it is time we have done with this nonsense, and get down to serious business.

Mr. Chairman, the Hon. Leader of the Opposition speaks of repeating statements outside. We threw out the same challenge to Hon. Members on the other side. I repeat: The Leader of the Opposition and Hon. Members of the Opposition do not understand the way in which votes have been counted. No particular ballot box was counted separately. As I said, on the first count there were errors. On the recount the thing tallied out and those are the records which are available.

Motion on the Approval of Estimates of Expenditure 1971 Budget Debate: 10th December, 1970

Mr. Hoyte: Mr. Speaker, the 1971 Budget illustrates in a dramatic way the essential rightness of the fiscal, budgetary and economic policies of the People's National Congress Government. In a way, too, it is a remarkable justification of the philosophy which has informed and motivated the Government and the Party from which the Government is drawn and which has, since the PNC took office, permeated the entire society.

In order to understand the Budget in proper perspective one must have regard to the philosophy of the PNC Government and the achievement of the Government since 1964. I suppose that in December 1964 when the electorate voted the PNC into office they did so on the basis of faith, that is, 'faith' in the Pauline sense of definition of the term, "*The substance of things hoped for and the evidence of things not seen*". But in 1970 we have passed beyond the dimensions of faith into the dimensions of fact, reality and achievements.

These achievements are palpable and are a matter of pride to the Government; it is apposite and informative, I think, to examine the major electoral pledges which were made to the people of this country and to see how the Government has, in a consistent way, been fulfilling those pledges in ample measure.

The pledges may be summarised under four broad heads: the promise to restore political stability to Guyana; the promise to bring political independence to Guyana; the promise to inaugurate the Republic; and the promise to restructure the society so as to produce in this country a just society based upon the philosophy of the People's National Congress.

There is no doubt that by resoluteness, determination and intelligence the Government has restored political stability to Guyana – (In parenthesis, may I say that those who have a nostalgia for barbarism – the few who still yearn for a return to the dark days of 1962 to 1964 – have been contained and isolated and, as the days go by, they see their dreams of a return to that dark period fading and passing away.)

Despite the fears of the few, the Government moved with determination – and, indeed, with the support of the vast majority of the people of Guyana – into Independence, bringing with it a sense of pride, a new sense of vitality, to the people of Guyana and setting the stage for the move forward towards the creation of a society in which people can live out their lives creatively.

Despite the fears of a few timorous souls, the Republic was inaugurated with the consensus of nearly all the people of this country and surely with the overwhelming consensus of this Honourable House.

The importance of that step was that the psychological situation was created in which the fourth major electoral pledge to the people of this country could be tackled with resolution and effectiveness. The pledge to restructure the society involves an economic reconstruction; it means the re-ordering of our social and economic institutions so that wealth can be distributed justly and equitably and so that the objectives of the People's National Congress can be attained.

Hegel, I think, once defined freedom as "*the recognition of necessity.*" I am tempted to say that the insistence of the People's National Congress on attaining economic independence is a recognition of the necessity of economic independence. If we are going to create the sort of society to which we are pledged, the reconstruction of society must be motivated by political and philosophical considerations. The philosophy of the People's National Congress as articulated so many times by the leadership of the Party is, of course, based on socialism; it is based on socialism which is not inflexible, rigid or dogmatic, but a socialism which recognises that what is important is the ultimate attainment of the goals which have been set.

Mr. Speaker, we get remarks from some Members of the Opposition which lead us to believe that they do not understand that even the leadership of the People's Progressive Party recognises today; namely, that socialism is not a dogma and cannot be confined within rigid channels. The Hon. Leader of the Opposition as late as the 28th of November, 1970, in speaking to a newsmen from '610 Radio' in Trinidad re-affirmed, what I may call his new recognition of this fact, that there is no dogma. May I quote from a transcript of that interview which he gave.

"What I told the students (the students of St. Augustine) was that the development of Chile, Peru and Bolivia, particularly Chile, show that one cannot be dogmatic, that there is need for flexible tactic to realise that there were many roads to national liberation and for socialism."

This is a statement with which there can be no quarrel and with which the People's National Congress is in total agreement. The socialism of the People's National Congress recognises the fact that the only legitimate end of political action is the welfare of people and so it is with all the programmes initiated by this Government. These programmes have been framed with this sole objective in view.

The well-springs of the philosophy are self-help and the co-operative way of life. I found it difficult to understand the strictures which the Hon. Member Mr. Chandisingh seemed to be making against the introduction of the self-help spirit in Guyana. Ultimately, as I understood him, I think that he did not mean that self-help was valueless or had no contribution to make to the development of Guyana. Self-help is just another way of saying that we must mobilise our human resources in the development of the country. It is the way in which the USSR was able to make the tremendous economic

advances which it did make. It is a way in which Cuba is making advances in its economy. Call it what you will, it is in fact the mobilisation of people and the mobilisation of the spirit of a nation.

Sometimes we get advice from Hon. Members of the People's Progressive Party Opposition that the Government should follow that distinguished African statesman, Julius Nyerere, that we should follow the **Arusha Declaration**, without understanding the essence of the Declaration, without understanding that the central theme of the **Arusha Declaration** was that people who had emerged from colonial regimes were money-oriented and did not understand that they had command of resources, that their labour and their initiative were able to develop a country over vast and important areas.

That has been the message which has been accepted in Guyana even before the **Arusha Declaration**, and which has been making such a tremendous contribution to the development of this country.

Mr. Speaker, there has been criticism at two levels of the national self-help road project. That project has become a symbol of the Guyanese people; a symbol of their hopes and aspirations; a symbol of the way in which they intend to achieve national dignity and economic independence, as far as possible, by their own efforts and with the spirit of the entire community motivating the efforts.

First, there was the criticism at the level of the United Force which is fundamental in philosophical terms, because I believe that that Party represents a capitalist approach which the People's National Congress does not accept. It represents a belief that a wage-oriented economy is the only way in which this country must develop and the direction in which we would want it to go. We do not accept that.

Then, there was the criticism by the Hon. Member Mr. Harry Lall which was of a different nature because I do not think that the Party he represents is on the same philosophical platform as the United Force. Therefore, I found his criticism inexplicable. The national self-help road project represents the mobilisation of human resources.

[Mr. Lall: From abroad?]

Mr. Hoyte: You cannot talk about money and the mobilisation of human resources in the same breath because you are talking in terms of incommensurables. You cannot evaluate the intangibles of the spirit in terms of money. It is evident, as I said, that we have passed beyond the dimensions of faith; that the philosophy, the self-help spirit, call it what you will, of the people has permeated the society; and that I why you find throughout a wide range of endeavours in Guyana all types of people, from all walks of life, giving of their energies, giving of their time by way of self-help to create amenities and to create conditions under which they can enjoy a better life.

For example, in respect of one Department within my Ministry, since 1964 members of the Police Force have contributed \$.25 million of self-help work. They have built stations in the Interior; they have built airstrips; they have built rest houses; they have painted and re-constructed public buildings; they have, throughout a wide range of services, contributed without a question of extra remuneration of reward because this is the way in which their energies have been realised; this is the way in which they have been involved in what they understand to be ideals of co-operative Republic, the achievement of national dignity.

I have said that the self-help way is one of the will-springs of PNC philosophy. The other well-spring, of course, is the co-operative way of life, and I do not think there is any criticism in principle coming from our friends on the other side. But may I note as a measure of achievement, that the Guyana National Co-operative Bank, an institution which arose out of the Government's intention to promote the development of the co-operative sector, has been able to service a large number of small co-operators who, under the old system, would not have been able to make a start in business much less to have accepted and completed the large contracts which they have been able to execute.

Many co-operative builders, many small farmers who have banded themselves together, have shown appreciable and tangible improvement in their particular enterprise, because they had access to finance through the Guyana National Co-operative Bank. For example, it is well known today that the pig population has grown in this country from 50,000 to something approaching 90,000. That is a remarkable demonstration of the way in which the co-operative aspect has been emphasised by the Government.

In achieving its strategy, the Government, of course, had a three-pronged attack; first of all, the mobilising of human, material and financial resources in the country; the reform of the tax structure so as to ensure a more equitable distribution of taxation and to prevent leakages; and thirdly, to employ fiscal and budgetary policies to achieve social objectives. I have already referred to the way in which the human resources have been mobilised via self-help and the co-operative, and it is necessary only to note the remarkable success of the mobilisation of financial resources when I refer to the fact that in 1970, 50 percent of the development funds in Guyana came from monies generated locally. It shows the continued success of Government's fiscal and budgetary policies. Next year, as economic growth increases, more and more of the development funds will be found in this country.

The necessity to mobilise internal financial resources is well known. The Hon. Member Mr. Chandisingh said that this insistence on mobilising internal resources is some plot by the imperialists, in essence, and he discovered a peculiar brand of animal called an "*imperialist economist*." I do not know whether there are imperialist economists or anti-imperialist economists, but I do know that the consensus of distinguished economists

throughout the world, in so-called 'socialist' countries and in other countries, is that you cannot develop a country with the aid of foreign loans and that any real development must come from resources generated in your own country.

I do not think even the Hon. Member Mr. Chandisingh will call a distinguished Argentinian economist like Raul Prebisch, an imperialist or a reactionary. In his monumental study of the Argentine economy, Prebisch has come up with this same solution which we in our humble way in Guyana have recognised and have been trying to implement in our various proposals and policies. As early as 1949, Schumpeter in the United States made the same point. He has gone further than any economist I have known because he has said that only growth which is attributable to internal resources can really be called developmental. We need not quarrel as to the question of degree. In the academic arguments between economists, what is important is the recognition of the central fact and the central argument; and what is important for us in Guyana is that we have recognized the essential rightness of this thesis, and by action, policy, and programme, are working towards that end.

One finds that there is a tendency perhaps on our side, perhaps on the side of Hon. Members of the Opposition, to pay an almost awesome regard to economists. I think they are important. I think that they are important in that they can set our parameters within which one can formulate policies; but side by side with the theses of economists, there is what I call the collective wisdom of the people.

If we bother too much with economists, we are in danger of elevating them to the status of witch doctors of the present generation. There is a danger of believing that everything they say is naturally right. There is a danger of believing that, although we might not quite follow what they are saying they must be right because we cannot understand. That is why I said before that the socialism of the PNC is not dogmatic or inflexible, but is pragmatic, and that that socialism will be motivated by the interests of the people of Guyana as the People's National Congress Government sees it.

With respect to the reform of the tax structure, the Bills which were passed last evening, the Corporation Tax Bill, and the Income Tax (Amendment) Bill, have been framed towards this end. I think Hon. Members understand the necessity for those two pieces of legislation, to ensure that corporations operating in Guyana pay a fair share in taxes, to ensure that the tax leakages which have hitherto occurred are stopped, and to ensure that the money, or a great part of it, which is generated here and which comes from the people of Guyana, remains in Guyana for the development of Guyana. There seems to be no dispute and the way in which fiscal and budgetary policies have been used to achieve social objectives has been demonstrated over and over again.

May I merely in passing also refer to the Insurance Act which was passed by this Honourable House recently?

[Interruption]

Mr. Hoyte: Throughout this period, as the achievements of the Government have unrolled, the economy continued to be buoyant and vibrant. Despite the wails of those who did not understand, the gross domestic product rose from roughly \$303 million in 1964 to \$476 million, approximately, in 1970, and maintained a growth rate of some 8 percent.

We on this side understand that taking averages as such and taking global figures do not necessarily reflect on improvement in the quality of life of the people. These statistics do not necessarily mean that that growth has accrued to the benefit of the working class or the majority of the people; but I will demonstrate in a moment that, in the case of Guyana, during the period 1964 to 1970, this in fact has been the case.

Again, the fiscal measures show remarkable success. They show an increase in revenue of 15 percent over the 1969 collection. If proof is needed of the success of the fiscal measure, of the success of the administrative measures introduced by the People's National Congress Government since 1964, that proof is furnished is ample measure by the performance of the economy and by the steadily growing improvement in revenue collection.

[Mr. Deputy Speaker: Time!]

[Mr. Jordan: I beg to move that the Hon. Minister be given an extension of fifteen minutes.]

[Question put, and agreed to.]

Mr. Hoyte: This growth, this improvement in the economy, has permeated the society and has filtered down to the people who matter. It has filtered down to the working class and has resulted in an appreciable improvement in the quality of their lives. In 1965, based on work done before and on the position in 1964, Mr. Francis, the United Nations adviser, calculated that the unemployment situation was in the region of 21 percent. When one refines that figure, the actual unemployment situation was somewhat less; but since 1964 the labour force has increased from 193,000 to 220,000, so that while the labour force is increasing at an average of 2 percent, the employment opportunities have been increasing at an average of 4 per cent thereby making a dramatic impact upon the reduction of the unemployment ratio.

A recent study by an I.B.R.D. team in Guyana has estimated, after a most careful analysis of the situation in Guyana, that the actual unemployment rate is between 12 and 14 percent. That has been an extraordinary measure of success for the People's National Congress Government, a success in which the Government takes pride but does not ask for any kudos, because

the Government is committed to doing the very thing that it is doing, that is, improving the quality of life in Guyana.

Again, throughout all the social sectors, if I may call them that, you will find this improvement in the quality of life. You find, for example, in the field of health – I touch on health because of certain ill-advised criticisms as to the quantum of money allocated for the Ministry of Health, a point which the Hon. Minister of Health has herself attempted on several occasions to clarify and explain in this honourable House – there are large sums in Ministries other than the Ministry of Health which bear directly on health and which have to be taken into account when one considers the overall allocations for health services. One example is the pure water supply which is an important aspect of any health programme and which could properly be placed under the Ministry of Health. One has to take account of and note Government's programme for pure water supply development which involves the expenditure of \$53 million over a period ending 1979, at which time there will be a pure water supply system from Charity to Crabwood creek.

May I, with your permission, Mr. Speaker, read from a Press Release made by the Ministry of Works, Hydraulics and Supply which sets out the programme succinctly. I quote:

“By 1979, the whole coastal area, from Charity to Crabwood Creek, including the Islands of Leguan and Wakenaam, will have had up-to-date water supply systems installed. The estimated cost is about G. \$53 million. The first portion of this programme is underway, and within six months, six new high capacity wells will be drilled at New Amsterdam, Mon Repos, Better Hope, Eccles, Covent Garden and Grove. By mid-1972, six new water treatment plants at all those sites (except New Amsterdam) will be in operation. More than one hundred thousand feet of pipelines will be installed. New ground and elevated storage will be constructed.”

[Mr. Hamid: Riddle-me-riddle-me-ree.]

[Mr. Deputy Speaker: The Hon. Member knows that he is not supposed to heckle while the Minister is making a quotation.]

Mr. Hoyte: As I was saying before I was interrupted by murmurs from the other side:

“On completion of this project, persons within this area (East Bank and part of East Coast, Demerara) will enjoy a high pressure high quality water supply, not subject to the distressing limitations now experienced.”

By 1979, the programme will have extended, as I have said before, from Charity to Crabwood Creek.

The criticisms about the health programme seem to imply that there must be some high cost prestige hospital and there must be a large number of specialist doctors running all about the country or deployed throughout the country.

I do not think that this concept of health planning finds favour with the Minister of Health, because what is needed is what the Hon. Member Mr. Chandisingh so rightly pointed out, an improvement in the services at local level by the training of a large number of paramedical people who are able to deal with routine ailments, self-limiting ailments, and who can provide an adequate and efficient service which does not require the attention of highly skilled people.

This is precisely what the Ministry is doing and it is in this context that the proposal for the multiplication of medical specialists at the top does not find favour with the Ministry.

Many things have been done while the Health Plan is being prepared, which plan I am informed is now in its final stages. There have been improvements in so many sectors. For example, in the dental sector of Public Health we find that there has been improvement in 1970 by the employment of four additional dental orderlies, the creation of five additional posts of dentists, improved conditions for dentists and the implementation of a plan to provide in selective areas a preventive programme of schools dental health beginning in January 1971.

It is in this context that the achievements of the Ministry of Health must be assessed, in the context of the fact that there has been steady progress in improving the services at the very level where improvement is most important, that is, at the level of paramedical people. There has been improvement in areas which tend to be neglected in the past, for example, dental health. There have been large allocations in areas outside of the Ministry of Health which have a direct bearing upon the health programme.

Other areas of what I have called the social sector have felt the impact of the improvement in the economy of this country. Despite the loud Opposition cries against National Insurance Scheme, it has come into being and has proved to be a tremendous boon to the working people of this country. Sickness and industrial benefits have been implemented and by the end of 1972 all of the benefits which are included in the Scheme will be available to all contributors.

Perhaps I may take this opportunity to remark upon a pledge which this Government gave when the National Insurance Bill was being debated. It is the intention of this Government that industrial benefits should not be less than those which the workers obtained under the Workmen's Compensation Ordinance. Because of the pressures in the drafting section of the Attorney-General's Chamber the necessary amendments have not been finalised yet, but I have been informed by the Minister of Labour that there has been consultation with the Trades Union Council and, I believe, with the Hon.

Member Mr. Derek Jagan who raised the point in a debate sometime ago. It now a question of getting the decisions put into proper shape by those responsible for drafting legislation. Mr. Speaker, that pledge has been given and that pledge is being honoured.

I would remark, Sir, upon the way in which some members of the Opposition who spoke on agriculture did not recognise the social implications of Government's policy in respect of agriculture. The objective of the Government in respect of agriculture has always been dual. It is based not only on the increase in the gross national product, but also it is to create an area in which a large section of the people can participate, to create by agricultural policies an extended area for earning a livelihood outside of the wage-oriented structure. This consistent with the Government's over-all philosophy of attempting to move people away from a wage-oriented towards economic activities in which they themselves are involved and in which they can find not only profit, but personal pride.

There is over this area which I have traversed much room for pride by the Government in its achievements. But those achievements are geared towards the final objective; the final objective being, of course, economic independence and diffusing of economic power to the people of the country so that their political power is reflected by their economic power.

There are certain social troglodytes in this country who do not understand that times are changing. This Government has got no vested interest in maintaining the *status quo*. There are people who believe that change is instability. Some businessmen who do not accept the fact of change keep moaning that the climate for investment is bad; they keep moaning that the opportunities for foreign inflow of capital are dwindling; and they keep wringing their hands at what they call the increasing instability, financial and otherwise.

But the truth of the matter is that they confuse changes in the *status quo* with instability. This Government, however, is committed to a policy of change. Those people in the business world who do not understand that they must adapt themselves to change, that change is a fact of life which they must accept, those people who fail to understand this fact and adapt themselves will become extinct as the dodo. There is much opportunity in Guyana today for businessmen of initiative and enterprise, and for the establishment of new business ventures which are profitable and which can bring ample returns to investors.

We in this honourable House sometimes, perhaps to frequently, indulge in charges, counter-charges, allegations and counter-allegations and recriminations; but I think that we understand that basically this is part of the hurly-burly of political life, and that there is really no malice involved. I think that we all understand that, whatever roads we take, we are really moving towards the same objective and motivated by the same goals, namely, the development of Guyana and the building here of a society where people can live their lives creatively, where they can be assured of a good

living, and where they can find dignity and pride. The American poet, Countee Cullen, when he reflected upon the depressed conditions of the non-white people in the United States of America felt that the dawn was breaking for them, he felt that there was the prospect of hope, and he said in speaking to them, "*We shall not always plant while others reap the golden increment of bursting fruit.*"

I think that that is the attitude which all of us today adopt. The Government does not intend to sow while foreigners reap the increment of bursting fruit. The labourer does not intend to sow while the capitalist reaps the golden increment of bursting fruit. And because Guyana intends to reap the golden increment, and because the working people in Guyana intend to reap the golden increment of their toil and effort, this Government must continue with the policies which it has so courageously formulated and which it pursues with such resolution and dedication. I thank you, Sir.

[Applause]

Motion on the Second and Third Readings of the Exchange Control (Amendment) Bill: 11th March 1971

Mr. Hoyte: Mr. Speaker, this Bill is part of the package of legislation which has become necessary as a result of Government's decision to nationalise the Demerara Bauxite Company. Hence the urgency and hence the request by the Hon. Leader of the House for a suspension of the Standing Orders. Although the provisions of the Bill are passed in general terms, it is not the intention to exercise the powers which they seek to confer upon the relevant Minister, that is, the Minister of Finance, other than in relation to the bauxite industry. The legislation therefore is aimed particularly at that industry.

The Bill seeks to achieve some very simple but essential objectives: first of all, to ensure that the foreign exchange which is earned by the export of bauxite accrues to the benefit of the national economy, and to this end, the Bill seeks to ensure that the proceeds of the sale of bauxite exports are repatriated forthwith to Guyana and are deposited with authorised dealer, secondly, that when the proceeds are repatriated they are not allowed to leave Guyana without the permission of the Minister. I should add a qualification to the last statement because, as it will be observed, the Bill exempts from the restriction, current international transactions in accordance with Guyana's obligations to the International Monetary Fund.

It is perhaps important to explain that the powers which this Bill seeks to confer will be supplemented by the issue of the necessary directions under this legislation as amended and also by the promulgation of at least one Order under provisions of the principal legislation. For these reasons, which are urgent and important in the interest of the national economy, I commend this Bill to this Honourable House and move that it be read a second time.

Motion on the Approval of Government's Policy: 21st May, 1971

Mr. Hoyte: Mr. Speaker, no intelligent assessment of Government's record over the past year of the projections made in the President's Address can be made except against the background of Government's policy. Indeed, no criticism is valid unless it takes into account those policy objectives, and seeks to judge Government's performance within the context of those objectives. Government's economic policy is well known. It has been defined, articulated and debated in this Honourable House time and again, and outside this Honourable House it has been discussed, and, I believe, has gained widespread understanding and acceptance.

I do not propose, therefore, to traverse ground over which we have gone so many times; but by way of preface to an examination of Government's performance, I would wish to emphasize a few of the salient aspects of that policy. Government's economic policy is aimed at achieving economic independence for Guyana. In other words, it is aimed at ensuring that the Guyanese economy is controlled by the Guyanese people themselves. In pursuance of this overall objective, Government has made a number of policy statements with respect to economic activities.

For example, Sir, it is known publicly that Governments has adopted a policy which requires and demands that the natural resources of the country be owned by the Guyanese people themselves. This policy has a number of concomitants, but all of these things really come down to this: that there must be an increasing dependence by the Guyanese people on their own efforts, their own initiative and their own resources and a corresponding decreasing reliance upon foreign capital resources.

The policy, therefore, requires a clear and unambiguous programme of local capital mobilization, indeed a mobilization of internal resources, financial, material and human. To this end there has been the promotion of that economic vehicle which is most suited to our democratic system, the vehicle of the co-operative, which has been recently described by the Prime Minister of India as being the most powerful influence in a democratic society and a vehicle full of social purpose.

Along with this has been the identification of the philosophy of self-help to harness the spirit of the people, to harness their labour and their goodwill and their national instinct to the great objective of economic development.

It is interesting to note that this policy of economic self-reliance which was defined in Guyana by the People's National Congress has now come to be accepted as economically valid throughout the world.

Indeed, we see the economic policy which has been adopted by the Andean group of countries following directly along the policies which had been

adopted by the People's National Congress, a policy of exercising more and more control over the national economy so as to achieve economic independence and self-reliance based upon the mobilization of internal resources. And not only, Mr. Speaker, in the Andean group but we find in almost every developing country of the world, also that there has come about the realization that foreign capital cannot be the catalyst for relevant economic development. It is not a question of political complexion. This has become a matter of simple economic common sense and so we find that on a question like this the Marxist, Allende, in Chile is on the same economic platform as the pro-western Caldera in Venezuela.

And it was interesting for me to note recently, in reading the 1971 Budget address of Mr. Andreas Patsalides, the Minister of Cyprus, that he makes the same point that the motive force for national development must come from your internal resources and that the foreign resources, for a multiplicity of reasons, cannot perform the job.

May I read, Sir, a portion of his Budget Address which I think is apposite to the point I am making. This is at page 5 of the printed Address. He had just completed a review of the growth of the Cyprus economy and he went on to say this:

"It is worth noticing that the sectors of primary and secondary production grew at the same rapid pace as those of tertiary production. This indicates –

- (a) That the existing exogenous sources of income and foreign exchange have been utilized to a satisfactory extent, and*
- (b) That the economy is constantly being diversified and that the income from exogenous sources does not constitute the primary moving force of our economic development."*

The matter transcends mere politics and has become, as I have said, a matter of economic common sense. So we have set ourselves upon a course aimed at achieving economic independence, aimed at controlling our economy and aimed at mobilizing domestic resources for the great task.

We in Guyana have arrived at this economic policy out of our own experience. We have not adopted a policy based upon any doctrinaire philosophy; but it is heartening to know that that policy is right and is accepted as being right in so many diverse countries of the world.

Against that general policy, let us examine the performance of the economy to see whether that performance justifies the policies which the Government has pursued over the past year.

In 1970, the economy continued to be buoyant and continued to grow with vitality as it has been growing since the People's National Congress took office in December 1964. The gross domestic product rose from \$447 million in 1969 to approximately \$476 million in 1970 achieving a growth rate of 6.5 percent over the past year.

Mr. Speaker, I concede that merely to recite the performance of the GDP may be meaningless and that the increase in wealth in the country might not really be the type of growth which filters down to the mass of the people; but because the PNC has been pursuing a policy of relevant development, a policy which aims at utilizing our resources which are most plentiful, namely labour, that increase in the GDP reflects a real and palpable improvement in the quality of life of the people.

One has only to listen to the performance in the various sectors of Government activity, which performance has been explained in this Honourable House by my colleagues who have spoken before. One has only to observe the wave of optimism throughout the country, the enthusiasm with which people have buckled themselves to the task of economic development, the way in which thousands of people have responded to Government's self-help policy contributing by their efforts over \$20 million to the economy. When one examines those facts, there can be no question in the minds of reasonable men as to how the economy is growing and how the quality of life of people is being affected in such a wonderful way.

In the field of exports, despite the shortfall in sugar brought about by political strikes engineered by the People's Progressive Party and GAWU, of which Union the Hon. Leader of the Opposition has the distinction of being Life President, despite the disruption which was aimed at crippling the economy and bringing down the Government, exports have shown remarkable resilience and improvement. And let me say in passing, that those anti-national strikes in the sugar belt achieved nothing because GAWU was not and still is not recognized. The workers got nothing. GAWU will not be recognized by virtue of any political strikes. Of course, the economy has suffered. Most of all, the very workers who were so misled by PPP political activists, lost millions of dollars in wages and have achieved, I say again, absolutely nothing.

[Interruption]

Mr. Hoyte: I say this because I wish to make this point, that this Government will not yield to the type of political pressure which arises from using the industrial strike weapon to achieve political ends. But let me continue.

Merchandise exports increased from \$225 million to \$226 million. The increase from 1969 to 1970 shows an increased percentage of 5 percent; and when one takes into account the export of services, that figure of \$268 million rises to \$300 million. It is in the figures relating to private and public consumption and investments that the effect and impact of Government's policy is seen most clearly, because we have set out, unambiguously and without apology, to change the pattern of consumption and investment in this country, and we have used fiscal, economic and budgetary measures to achieve this end.

Let me examine the figures and let us all who are able to do so, draw from those figures the real lesson and the relevant information. Between 1964 and 1970, the pattern of consumption and investment has undergone a radical change, a change which will show that the infrastructure for the relevant development of this country is being well and truly laid. In 1964, private consumption was \$225 million; that figure rose to \$335 million in 1970. Public consumption rose from \$47 million in 1964 to \$94 million in 1970, making a total increase over that period of \$270 million, total consumption rising to \$429 million in 1970.

Let us see the other aspect of these figures in relation to investment. Private investment in 1964 was \$44 million rising throughout the period of People's National Congress Government to \$68 million in 1970. Public investment rose from \$10 million in 1964 to \$48 million in 1970; so that investment rose from \$54 million in 1964 to \$116 million in 1970.

Let us see the other side of the picture. In the field of expenditure, the increasing role of Government in the economy manifests itself in a clear and unmistakable way. In 1964, private expenditure rose from \$267 million to \$403 million. Public expenditure rose from \$57 million to \$142 million, making a total gross domestic expenditure of \$324 million in 1964, rising to \$545 million in 1970. What do these figures reveal? What is the story to be drawn from them?

It is palpable that Government is playing an increasingly vital role in the economy, that Government action is becoming more and more important in the direction of the national economy; and that in pursuance of Government's stated objectives, there has been a relative and absolute increase in investment as against consumption, for while private expenditure rose at an annual rate of 7 percent, public expenditure over the period rose at an annual rate of 16 percent or over twice that fast. In the field of private consumption, Government, by its policies, and the people, by an understanding of the importance of those policies, restricted private investment to seven percent which is lower than the growth rate of the national income over the same period, which is 1 percent. This indicates, without a doubt, that there have been greater domestic savings over the period and a relative decline in consumption. This fact has reflected itself in an increase in investment, but public consumption rose at the rate of 12 percent which is extremely modest when one considers the dramatic increase in public investment over the period, which increase is in the figure of 30 percent.

There has been a substantial change between consumption and expenditure and between public and private investment. All of these things show the relative change which has been Government's policy objective, a change between private ends and public ends.

It is important to note, Sir, that in 1970 imports increased by some \$28 million over the 1969 figure. This increase has been not an increase in goods for consumption but almost wholly an increase in goods for investment. This represents, as I said, stabilisation of the consumption patterns within

the economy, and a strengthening of the infrastructure for growth by increasing domestic investment for relevant development.

Mr. Speaker, we get unintelligent mutterings from Hon. Members who obviously do not understand the nature of the figures which have been disclosed. In the field of saving – in private savings – the figure of \$21 million in 1964 rose to the figure of \$27 million in 1969; but more dramatically in the field of public savings, public savings of \$1 million in 1964 were increased by the massive, intelligent, relevant fiscal measure of the People's National Congress Government to \$15 million.

Those, I repeat, are public savings which, of course, have gone to finance the Government's Development Programmes. And let me remind those who are forgetful or those who did not read or listen carefully to the Budget Speech by my predecessor. In the Budget Speech of 1971, at page 17, there is this sentence which seems to have escaped the minds of certain Hon. Members of the Opposition or, perhaps, the impact of it was too great for limited understandings. There, the Hon. Minister of Finance at the time dealt with the Development Programme and the financing of the Development Programme. He ended with these dramatic words:

"Thus, it is evident that Guyana from her own local financial resources financed nearly 50 percent of our development works."

Mr. Speaker, we talked of controlling our resources, we talked of controlling our economy. The Government is committed to all of these things and the Government has taken the necessary resolute action which will enable us to achieve this objective, that is, action aimed at capital mobilisation within the community.

Hon. Members will recall that Government introduced far-reaching fiscal measures in 1970, aimed at making the tax burden more equitable, aimed at bringing into the tax net, so to speak, certain persons, who were evading their legitimate tax obligation, aimed at ensuring greater capital mobilisation within the country. These fiscal measures arose out of the Report of the Fiscal Review Committee which did such a wonderful job and to which Committee I would like today to pay public tribute. The fiscal performance has shown how right the Committee was in its recommendations, and that performance has shown how efficiently Government has managed the new fiscal system which was designed to increase revenue and improve our tax performance.

May I also, Sir, before dealing with the performance, also pay tribute to a Committee which was established by the Government – the Committee for the Efficient Collection of Revenue, which Committee has been chaired by the Parliamentary Secretary to the Ministry of Finance. That Committee was appointed to keep under constant review the revenue-earning Departments of Government, to ensure that efficient systems were in operation, to identify areas of weakness and generally to help those

Departments to get about their business of collecting revenues which are due to Government. That Committee has done a remarkable job and is continuing, under the chairmanship of the Parliamentary Secretary, to do a good job in making the system efficient.

But, Mr. Speaker, let the figures speak for themselves. Total revenue in 1969 was \$116.9 million and that figure rose to \$135.9 million in 1970 an absolute increase on some \$19 million representing an increase of 16 percent over Budget expectations and 19 percent over 1969 performance.

Now, let me deal with some specifics. Let me select certain Heads of Revenue, look at the Heads of Revenue and consider the performance. I deal specifically with income tax because Hon. Members will remember the Income Tax (Amendment) Act which was introduced in this Honourable House last year and which was the subject of much ill-informed controversy and discussion. But the proof of the pudding is in the eating – if I may use a homely phrase – and one has to see how the legislation has performed and what has been the increment to Government from the passage of that legislation.

In 1969, income tax reached a level of \$34.4 million. In 1970, it reached a level of \$50 million, an increment of approximately \$16 million, and \$7 million over Budget expectations.

Let me look at particulars of income tax – company income tax. Again, Hon. Members will recall the noise and the confusion, particularly from our friends in the United Force, because I am persuaded that the Hon. Members of the People's Progressive Party Opposition went along with the spirit of that legislation. Company income tax in 1969 yielded the measly sum of \$18.9 million. The legislation which was introduced in December, 1970, was able to make a dramatic impact upon that level of company income tax.

In 1970, company income tax increased from \$18.9 million to \$31.7 million, an increment of \$12.8 million or 68 percent higher than the 1969 level. There can be no doubt, in the light of these figures, of the rightness of Government's fiscal policy. There can be no doubt that all the talk about inefficiency, all the talk about blundering on the part of the Government, has no validity because, as I have said when I began my intervention in this Debate, there can be no intelligent criticism of Government's policy.

[Mr. Speaker: Time!]

[The Minister of Trade & Leader of the House (Mr. Ramsaroop): I move that the Hon. Member be given a further 15 minutes to continue his speech.]

[Question put and agreed to.]

Mr. Hoyte: There can be no intelligent criticism of the projection of Government's policy in the President's Address unless we look at

Government's record and the actual performance as seen against these figures, and these figures tell a story. They tell a story of Government's efficiency and of increased and improved management of fiscal and budgetary matters.

But this whole question of capital mobilization has had within the space of that on year remarkable success. Consider the performance of the Guyana National Co-operative Bank which has been established as a popular institution, and alliance of the trade unions, co-operative societies, the friendly societies, and the Government, to set up a financial institution which has its roots in the people. That was a test of public confidence. Did the people believe in themselves? Did the people believe in the Government? Were they prepared to deal with a national institution which promised to follow a national policy as against the foreign commercial banks?

The increment in the banking system in 1970 was \$11.8 million, and of that increment, the Guyana National Co-operative Bank garnered to itself 60 percent in less than one year. Let us remember that that Bank opened its doors to the public on the 24th February, 1970. These are signs of change. These are signs of growing maturity, these are signs that the people of Guyana are prepared to stand up and be counted among those who have faith in our country and faith in the People's National Congress Government.

[Applause]

Mr. Hoyte: The insurance legislation has, now that the shouting is over, brought about a substantial increment in local investment. Prior to the legislation, the insurance companies invested large sums abroad. They garnered the savings of ordinary people by way of insurance premiums and those premiums were invested. Where? In Canada, in C.P.R. shares, in Rhodesia, in South Africa, in the United States, in the United Kingdom, and in places with strange-sounding names. The Government does not apologise for passing legislation which says that local premiums must be invested in Guyana and that a portion of that investment must be investment available to the Government. And so, the \$15 million which they collected on average every year, \$6 million of which was used for investment, now remains in this country to spark the National Development Programme and to ensure that the people's wealth, generated by the people's labour, remains here to create conditions which are conducive to their economic improvement and benefit.

And so I can continue in this strain. I can continue showing how on every front of fiscal, economic, and budgetary policy, the Government has achieved success after success. I can show how this Government, by an inspiration of confidence, by the setting-up of a system of efficiency, by placing confidence in local people, has been able to generate that enthusiasm, has been able to generate those resources in terms of money,

of material, and the human spirit, which are the prerequisites for the development of this country.

I said that there has been a shift in the pattern of consumption and investment. That shift has been a shift agreeable with Government's economic thrust, and I pointed out that the increments in the imports in this country have been increments of capital goods. Let us see an area in which Government agencies are embarking upon capital expenditures important to the development of this country. The Guyana Electricity Corporation has embarked upon an expansion programme aimed at electrifying the entire coast of Guyana, taking in the islands of Leguan and Wakenaam, a programme costing some \$77 million over the period 1971 to 1976. Work has already begun to upgrade existing systems and to provide systems where none exist. I would draw this particularly to the attention of Hon. Members of the Opposition who keep asking how is the money being spent.

It is important to bring about a large increment in domestic savings for a number of reasons, not only because the Government is embarked upon a policy of economic self-reliance which requires us to finance more and more our Development Programme but also because foreign capitalists and investors have become wiser and are observing the winds of change. They are no longer investing in developing countries alone. They are calling for local counterpart funds to induce them to come in. This is a policy of wisdom and even financial intuition. For example, the International Finance Corporation has laid down its policy that it will not grant any loans to private enterprise for investment in foreign countries unless the foreign investor is prepared to go into partnership with local people. So that you cannot even today induce your foreign investor unless you are prepared to put up counterpart funds to go along with his. This is a pattern of economic investment today. Government responds to that pattern in an intelligent and forceful way.

The Hon. Member Mr. Balchand Persaud, in his youthful exuberance says that this is not a capitalist society. Is Poland a capitalist society or is it one where socialist friends reside? Why is it, Mr. Speaker, that Poland is making desperate efforts to obtain American development loans which action brings us now into conflict with its Russian masters? Why is it that Russia, the great example of the communist system, has entered into agreement with the hated capitalist in Italy to provide Fiat factories in Russia? Why is it that the Russian Government tried to enter into an agreement with one of the most hated capitalist in the world, Henry Ford, to supply trucks and to apply the American expertise in truck building in the Soviet Union, which agreement was blocked by the US Government? The young Hon. Member does not know that the Russians have been trying to encourage and interest Japanese capitalists. Is Japan a socialist country is it one of the greatest capitalist countries in the world in company with the United States and West Germany? Why is it that the Russians have been making tremendous efforts to interest Japanese industrialists and capitalists to join

them in a consortium to develop Siberia? If the Hon. Member has to answer let him get up and speak.

Is it not a question today of political ideology. Economic is not political ideology and even the Russians are coming to understand that the crude Marxian analyst that ideology is a superstructure on the society is wrong and that ideology must form the infrastructure out of which comes relevant economic development.

I remember the Biblical injunction not to cast pearl before swine. It is difficult to deal with people who do not know. I am prepared, out of an abundance of charity to enter into an explanation which my young friends over there do not understand or which they may require in the lobby after I have left this chamber. Let us not enter into fields which require reading and understanding, and let us bring ourselves back to Guyana and stop wasting our time about the Soviet Union, Poland and the United States.

We in this country have embarked upon a policy of economic self reliance. We have embarked upon a policy of equitable tax distribution, and I have shown how long delayed legislation which was introduced last year has such a dramatic impact on the revenues of this country. May I say that there is much more to be done? We do not say that we have reached the end of the road. We do not take any particular pride in what has been achieved because this is a beginning and we are moving towards a stated objective.

In the field of taxation there are far too many people who dodge and evade taxes. We have a population estimated at the last census to be something like 714,000. Let us make a conservative estimate and say of that number 200,000 people are gainfully employed, yet today we find on our income tax books something in the vicinity of 80,000 people. The thing is incredible and it is obvious that there are many evading income tax.

There are large numbers of people who manage by one deal or another to evade their just obligations to this country and so, not only has the Committee on the Efficient Collection on Revenue been functioning, but there has been efforts to improve the Inland Revenue Department both in techniques and in administration.

Training has been going on continuously, on Monday the Department will be starting a new training course designed to upgrade the quality of tax officials, and accompanying this will be, of course, the new system designed to put tax officers in the various areas of the country where they can acquire their own knowledge of the financial potential of people in those areas.

Mr. Speaker, there is tremendous amount of work to be done. There are, for example, our good friends the merchants.

[Mr. Speaker: Time!]

[Mr. Ramsaroop: May I respectfully move that the Hon. Minister be given a further fifteen minutes to wind up his address.?)

[Question put and agreed to.]

[Mr. Speaker: The Hon. Minister may continue.]

Mr. Hoyte: I was saying that our good friends, the Merchants of the Chamber of Commerce, keep wasting their time writing me telling me to withdraw the defence levy and misstating the purpose for which the defence levy was introduced. Instead of bestirring themselves and looking at some of their rascally members of their organization who defraud the revenue all the time by false invoices, false tax returns, by returning losses when they have made profits, by bring goods for the Sino-Soviet bloc and then palming them off in this country as goods which have originated in western countries, or bring in goods from the Sino-Soviet bloc and re-exporting them to Carifta countries under the pretext that those goods were manufactured in Guyana. Those are some of the things that they should be looking at.

And again, they write me and threaten that if the Minister of Trade, my Hon. Colleague does not invite them to an interview they are going to publish some memorandum to attack the E.T.B. I say like Robert Benchley, I think, "*Publish and be damned!*". I gave them my answer that the Chamber of Commerce is allowing itself to become an anti-national body. I do not say 'anti-Government'. It is entitled to be anti-Government, but it is not entitled to be anti-national and to form a conspiracy with people outside of this country to thwart and frustrate the wishes of the people of Guyana.

Mr. Speaker, the people of the country have marched in 1962, 1963, and 1964 in quest of their political rights. Let those people who believe that they are so many King Canutes and they can stand on the shore and tell the waves of progress to recede, let them beware; because, unless they understand and accept that change is inevitable, when the people march in quest of their economic rights the Government will not lift a finger to save those selfish men.

There is a place for them in the economy and they must find their place and function effectively and in the national interest. But if they adopt anti-national attitudes, anti-national postures, and believe that they are a Government in a Government, the hurricane of change will sweep them away.

There can be only one Government. In Guyana there is only one Government and that is the People's National Congress Government. That Government has set its course irrevocably towards the social and economic transformation of this country and in that course it will not fail, falter or be deterred.

[Applause]

Motion on Government's Guarantee of Repayment of Loan to The Guyana Transport Service: 22nd July, 1971

Mr. Hoyte: Your Honour, this Motion before this Hon. House seeks the Assembly's authority for Government to guarantee a loan of \$525,000 to be made to the Guyana Transport Services Limited. That company was incorporated last year to provide modern, efficient and comfortable transport services on the East Coast of Demerara. The need for such services arose out of the policy decision taken by the Government to phase out the East Coast railways. The Government at present has the majority holdings in the equity of the company; though, in all cases like these where companies fall under Government's aegis Government hopes and expect that the co-operative societies would, over a period of time, take up more and more the equity, thereby reducing Government's holdings. The company is already in operation and is providing very useful and valuable services on the East Coast of Demerara. The Company has under order nineteen new buses and the sum which is being sought in the guarantee is to pay for those nineteen buses.

Mr. Speaker, of the sum required, \$275,000 will be provided by the Guyana National Co-operative Bank and \$250,000 will be provided by the American Life Insurance Company Limited. It is to be noted that the loan from the Co-operative Bank will be repaid over a period of 30 months, while the loan from the American Life Insurance Company will be repaid over a period of five years.

I should make a comment on the loan provided by the American Life Insurance Company. It is interesting to note that insurance companies are now willing to provide finance for operations outside of the traditional areas of gilt-edged securities by way of Government securities. This is a heartening departure because the Insurance Act of 1970 was devised to ensure that insurance companies invest in Guyana and do not garner the savings of Guyanese for investment outside of Guyana. So I was heartened to see insurance companies seeking out new avenues for investment and showing confidence in business operations which are organised for the benefit of convenience of the Guyanese public. For this reason, the investment by the insurance company in this particular case will be regarded by the Ministry of Finance as approved investment for the purposes of the Insurance Act.

With these brief remarks, Sir, I commend this Motion to this Honourable House.

Mr. Hoyte: (Replying) While I understand the preoccupation of the Hon. Member Mr. Ram Karran with prostitution, I decline to follow him into

that murky milieu of which he has special knowledge, but I should like to take a little time off to improve his education in thing legal. It is always laughable that with no training in a particular specialised field, it is his wont to take it upon himself to draw conclusions upon all matters in that field, or to pronounce upon measures which have been taken within that particular area of competence.

The Hon. Member Mr. Ram Karran sought to draw some conclusion from a copy of the Memorandum of Association of the Company, Guyana Transport Services Limited. Any person with the slightest knowledge of the law and the requirements of our Company Law will know that the Memorandum of Association does not give you the share-holding of a company, and I would merely explain that for the benefit of the Hon. Member.

[Interruption]

Mr. Hoyte: I would assure him that the Company is not a private company. Again, 'private' company is a legal concept: the Guyana Transport Services Limited is a public company. I hope I have improved his education.

I propose to deal with some of the matters of substance raised chiefly by the Hon. Member Mr. Sutton. It is wholly untrue to say that the former operators of buses on the East Coast were not given an opportunity to participate in this Company. When the Company was being formed by the Guyana Development Corporation, all these owners were written to and the suggestion was made that they ought to form themselves into a co-operative in order to take up the shareholding in the new entity. Your Honour, no reply was ever made to the offer by the Guyana Development Corporation.

I wish to state at this point that Government is not going to deal with individuals where economic operations are concerned. We are wedded to a co-operative philosophy and we are not going to allow individuals to take up shareholding in any company in which the Government has any say. More than that –

[Interruption]

[Mr. Speaker: Hon. Member Mr. Ram Karran, you sought the assistance of the Chair in order not to be interrupted and you are worse than that. Please do not let it occur again.]

Mr. Hoyte: The former owners of the buses made representations to the Hon. Prime Minister through their lawyers, one of whom was the Hon. Member Dr. Ramsahoye. The Prime Minister then put proposals to them whereby their buses would be valued and that valuation would be taken

up in shares to be held by them. Even that offer was refused. The point is that Government has gone out of its way – not out of its way really, because Government conceded that this service was one in which the people ought to participate to ensure that among the first persons who ought to be able to participate were the people who formerly made a livelihood out of providing the service. No matter how inefficiently, the point is they did run a service and they were given the opportunity. That opportunity to participate on a co-operative basis is still open.

Government was of the view that the workers immediately concerned in the transport services should become involved, and an offer was made both to the Transport Workers' Union and the Transport Workers' Co-operative Credit Union for them to buy shares in the new entity. The Transport Workers' Union has made certain deposits towards the acquisition of the shares. The Credit Union has so far not made up its mind as to participation or the number of shares it will take up.

There is the intention on the part of the Government, as I said when I was opening, that co-operative societies should become involved in all of the companies, in all of the commercial entities in which Government participates. That is the policy of the Government, that policy remains and it is the publicly-stated policy of the Government and the party which forms the Government.

It is true, as the Hon. Member Mr. Sutton has pointed out, that the facilities on the route for shelter are inadequate. I would just wish to say in passing –

[Mr. Wilson: I was the first to speak about it.]

Mr. Hoyte: I would not wish to deprive the Hon. Member Mr. Wilson of the glory of having made an observation which is essentially accurate. I would say, first of all, we must remember that the people who ran the services before offered no such facilities, but I do not advance that as a reason why the new Company ought not to set about providing such facilities. It is not accurate to say that apart from the terminus at Georgetown and the terminus at Rosignol, there is no shelter. There is adequate facility for shelter at Mahaicony which is somewhere halfway between, and it is proposed to extend this type of facility along the coast. We have to understand, however, the Company is now in a formative stage and such capital as it obtains has to go first into acquiring buses, acquiring the necessary supporting goods and services to get the buses running.

I should point out, too, that the Company did seek to facilitate the public by putting up good signs to indicate where the buses would stop. I think it is public knowledge that those signs have been deliberately destroyed by supported of the People's Progressive Party –

[Interruption]

[**Mr. Speaker:** Hon. Member, Mr. Maccie Hamid, I would expect you as Whip of the Opposition to behave much better.]

[**Mr. Hamid:** I apologise, Sir.]

Mr. Hoyte: The Company has had to put those signs on the road. They are for the convenience of the travelling members of the public.

There seems to be a slight misunderstanding on the part of some Members that Government is borrowing this money. Government is not borrowing this money. The money is being borrowed by the Guyana Transport Services Limited from the Guyana National Co-operative Bank and the American Life Insurance Company. This is a borrowing in the normal commercial way.

As I said on another occasion, Government having set up these entities, is not going to fund them any longer; they have to go out into the financial market and get funds for working capital and for other purposes for the running of the business. But in this case Government provides a guarantee to all lending institutions because the Company is young and has not yet financial viability and banks and other financial institutions being in business themselves, wish to be assured of the safety of the money they are advancing. In the circumstances, Government considers it advisable and not unreasonable that the guarantees should be given.

I hope that I have answered the matters of substance which have been raised by Hon. Members. In so doing, I commend the Motion to the House.

[**Motion carried.**]

Motion on the Second Reading of the New Amsterdam Electric Lighting Order (Extension) (Amendment) Bill, 1971: 21st June, 1971

A Bill Intituled:

"An Act to provide for the extension of the New Amsterdam Electric Lighting Order, 1900 for a period of nine years."

Mr. Hoyte: Your Honour, the New Amsterdam Town Council are the undertakers for the supply of electricity to the residents of the town of New Amsterdam. The legislation that confers the necessary authority and regulates the undertakers in the performance of their duties really is contained in the New Amsterdam Electric Lighting Order, 1900.

In 1961 the New Amsterdam Electric Lighting Order (Extension) Ordinance of 1961 was enacted and, in terms of that Ordinance, the Order has been extended for a period of one year from time to time.

In 1969, the Town Council made representations to the Government to put them in a firmer position in respect of the length of time under which they may exercise their statutory powers as undertakers for electricity. Those representations were based on the fact that the Town Council had been investing heavily in the modernising and expansion of their electricity undertakings. It is considered only fair and reasonable that, for the time being, this *ad hoc* arrangement should cease and the Town Council should be guaranteed an extended period during which they should carry out their functions as undertakers for the supply of electricity.

This Bill seeks to amend the New Amsterdam Electric Lighting Order Extension Ordinance, 1961, by providing that the Order, instead of being for a period of one year only, shall continue in force for a period of nine years with effect from the 1st of January, 1972. Hon. Members will recall that by Resolution No. 28 passed in this House on the 21st December, 1970 the Order was extended for the period 1971, so that the year 1971 has already been taken care of by virtue of that resolution.

It is a very simple Bill. It is one which I think the Opposition has requested from time to time; because, every time the Order comes up for extension, there has been the criticism that instead of having the Order for one year it should be made to extend for a much longer period. As result Government brings this Bill before the House today.

[Question Proposed]

Mr. Hoyte: (Replying) Your Honour, I sometimes wish that we can have a real debate in this Honourable House, that we can get matters germane to the subject which is on the Order Paper for examination by Hon. Members.

I find it difficult to reply when Hon. Members stray so far afield and indulge in so many postures which have no bearing on the matter before the House.

It is interesting to note the conclusions which have been drawn from a simple piece of legislation which is before the House. We are told that the legislation means that nothing is to be done as far as electricity expansion is concerned in the County of Berbice for another nine years. I did have some slight acquaintance with logic many years ago but it has not helped me in this matter to draw those conclusions which Hon. Members have drawn. I find it tragic that matters which should be publicly known and which are known in quarters where people take an interest in public affairs are not known by Members of the Opposition.

Your Honour, even now, all over the coast, Essequibo, West Demerara, East Demerara, on the Corentyne, the work of electricity expansion is going on. Right now! Therefore, I find it difficult to understand how Hon. Members, who are politicians, who are supposed to be near to the grass roots, who are supposed to understand what is going on in this country, come here and show their utter lack of knowledge. There has been prepared and is being implemented by the Guyana Electricity Corporation, an expansion programme for the period 1971 to 1976, a programme estimated to cost \$77.6 million. In one breath members of the Opposition get here and talk about reducing taxes and in the same breath they call for public expenditure, which they must know would run into very large figures.

The programme over this period 1971 to 1976 calls for the electrification and revamping of new areas, namely, Corentyne, Wakenaam, Leguan, and Bartica, during 1971 to 1973; the expansion of existing distribution systems in the Essequibo district, West Demerara, and East Coast Demerara, during 1971 to 1973; the integration of the Georgetown and Onverwagt systems during 1972; the reinforcement and uprating of existing systems in Georgetown, Onverwagt and Anna Regina during 1971 to 1974; the construction of 92 miles of transmission lines from Soesdyke, East Bank Demerara to Rosignol, West Bank, Berbice, during 1972 to 1974; the expansion and up rating of the Upper and Lower Corentyne diesel stations by 1976. Those matters represent phase one of the programme of electrification which is intended to reach every centre of population where there are people in sizable numbers.

Hon. Members who are knowledgeable will know that you do not pick up an electricity expansion programme out of a hat. It calls for very careful technical studies and costing. You do not run electricity into places where it is uneconomic unless, of course, in the long run, having regard to Government's overall development strategy, electrification becomes a matter of priority. So it is with the G.E.C.'s electricity expansion programmes. These are matters which have to be examined carefully, and after careful examination, have to be carried out with a degree of technical

competence which will ensure that the end product is what is envisaged in the beginning.

It is to be noted – and this is a point which Hon. Members of the Opposition seem to have glossed over because, I suppose, they did not want to look at the matter clearly – that the New Amsterdam Town Council, as I have said already, is the undertaker for the supply of electricity in the town of New Amsterdam and even now the Town Council is investing large sums in the upgrading and expansion of that system. Therefore, in order to avoid duplication, the expansion programme skirts the town of New Amsterdam and takes up on the Corentyne Coast going right on to Springlands. It is as simple as that. This Bill envisages within the period of nine years, the system in New Amsterdam may well be integrated into the national grid and that is why it provides that the Order shall continue in force for nine years unless it is sooner revoked by order of the Minister. There must be sound reason for putting in that provision in the Amending Clause.

The Hon. Leader of the Opposition asks about hydro-electricity. Again, anyone who has given the slightest study to the production of electrical power by water knows of the tremendous initial cost and of the wealth of technical details which have to be gathered and assessed before any such project is launched. Water flows are studied sometimes over 20 years in some countries, to establish the fact that there is necessary water potential. And so, the Government has been working with its expert. Indeed, the expert is the brother of the Hon. Member of the Opposition, Dr. Fenton Ramsahoye and Mr. Samuel I. Ramsahoye, who has been working beyond the call of duty on the question of hydro-electricity in this country. That is why, because of Government's overall planning for electricity, a decision has been taken to change over from 50 cycles in this country to 60 cycles. In the near future, legislation will be introduced in this House to prohibit the importation of electrical appliances unless those appliances can operate on 50/60 cycles, because the 50 cycle system cannot integrate with hydro electricity.

All of these are matters which are being studied and which will be implemented in order to ensure that we have in this country a supply of electricity which is cheap and readily available. Mr. Speaker, having made that slight contribution, I would ask that the Bill be read a second time.

[Question put, and agreed to.]

[Bill read a second time.]

Consumption Tax (Petroleum) Order 1971 (No. 38): 22nd July, 1971

“Be it resolved that this National Assembly, in terms of section 5(1) of the Consumption Tax Act, 1969 (No. 13), confirm the Consumption Tax (Petroleum) Order, 1971 (No. 38), which was made on the 7th of July, 1971, and published in the Gazette on the 10ths of July, 1971.

[The Minister of Finance]

Mr. Hoyte: Your Honour, under the Carifta Agreement Member Territories are required progressively to eliminate the protection element in customs duties of certain items originating within the Carifta Area. One of such items is petroleum products. The customs duties on petroleum products, as indeed on large varieties of other goods of Carifta origin, will eliminate progressively over a period of five years ending in 1973, in which year, the duty will be eliminated completely. The first Order was made on the 1st of May 1969. Its purpose was to reduce the customs duties on petroleum products in accordance with the Carifta Agreement. What this Order seeks to do is to recoup the duty which has been lost by way of the reduction of the customs import by way of consumption tax. This sort of pattern is familiar because similar Orders have been made from time to time and laid in this House and debated.

With respect to petroleum products it will be seen that this Order seeks to make provision for a variation in the consumption tax over the period 1970 to 1973. In other words, as the customs duties are reduced in accordance with the Carifta Agreement, the consumption tax increases proportionately to recoup the losses. This is a familiar pattern and the Order is before this Honourable House.

[Question proposed, put, and agreed to.]

[Motion carried.]

Motion on the Approval of Financial Paper No.4/ 1971 Assembly in Committee of Supply: 3rd August, 1971

Mr. Hoyte: Your Honour, I signify that, in accordance with paragraph (2) of article 80 of the Constitution, cabinet has recommended the following Motion on the Order Paper for approval by the national Assembly:

“Be it resolved that the Committee of Supply approve of the proposal set out in Financial Paper No/1971- Schedule of Supplementary Provision on the Capital Estimates for the period ending 31st July, 1971, totalling \$1,500,000.”

This Financial paper arises out of the Motion which is listed at 2 under the section dealing with Public Business on the Order Paper today, but we have found procedural dilemma. Logically the second Motion should come first but since that is not the case in the Standing Orders, the Financial Paper comes first. I hope that Hon. Members in dealing with this Financial Paper, No.4 of 1971, will bear in mind that the two Motions are interrelated.

In the Development Programme, 1966-1972, at paragraph 14 of Chapter XXII it was stated that the Trade Union Council had formed a co-operative society with the object of building houses for its members and that, in pursuance of that objective, it had entered into agreement with the Government for the purchase of over 100 acres of land to build those houses. At that time the arrangement for that housing scheme had not yet been finalised and consequently could not be included in the Development Programme as printed.

Subsequently, the arrangements for financing that housing development programme were completed and Hon. Members will recall that the details of that programme were presented to this Honourable House and debated at length. May I refresh the memories of Members of this House as to the nature and particulars of the scheme. The scheme was funded by and the interim finance was also guaranteed by the Government of Guyana and on the 11th October, 1966, this Honourable House approved of a Motion to guarantee the interim finance provided by the Royal Bank of Canada in the amount of \$1 million. Again, on the 12th July 1968, the House approved of a Motion to extend the amount of that guarantee from \$1 million to \$1.5 million which is being sought today. This really reflects the intention which was adumbrated in the Development Programme, as printed, to incorporate the scheme in the Development Programme.

I have already pointed out that this Honourable House had already approved of the guarantee of \$1.5million being given to the Royal Bank of Canada. And in as much as the scheme now comes within the Development Programme we have here today for consideration by Hon. Members the

formalities which are necessary to bring the whole scheme within the ambit of the Development Programme.

That really explains the purport and intent of Financial Paper No. 4, and as I said at the outset it relates to the other Motion on the Order Paper which will seek the leave of the Assembly formally to incorporate the T.U.C Housing Development scheme in the Development Programme 1966/72.

[Motion proposed.]

Mr. Hoyte: (Replying) Your Honour, we have strayed very far afield from the subject matter of the Financial Paper. I tried at the outset to explain the formalities required, but I confess that, having listened to the interventions of the Hon. Member Mr. Chandisingh and the Hon. Member Mr. Sutton, it appears that I have failed to clarify the matter.

Before proceeding, let me say this: Government makes absolutely no apology for coming to the assistance of trade unionists and workers in their endeavours to house themselves. Government is not and has never been fair weather friends of the trade unions. From the very outset, Government demonstrated its faith and its confidence in trade unionists by becoming involved in the scheme to build these houses and by giving the necessary guarantees without which the financing would not have been available to trade unionists. I hope that nobody is under any illusion that the Government retreated one inch from the position it has always taken up in connection with this project.

It is obvious that Hon. Members have failed to understand the nature of the scheme, although it has been debated on at least two occasions in this Honourable House. For this reason I find it difficult to understand the assertion by the Hon. Member Mr. Chandisingh to the effect that Government has never given the House an opportunity for a debate on this matter. This is the third opportunity and it is obvious that Hon. Members get themselves involved in difficulties because of their constant endeavour to make politics out of everything.

AFL-CIO agreed to provide the financing to the TUC via a housing society. That is the essential fact to grasp at the outset. It was not money provided to the Government nor money provided by the Government. All of these matters were very clearly set out when the matter was first debated in this Honourable House in October, 1966, and all of the documents relating to the project were laid in this Honourable House.

For this reason, it becomes alarming to hear a Hon. Member of the undoubted ability and intelligence of the Hon. Member Mr. Chandisingh saying that is only now becoming clear that there was going to be interim finance. That was the whole basis on which the scheme was organised, namely, that the Royal Bank of Canada would provide interim finance for various batches of houses and, as the batches were completed, there would be a draw-down from the lenders to pay off the bank; and then another batch of houses would be built and so on.

For the benefit of Hon. Members who do not seem to understand and who are asking what about the financing, I may point out that the last draw-down in the vicinity of \$4.7 million was made this year. This money went to pay off the Royal Bank of Canada in respect of part of the interim finance which it had provided the housing society.

Government has come unapologetically to the aid of this society. It is true that the original contractors, the International Contractors and Engineers Limited, got into difficulties and their involvement in the scheme was terminated by the society in terms of the Agreement. That is well known; that is not a matter which is now being discovered. Thereafter the scheme continued under the aegis of the Co-operative Department of the Ministry of Economic Development and has so continued until today.

The Hon. Member Mr. Sutton, in his usual stentorian manner, raised a number of questions based upon matters which seem to be in his peculiar knowledge. Anyone who has taken the opportunity to read the documents which were laid in this Honourable House as early as October, 1966, would understand that the actual control of the scheme at every stage was vested in the West Indies Trust Company Limited, as it was then called, who were the agents of the lenders and who carried out certain duties in relation to the scheme.

It is therefore extraordinary, to say the least, to hear complaints about the quality of the houses. Let us assume that there is ground for complaint, what has that to do with Government? In any case, Mr. Chairman, under the terms and conditions, before the lenders permitted a draw-down, there were certificates issued by inspectors. I see from the file before me that an organisation of repute, Aubrey Barker Associates, issued certificates as required by the lenders, as required by U.S.A.I.D., as required by the bank, as required by the trust company, in relation to every batch of houses. That is why I say that Hon. Members come to this House to make politics of everything.

If they are saying that houses do not meet the specifications and the contract, let them go outside and say that and let Aubrey Barker Associates take them to court. As I said, I cannot do more than explain the purport of the legislation before this Hon. House.

The Hon. Member Mr. Sutton sets himself up to be an architect, an engineer and last but by no means least, a lawyer. We heard all about what an escrow is; and all of this 'Nancy' story about devaluation and the rise in the price and the cost of securities may perhaps have some relevance to his way of thinking, but has nothing to do with this matter. Let us understand that in the 1966/72 Development Programme which the Government published there was the intention of absorbing this scheme within the Programme. The time has come when Government has taken that decisive step to bring it within the Development Programme. What we are doing now is to provide the formalities. It is not a question of refinancing as the Hon. Member Mr. Sutton has said. Refinancing what? In October and

in July 1968 this Hon. House disposed of the question of the \$1.5 million. That was finished, dead and gone. It is not another \$1.5 million. I hope that Hon. Members will understand simple things and not get up and talk irrelevancies and expose their lack of knowledge of matters which are before this Hon. House.

It has been said that certain people are not paid. Let me say here and now that some of the people whose cause is now being championed by the Hon. Member, Mr. Sutton, will not be paid. They will not be paid, because they are some of the people who are involved in attempting to defraud the society and provided that we are satisfied that this so –

[Interruption]

Mr. Hoyte: Have no fear some have been charged, some will be charged. As you know some businesses have been charged.

[Interruption]

Mr. Hoyte: There is no question of coming and telling the Government pay X and pay Y. Those people whose bills are genuine will be paid and are being paid and have been paid. Those who have been found to be involved in skulduggery will not be paid.

Let me say finally what I said when I began. Government makes no apologies for helping the Trade Unions and Government will stick with this scheme to the end. Government will continue to give all succour, aid and support to trade unionist and workers in their efforts to house themselves in this country.

[Assembly resumed]

Mr. Hoyte: Your Honour, I beg to report that the Committee of Supply has come to a Resolution, and I now move that this Assembly do agree with the Committee in its Resolution.

[Question put, and agreed to.]

[Motion Carried.]

Motion on the Approval of Amendment to Development Programme: 3rd August, 1971

“Whereas the Development Programme of Guyana for the period 1966 to 1972 was approved by Resolution LXXIV of the House of Assembly of 25th April, 1966;

And Whereas it is provided by Section 3 of the Public Loan Ordinance as it has effect by virtue of the Guyana Independence Order, 1966, that any modification, amendment, or extension of and substitution for the said Development Programme may be approved by the National Assembly;

And whereas it is necessary to amend the said Development Programme so as to provide for additional capital expenditure as follows:-

Chapter XXII – Housing \$2.0 M to implement a programme of housing for trade union members:

Be it resolved that this National Assembly, in pursuance of Section 3 of the Public Loan Ordinance, 1966, approve of the amendment of the Development Programme for the period 1966 to 1972 as aforesaid.”

[The Minister of Finance]

Mr. Hoyte: Your Honour, this Hon. House a moment ago approved of Financial Paper No. 4 of 1971 providing the sum of \$1.5 million by way of Supplementary Estimates for housing. This Motion which I now move seeks to incorporate in the Development Programme of Guyana for the period 1966 – 72 the housing programme for trade union members.

In Chapter 19 of the Development Programme it was noted that this housing programme was being negotiated. But at the time of the printing and approval of the 1966 – 71 Development Programme the housing project had not yet been finalised. This Motion seeks now that the Programme has been finalised, to bring it within the ambit of the Development Programme as envisaged in the document to which I referred. In order to do this it is necessary that there be approval of the National Assembly.

We have already debated the prose and cons of this Programme in the Motion which has just been completed and I submit for the approval of this Hon. House the Motion to the effect that the Assembly do approve of the necessary Amendment to the Development Programme 1966 – 72 to provide for additional capital expenditure in the amount of \$2 million to implement a housing programme for trade union members.

Mr. Hoyte: (Replying) Your Honour, the Hon. Member Mr. Chandisingh sought to convert this Motion into a full-fledged debate on housing. I do not propose to aid and abet him in that. During the debate on the Budget Speech and also during the debate on the President’s Address in May of

this year these matters were gone into in depth by Hon. Members of this Hon. House and there seems to be little to be gained in rehashing matters which have been dealt with and have been aired and answered clearly and fully from the Government Benches.

The Hon. Member raised the question as to the status of the 1966 – 72 Development Programme. The Government has announced publicly that it is preparing a new Development Programme; and there is no secret about that. Then he went on the enquire, as I understand him, the reasons for incorporating the Trade Union Housing Project into the 1966 – 72 Development Programme. I thought I had made that abundantly clear and I thought that I indicated to this House that this was a formalising of an intention on the part of Government which intention was indicated as early as 1966. For the purposes of Government's Programme, for the purpose of Government's accounts, these formalities are necessary; the law requires it as set out in the body of the Motion. I do not think I would want to labour that point any longer. But I would wish to say that this Government does not want to indulge in idle talking.

The Hon. Member hoped that Government would do something about making sugar estate lands available to sugar workers and others at a cheap cost. The Government has already done this, and it has issued a press release on this matter. This press release was carried in the national press to the effect that the Government has negotiated with the estates and they have accepted that the sugar lands would be available to the Government at a maximum price of 2½ cents per square foot. This Government has done that. A Hon. Member on the Opposition Benches says, "*It is too much.*" All the PPP has done while it was in office was to posture, talk about nationalizing the sugar company and make big claims, but never did a single thing in the way of housing or making lands available cheaply to workers during its regime. As I said, it is not a question of babbling at the street corners; anybody can do that. But this Government has taken and is taking action day after day.

The Hon. Member Mr. Sutton chose the occasion to ride his hobby horse again and I think, Your Honour, I would leave it at that.

[Question put, and agreed to.]

[Motion carried.]

Question to Ministers on Imports – Exports within CARIFTA: 4th August, 1971

[**Mr. M. Y. Ally:** Mr. Speaker, I wish to ask the Hon. Minister of Finance Question No. 9 standing in my name on the Order Paper. Will the Minister state what was the value of –

- (a) Imports from CARIFTA countries for the three-month period January-March, 1971?
- (b) Exports to CARIFTA countries for the same three-month period?]

Mr. Hoyte: The answer to the question asked by the Hon. Member Mr. Yacoob Ally is as follows:

- (a) Imports from CARIFTA countries for the three-month period January – March, 1971 totalled \$8,529,714.
- (b) Exports to CARIFTA countries for the same three-month period totalled \$7,425,004.

[**Mr. M.Y. Ally:** I wish to ask the Hon. Minister of Finance Question No. 10 standing in my name on the Order Paper. Will the Minister state what was the Customs Revenue for the three-month period January-March, 1970, and January-March, 1971?]

Mr. Hoyte: The answer to the Question asked by the Hon. Member, Mr. M.Y. Ally is as follows:

- (a) Customs revenue for the three-month period January-March, 1970, was \$14,252,997.
- (b) Customs revenue for the three-month period January-March 1971, was \$13,715,495.

[**Mr. M. Y. Ally:** Will the Hon. Minister state whether a drop in the revenue would affect the economy of our country?]

Mr. Hoyte: Your Honour, I answer the question with diffidence because I am not quite sure what the Hon. Member means.

If the Hon. Member is of the view that the figures given reflect adversely on the economy of the country I would give him an unequivocal answer

that that is not so. The apparent drop in customs duty is due to the fact that import duties are being phased out in respect of commodities coming from CARIFTA area, but this loss of import duty is being made good by consumption tax.

Hon. Members will recall that there was recently laid in this Honourable House, Consumption Tax Order No. 31 of 1971, made under the Consumption Tax Act of 1969, whereby provision was made for the collection of consumption tax on a wide range of petroleum products as from the 1st of May, 1970. In other words, on that date there was a reduction of the import duties in accordance with our obligation under the CARIFTA Agreement, but there was no consequential Consumption Tax Order made at the time.

That Order was made and promulgated on the 7th July, 1971, and subsequently approved by Resolution in this Honourable House, so that the apparent shortfall will be recouped under the Consumption Tax Order in respect of petroleum products. Hon. Members will also recall that a series of similar Orders have been laid in this Honourable House.

[Mr. M. Y. Ally: Will the Hon. Minister agree that the mis-management of the Ministry of Trade so far as the importation of cement is concerned was one of the basic causes for the drop in revenue?]

[The Speaker: I think you are asking two questions. Will you put them one at a time? The first one deals with mismanagement of the Bureau.]

[Mr. Speaker: Will you please put your question again Mr. Ally?]

[Mr. M. Y. Ally: I would like to know if the Minister will agree that the mismanagement by Government of cement importation was the cause of a drop of revenue in this country.]

Mr. Hoyte: There has been no mismanagement of the importation of cement by the Ministry of Trade and I wish to assert again, for the benefit of the Hon. Member Mr. Yacoob Ally, that there has been no overall drop in revenue. I sought to explain to him that the apparent shortfall has been due to the fact that the customs imports on CARIFTA commodities are being phased out but there has been a corresponding recouping in the revenue by virtue of consumption taxes. I have brought to his attention the Consumption Tax Order made on the 7th day of July, 1971, which goes back to the 1st May, 1970 and which will collect consumption tax on a wide range of petroleum products.

Obviously the taxes will not be reflected in the period January to March, 1971, because they have not yet been collected; but they will be reflected later in the year when they will have been collected.

[**Mr. M. Y. Ally:** I should like to know -]

[**Mr. Speaker:** You would like to know or do you wish to ask a question?]

[**Mr. M. Y. Ally:** I want to ask if the Minister will tell us whether the Government is collecting any revenue on cement during this period?]

[**Mr. Speaker:** Which period?]

[**Mr. M. Y. Ally:** The same period I have mentioned.]

[**Mr. Speaker:** Between January and March?]

Mr. Hoyte: The answer is Yes, Mr. Speaker. Cement from CARIFTA areas attracted consumption tax and taxes have been collected on cement during the relevant period.

[**Mr. M. Y. Ally:** I am not speaking of consumption tax. The Government used to collect 35 cent on every sack of cement.]

[**Mr. Speaker:** Hon. Member Mr. Ally, if you framed your questions properly you would get proper answers. You asked if tax was collected and the Hon. Minister said, yes, it was collected. Now you go on to ask another question. It is time that you prepare your supplementary questions properly.]

[**Mr. M. Y. Ally:** I was given this Order Paper a short while ago. Notice of this Question was given a long time ago. You will excuse me, Sir.]

[**Mr. Speaker:** I will not excuse you.]

[**Mr. M. Y. Ally:** I would like the Hon. Minister to tell us whether the revenue previously collected on cement, which includes a tax of about 35 cents on every sack and defence levy of 6 cents is still being collected.]

Mr. Hoyte: Your Honour, every commodity entering the country attracts a 3 percent defence levy. With respect to the exact level of duty exacted on cement I cannot say off hand but duty is collected on cement. If the Hon. Member would give notice of that question I shall be prepared to let him have the exact details.

Motion on the Second Reading of the Customs (Amendment) Bill: 9th August, 1971

A Bill intituled:

"An Act to amend the Customs Ordinance."

[The Minister of Finance]

Mr. Hoyte: In accordance with paragraph (2) of Article 80 of the Constitution, I signify that Cabinet has recommended the Customs (Amendment) Bill, 1971 for consideration by the National Assembly.

Your Honour, from time to time, importers and other persons to whom goods have been consigned become entitled to refunds of customs duties which were paid on those goods. The repayment of such duty is authorised by section 51 of the Customs Ordinance, Chapter 309. Section 51 authorises, upon proper certification by the Comptroller of Customs and Excise, the refund of such overpayments within two years after such overpayment has been made. It will be observed therefore that not only must the claims be made within two years, but the refund must also be effectuated within that two-year limit.

For some time the Comptroller of Customs and Excise has been interpreting that section differently and has, in fact, been making refunds to applicants outside of the two-year limit where such application for refund has been made within the two-year limit.

This practice has recently been challenged by the Director of Audit who did not agree with the interpretation put on that section by the Comptroller of Customs and Excise; and upon a reference to the Solicitor General, the Solicitor General, in his opinion, agreed with the interpretation of the Director of Audit. So it does appear that moneys have been refunded to importers and consignees of good in breach of section 51 of the Customs Ordinance.

It is not the intention of the Government to deprive persons who are entitled to refunds of such moneys which are due to them. This amendment therefore seeks to do two things. First of all, it seeks to regularise the refunds which have been made in breach of section 51 and, secondly, to enable the Comptroller of Customs to make refunds which are properly claimed at any time after a proper application has been made.

Of necessity, it is important that applications for refunds be made timely so as to prevent claims being made at any time and very long after the overpayment has been made. Under the scheme of the amendment, applications for repayment must be made within six months after the date such overpayment has been made; but once the application has been made within the statutory time limit the Comptroller is empowered to make those refunds at any time.

This amendment seeks to give the Comptroller such powers and to permit him to make refunds of overpayment to people where the refunds are lawfully due. I commend this Bill to the Honourable House and ask that it be read a second time.

[Question proposed.]

Mr. Hoyte: Mr. Speaker, I would not answer the Hon. Member Mr. Ram Karran in the tenor in which he has made his intervention. I confine myself to the two questions which he raised.

The first query related to the number of refunds which the Comptroller of Customs and Excise made in breach of section 51, which action this Bill now seeks to validate. I am unable to say how many repayments were made in this way. I am given to understand that his practice has been carried on for a long time, so I would imagine that the number of payments must be substantial. It is not the sort of minutiae with which I as Minister will concern myself. I am concerned with the principle and I am satisfied that it is necessary that those acts on the part of the Comptroller of Customs and Excise should be validated.

The second point made by the Hon. Member Mr. Ram Karran related to the reduction of the period within which an application could be made for a refund to six months. It is to be noted that under section 51, as it now exists, there was a blanket period of two years within which application could be made and with which the Comptroller had to make the repayment. That is unsatisfactory because it was considered that two years is too long a time for a person to suddenly pop up and say, "*I made an overpayment two years ago.*"

As I said when commending the Second Reading of this Bill to the House, applications for refunds must be made timely and it was considered, after very careful consultations, that the period of six months was an adequate period within which an importer would know whether he had overpaid customs duties.

I do not think that one need pay much attention to the protestations of the Hon. Member Mr. Ram Karran because it is noteworthy that the Chamber of Commerce, which has now constituted itself the watchdog for the nation, which is so very active in making protests, representations, recommendations on all manner of things and which is every day putting out press releases, has said not a single word and has made not a single representation in connection with the Customs (Amendment) Bill, 1971.

Therefore, I think that the conclusion is inescapable that the Bill meets with the approval of that august body.

[Bill read a second time.]

[Assembly in Committee]

Mr. Hoyte: Your Honour, I said I am not persuaded. Bills are published so that persons affected or likely to be affected by the proposed legislation may have an opportunity to make representations or recommendations or suggestions. There has not been a single representation from an organised body or from any individual. I cannot accept that the voice of the Hon. Member Mr. Ram Karran, coupled with the voice of the Hon. Member Mr. Reepu Daman Persaud, is the authentic voice of the small importer for whom they have shown such great solicitation and solicitude.

May I add that wherever there is a case of genuine hardship, there is a residual power in the Minister of Finance to grant a remission of duty and, in those cases, I can assure the honourable House that such representations will be given the most anxious and sympathetic consideration. I cannot, Sir, accept the Amendment.

Motion on the Guarantee of Repayment of Loan Re: Amerindian Tribal Ranches: 17th August, 1971

“Whereas this National Assembly, in pursuance of Section 3 of the Public Loan Ordinance, 1966, approved, by Resolution No XX passed on 10th November, 1970, of the amendment of Guyana Development Programme for the period 1966 to 1972, by increasing the sum provided for the development of the Livestock Industry under Chapter XII, section 22 by \$9 M, to enable the first stage of a Livestock Development Programme to be undertaken;

And Whereas this National Assembly, in pursuance of Section 4 of the Public Loan Ordinance, 1966, approved, by Resolution No. XXI passed on 10th November, 1970, of the raising from the International Development Association of a loan (credit) in the sum of (United States) Two million two hundred thousand dollars (\$2,200,000) that is to say approximately (Guyana) Four million four hundred thousand dollars (\$4,400,000) for the purposes aforesaid;

And Whereas development Credit Agreement No. 221 GUA, between the Government of Guyana and the International Development Association, for the sum and purposes aforesaid was signed on 27th November, 1970;

And Whereas paragraph 1 of Schedule 1 of the Development Credit Agreement provided for an amount of (United States) One million five hundred thousand dollars (\$1,500,000) of the proceeds of the Credit to be allocated to provide for long-term loans for on-ranch investment;

And Whereas Part A(ii) of Schedule II of the agreement aforementioned provides for the development, through the extension of participating banks of long-term sub-loans, of approximately ten (a) private, co-operative or company ranches or (b) Amerindian tribal ranches, all in the Rupununi Savannahs; the long-term sub-loans being for twelve (12) years, including four (4) years of grace, at nine and one-half (9½) per centum per annum;

And Whereas in accordance with Section 3.13 of the Agreement aforementioned, the Government of Guyana shall guarantee the repayment of capital and the payment of interest and other charges on sub-loans for the development of Amerindian tribal ranches;

And Whereas two Amerindian tribal ranches are included in the Project and each will require a sub-loan to the extent of (Guyana) seventy-four thousand one hundred dollars (\$74,100):

Now, therefore, be it resolved that this National Assembly, in pursuance of Section 3.13 of the Development Credit Agreement, authorise the Government of Guyana to guarantee the repayment of capital and the payment of interest and other charges on the sub-loans to the extent of (Guyana) on hundred and forty-eight thousand two hundred dollars (\$148,200) for the development of the two Amerindian Tribal Ranches.

Mr. Hoyte: Your Honour, I signify, in accordance with paragraph (2) of article 80 of the Constitution of Guyana, that Cabinet has recommended the Motion standing in my name on the Order Paper for consideration by the National Assembly.

[Mr. Speaker: Hon. Minister, please proceed.]

Mr. Hoyte: On the 10th of November, 1970, this Honourable House approved by Resolution No. XXI of the raising from the International Development Association of a credit or loan in the amount of \$2.2 million (United States). The purpose of that credit was to finance the Livestock Development Programme as outlined in the Development Programme, 1966 to 1972.

In terms of that Resolution, the Government entered into an Agreement with I.D.A., which as Hon. Members know is the soft window of the International Bank of Reconstruction and Development and, in terms of that Agreement, the Government undertook to set up a number of ranches as part of the general Development Programme and the livestock project in particular.

Further, the Agreement provided for the setting up of tribal ranches in the Rupununi. Government has proceeded under the Agreement with the implementation of that particular aspect of the Development Programme and two tribal ranches will be set up in the Rupununi, but the Agreement itself required the Government to guarantee the funds which were to be advanced for the purpose of setting up Amerindian tribal ranches.

Under the general scheme, there will be participation by the private commercial banks and the finance for the tribal ranches will come from the private commercial banks. The terms of these loans, which are designated sub-loans in the Agreement, are that the loans are for 12 years including a grace period of four years, and interest is chargeable at 9½ percent.

In terms of the Agreement with I.D.A., which was laid in this Honourable House in November, 1970, which was debated in this Honourable House and which was approved, Government now brings this Motion before the House for the approval of guarantee in respect of two Amerindian tribal ranches, each of which will require a sub-loan in the extent of \$74,100. Consequently, I commend to this Honourable House this Motion which seeks to authorise a Government guarantee in respect of the repayment of capital and interest in the amount of \$148,200 for the development of two Amerindian tribal ranches in the Rupununi.

[Questions proposed.]

Mr. Hoyte: (Replying) No debate is complete in this Honourable House unless we get the effeminate querulousness of the Hon. Member Mr. Ram

Karran and the equally feminine irrelevancies emanating from him. The Hon. Member Mr. Stoby raised a number of questions which I concede demand an answer and I will attempt to deal with the matters raised legitimately by him.

The ranches will be established on a co-operative basis and, in keeping with Government's policy with respect to State lands, title to the land will be by way of lease in all these areas where ranches are going to be established on State lands. Leases will be granted for a period initially of 25 years. May I remark that the fact that the commercial banks are now willing to accept leases of 25 years as good, firm title for advancing money is an important breakthrough in financial practices in this country. That is a fact so there is no question now as to the value of the title which will be given as collateral for financing.

The Hon. Member raised another question about management. I think by now it is well known that the World Bank or its soft-window offshoot, I.D.A., does not advance money unless there has been a very careful assessment of the project and a conclusion that the project is well organised and financially viable. The Agreement which was entered into with I.D.A. in November 1970 came after such an examination and such a conclusion.

In terms of the Agreement, there has been established within the Bank of Guyana, a livestock project division which is being administered by an internationally recognised expert identified by I.D.A. This gentleman is Australian with many years experience in ranch management and development. He has as his understudies, two competent Guyanese persons, Dr. Mackenzie and Dr. Harricharran, so that this project has not been entered into without very careful understanding of the management needs of the ranches which will be established. At every stage of establishment of these ranches, there will be the technical guidance which will be necessary to establish the ranches on a firm basis. I think there is no problem at all when it comes to what one may call the supporting services, which are necessary to help, not only Amerindian ranchers but all other Guyanese ranchers who are involved in the livestock development project.

Mr. Speaker, Hon. Members, with those explanations, I commend this Motion for the approval of this Honourable House.

[Question put, and agreed to.]

[Motion carried]

Motion on the Second Reading of the Tax (Amendment) Bill 1971: 19th August, 1971

A Bill intituled:

"An Act to amend the Tax Ordinance."

[The Minister of Finance]

Mr. Hoyte: Your Honour, Hon. Members, legislation which seeks to impose taxation, and especially income taxation, excites usually a great deal of public attention, also a great deal of discussion, comment and criticism from persons who are likely to be affected. Tax (Amendment) Bill, 1971, has been no exception to this general rule and, from the time of its publication, professional people, because it is a piece of legislation designed especially for professional people, began to offer a number of comments, suggestions, criticisms and recommendations *via* the mass media.

On Sunday the 8th August, 1971, I received a letter from the Secretary of the Bar Association, written on behalf of the Bar Association, a splinter group calling itself the Association of Legal Practitioners – which I understand represents a small dissident group of barristers – also the Law Society, the Medical Association and other professional associations representing persons who were caught by the provisions of the Bill.

In that letter, a meeting was requested with me to discuss the implications of the Bill. I immediately agreed to a meeting. As a matter of fact, on the very Sunday I telephoned a leading member of the Bar, Mr. Clarence Hughes, to whom I was asked to convey my decision in this matter and a meeting was arranged for Monday the 9th August, 1971. On that evening I met a delegation representing the various professional groups and understood from the delegation that they were authorised to make a number of proposals and recommendations in respect of the provisions of the Tax (Amendment) Bill, 1971.

Perhaps I should explain for the benefit of Hon. Members that that leader of the delegation was Mr. Clarence Huges a well-known legal practitioner in the community; and other members of the delegation included Mr. O.M. Valz, an eminent solicitor and Mr. Desmond O'Conner, also a solicitor. So Hon. Members will see that the legal profession was very ably represented in terms of quality and number.

The medical profession was represented by Dr. Kumar and Dr. Walter Singh, men of very high standing in the community and in their profession; the optometrists were represented by Dr. Roy Wong; accountants by Mr. Barcellos, architects by Mr. France; pharmacists by Mr. George Jaikaran, plus a very well-known businessman and a man who occupied an important public position in the community. Along with him, representing

the pharmacists, was Mr. Richards who has for many years been Registrar of Pharmacists. And representing the engineers was Mr. Cosmos Searwar. Hon. Members can readily recognise the high quality of the representation which the professional bodies were able to present.

There was on that occasion very full, frank, but nevertheless cordial, discussions and that group put forward certain recommendations for my consideration. I gave, Sir, very careful, anxious and, needless to say, sympathetic consideration to those representations and on Tuesday the 17th of August, 1971 I met that delegation again. The delegation was similarly constituted except that a Mr. Rodrigues represented the architects this time instead of Mr. France, and I put forward to them certain proposals for amending the sections of the Bill which they had really expressed some concern about. I am happy to report that the essentials of the proposals which I put forward to them were accepted and the delegation left me with the assurance that the proposed amendments, which I hope to introduce to this Honourable House a little later on, were quite acceptable and were quite in keeping with the spirit of the original proposals made by them. So that while normally these tax measures are the subject of much dispute and differences of opinion, I am happy to state that that delegation which represented to me that they were representing the various professional groups to which I referred, accepted and agreed to the proposals which I will put to this Honourable House for amending the Bill as printed.

Perhaps I should place on record my appreciation of the very realistic way in which that delegation represented the case of the various professional groups. Also I should place on record what they said to me, namely, that they were satisfied that all members of their profession should pay taxes lawfully payable by them and that they could not dispute the provisions of the Bill which required professional people to file income tax returns. I was left with the distinct impression that members of the various professional groups who try to evade the payment of income tax, or in any way try to circumvent the provisions of the Income Tax Ordinance, will find no sympathy within their professional organisations or among their professional brothers. For that statement I am grateful to members of the professional group which met me.

A little later on I propose to explain to Hon. Members what are the amendment which I propose to prevent to this Honourable House in accordance with the agreement which was arrived at between me and the delegation to which I have referred. But before going on to the specifics of the Bill, it may be appropriate to make a few general observations. Today income taxation – indeed all systems of taxation – is moving to a position of ensuring compliance with the provision of tax laws. Many years ago the celebrated American jurist Mr. Justice Holmes, wrote, *“I like to pay taxes for with them I buy civilization.”*

The sad fact of the matter is that there are not very many people in any given community who approach taxation in the sort of generous spirit of

Mr. Justice Holmes. Therefore the collection of taxes is always a difficult and sometimes impossible situation unless the system of tax collection and the procedures adopted are such which would ensure that the taxpayer of necessity has to comply. Many people have argued by way of criticism of this Bill that the old procedures and the old systems are adequate. I dispute that, Mr. Speaker. In fact, they are not adequate, that is why it has become necessary to devise modern systems, modern procedures, all based upon the principles of securing compliance. Under the old system it is open to the taxpayer not to pay and then the onus is put on the Commissioner of Inland Revenue to then try by way of tortuous and cumbersome procedures to get judgments and to recover taxes which have become due and payable. That system is wasteful. It is wasteful of time and it is wasteful of manpower and, because of its very cumbersome nature, it has become very difficult to collect taxes which are outstanding; and it has become very difficult to pursue to finality the number of people who are in breach of the Income Tax Ordinance.

There is this other consideration that in a highly politicised society such as ours, one is exposed to all kinds of allegations when the law is enforced. Whenever the Commissioner has occasions to sue somebody, and the person is taken before the courts the cry goes up of victimisation, political spite, malice and all that kind of things tend to obscure the real issue, namely, that the particular person has not been complying with his just tax obligations. We are moving away from that old system, we are moving gradually but inexorably towards a system which ensures that people comply with the various tax requirements. Not only is this a more efficient and a more effective system but it is a system which will prevent the kind of acrimony which arises when the Commissioner has to invoke the provisions of the law and inflict penalties on people who have not complied with the income tax law.

Sir, I stress this point about compliance because I think this is at the core of efficient income tax administration. We, as a community, have not been very compliance-minded and this is because of the fact that many years ago there were very few people who were caught by the provisions of the Income Tax Ordinance. But with changing times and increasing affluence more and more people have become within the ambit of the income tax legislation. The P.A.Y.E. system which was introduced for salaried people and wage earners was the first step towards this enforcement of a system which was based upon the principle of compliance.

But there has been a large section of our community – self-employed people who have not been complying and whose record has been a very dismal one. In the past, there has been no effective system which ensured their compliance. In order to illustrate this simple point, Sir, may I refer to some of the statistics which relate to this small group of self-employed people or professionals who are included in this Bill under discussion today. Of that group of persons as their income tax obligations are concerned, that is

to say, only 7 percent of them have filed their income tax returns, have paid income tax due and payable or have made arrangements with the Commissioner of Inland Revenue for the payment of taxes lawfully due and payable.

Again, with respect to even income tax returns for the year of Assessment 1971 some 70 percent have failed even to comply with that requirement. With respect to the new provisions included in a recent ordinance amending the Income Tax legislation which requires self-employed persons to assess themselves and pay a quarterly P.A.Y.E. on the basis of that self assessment, there has been a non-compliance by 69 percent of the people who are caught by this legislation which we are considering here today. Those figures are alarming and they point obviously to the ineffectiveness of the system which we have been operating so far. I do not think it can be seriously contended that in the area of self-employed people, there has been not only a failure to pay their proper share of income tax, to bear their proper burden, but there has been even a failure even to make income tax returns. This is an intolerable situation which cannot be allowed to continue any longer. For two reasons: First of all, not only is it manifestly unfair that citizens who ought to bear their just tax burdens are not doing so, but also it becomes increasingly difficult when important sections of the community do not pay their taxes, to give that measure of relief to the deserving people in the lower income brackets. The Ministry of Finance has been giving very serious attention to giving measures of relief to people at the bottom of the tax scale, to raising tax bans, to giving more allowance. But we can only do this if we can ensure that we garner all the income tax which ought to be paid.

In order to do this we have to look very keenly at the sections of the community, who are self-employed.

As I said, the principle of ensuring compliance which we are trying to establish, is inherent in this very Bill and, therefore, Government can really give no heed to people who have said that the fee, which is proposed to be charged for a certificate to practise a profession, ought not be linked with the tax system. This is inherent in the whole legislation we are proposing today. Without it, the legislation is not worthwhile. With it, the legislation becomes a very important instrument which will have a great impact upon the effectiveness of our tax laws. With those few preliminary remarks, may I turn to the specific provisions of the Bill in order to explain to Hon. Members the general scheme and purport of the legislation? Needless to say, as usual, there has been much misunderstanding on the part of some people who have purported to pronounce upon the merits or demerits of the Bill, and I would wish to clear up one or two points which were made, notably in the press, purporting to be points advanced by members of the professional groups affected. Now Sir, the scheme is quite simple. Certain categories of persons, referred to for convenience as professionals, are required to take out a practice certificate in order to practise their

profession. The certificate will be for a period of one year from January to December and in order to be eligible for that certificate, the professional will have to do two things. He will have to pay a fee of \$200, and he will have to fulfil certain obligations with respect to the income tax laws.

There has been some criticism of the principle of the professional having to take out a practice certificate, but I think it is well known that in many parts of the world professional groups can only practice on the basis of an annual certificate; so that for those who are worried about precedent, there is ample precedent for the requirement that a professional person has to take out an annual certificate and can only practise on the basis of such a certificate.

I personally am not bothered about precedent. Whether there is precedent or not means nothing to me; but for those who take comfort in finding precedent, there is, and among the legal profession. Members will know that solicitors in England, for example, have, from time immemorial, to take out an annual certificate to practise, and in nearby Barbados, both barristers and solicitors, and indeed all professional persons, have to pay an annual licence. The principle is not without its counterpart in other parts of the world. But what is important is that to become eligible for the certificate, not only has the professional person to pay the fee of \$200, but he has to comply with section 47(a) of the Income Tax Ordinance. May I pause to make an explanation here?

In clause 2 of the Bill relating to the proposed section 35 of the Ordinance, it was intended that the professional, in order to be eligible for a practice certificate, apart from paying his fee, should have paid all income tax which was due and payable at the date of his application, or should have made arrangements to the satisfaction of the Commissioner for the payment of such income tax. That was the main point which worries the professional people who discussed this matter with me. They raised serious objections to that particular provision and after listening to them, I suggested that the delegation should put forward its own proposals, and the delegation proposed that eligibility should rest, not upon payment or the making of satisfactory provisions, but should rest upon the submission of returns.

Working upon that proposal coming from the delegation, I put up to them at the meeting of the 17th August, 1971, the suggestion that the professional should make all returns which ought to have been made on the date of application and he should have complied with the provisions of section 47A. Now section 47A is the section which requires self-employed people, on the basis of self-assessment, to make PAYE payments roughly quarterly, on the 1st April, on 1st July, on the 1st October, and on the 1st December.

It would be noted that these proposals were eminently fair and, indeed, did not require the professional to do anything other than he is required by law to do without this legislation. They could not argue that they ought not

to submit returns because they are required by law to submit returns; and they could not argue that they ought not to make quarterly P.A.Y.E. payments, because they are required by law to make quarterly P.A.Y.E. payments; so that having conceded that there was nothing unusual, extraordinary, or oppressive in the proposals which I put forward, and which they deemed to be eminently acceptable, they did in fact accept and left my office very happy and in very high spirits on the evening of the 17th.

May I say that the professional tax has not been sprung upon the profession? Indeed, In the Budget of 1969 –

[The Speaker: Hon. Minister, do you propose going on to another point at this stage?]

Mr. Hoyte: Yes, Sir.

[The Speaker: Perhaps this is a convenient time to take the suspension. The sitting is suspended for one and a half hours.]

[Sitting suspended at 6.30 p.m.]

[On resumption]

[The Speaker: The Hon. Minister of Finance.]

Mr. Hoyte: Your Honour, at the suspension I was about to make the point that the professional tax has not been sprung suddenly, that the intention to introduce such a tax was first mentioned in the Budget Speech of 1969, when the Hon. Minister of Finance said as follows – and this passage appears on page 77 of the 1969 Budget Speech as printed:

“I now turn my attention to a class of person well known in this House, because as I gaze around I see them well represented here. I refer, Sir, to the professional class. Since these persons are for the most part self-employed, the ascertainment of their precise income not infrequently presents some difficulty, and it is a fair assumption that some part of the professional income eludes the Income Tax Commissioner.

*I think it fair to the Government, therefore, to impose a charge on this class of person by way of an annual licence to practise the profession, and this forms one of my proposals in this Budget. As I see it now, this requirement will embrace, **inter alia**, doctors, lawyers, accountants, architects and engineers.”*

So that as early as February, 1969, when that Budget Speech was presented, the various professions knew of Government’s firm intention to impose a professional tax on certain categories of professionals.

I would draw the attention of Hon. Members to the rationale of the tax as explained in the Budget Speech of 1969, namely, that “*some element of professional income*”, as the Hon. Minister so felicitously puts it, eludes the Income Tax Commissioner and this licence fee of \$200 is some meagre attempt to recover the income tax which is a necessity lost in relation to that element of professional income which for one reason or another does not find its way into the income tax returns.

I do not say this necessarily adversely as a criticism of these professional groups. We know that most of them are very busy men and in the hurly-burly of their practice, one understands that it is not always possible for them to enter into their cash books every cent which is paid to them by way of fees and I think that all professional people will admit this and they will not quibble too much over the fees of \$200.

Let me make this point: that the fee of \$200 of necessity becomes a deductible charge so that in the final analysis the actual amount paid is far less than \$200

I should point out, too, that although the certificate has a life of one year from January to December, professional people who are required to take out the certificate are given a period of grace of two months within which to obtain their certificates and within that two-months period are entitled under the proposed legislation to practise without their certificates. I think Hon. Members will agree that that is a sufficient time within which all professional persons can put themselves in order.

A criticism has been made elsewhere that the Commissioner of Inland Revenue is in a way put in a position where he can prevent a professional person from practising his profession and it has been alleged that this is an arbitrary power conferred upon the Commissioner. May I point out that this is not so, that provided the practitioner, the professional person, complies with the reasonable provisions in the proposed subsection (2) of the proposed section 35, the Commissioner is bound to issue a practice certificate. In any event I would draw attention to the proposed subsection (7) of the proposed section 35 which gives a right of appeal to an aggrieved person to a judge in Chambers.

It may be appropriate to read the particular section because what the proposed subsection does is to incorporate the provisions of section 69 (A) of the Income Tax Ordinance *mutatis mutandis*. Subsection (6) of section 69 (A) reads as follows:

“Any person who being aggrieved by the refusal, failure or neglect of the Commissioner to issue a certificate to which this section refers may appeal against the refusal, failure or neglect of the Commissioner to a Judge in Chambers upon giving notice in writing to the Commissioner. The decision of the Judge shall be binding only in respect of the granting or refusal of a certificate and to this extent it shall be final and the Commissioner shall act in accordance with that decision and any direction given therewith for the purposes of this section.”

Therefore, it is abundantly clear that the Commissioner's judgment is not the final one and the person aggrieved has a right conferred upon him to appeal to the High Court in respect of any neglect or failure of the Commissioner to issue a certificate.

It is necessary, too, to say a few brief words on the nature of the certificate because, again, there seems to have been a measure of confusion and misunderstanding judging from what I have read in the press. The certificate does not confer professional status upon anybody, nor does it permit any person to whom it is granted the right to do anything which would otherwise be illegal. The certificate does not make a man a medical practitioner, or a dentist, or a legal practitioner for that matter. The certificate has nothing to do with professional status or the rights, privileges and immunities of the several professions. The certificate is only evidence that a person to whom the tax liability and obligations set out in the amending legislation attaches, has, in fact, discharged those obligations and those liabilities. In other words, the certificate is evidence of the person's good standing as far as income taxation obligations are concerned. It does that, and it does that only.

The provisions set out in the proposed subsection 13 to section 35 states quite clearly that the grant of a certificate shall not entitle any person to do anything which would otherwise be unlawful. But because of this misunderstanding it has been thought appropriate to propose an amendment to that subsection 13 which would make it clearer if that is possible, that the certificate relates only to tax obligation.

Reference was made to the fact that the Commissioner has the power to revoke a certificate. I think I should explain very carefully to Hon. Members that that power to revoke is a power to revoke when the professional is no longer entitled to practise for reasons which have nothing to do with income tax. In other words, if the Commissioner had issued a practice certificate and subsequent to the issue of that practice certificate, let us say, a legal practitioner was struck off the roll, in those circumstances the Commissioner has power under the legislation to revoke the practice certificate. But it is not a power and revocation exercised in relation to anything to do with income tax. The power to revoke is limited in that way and the proposed legislation seeks to make that very clear.

There are, of course, penalties, because this type of legislation without penalties for breaches would be nugatory. The penalties are too high! I would have thought that the amount of the penalty ought not to worry professional people because I cannot conceive professional persons to whom this legislation applies breaching the provisions of the law and opening themselves to prosecution. But nevertheless, in deference to representations which have been made, I will propose certain reductions in the amounts of the penalties as they appear in the Bill itself.

Mr. Speaker, to conclude, to recapitulate I should point out that apart from the payment of a licence fee of \$200, the legislation does not seek to

impose upon any professional person any obligation more than already exists under the law, except that the legislation is now so framed as to ensure compliance with the existing law. I pointed out that ordinary persons, salaried persons, persons in receipt of wages, have long been compelled by reason of the way the P.A.Y.E. system is structured, to comply with income tax laws and the State has been in a position to be able to obtain from such persons their fair return by way of income tax payment. This Bill which is now being presented to this House seeks to ensure that as far as possible self-employed persons are put in the same position. That is, they are put in a position where the State ensures that they comply with the income tax laws by making their returns and by making income tax payments which reflect fairly the income tax which they ought to pay.

This Bill is, of course, a money Bill, which I have signified to Your Honour already, has received the blessing of Cabinet and now for the purposes of general information, I signify in accordance with paragraph (2) of article 80 of the Constitution that Cabinet has recommended it for consideration by the National Assembly. With that formality, Mr. Speaker, I move that the Bill be read a Second time.

[Question proposed.]

Mr. Hoyte: (Replying) Your Honour, I was particularly pained at the imputation which appeared to have been made against the competence and the intelligence of those distinguished professional people who discussed this Bill with me on behalf of their several associations and their colleagues.

I find it difficult to understand how Hon. Members who are themselves professional people got up in this Honourable House and say that their colleagues who were elected, or selected, to come and see me – I have no doubt their various professional bodies had every confidence in their integrity and their ability – did not understand what was agreed with me. I repeat that we discussed very carefully, in a very detailed way, the amendments which I intimated to this Honourable House I propose to make. The important point which concerned the members of the delegation, and by inference the professional bodies, was the provision contained in the proposed subsection 2 of the proposed section 35 and it was on the basis of proposals made by the delegation to me that the amendment was worked out.

I have every reason to feel that when I discuss matters with representatives of professional bodies and I come to an understanding with them that I am dealing with people who have the necessary authority and who represent the views of their colleagues. I cannot proceed on any other basis. Therefore, as far as I am concerned, as far as the Government is concerned, we come to this Honourable House with an agreed position.

Generally, the interventions by Hon. Members of the Opposition have been based on emotionalism and really have not been founded on any real

consideration of the purport or contents of the Bill. It seems to me that, for one reason or another, Hon. Members of the Opposition continue to misread the Bill and consequently to mislead themselves or delude themselves. I have made it abundantly clear that the Bill is rooted on the principle of compliance.

The whole system of tax administration all over the world is moving away from penalizing for noncompliance towards systems and procedures which make it impossible for taxpayers not to comply. The whole system of P.A.Y.E. for wage earnings and salaried people is based on such a system. Section 47A sets the first stage to bring them into a system which ensures compliance. Section 47A in itself is ineffective and is not complete in securing compliance, because nobody has control over the income of the self-employed man in the way in which an employer has control over the income of an employed person, and so this legislation seeks to carry the principle in section 47A a little further to its logical conclusion to ensure that the self-employed professional pays his P.A.Y.E. and, what is more, makes his return.

I have already referred to the dismal compliance record of the professional people who are referred to in the Schedule and in case it has escaped the attention of Hon. Members I will repeat that, of the professional groups we are talking about, only 7 percent are, as of now, in order. Only seven percent have filed all their income tax returns and have paid their tax or made arrangements with the Commissioner of Inland Revenue for the payment of those taxes. Seventy percent have not even filed their income tax returns in respect of the year of assessment 1971.

In such a situation it is difficult to see how anyone can claim that the present procedures and the present system are adequate. The fact of the matter is that they are not adequate, they are not adequate to deal with the self-employed people who are not compliance-minded and it appears from the figures that the majority of these people are not compliance-minded.

I do not think it is any argument to say that you can sue the man, you can take him to court, because those systems are tortuous; they are time-consuming and they are inefficient. And it is because of these reasons that the whole thrust, I repeat, is towards the principle of ensuring compliance.

The Hon. Member Mr. Derek Jagan made the criticism that the legislation seeks to discriminate against a principal group of people who have been chosen, perhaps for an ulterior motive, and this burden was taken up by the Hon. Member Mr. Fielden Singh. May I say that that allegation is completely baseless. We are moving towards bringing erring self-employed people into the income tax fold, so to speak. One has to start somewhere, and the categories which have been listed in the Schedule are the obvious categories with which to start. Like the category of negligence, this category in the first Schedule is not closed. It is a beginning. Hon. Member Mr. Derek Jagan queried why not shopkeepers. The time will come when we will extend the list in the first Schedule to include a number of people

who are at present escaping with not paying income tax or with not making their returns as required by law.

But one has to understand and appreciate that there must be a beginning. It is no use making a list of a hundred categories and then finding that you do not have the personnel to service the system and, therefore, you have delay and frustrations because, let there be no mistake, the whole system of income tax administration is being transformed in this country. There has been, earlier this year, established a training school within the Inland Revenue Department where at present 24 income tax trainee inspectors are being trained. Every day the school is in session and these are the people who will service the new tax system. These are the people who will ensure that here is expeditious treatment of taxpayers' problems and taxpayers' business.

Whether they are recruited at Congress Place or at Freedom House is not the point in issue. What is important is that they are being trained to ensure that the valid criticisms which have been made about the failure of the Inland Revenue Department to process expeditiously will no longer be made. Let me say in passing, Sir, and this may be sweet music to the ears of the professional people to whom this Bill refers, that by December 31st of this year all objections lodged by those persons will have been disposed of. We are moving towards a system of promptness, expedition and efficiency. Also tied in with that will be a continuing system of ensuring that every citizen eligible to pay income tax is placed in that position where it is possible for him with the minimum of trouble to discharge his tax obligation to the State.

Again it has been argued that the legislation is discriminatory. I am not quite sure that I take the point, because all income taxation is discriminatory in the sense that some people pay more tax than others, all tax laws are discriminatory in the sense that certain categories have been taxed – shopkeepers, pharmacists for a time have been paying a fee for a certificate to exercise their profession. In that respect it is difficult really to follow the point. Against the point I have made, this is a beginning of a system which is going to be extended from time to time to bring more and more categories of persons – self-employed persons – into the Schedule. I think the allegation really has no merit. Let me make it quite clear that no government today can sit idly by and permit a system where the sitting duck is shot down all the time. This legislation seeks to do that and it is the type of legislation to which Government offers no apology and for which Government takes a measure of credit.

The Hon. Member Mr. Harry Lall raised the question as to the fate of the small man. Let me say that the small man will continue to bear the heavy tax burden if people who are not so small are permitted to escape their just obligation. A measure like this is really aimed at ensuring that all income tax which ought to be paid come into the public exchequer so that the relief which ought to be given to the small man is in fact given. I have no doubt

that when this system gets underway, when the tax outstanding is collected under the provision of this system, the relief to the small man will become possible as I said when I was opening the debate, by way of increasing allowances, granting more allowances and generally raising tax loans.

Mr. Speaker, I think I have attempted to deal with the main points which have been made by Hon. Members of the Opposition who intervene in this debate.

[Bill read a Second time.]

[Assembly in Committee.]

[Clause 1, agreed to and ordered to stand part of the Bill.]

[Clause 2.]

Mr. Hoyte: Mr. Chairman, I should like to propose certain amendments to clause 2 and I would suggest with your concurrence I propose all of the amendments which refer to clause 2 at the same time. I propose that the proposed subsection 2 in the proposed section 35 which appears under sub-clause (c) of clause 2 be deleted and the following substituted:

“(2) Save as hereinafter provided in this section no person shall be entitled to obtain a certificate unless he has (the burden of proof whereof shall lie on him) delivered to the Commissioner all returns which up to the date of his application for a certificate he is required by section 40 of the Income Tax Ordinance so to deliver and has up to that date complied with section 47A of that Ordinance, if that section is applicable to him.”

(b) In subsection (9) –

(i) *Substitution* of the words “**one thousand**” for the words “**two thousand**” and the words “**three thousand**” for the words “**five thousand**” in paragraph (a);

(ii) *Addition* of the following paragraph –

“(c) For the purpose of proceedings instituted against anyone alleged to be in breach of subsection (1) upon proof that such person practised as a person mentioned in the first schedule it shall be presumed unless the contrary is shown by such person, that he did at the alleged time practise for reward.”;

(c) *Substitution* of the following for subsection (13) –

“(13) The provisions of this section shall have effect notwithstanding the provisions of any other law authorising any person to practise as a person mentioned in the first schedule and the grant of a certificate shall not entitle any person to do anything which would otherwise be unlawful.”;

and (d) *Deletion* of the definition of the word “**optician**” appearing in subsection (15).

[Amendment put, and agreed to.]

[Clause 2, as amended agreed to and ordered to stand part of the Bill.]

Mr. Hoyte: I should just like to make a few comments on these amendments. The substitution of subsection (2), or the proposed section 35, arises out of proposals made by a delegation representing professional groups who met me and made representations for a change of the provisions as they appear in the Bill as printed. This proposal came out of the delegation and was acted on by me, and was eventually accepted by the delegation as being just and reasonable.

With respect to the amendment in subsection (9), again, that was a concession made to the delegation who thought that the fines proposed were too high and, therefore, I propose to reduce the fines as indicated in the proposed Amendment. The addition of paragraph (c) in subsection (9) is one which lawyers will readily understand, the principle being that when something is in the peculiar knowledge of a person who has been charged with an offence, as for example, in licence cases, the onus of proof is usually put upon him, and as a lawyer knows, proof is always on a balance of probabilities and is not a matter of strict proof, proof beyond reasonable doubt.

The deletion of the definition of ‘optician’ in subsection (15) arose out of a recommendation of the optometrists’ association. They raised certain legal arguments which at first blush seem to have some merit, so it was proposed to delete ‘optician’. We can re-examine the definition at a later stage, and if the legal problem could be overcome, we can add it again. However, I am told it is unlikely there would be more than one person – and even in that case, it is doubtful – who would be caught by that definition, and that the definition of ‘optometrist’ would catch all the persons who practise the profession of dealing with, supplying and fitting glasses to person who have eye troubles.

[The Chairman: Hon. Members, I propose to put each amendment separately.]

[Mr. R. D. Persaud: Mr. Chairman, I should like to seek clarification. I discovered that the Bill before the House speaks of amendment of Chapter 298. I wonder if it is not Chapter 299. Income tax is Chapter 299 and Chapter 298 is tax in general.]

Mr. Hoyte: Mr. Chairman. I wonder if I can answer that Chapter 298 is correct. What this Bill seeks to do is to amend the Tax Ordinance, not the Income Tax Ordinance. The Tax Ordinance is Chapter 298. Chapter 298 has 34 sections and this amendment proposes to add a section 35, in terms of the provision of the Bill, to the Tax Ordinance.

[The Chairman: I will now put the amendment in respect of subsection (2) of section 35 of clause 2 (c).]

[Mr. R. D. Persaud: This seems to be the bone of contention of everybody. I wonder if the Hon. Minister will explain for us. If a professional submits his return on or before the 30th April in the year 1972 for the year 1971, but he did not submit returns for the years 1968, 1969 and 1970, or even if he did submit his returns, he did not pay his income tax, if upon his submission of his return to pay all his income tax for the years for which he did not pay, or, if he did not submit his returns, would he be required on that occasion to submit all his returns before the licence is granted to him? Or, if he did not pay for the years 1968, 1969, and 1970 and he submitted in 1972, when this Bill comes into operation, for 1971, would the normal course be followed for those years for which he did not comply with this Ordinance, in that if he did not pay, the normal course will prevail and action will be taken against him in Court?

I discovered from the words in clause 35(2) that the professionals are given the right to make arrangements to the satisfaction of the Commissioner for the payment of all income tax that is due and payable by that person under the provision of the Income Tax Ordinance. This part of the subsection is not in the amendment. I wonder, since this discretionary power, as I interpret it, is not provided for in the amendment, if the Commissioner will be left with any discretion to allow the professional to make arrangements for payment or it will be compulsory for him to pay all the tax due upon the submission of his return.]

Mr. Hoyte: Mr. Chairman, may I answer the last question raised by the Hon. Member Mr. Reepu Daman Persaud first? It is very strange that the professional delegation which met me objected very strenuously to this provision about making arrangements to the satisfaction of the Commissioner and, against my advice, proposed that that provision be deleted. I myself thought that it was a very helpful discretion for the Commissioner to have, certainly very helpful for taxpayers who may owe income tax but

do not have the wherewithal to pay immediately everything that they owe. I followed what was said but really could not appreciate the validity of the arguments put forward. It is the professional people themselves who asked that that provision be deleted.

Nevertheless, notwithstanding the deletion of that provision, I would assure Hon. Member that under the general income tax laws and practice the Commissioner has the power to enter into arrangements with a taxpayer for the payment of tax which is due, payable and outstanding. Even though that the amendment is cast in this form it does not preclude the Commissioner from making arrangements with a taxpayer if the taxpayer owes income tax.

With respect to the first part of the question raised by the Hon. Member, may I point out first of all that the provision for the payment of P.A.Y.E., that is, section 47A has application only from the year 1971 because Hon. Members will recall that the Income Tax (Amendment No. 2) Act of 1970 was only assented to by His Excellency the President on the 12th December, 1970. There is no question of having to comply with section 47A prior to January 1971. So that with respect to the tax position prior to January 1971 a taxpayer, or professional, who applies for a certificate will have had to have filed his returns, but not necessarily to have paid his taxes, in respect of the years prior to 1971. Of course, he will have had to have paid his P.A.Y.E. for 1971.

With respect to any outstanding tax debt, prior to January 1971, the law will take its normal course. The Commissioner will have to sue him, use the powers of *parate* execution and all that heavy-handed and very tortuous kind of power. I think those were the points raised by the Hon. Member and I am glad to be able to give him the assurance which I have given him.

[Mr. Reepu Daman Persaud: One last question. Seeing that it comes into effect in the year 1971 and the normal course will be followed for the years prior to 1971, what happens subsequently to 1971? Let us assume that in 1972 he files his return, he assesses himself and he pays. Then when he goes back in 1973 to file his returns for the year 1972 by that time the Income Tax Commissioner feels that the assessment by the professional is not fair, is not right, it is not reasonable, and does not agree with the assessment. What will be the position of the professional when he goes and says, "*Here is my return for the year 1972*"? Will the Commissioner have the power at the time to say "*Unless you settle for this year*", that is, ignoring the return for the year 1971 or 1972 "*I will not issue the certificate*"? I am not clear on that position. Can the Commissioner do that or will the normal course follow again there? On failure to pay the assessed tax for that year the normal course will follow or will the Commissioner say "*No. You have to make an arrangement for settlement before the licence is issued*". I think that this is another point of contention, as I understand it.]

Mr. Hoyte: I think that the legislation is quite clear on this and in any case the proposed practice will be quite clear.

What the professional is required to do to become entitled to a practice certificate is to have made his return, to have paid his P.A.Y.E. If the Commissioner is dissatisfied with the level of P.A.Y.E. paid or is dissatisfied with the final position as reflected in the returns made by the professional, that does not become a ground for denying the professional a certificate. The first point is that there is a dispute, and so long as there is a dispute the tax is not due and payable.

Even when the matter passes beyond the stage of a dispute, when the tax is settled, either because the tax payer agrees that he, in fact, owes that money or he goes to court or to the Board of Review, as the case may be, and his tax liability is settled at that stage, that is an outstanding tax debt which is not caught by this legislation here. It is not P.A.Y.E. in respect to which 47A applies. Therefore in respect of that debt the normal course will have to be taken.

[Amendment that – The following subsection be substituted for subsection (2) at paragraph (c) in the proposed section 35:

“(2) Save as hereinafter provided in this section no person shall be entitled to obtain a certificate unless he has (the burden of proof whereof shall rest on him) delivered to the Commissioner all returns which up to the date of his application for a certificate he is required by section 40 of the Income Tax Ordinance so to deliver and has up to that date complied with section 47A of that Ordinance if that section is applicable to him.”]

[Put and agreed to.]

[Amendment that – In paragraph (a) of subsection (9) the words “**one thousand**” be substituted for the words “**two thousand**” and the words “**three thousand**” for the words “**five thousand**”.]

[Put and agreed to.]

[Amendment that- The following paragraph (c) be added to subsection (9):

“(c) For the purposes of proceedings instituted against anyone alleged to be in breach of subsection (1) upon proof that such person practised as a person mentioned in the first schedule it shall be presumed unless the contrary is shown by such person, that he did at the alleged time practice for reward.”]

[Put, and agreed to.]

[Amendment that- The following be substituted for subsection (13)

“(13) The provisions of this section shall have effect notwithstanding the provisions of any other law authorizing any person to practice as a person mentioned in the first scheduled and the grant of a certificate shall not entitle any person to do anything which would otherwise be unlawful.”]

[Put, and agreed to.]

[Amendment that – The definition of the word ‘optician’ appearing in subsection 15) be deleted.]

[Put, and agreed to.]

[Clause 2, as amended, agreed to and ordered to stand part of the Bill.]

Motion on the Approval of Financial Paper No. 5/ 1971: 22nd November, 1971

Mr. Hoyte: This Subhead relates to the use of PL 480 funds. The funds generated by that scheme are lent to the Government for various projects. This particular project under the Ministry of Agriculture relates to a number of small but important projects for agricultural development. At present, there are about ten of them and, especially for the benefit of the Hon. Member Mr. Singh, I will describe them quickly, so that Hon. Members may have an idea of the sort of activity which is being funded by this money. Of course, what has happened here is that since the agreement was made, Government, out of its own funds, advanced the sum of \$100,000 but this sum would, of course be refunded from the PL 480 sources.

There is one project costing \$30,580 for a Quick-Service Soil Testing Laboratory for which equipment has been bought, for example, the shaking apparatus, photoelectric colorimeter (Klett Sumerson type), Automated Centrifuge, Analytical Balance and that kind of scientific equipment which is necessary for quick service soil testing.

Then the Second Scheme is an Animal Nutrition Laboratory Building which has been established to house the equipment has been supplied by the University of Florida. The cost of that building is \$20,000.

The Third Scheme relates to the expenditure of \$33,000 to acquire Equipment for Expanded Crop Research Programmes at Ebini. There are things like small mechanical equipment, Weedicides, Fungicides, Insecticides, Irrigation Pumps and expenditure for fencing the research area and things like that.

The Fourth Scheme is one for \$18,800 to purchase facilities for and expansion of a Seed Production Unit at Mon Repos. Again you have a list of equipment which is necessary for that type of activity.

The Fifth Scheme is a scheme for Assistance to Cane Grove Farmers, where \$32,000 has been expended to replace a 45 year old steam engine with a diesel engine to power drainage pumps and also to help the farmers. There is the cleaning and de-silting 2,400 rods of drainage and irrigation trenches which had become clogged up and which were not serving the farmers efficiently.

The Sixth Scheme relates to a plan to provide additional Water Transport for Extension Officers in remote areas. For \$79,000 the following equipment was bought for officers serving in the Rupununi, North West District and Bartica areas. A 40 H.P. Johnson outboard engine and boat, launches, and spare parts for boats and engines.

The Seventh Scheme is a mobile unit for Teaching Farmers and that unit cost \$12,000. It is a mobile communication unit with all the necessary accessories – films, slides, projectors, transformers and things like that.

The Eighth Scheme is a scheme for which \$30,000 was set aside and used to purchase small stock to encourage people, especially in areas where there are facilities for this, to rear small stock. There has been the purchase of pedigree sheep and goats for people, particularly in the Rupununi, North West District and intermediate Savannahs.

The Ninth Scheme, a small one, for \$4000, is for the completion of the Abattoir at Lethem. For example, two 100-gallon tanks were bought and a hot water heater for sterilisation purposes, an incinerator for disposing of animal waste products, two power meat saws and linking of overhead rails between the killing and hanging floors.

The Tenth Scheme again is a scheme for the hinterland areas, particularly in the Amerindian villages of Aishalton, Kamarang, Annai, Kurukubaru and Kamana, where \$18,800 was expended to purchase peanut digger-shakers and peanut shellers for those Amerindian farmers who are engaged in peanut production in that area.

The Eleventh Scheme is one for \$72,000 for the purchase of Multi-Purpose Canning Equipment which I understand is on order and is to arrive soon. This equipment will be used to process and can agricultural products – peas, tomatoes, pineapples and so on. I understand this cannery will be set up in Essequebo to serve as a pilot project to show farmers what can be done in the way of preserving their fruits and other products. That gives the kind of operations which this money is going to finance.

[Mr. Fielden Singh: Just a point of clarification, Mr. Chairman. The Hon. Minister has given us these schemes in great detail but from a rough calculation it would add up to a lot more than \$100,000. I take it this sum of \$100,000 is for one or two schemes or for a part of one or two projects. He has given us the whole lot of things but only \$100,000 is being requested here.]

Mr. Hoyte: The answer to that is yes, Sir. Under this document there are 25 schemes of the same types which I have described adding up to \$580,658. This amount relates to money which has to be paid or which has been paid. I pointed out that the canning equipment has not yet arrived. The order has been placed but the question of payment does not arise now. The bills for much of this equipment which has been ordered will come in next year. There is no point in voting the money this year, as it will lapse.

Mr. Chairman, this estate has some 300 acres of transported property. Having regard to land values I think it is quite absurd for anybody to say that that is a high price or an extraordinary price. It works out to something like \$300 per acre which in any part of Guyana is a relatively cheap price. It is regrettable that every time the Hon. Member Mr. Ram Karran has to make a contribution that contribution is full of suspicions which seem to be part of his nature.

The legend is inaccurate. For the benefit of the Hon. Member this is a coconut estate and it is remarkable that he claims to have knowledge of the estate when from his statements he shows that he is either not being honest or he does not know. There is no half way house in this matter. Plantation Lookout is a coconut estate. It has been acquired by Government as part of the Government's general programme of training young people in agriculture and encouraging them to settle on the land. Since the acquisition of this estate Government has put in the necessary facilities and will next month settle twenty young men to do mixed farming. These will be young men who have had their initial training as part of the Government's programme in agriculture and next month will see these twenty young men on this estate demonstrating to their colleagues throughout this country what the prospects and opportunities are in agriculture for young people.

[Assembly resumed]

Mr. Hoyte: I beg to report the Committee of Supply has approved the proposals set out in Financial Paper No. 5 of 1971. I now move that the Assembly doth agree with the Committee in this Resolution.

[Question put, and agreed to.]

[Motion carried.]

Motion on the Approval of Financial Paper No. 6/ 1971: 29th November, 1971

Mr. Hoyte: Mr. Chairman, may I just add one point in support of what the Hon. Prime Minister has said on Subhead 12 (Expenses, Operation of Road Toll System)? It is this: in most countries where a highway such as the Corentyne Highway has been built, there is exacted from every property owner along the highway a tax. That is because those property owners, by reason of the construction of that highway, enjoy an unearned increment which enhances the value of the property adjacent to the highway.

In places such as the United Kingdom, that tax is called a 'betterment levy' and is familiar to people who have knowledge of taxation and various methods employed in different countries. I think we must bear in mind that the value of every property along the Corentyne Highway has been enhanced considerably at public expense.

The Hon. Member, Mr. Ram Karran, raised a query on Subhead 2, Transport and Travelling, Ministry of Finance – Inland Revenue. I should explain for his benefit that the Inland Revenue Department has the power to audit the books of private companies and their stock. This sum reflected increased activity in that field.

In particular, since November, 1970, after the Government announced its intention to participate meaningfully in the bauxite industry, the officials of the Inland Revenue Department have been going up to Linden to audit both the books and the stock of the Demerara Bauxite Company and in the first half of this year that activity was intensified.

The Hon. Member, Mr. Reepu Daman Persaud, hoped, in relation to Subhead 10, Expenses of Board of Review, that there would be increased activity in relation to objections which are pending at the Inland Revenue Department. I can assure him that there has been increased activity. Indeed, this very provision, which is being sought, reflects that fact. There have been an increased number of sittings of the Board of Review and the Department has been working overtime to clear off the heavy backlog of objections.

It will be recalled that we recently passed the Tax (Amendment) Act to obtain a Practice Certificate. Obviously they have to put themselves in order before a Practice Certificate is issued and it follows, therefore, that the Inland Revenue Department will have to clear off objections which those persons might have raised before the end of this year. That work is being done and, as I said, the Board of Review is sitting more regularly to deal particularly with those cases.

Motion on the Approval of Estimates of Expenditure for 1972 Budget Debate: 7th December, 1971

Mr. Hoyte: During his 1971 Budget Speech, my predecessor, the Honourable Deputy Prime Minister, Dr. P. A. Reid, referred to the far-reaching fiscal reforms contained in his 1970 Budgetary proposals, in the following words:

“Mr. Speaker, Honourable Members would recall the budgetary proposals I laid before this House during the last Budget debate. Due to the radical changes endemic in some of the proposals and the amount of research necessary for their implementation, the full impact would not be felt before 1971 – consolidation year.”

Thus, 1971 came to be known as ‘Consolidation Year.’ It was envisaged as a period of relative calm when the nation would pause to take stock, make the physical, psychological and organisational adjustments dictated by the “radical changes” to which the Honourable Deputy Prime Minister had referred, and consolidate its gains before advancing again.

In the event, that Consolidated Year turned out to be anything but calm. It was, in fact, one of extraordinary activities and challenges, and proved to be a stern testing time for the Guyanese people. On both the national and international scene, there were momentous political and economic developments, and their dramatic interplay has had significant, but not always calculable, consequences for Guyana. The pressures were great, the difficulties legion. But we have overcome and survived through the courage, resilience and basic loyalty of the Guyanese people under the indomitable leadership of the People’s National Congress Government.

In the course of the year, the reclamation of our bauxite resources at Linden from foreign owners and control, and the resulting repercussions and challenges dominated the national scene.

On February 23, 1971, Republic Day, the Guyanese people, through their Head of Government, articulated their irreversible decision to reclaim their bauxite resources from the Demerara Bauxite Co. Ltd., the wholly owned subsidiary of the giant multinational corporation, Alcan. This decision translated into action our resolve to transfer the levers of control within our economy to Guyanese hands and ensure that our natural resources were in future exploited primarily for the benefit of the Guyanese people. The act of reclamation did not prove to be one devoid of difficulty and danger.

Pressures of all kinds, some subtle, some crude, were applied at the international level to coerce us into abandoning this quest for economic independence and national dignity. And at home, the machinations took the form of a massive exercise aimed at subverting Guyanese citizens and creating fear, distrust and doubt. Inevitably, the great financial resources

deployed in this exercise purchased a measure of success – albeit transient. Some Guyanese workers became confused, faltered and fell. But it is to their external credit, Mr. Speaker, that they soon recovered their self-respect, rose to their feet and assumed their manhood again. Put to the test, the Guyanese character and personality triumphed in the end.

All that is history now. The bauxite industry at Linden is firmly and irrevocably in the hands of Guyanese. The smoke is still billowing from the chimneys; the ships arrive at Linden as punctually as ever for their cargoes; and our markets, far from disappearing, have expanded.

It is no exaggeration to say that the future of Guyana is inextricably bound up with the success of the bauxite industry. It must become the focal point for the rapid expansion of the whole economy, generate new industries and establish the linkages which economic commonsense indicates.

For this reason, Mr. Speaker, the continued viability of the operations at Linden became a matter of overriding national priority. The public exchequer was used fully – and unapologetically – to ensure the flow of the financial resources required for the operations during the transitional period. Of necessity, other priorities were displaced and projections, hopefully valid at the beginning of the year, underwent qualifications as the implied assumptions which formed their basis were falsified or distorted by the turn of events.

Overshadowing the international scene has been the yet unresolved monetary crisis. The brusque action of the US Government on 15th August, 1971, in suspending the convertibility of the US dollar plunged the international monetary system into chaos and disrupted the scheme of currency alignments and fixed parities to which the world had grown accustomed for over a quarter of a century since the Bretton Woods Agreement in 1944. The resulting crisis has had world-wide repercussions from which Guyana has not been exempt. A return to protectionist policies, a diminution of world trade and an abrupt contraction in the transfer of resources from developed to less developed countries have been some of the immediate consequences. The situation is still clouded by uncertainty.

The US action was taken in breach of its obligations to the International Monetary Fund of which it is a member. But the US Government has defended its action as one necessary to protect its economy in the face of a continuing deterioration of its balance of payments position.

It is futile, Mr. Speaker, to concern ourselves with the academic question as to whether or not the US action was justified. For us what is important is to draw such lessons as may be useful. There are three obvious lessons. The first is, that where their vital interests are concerned, powerful, developed countries will take such action as they deem fit without regard to international agreements or conventions: for when they decide to breach the rules, who will apply the sanction?

The second lesson is that in pursuit of those vital interests, the developed countries are not concerned with adverse effects of their

policies on other countries and, in particular, on small, developing countries.

Thirdly, not only war, but trade also is an extension of diplomacy. Small nations by themselves have no defence against the merciless buffetings of the fate in the guise of economic policies devised by rich developed countries to enhance their own economic interests, but which policies militate against the interests of developing countries.

This serves to explain and justify our continued pursuit of Caribbean economic integration and political unity.

Mr. Speaker, the world of international economics and politics is one of harsh reality. In that world, charity is not a recognised virtue and its practice is rigorously eschewed; and 'aid' is a euphemism for bargain-driving. It is a realisation of this fact which has underscored and motivated the Government's policy of economic self-reliance.

No informed Government today expects miracles from foreign aid. In this regard, it is apposite to allude to the remarks of the former Argentine President, Roberto Levingston, at a meeting of the Inter-American Development Bank earlier this year, when he commented on the unsatisfactory record of foreign aid programmes in Latin America during the last decade:

"A realistic analysis shows that not only has foreign aid been insufficient, but if net movement of capital is taken into account, it becomes clear that it was Latin America which, paradoxically, contributed to the development of the more advanced areas."

Levingston merely echoed the universal experience of developing countries.

Mr. Speaker, the World Bank in its 1971 Annual Report pointed out that aggregate net flows of investment funds from the principle countries providing development finance still do not exceed 0.75 per cent of their combined Gross National Product. At the same time, official development assistance from these countries – most of it on concessionary terms – has declined. However, this decline has been accomplished by a rise of non-concessionary capital flows which, in the main, take the form of export credits.

The flow of resources even from the World Bank Group has not been in favour of the poorer developing countries. In 1971, although the Group expanded its lending programme significantly, a smaller portion of the increase was channelled to the poorer developing countries of Asia, Africa and the Western hemisphere.

Mr. Speaker, the stark truth is that the world is not getting to be a better place for the developing countries. We should note Sir, the *cri de coeur* which emanated from the recent Ministerial Meeting in Lima, Peru, of the Group of Developing Countries known as the Group of 77. In the 'Declaration'

which was adopted at the end of the meeting and forwarded to the United Nations for circulation as an official document of the UNCTAD and the General Assembly, they pointed to the continued deterioration of the position of the developing countries in the world economy – a declining share of world trade, the growth of external debt burdens at an alarming rate, the sharp contraction in the flow of resources from developed to developing countries and the steadily widening technological gap between developed and developing countries – and all of this, Mr. Speaker, when the United Nations First Development Decade has come to an end and a Second Development Decade has been piously announced.

In the light of these political and economic actualities, Mr. Speaker, Government's policy of domestic resource mobilisation and economic self-reliance has proved to be fully justified and was pursued with determination and urgency in the course of 1971.

Despite the more dramatic events which dominated the local and international scene, the painstaking task of consolidation proceeded inexorably.

In agriculture, the basic research and experimentation which must precede and support large-scale agriculture activity, continued apace. The demonstrated economic feasibility of new crops such as corn, soya beans and sorghum grown at Kibilibiri and Matthews Ridge, opens up exciting possibilities for agricultural self-sufficiency. And, of course, Mr. Speaker, the \$9 mn. livestock project launched in the course of the year is programmed to ensure self-sufficiency in beef and dairy products by 1976.

At the core of Government's strategy has been, of course, the intensive mobilisation of domestic resources, our human resources, as in previous years, were organised and deployed into community self-help projects, one of which was the impressive national effort designated 'Advance Guyana', in which thousands of Guyanese turned out in their communities to dig and clean trenches, weed, paint, repair, and generally to clean up and improve the environment in which they lived or worked. This was the prologue to our grand design to feed, clothe and house ourselves by 1976.

And we continued to do what we were told could not be done; namely, build the hinterland road from Mahdia to Lethem by self-help. Even as I address the Honourable House, Mr. Speaker, civilian volunteers and their fellow citizens in the People's Army, the Guyana Defence Force, are engaged in the final effort to complete the first stage of the road before the end of this year – one year before the date originally projected. This tremendous achievement will mean that at the end of 1971 we will have 305 miles of fair-weather road from Bartica to Lethem.

Over 6,000 citizens of all walks of life and of every religious and political persuasion have worked on this National Self-Help Road. By so doing, they have demonstrated their faith in Guyana and their acceptance of the fact that Guyana's development is a task for the Guyanese people themselves. The Road has become a symbol of the spirit of the Guyanese people and of their dedication to the ideals of the Co-operative Republic.

Community self-help efforts were complemented by work in the co-operative sector, which was strengthened not only by numerical expansion, but by the improvement of skills, organisation and opportunities for economic participation.

The task of consolidation went on, too, at the institutional level.

The External Trade Bureau brought a greater segment of imports under its aegis in pursuance of its responsibility for stabilising prices of essential commodities and influencing our trade patterns. Its activities inhibited erratic fluctuations in prices and ensured their relative stability.

It was of critical importance, Mr. Speaker, that order, discipline and efficiency be brought into the financial administration and organisational structure of the public sector, including Public Corporations. Effective action in this area is vital to the success of our national policies. Thus, the Guyana State Corporation (GUYSTAC) came into being by virtue of the Public Corporations (Amendment) Act 1971, to co-ordinate the management of personal and financial structures and policies of Public Corporations with a view to ensuring efficient and businesslike performance. Mr. Speaker, the public is entitled to economic rates for the services they provide.

The Fiscal Review Committee continued its work, as did the Committee for the Efficient Collection of Revenue (CECOR) which handed in its Report on Saturday, 4th December, 1971. I wish to pay tribute to the valuable work of both Committees whose members have worked beyond the call of duty in the public interest without remuneration.

The unsatisfactory state of affairs which enabled foreign-owned companies to raise capital on the local market indiscriminately and to issue prospectuses which did not make full and accurate disclosure of pertinent facts was corrected by the enactment of the Capital Issues (Control) Act, 1971. This Act will protect the public from being misled by misrepresentations or suppression of relevant information, and will defend the economy from unwarranted capital outflows or undesirable intervention by aliens in critical sectors of the economy, and will ensure a more rational utilisation, in the light of our development needs, of scarce capital available on the domestic market.

Mr. Speaker, of fundamental importance in this year of consolidation has been the significant work done in strengthening relations, not only with our immediate geographical neighbours, but with hemispheric states and, indeed, Sir, with friendly countries in Asia and Africa and of the Third World generally.

Domestic and foreign policies are sometimes erroneously considered to be mutually exclusive or unrelated fields. But indeed, Sir, for us there is a very close interrelation, and our domestic policy has therefore had a marked influence on our foreign policy.

Mr. Speaker, we are committed to the ideal of Caribbean economic and political integration. We believe that the Commonwealth Caribbean has no

future as small separate units in view of the world trend towards large politico-economic groupings. For this reason, we subscribed to the Grenada Declaration, thus renewing Guyana's commitment along with other Commonwealth Caribbean States to the early achievement of the goal of Caribbean political unity. The active pursuit of this goal in the months and years ahead will call for the involvement not only of the Governments, but also of all the people in the region. The Guyanese people, in particular, will have a great responsibility for making wise and constructive contributions to the achievement of this goal.

Similarly, Mr. Speaker, we have pressed on with programmes to strengthen the economic integration of the Caribbean Region. In the course of the year, at meetings of the CARIFTA Council of Ministers, we have endorsed and sought to expedite finalising or implementation of programmes that, for example, seek the harmonisation of fiscal incentives to industry, the adoption of a common external tariff, the rationalization of agricultural development, and the adoption of a regional policy on the location of industries. In addition, the Government continued to support all measures of the Caribbean Development Bank designed to promote the economic development and economic integration of Commonwealth Caribbean member territories. We will continue to support the strengthening of the Bank's resources through arrangements which do not dilute its West Indian character or weaken its capacity to function as an instrument of West Indian economic integration.

During the year, diplomatic relations were established with Colombia, Peru and Chile in our continuing search for new patterns of relationship and opportunities for co-operation and action in the field of international affairs. But our national economic interests took us further afield to the continents of Asia and Africa where fruitful developments have already occurred with several countries. Government's decision to establish two new missions next year in India and Zambia evidences our appreciation of the importance and value of increasingly closer collaboration with the countries of Asia and Africa. The visit of a Trade Team from the People's Republic of China to Guyana earlier this year and the return visit by a Trade Team from Guyana, highlight our changing perspectives in the field of trade and co-operation.

The Trade Agreement we signed with the People's Republic of China will result in G\$30mn. worth of annual bilateral trade and will open up new markets for our bauxite products, timber and sugar. One only has to reflect on the uncertainty of our sugar industry when the UK enters the European Economic Community to appreciate the tremendous importance of the new market for sugar.

Mr. Speaker, we are now fully committed to the achievement of certain goals over the next five-year period; namely, to feed, clothe and house ourselves. The achievement of these goals will require a massive, disciplined effort by the three sectors of the economy – public, co-operative

and private. This effort must be in co-operation and not in wasted conflict. National interests, national objectives must be paramount.

A few people have expressed misgivings that the goals are too ambitious. Be that as it may. But this Government does not consider such misgivings a sufficient reason for shying away from the task. On the contrary, it is all the more reason to proceed with single-minded dedication.

We are relentless, Mr. Speaker, in our pursuit of economic independence; in our determination to ensure Guyanese dominance in our economic life; in our commitment to promote the economic ascendancy of the masses through co-operative enterprises, and secure for them a just distribution of the wealth generated in the economy. In our long march towards the establishment of an egalitarian society, based on the principle of economic justice, we have already made substantial gains. We paused during 1971 to consolidate those gains. Despite the difficulties, we have been laying solid foundations for advancing Guyana.

Review of the Economy - Production, Trade, Prices

Mr. Hoyte: In 1971, despite some evidence of uncertainty and even minor contractions in certain sectors, the economy as a whole expanded faster than in the previous year. Production measured in terms of the Gross Domestic Product grew from \$473 mn. in 1970 to \$505 mn. in 1971. The rate of growth was therefore of the order of 7 percent in real terms compared with a growth rate of 5 percent in 1970.

As in the past, the economic fortunes of this country rested essentially on three major sectors – bauxite, sugar and rice. In 1971, bauxite production, including alumina, expanded by 7 percent in terms of volume, but the value of shipments during the year remained in the region of \$135 mn. compared with \$138 mn. in 1970. Thus, while the growth rate in this sector was not spectacular in 1971, the industry certainly maintained its traditional level of contribution to the growth of incomes in the economy.

It is also significant to observe that the industry maintained a high level of sales, despite a very depressed world market for aluminium, and excess capacity in the smelting and fabricating industries – both of which affected the prices of metal grade bauxite and alumina.

It was the recovery in output in the sugar industry however which was mainly responsible for the higher growth-rate in the Gross domestic Product during 1971. Output of sugar which had fallen to 311,000 tons in 1970, expanded rapidly in 1971 and is now expected to reach a record level of 370,000 tons by the end of the year. Exports of sugar rose in sympathy with production and, as most of the increase was sold to the more lucrative markets of the USA, gross export earnings from sugar are expected to reach \$88 mn. by year end compared with \$72 mn. at the end of 1970.

I think it would be fair to ascribe the record level of production not only to efficiency within the industry, but also to the absence of any major industrial conflicts in the industry during this year. Sensible measures by the Ministry of Labour and responsible Union leadership in the industry have, without a doubt, contributed to this fairly quiet year for industrial relationships in the sugar industry, and its effects have been reflected in the high level of output and incomes that industry has been able to generate.

The rice industry, Mr. Speaker, has not been quite as fortunate as the sugar industry. Heavy unseasonal rainfall produced floods throughout the country and adversely affected production. Nevertheless, in spite of these, the rice industry has been able to record an output which is estimated at 123,000 tons, only 19,000 tons less than 1970, when the weather conditions were more favourable and the industry realised a level of production that was nearer its potential. Despite the lower overall production, advance reports indicate a marked increase in the yield per acre in areas where yields were usually low. Significantly enough, however, shipments of rice to external markets have increased during 1971. Rice exports for 1971 are estimated at a value of \$20 mn. compared with \$18 mn. during 1970.

Generally, Mr. Speaker, constructed activity, which can usually be relied on to stimulate the economy and render important support to the other productive sectors in terms of income generation, maintained the buoyancy observed in the previous year. There has been some slackening in building construction, but other public sector works – sea defence, roads, telecommunication expansion and extension in the rice industry – have more than counterbalanced any stagnation in other sectors of the industry.

As private construction showed signs of abatement, private investment weakened; but the expansion in public sector capital outlays kept total investment expenditures at approximately the same level as in 1970, that is, about \$100 mn. Much of the decline in private sector investment was in the bauxite industry; but this phenomenon was not unexpected in a year when the larger of the two bauxite companies changed ownership as a result of nationalisation. Government spending on capital works and services showed a substantial increase from \$34.5 mn. in 1970 to \$58.4 mn. in 1971, while two Public Corporations pushed ahead with their expansion works involving large capital outlays designed to increase the availability of electricity and telephone services.

The lower level of investment activity in the bauxite industry and by the private sector was reflected in a relatively stable import bill, which is projected to reach just about \$270 mn. in 1971, compared with \$268 mn. in 1970, despite continual and sharp increases in the prices charged by overseas suppliers for a large number of our imports.

In the area of external trade, there were some encouraging developments. Despite substantial price rises for a number of non-durable consumer goods like milk, this country has been able to hold the value of imports of non-durable consumer goods to a level of about 8 percent below the value in

1970. Imports of raw material and fuel which reflected the state of industrial activity within the country rose by almost 10 percent. It should be remarked that, in 1971, Guyana, in common with other developing countries, experienced a level of inflationary price rises for its imports which was extraordinary compared with our experience in previous years. In fact, we have been importing the inflation of the industrialised countries which have so far been our traditional source of supply.

It is the Government's intention in the months immediately ahead to pursue a vigorous policy of establishing new trade links which will not open new markets for our products but which will also constitute sources of cheaper imports.

Mr. Speaker, while there has been a stabilisation of imports, at least in the terms of volume, exports have been rather buoyant. It is expected that by year end our exports would have valued about \$282 mn. – approximately \$16 mn. or 6 percent higher than in 1970. Sugar would be contributing most of the increase – about \$15 mn. – but bauxite and alumina, largely because of weaker prices for alumina and metal grade bauxite, would just about maintain their 1970 contribution to total exports.

Thus, Mr. Speaker, we are firmly on the way to earning a surplus of about \$12 mn. on our visible trade account. In the final analysis, however, after taking into account payments and receipts on account of profits, interests and services, there will be a deficit of just about \$12 mn. on the account of our Balance of Payments. This would represent a much improved payments position of about \$27 mn., compared with 1970 when Guyana's current account deficit stood at \$39 mn. As the net inflows of capital are expected to be lower in 1971 than in the previous year, it is projected that this would have a slight adverse effect on our foreign reserves.

Bauxite Nationalization

Mr. Hoyte: Mr. Speaker, my review of the economy during 1971 would be incomplete without some reference to developments in the Guyana Bauxite Company Ltd. (GUYBAU) since it assumed control of the bauxite operations at Linden for and on behalf of the Guyanese people.

We were told that Guyanese did not have the capacity, the capability, the technology or the intelligence to run the industry, and dire predictions of disaster were gratuitously proffered. The facts are, Mr. Speaker, that despite a run-down of spares and equipment and the withdrawal of foreign key personnel, the transition to Guyanese ownership was smoothly effected, and the operations at Linden, I venture to say, are being conducted, not as efficiently as when foreigners controlled it, but, Mr. Speaker, more efficiently. In the first months of operations after Vesting Day, GUYBAU broke all previous records for the production of alumina by achieving a total of 31, 010 long tons, 1,943 long tons more than the highest total ever achieved by Demba during a similar period. And this high level of

productivity has remarked a characteristic of GUYBAU's operations to date and augurs well for the future of the industry.

Let me emphasise the point, Mr. Speaker. Since GUYBAU has taken over, production of alumina and calcined bauxite has been higher than it was during the regime of Demba. The production figures for the period August to October, 1970 and those for the same period in 1971 are as follows:

	1970	1971
Calcined Bauxite (long tons)	136,412	155,807
Alumina (long tons)	69,426	70,457

Current output on an annual basis indicates an annual production for 1971 of 65,000 long tons as compared with 614,000 long tons in 1970 of calcined bauxite, and 325,000 tons as compared with 312,000 tons of alumina.

These figures are instructive and require no gloss or further comment.

During the next year, GUYBAU plans to produce 100,000 tons of dried grade bauxite to be calcined abroad on a toll basis, pending an increase in the calcining capacity of the Company.

Markets for production are firm and include, not only the traditional markets of North America and Europe, but also the Soviet Union and the People's Republic of China, which latter country will, as a result of the recently signed bilateral trade agreement, purchase between 20,000 and 50,000 metric tons of alumina during 1972. Of vast significance for the local economy is the fact that GUYBAU has already begun to integrate its operations with the Guyanese economy and establish linkages. The Company is committed to a policy of using local goods and services as far as possible in substitution for imported inputs. Already, for example, local cassava starch is being used as a flocculent in the refining of alumina in substitution for imported wheaten flour used by Demba.

Surely, Mr. Speaker, it must be patent to all that, with an intelligent and dedicated management, a loyal, competent work force, and their combined will to succeed, the giant bauxite industry is already showing unmistakable evidence of success and profits. Those who foretold doom and disaster are daily being proved to have been humbugs.

Kaolin

Mr. Hoyte: For years, bauxite was being mined in Guyana and the kaolin found at the mine floor was covered up by the bauxite companies when backfilling the worked-out mines. This valuable economic asset was treated as rubbish and the country deprived of benefits which would accrue from its exploitation. Research has indicated that Guyana has large deposits of high quality kaolin which is well suited for use in the paper, rubber, ceramic, chemical and paint industries. It is proposed to establish a kaolin industry on a firm basis in the course of 1972, and the preliminary studies

are now being conducted. The studies include the feasibility of producing white cement from kaolin and the setting up of a ceramic industry.

International Monetary Situation

Mr. Hoyte: On August 15, last, the United States of America suspended the convertibility of dollars into gold, and imposed a 10 percent surcharge on a long list of commodities entering the United States. These measures were taken to protect the United States foreign reserves and to reverse the continued deficit in that country's Balance of Payments.

The major trading countries were thus forced to take measures to stem to forestall the huge speculative inflows of inconvertible dollars, by allowing their currencies to float. Thus the leading trading currencies of the world are now floating and, in the process, the Guyana Dollar has also been allowed to float and has appreciated by nearly 4 percent as against the US dollar.

The system under the IMF Articles of Agreement by which each currency maintained stable rates of exchange with other currencies has thus been abandoned, and the world deprived of the benefit of this stability which, in spite of periodic crises in recent years has been reasonably successful in encouraging the rapid growth of international trade. Guyana would wish to see an early return to fixed parities within appropriately widened margins.

While the 10 percent surcharge on imports has not affected any of our major exports to the USA, to the extent that its retention would lead to a growth in protectionism and a contraction of world trade, Guyana has an interest in its early removal.

Following the recent meeting of the Finance Ministers of the Group of Ten in Rome, there now seems to be some hope that there will be an early re-establishment of the foreign exchanges. However, it is clear that the system will always be crisis-prone if it continues to rest so heavily on national currencies and thus remain vulnerable to particular national policies. Lasting stability can be achieved only by divorcing the system from particular national currencies and establishing some kind of world reserve currency.

The Guyana National Co-operative Bank

Mr. Hoyte: Mr. Speaker, the Guyana National Co-operative Bank is the only indigenous Bank in Guyana. It is the People's Bank, owned by them through their Government, Trade Unions, Co-operative Societies and Friendly Societies. Its function is to mobilise the savings of Guyanese and deploy these resources to develop the co-operative sector, in particular, and the economy in general. It is therefore an important instrument for the

promotion of cooperative development and Guyanese economic ascendancy. Its growth is therefore an indication of the rate at which these twin objectives are being achieved.

The total resources of the Bank at the 30th November, 1971, was \$17 mn. This indicates an increment of \$7.8 mn. on its resources at the end of 1970. Of the total resources, deposits, both current and savings, accounted for about G\$11 mn. – an increase of G\$4.3 mn. or 64 percent above the level at the end of 1970. The increment in the Bank's resources has been directed almost entirely to the financing of loans to co-operatives, particularly building co-operatives, and to the private sector, including individuals.

The Bank established a Branch at Linden during the year, and branches will be opened in the county of Berbice in New Amsterdam, Rose Hall and Springlands in January, 1972. Later in 1972, the Bank will establish a presence at Anna Regina and on the East Coast.

National Self-Reliance Co-operative Movement

Mr. Hoyte: Mr. Speaker, I now turn to developments in the Co-operative Sector. At the end of 1970, there were 992 co-operative societies with a total membership of over 80,000 and share capital, savings and deposits of over \$7 mn. At 30th November, 1971, 115 societies had been registered for the year, bringing the total number to 1,107, with a membership of approximately, 90, 000 and share capital, savings and deposits of approximately \$8 mn.

During 1971, the consolidation of the movement continued and special emphasis was placed on the mobilising of capital. Hence, 14 new Credit Societies, 5 Saving Societies and 45 School Thrift Societies were registered. Twenty-one (21) Agricultural Co-operatives of all types were also registered. Other Societies registered during 1971 included seven (7) Housing and five (5) Builders' Co-operatives, five (5) Consumer Groups, five (5) Workers Groups and three (3) Groups engaged in leatherwork. The remaining five (5) registered Societies were engaged in transport, stone quarrying, clay-brick making, furniture manufacture and the making of general handicraft.

The Credit Unions, Thrift Societies and Savings Societies have accumulated nearly \$2 mn. in shares. Most of this sum has been lent to members for productive and other approved purposes.

Education and Training

Mr. Hoyte: In the course of the year, 70 training courses were organised and not less than 275 societies and 1970 co-operators benefited from these. The curriculum included principles of co-operativism, book-keeping, management practices and principles and particular skills required to help the several types of co-operative organisations to function effectively.

Ministry of Works, Hydraulics and Supply officers have helped builders' co-operatives considerably to improve their skills in, and knowledge of, building operations, including the preparation of tender documents.

Agriculture

Mr. Hoyte: The Agricultural Societies have continued to show progress, especially those groups involved in pig-rearing, cane farming and fishing. For 1971, it is estimated that over 900,000 lbs. of pork valued at \$0.75 mn. will be supplied by co-operatives to the Guyana Marketing Corporation.

During the year, 789 new acres of land were put under sugar-cane by co-operatives. This brings the total acreage of land under sugar cane to 6,319 acres. Sugar produced from the canes is expected to be about 19,000 tons – over 50 percent more than the amount produced in 1970. Hundreds of acres have been cleared and occupied by Co-operative Societies along the Soesdyke-Linden Highway, while four (4) Beef Cattle Societies have been registered to occupy approximately 40,000 acres of State land under the Beef Cattle Development Programme which will benefit from credit totalling over \$4.0 mn.

Fishermen's Co-operatives have also done well and have through collective action been able to reduce the cost to their members of several items, including fuel for their boats and twine for their nets.

Housing

Mr. Hoyte: The Housing and Builders' Co-operatives, together with the auxiliary groups, namely, clay-brick makers, stone quarry and furniture manufacturers have played an important role in our attempt to house ourselves. The twenty-one (21) Builders' Co-operatives have so far handled contracts totalling more than \$43.5 mn.

Other Co-operatives

Mr. Hoyte: The Garment Co-operative at Buxton has won justifiable praise for its shirts and other garments, but leathercraft, furniture, ceramics and clay-brick making have all become increasingly important activities for co-operative groups. Workers' Co-operatives, such as the catering groups, have helped to provide useful and gainful employment for unemployed persons with little capital.

During 1972, the consolidation of the movement will be promoted with two main aims in view; namely -

- (a) To cater for import substitution and to promote self-sufficiency; and
- (b) To create jobs for self-employment.

One of the most important vehicles for achieving these aims will be the Wholesale Society. Work which started in 1971 on the building to house the Society will be completed early in 1972. This Society will serve, not only as a reliable market outlet for agricultural goods as well as industrial goods produced by the Industrial and Handicraft Co-operatives but, linking with the Consumer Co-operatives, it should help to distribute these goods throughout the country so that the items may become available to all Guyanese at reasonable prices. The aim is to establish, during 1972, at least one Consumer Co-operative retail shop in every Local Government District, and it is expected that more efficient marketing and distribution will help to stimulate production. The Wholesale Society will also link backward with producer-type Marketing Co-operatives.

Co-operatives will be fully involved in the national programme to feed, clothe and house ourselves. To this end, the Co-operative Department will promote societies organised to contribute to achieving these objectives and extend its supporting services to them.

In keeping with the drive to reduce unemployment, a new type of Co-operative Society - the Labour Contract Society - will so be organised particularly among the unemployed and underemployed to do work with a pronounced labour bias.

Development Plan

Mr. Hoyte: The Government has already announced the preparation of a new Development Plan which will take into account Government's socioeconomic philosophy. That plan, for the period 1972 - 1976, will be ready in draft by the end of the year. The plan will contain projects and programmes aimed at:

- (a) feeding the nation,
- (b) clothing the nation, and
- (c) housing the nation

by the end of the Plan period.

The attainment of the level of production required to make unnecessary the importation of all but the barest minimum of foodstuff premises a revolutionising of the agricultural sector.

To achieve self-sufficiency in food, it will be necessary to replace over \$30 mn. worth of imported food products. The first step will be taken in 1972 when agricultural production will be expanded in the area of peas and beans, meat and fish, and vegetables and fruits. The Plan will project agricultural expansion on the Coast, along the Soesdyke/Linden Highway, in the Intermediate Savannahs, in the North West and other parts of the hinterland. Processing facilities will be established in all these areas with a view to meeting the demand for processed foods by 1976. To stimulate

production, special emphasis will be given to credit, marketing and guidance via the extension services.

This country imports annually \$13 mn. of textile fabrics of all kinds. In order to clothe ourselves, it is necessary to produce over 30 million square yards of fabric. In 1972, the first textile mill will be established to produce cotton and mixtures with cotton fabric. As production gets underway, the importation of ready-made clothing will be reduced and ultimately become unnecessary.

In the first instance, the mill will process imported cotton yarn; but local yarn will later be produced in large enough quantities to meet the requirements of the mill. Extensive research and experimentation is being undertaken to identify the variety of cotton most congenial to local climate and soil conditions. By the end of the Plan period, not only fabrics will be produced locally, but also footwear and headwear to meet local requirements. To this end, a modern tannery will be established in the Rupununi and the manufacture of headwear will be stimulated and expanded in every possible way.

A preliminary calculation has established that the nation must produce over 13,000 housing units annually to ensure that all are housed by 1976. In order to achieve this target, all the resources of the nation which can be turned to house building will be mobilised. Minor industries to supply clay blocks, for example, will be established; major industries to supply timber and allied products will be expanded; while every effort will be made to influence designs and construction procedures in order to minimise imports of building materials.

The Plan will thus define the framework within which a better way of life for Guyanese will be assured. It will provide employment opportunities by promoting maximum material participation; it will lead to the greatest possible utilisation of national resources; it will emphasise the development of regions which have the potential for rapid development. By these means, the transformation of basic economic relationships will be achieved, and organisations and institutions will be restructured to achieve this end.

Incentives

Mr. Hoyte: Mr. Speaker, I am satisfied that Guyana could move faster its rate of economic growth, unemployment could be diminished and our import bill reduced, if more Guyanese businessmen showed enterprise, imagination, and foresight. Much could be done by the enterprising businessman to utilise the waste of one industry for the raw material input of others; much of our agricultural produce could be saved and the diversion of agriculture promoted by the establishment of agro-based industries utilising output. The Government has stated on several occasions its policy of possessing and settling the hinterland. It is the intention of the Government to give positive encouragement to the efforts of businessmen which are calculated to further these objectives.

Government proposes to grant incentives in the form of income tax holidays, duty-free importation of equipment and raw materials, income tax rebates and similar concessions to industries established to harmonise with Government's policies. In keeping with its development thrusts, Government proposes to grant similar concessions to new industries which satisfy the following criteria –

- (i) the industry manufactures for exports; or for import substitution;
- (ii) it is located in certain defined areas in the hinterland;
- (iii) it utilises a more labour intensive, rather than capital intensive technology; and
- (iv) the industrialist is a developer who proposes to build houses on an organised project basis for the low and medium income groups.

Further, Government proposes to grant incentives to the agricultural industry for the encouragement of large scale production of designated crops, anywhere in the country

The detailed rules will be carefully worked out and published in due course.

Prospects: Production, Trade and Investment

Mr. Hoyte: Now, Mr. Speaker, I turn to our prospects for 1972. There is every indication at this time that the economy would achieve another encouraging rate of economic growth.

Production of sugar is expected to exceed the 1971 output, given fair weather conditions and another year of industrial stability. Trade with the People's Republic of China would open another market for a substantial portion of our sugar output, while it is expected that the US market would continue to absorb most of the increment in production at remunerative prices. The bauxite industry has forecast an expanded volume of output and a shift in favour of the better priced calcined bauxite and refractory grade bauxite. Accordingly, earnings of the bauxite industry are expected to expand in 1972. Given reasonable weather conditions, the rice industry should also increase its output; while the shrimping industry, with the addition of new trawlers imported by the Guyana Development Corporation, should record increasing output and sales.

The Government is projecting the largest programme of capital outlays ever planned for Guyana, and, with the system geared for more effective implementation, a larger portion of the programme should be achieved by the end of 1972. In addition, private investment should recover, with increased investment expenditure by the bauxite industry. Total exports

are therefore expected to rise by another \$14 mn. (or 5 percent), while imports are projected to remain in the region of the 1971 value. Should these projections materialise, the visible trade balance would be again in surplus, and the current account deficit in our Balance of Payments would be even smaller than in 1971. In fact, the current account balance could be actually in surplus as the payments on account of profits would be substantially reduced because of the change in ownership of the bauxite industry at Linden.

Mr. Speaker, the Government's Capital Programme projects substantial outlays in sea defences, roads, the expansion of pure water supply systems and commencement of the building of six multilateral schools and a new Teacher's Training College.

The shrimping venture would be launched with the arrival during the year of ten trawlers, and the bus service operated by the Guyana Transport Services Ltd. would be expanded by the addition of a number of new buses. The Government intends to expand activity in the Kibilibiri agricultural project to increase further the production of corn, peanuts, soya beans and sorghum for local consumption and intermediate use. A number of pumps would be installed at different locations on the Coast in order to improve further the drainage and irrigation facilities available to agricultural lands. In addition, most of the rice-silos for improving the storage of rice would be installed and initial construction work done to improve storage facilities available to the Guyana Marketing Corporation.

A mobile sawmill would be brought into operation for the more intensive exploitation of the forests, and community development projects, designed to encourage and expand the making of clay bricks, would be implemented.

In general, Mr. Speaker, 1972 would be a year of intensive activity.

External Trade Links

Mr. Hoyte: The Government in 1972 proposes to expand the scope of the External Trade Bureau, through its participation in a bilateral trading arrangement with the People's Republic of China. By virtue of these arrangements, local timber, bauxite and sugar will be sold to the People's Republic of China; in return, a number of commodities normally imported by this country at high prices will be available for import at much lower prices. Trade opportunities with Brazil will actively be pursued; a noteworthy development has been our new market for bauxite products in the Soviet Union.

Agricultural Credit

Mr. Hoyte: Government recognises the need for credit to agriculture on a much larger scale and on a more reliable basis than at present, if we are to feed ourselves and diversify our economy. Accordingly, Government has decided to set-up two Committees to study the matter and to make recommendations.

It is expected that the Committees would recommend an outline of the objectives of an agricultural credit institution, would identify the most effective form of involvement of local financial institutions in the financial resources of any agricultural credit institution that might be established, would identify the sources of capital that could be utilised, and would give guidance as to the lending policies that should be pursued by the institution, loan eligibility and procedures, the nature and scope of Government support that should be made available to the institution, and the need, if any, for institutional re-organisation within the agricultural sector arising from the establishment of such an agricultural credit institution.

The membership of the Committees will include representatives of the various Government Ministries involved, the Central Bank, the commercial banks and insurance companies, and reports are expected during early 1972.

The future role of the Guyana Credit Corporation will have to be re-examined in the light of the recommendations of the Committees and the incentives being considered for Housing, Agriculture and Industry.

Electricity Programme

Mr. Hoyte: For 1972, the gap in the supply lines of approximately eight miles between Mahaicony and Mahaica would be connected, thus enabling residents along the entire East Coast to obtain electricity. The Corporation has already commenced work on the Corentyne Coast and it is expected to supply the area during 1972.

Generation equipment is now being erected and will be commissioned in 1972 to provide 15 ½ megawatts of increased power generating capacity to supply additional electricity to Georgetown, West Berbice, Essequibo Coast, Essequibo Islands and Bartica.

This would increase the existing generation facilities from 41.9mw to 57.4mw – an increase of 37 percent.

The Corporation is also about to embark upon a five-year development programme of electrification to provide a further 38mw of power which will cater, through 69kv transmission lines, for the inter-connection of the other major electrical systems with that of the Corporation. This would then create an integrated system extending from Linden to Crabwood Creek on the Corentyne via Georgetown, and to Parika via the submarine cables across the Demerara River.

Because of the economic and technical benefits to be gained from inter-connection and integration of any adjacent power systems, it would also be necessary to standardise the frequency.

It has therefore been decided to operate at 60 cycles per second instead of the present 50 cycle generation.

Ministry of Finance: Inland Revenue

Mr. Hoyte: During the year, the Inland Revenue Department reduced arrears of income tax due from individual taxpayers and companies, and strenuous efforts will be made during next year to reduce the sum further and also to ensure that there is no accumulation of new arrears. With the new system of self-assessment by taxpayers introduced this year, and with specialised training from their training school, officers in the Department would be able to devote more time to other work, including arrears, and to carry out their duties with greater speed and accuracy to the benefit of taxpayers.

Mr. Speaker, I am happy to report that the Board of Review has been meeting four times weekly this year in an endeavour to complete all outstanding appeals and to give expeditious treatment to current appeals.

A new branch office of the Department was established at Linden during this year, and it is proposed to establish another on the Essequibo Coast during next year as part of the programme of decentralisation. The primary objective of this programme is to make available services to the taxpayer in his own area, thus avoiding the considerable expense and inconvenience of travelling to Georgetown to transact business with the Department.

Members are aware, conditions at the Department's Head Office were improved during the current year for the comfort and convenience of the taxpayer. However, there is much more work to be done to achieve the level of efficiency which Government considers desirable. In the course of next year, every effort will be made to improve the facilities further and increase the efficiency of the Department.

Customs and Excise

Mr. Hoyte: During next year, it is proposed to implement a new system of classifying goods for Customs purposes, in keeping with the decision of the Council of Ministers of the Caribbean Free Trade Association at its sixth annual meeting held in June, 1970. This system is known as the Brussels Tariff Nomenclature, commonly called the BTN. Unlike the Standard International Trade Classification (SITC) upon which our Customs tariff is based, the BTN provides for interpretative rules and legal notes and constitutes a comprehensive classification system which has been designed to ensure:

- (a) maximum simplicity, so that it can be readily understood by the public as well as by experts;
- (b) precision, so that the most appropriate Head for a given commodity can be readily identified;
- (c) exactness in application, so that the same commodity can be classified in the same way in tariffs of all countries using the Nomenclature.

The work of transposing the tariff from the SITC to the BTN system has been completed, and training courses and seminars have been conducted for officers of the Department and clearing agents who transact business so as to familiarise them with the new system. The system will be given a trial run for a period of three months early in the New Year, and then legislative approval would be sought to give it effect.

The Department will continue organising programmes of in-service training, including those on Customs and Consumption Tax procedures for its personnel, so as to improve the efficiency of the officers in the Department, and consequently, the services provided to the public.

Ministry of Finance and Accountant General

Mr. Hoyte: The Ministry of Finance and Accountant General's Department will strengthen their control over the public finances during next year, and this may involve amendment to existing legislation on financial administration. Because of its complexity, it was not possible to complete the Financial Regulations this year as was hoped, but the new Regulations should be completed during 1972. The new Regulations would be introduced about the same time as the amending legislation.

It is also proposed to institute new procedures during next year to ensure that merchants and companies are paid promptly for goods supplied and services rendered to Government. The details will be published in the Official Gazette and the press in due course.

Expenditure and Revenue

Mr. Hoyte: Mr. Speaker, I now turn to our performance with respect to expenditure and revenue collection.

Over the six years of the 1966-1972 Development Plan, capital expenditure totalled \$259.6 mn. — an average of \$43.3 mn. annually. During the last three years, the tendency has been for capital expenditure to rise above the average. The absorptive capacity of the economy has been expanding — \$31.9 mn. was spent in 1966, \$41.3 mn. in 1967, \$39.7 mn. in 1968, \$44.9 mn. in 1969, \$43.5 mn. in 1970 and \$58.3 mn. in 1971.

The 1966-1972 Development Plan projected that Guyana should be able to absorb a level of public capital expenditure at a ceiling of \$42 mn. per annum. So, Sir, according to the records, we have been more than attaining that target.

The main items of public capital expenditure in 1971 were:

Industrial Development	\$2.3 mn.
Kibilibiri Land Development Project	\$1.5 mn.
West Demerara, Corentyne and Interior Roads	\$8.4 mn.
Sea and River Defences	\$11.9 mn.
Pure Water Supply	\$5.3 mn.
Technical and Higher Education	\$1.3 mn.
T.U.C. Housing	\$1.5 mn.
Rice Rehabilitation Programme	\$10.2 mn.

The 1971 Estimates provided for current expenditure at a level of \$130.6 mn. which, with a revenue forecast of \$145.6 mn. projected a surplus of \$15.0 mn. The Revised Estimates, however, indicate a deficit of \$9.2 mn. attributable, in the main, to the temporary dislocation of our economy consequent upon the nationalisation of Demba.

On the other hand, Current Revenue is now estimated to be \$128.3 mn. Compared with 1970, the actual level of current expenditure was higher by \$14.8 mn. in 1971. Significant increases were as follows:

Economic Development	\$0.6 mn.
Communications	\$1.7 mn.
Education	\$1.7 mn.
Labour	\$0.7 mn.
Mines and Forests	\$0.8 mn.
Pensions and Gratuities	\$0.5 mn.
Public Debt	\$2.6 mn.
Interim Relief	\$5.4 mn.

The actual yield of the revenue (\$128.3 mn.) was \$17.3 mn. less than estimated—\$4.6 mn. (3.5 percent) lower than the actual receipts in 1970. At \$33.8 mn., import duties yielded \$4.0 mn. less than the estimate and \$1.7 mn. less than the actual receipts in 1970. This shortfall in revenue is the result of a combination of factors: the phased reduction in import duties in keeping with our obligations under the CARIFTA Agreement, the full impact of local substitution for imported inputs in the bauxite industry; and a lower level of dutiable imports, which partly reflects the increasing use of local commodities, especially foodstuffs, at the expense of imported commodities. The other major element of revenue — income tax — yielded

\$45.7 mn. or \$8.0 mn. less than estimated and \$4.4 mn. less than in 1970. This shortfall resulted in the main from the non-receipt of the greater part of income tax from Demba it should be noted that this tax has not been lost, but only deferred. Under the compensation agreement, it is a charge against the first instalment.

Capital receipts totalled \$43.9 mn., comprising \$28.3 mn, from external loans, \$14.5 mn. from internal loans, \$0.4 mn. from miscellaneous capital revenue.

There was an overall deficit of \$23.7 mn. — \$9.3 mn. on the Current Estimates and \$14.4 mn. on the Capital Estimates. This deficit is not an isolated phenomenon. It arises naturally from the unique events of 1971.

Mr. Speaker, I now present the estimates on Current and Capital Revenues.

The current revenue of the Government — its ordinary revenue — is expected to yield \$148.3 mn. — \$20 mn. more than the revised estimate for 1971 and \$15.4 mn. more than the actual receipts for 1970.

Excise duties are estimated to yield \$13.5 mn. — \$0.5 mn. more than the revised estimates.

The income tax yield is estimated at \$63.3 mn — \$17.6 mn. more than the revised estimate. The increase is mainly due to anticipated payment of outstanding taxes by Demba and the increase in the advance payment of taxes from two-thirds to five-sixths.

Capital revenue is expected to yield \$77.5 mn. — \$4.8 mn. from miscellaneous receipts, \$0.7 mn. from foreign grants, \$45.5 mn. from foreign loans and \$26.5 mn. from internal loans.

Mr. Speaker, with current revenue for 1972 at \$148.3 mn. and current expenditure at \$145.9 mn., the estimates show that there should be a surplus of \$2.4 mn. on the current estimates. On the other hand, with the capital expenditure estimated at \$79.4 mn. and capital revenue at \$77.5 mn. a deficit of \$1.9 mn. is projected on the capital estimates. The overall budget estimates — capital and current — now presented, therefore, show a surplus of \$0.5 mn. In the circumstances, no new revenue measures are proposed for 1972.

Budget Measures

Mr. Hoyte: And now, Mr. Speaker, we come to the Budget measures. Except for three corrective measures, my proposals give to, rather than take from, the taxpayer.

The three corrective measures to which I refer affect pool operators, cinema owners and gamblers.

Section 8A of the Tax Ordinance, Chapter 228, which was enacted in 1969, sought to increase the licence fees payable by pools and betting shops. However, the operators of those businesses have devised a scheme to avoid the full impact of the legislation and to defeat its intention by combining their operations under one roof.

It is proposed to further amend the Tax Ordinance to ensure that the intention of the 1969 Act is not defeated any longer and to exact the licence fee in respect of each operation which is a separate and distinct business even though it might be carried out in conjunction with other operations on the same premises.

The cinema owners have been very dilatory in paying Government the entertainment tax payable on cinema shows. Notwithstanding the fact that the tax is included in the price paid to them before any one is admitted to see any film, the majority are usually months in arrears.

Government proposes to change the existing system to correct this unsatisfactory situation.

Mr. Speaker, Government proposes during next year, to print cinema tickets for sale to cinema owners at a price which will include the entertainment tax payable. There will be no more unauthorised borrowing of revenue interest-free on this account.

Again, Mr. Speaker, there are several wealthy or well-to-do persons in the community who evade the payment of income tax by attributing their accretion of wealth to gambling winnings. Government proposes from the year of assessment 1972 to treat gambling gains as income, and institute procedures during 1972 to ensure that pool operators and owners of betting shops and similar categories of persons deduct tax at the rate of 30 percent from winnings for payment to the Commissioner of Inland Revenue. The taxpayer will, of course, obtain a tax credit when he submits his returns and the prescribed supporting documents.

I should make it abundantly clear that it is not proposed that this legislation should apply to authorised bingos and lotteries.

It is proposed too, Mr. Speaker, that every taxpayer should make a full and accurate return of all his income from every source, whether or not he alleges that such income or any part thereof is not subject to income tax.

Mr. Speaker, I now come to the measures which really affect the small man who is a hard-working family man. It is proposed as from the Year of Assessment 1972 to grant the following additional allowances:

- (i) salary or wage earners in receipt of incomes up to \$4,800 per annum will receive an allowance of up to \$150 per annum and those in receipt of incomes between \$4,801 and \$7,200 per annum an allowance of up to \$100 per annum for hospitalisation expenses, consultation fees and dental fees in respect of themselves and their families against proper receipts, provided they do not enjoy benefits under any medical insurance scheme:
- (ii) salary and wage earners in receipt of incomes to \$4,800 per annum who have more than three children attending school, will receive a school allowance of \$100 annually for each child in excess of three between the ages of 6 and 18 years attending school in Guyana:

- (iii) all tax payers who rent dwelling houses will be given a tax credit off their annual rent with a minimum of \$2.00 and to a maximum of \$10.00 annually. To become eligible for this credit, the taxpayer will be required to submit particulars of his tenancy in the prescribed form to the Commissioner of Inland Revenue.

Mr. Speaker, it is also proposed from year of Assessment 1972 to exempt from income tax the interest earned on savings remitted from abroad. This concession would encourage Guyanese abroad to save at home.

Advancing Guyana

Mr. Hoyte: Mr. Speaker, in these Budget proposals, I have sought to balance, as fairly as possible, on the one hand, the needs of the small man, the hard-working breadwinner, for a measure of relief from the fiscal stringency which he patriotically endured in the interest of national development and, on the other hand, the need for greater mobilisation of resources to finance our Development Programme.

I believe, Sir, that the measure of relief I propose has been fully merited by those categories of citizens who will benefit; but I am acutely conscious — and would be the first to admit — that the relief is in no way spectacular. It is, however, a beginning. We must in the course of any journey begin with a single step. We have taken that step.

But, Mr. Speaker, every improvement, every gain, whether at an individual or a national level, must be earned. It does not come by magic or wishful thinking. It comes from the expansion of economy; and the expansion of our economy can only be achieved by hard work, discipline and co-operation.

Every citizen, then, has a vested interest in promoting that expansion. Indeed, Mr. Speaker, every citizen has a part to play and is afforded an opportunity to play his part.

Government's broad policy objectives are clearly defined — economic independence for Guyana and social justice for every Guyanese citizen. Our stated goals of feeding, clothing and housing ourselves are but dimensions of the broader policy objectives.

Now that the year of Consolidation is almost ended, I believe that all Guyanese now have a keener perception of Government's philosophy and a clearer perspective of Government's policies. It will be patent that that philosophy and those policies eschew unnecessary conflict and are rooted in concepts of integration and co-operation.

And so, Mr. Speaker, Government views the economy as a unity which can, and ought to, pursue integrated policies to achieve national objectives. That view finds expression, I believe, Mr. Speaker, in the policies and proposals outlined in the Budget.

As we march forward, let us do so with confidence and in unity. There is no time for fear, doubts and unprofitable recrimination. We have a nation

to build. Our young people are impatient for a better life. We cannot afford to defer their dreams. Whatever our differences, let us find common ground in the need to advance Guyana.

No citizen can legitimately excuse himself from this national obligation.

Let each Guyanese therefore, Mr. Speaker, accept the challenge of his responsibility and dedicate himself, in a spirit of earnestness and co-operation, to the task of ADVANCING GUYANA.

Statement by the Minister of Finance International Monetary Crisis: 14th December, 1971

Mr. Hoyte: Your Honour, I crave your indulgence to make a brief statement which I have discussed with the Hon. Member, Mr. Ram Karran. With his leave and your leave, I propose to make a statement.

As a result of the international monetary crisis and the arrangements which now seem to be in train for resolving that crisis between the United States of America and the rest of the 'Group of Ten', the Government has considered it necessary and desirable to take certain steps to protect Guyana's position. Consequently, the President has been advised to issue an Order under section 3(4)(b) of the Exchange Control Ordinance of 1958, the effect of which order is to extend the scope of the Exchange Control Ordinance of 1958 to all territories and to all currencies including sterling.

I propose to introduce into this Honourable House, tomorrow, the Exchange Control (Amendment) (No. 2) Bill, 1971, in order to give further effect to Government's decision to extend exchange control to all territories. I propose also to ask the leave of this Honourable House, because of the extreme urgency of the measure and the nature of the legislation, to take the Bill through all of its stages. In order to facilitate Hon. Members, I am arranging for cyclo-styled copies of the Bill to be circulated to all Hon. Members before the House rises this evening.

Motion on the Approval of Estimates of Expenditure for 1972 in Committee of Supply: 28th December, 1971

Head 13 - Ministry of External Affairs

Mr. Hoyte: Mr. Chairman, I am glad that the Hon. Leader of the Opposition raised the question of consultation with Caribbean territories in respect of the monetary adjustments we have made in Guyana. I was a bit disappointed, to say the least, to read in the press and to hear on the radio that the Hon. Leader of the Opposition had made the categorical statement that Guyana had proceeded without consultation and had acted in a unilateral fashion. Having made that statement as a fact, the Hon. Leader now comes to this House and does the right thing, that is, he has now inquired whether there was consultation.

First of all, there has always been very close collaboration between the Central Bank Governors of the Caribbean territories.

After 15th August this year when the Americans took the action which they did which caused the present monetary crisis, the Governors of the Central Banks met in Kingston, Jamaica, in September to consider what common action the territories of the Caribbean should take. In October there was another meeting in Bridgetown at the same time when the Governors of the Caribbean Development Bank were meeting in Bridgetown. Of course, the Governors of the Bank are, by and large, the Finance Ministers of the various Member States. Therefore, those two meetings of technicians in consultation with their Political Heads set the stage for the technical analyses which had become necessary as a result of what is happening in the monetary world.

It is to be noted that there are only two States in the Caribbean, apart from Guyana, which have got their own currency and their own Central Bank. Those States are Trinidad and Tobago, and Jamaica. Barbados does not have her own currency; she uses the Eastern Caribbean currency which is, of course, tied by law to sterling. The Government of Barbados, therefore, has no free will at the moment in relation to aligning her currency.

As I said, Sir, after those two meetings there were frequent discussions and exchange between the Governments. When the announcement was made of the agreement by the Group of Ten there was again consultation and collaboration both at the level of the Central Bankers and at the level of Finance Ministries. I, myself, spoke with my colleagues the Minister of Finance of Trinidad and Tobago and the Prime Minister of Barbados who happens to be Minister of Finance of Barbados. I tried for two days to get in touch with my colleague in Jamaica without success, but the Governor of our Central Bank was more successful in contacting his counterpart. It is a

bit irresponsible, to say the least, for anybody to allege that we have proceeded without consultation and without collaboration.

I may point to the fact that, consequent upon the discussions of Central Bankers, the Government of Jamaica took action to untie the Jamaican currency from the pound sterling to which it was tied by law and denominated the value of its currency in terms of gold in the same way as the currencies of Guyana, and Trinidad and Tobago are denominated. It is not for me to give details of our discussions; those are confidential matters. One would have to appreciate that these matters cannot be discussed in public forums.

But in the final analysis, every State has to take a decision as to what is best for itself on the balance of economic convenience. Guyana has made that decision and we cannot dictate to our colleagues in the Caribbean. It is for them, looking at their economics and looking at the various factors involved in determining such matters, to come up with their own solutions. It is a bit naive for the Hon. Leader of the Opposition to say that we should go forward together. How can we go forward together unless we have what we have been striving at all times to create, that is, a political union with a central political authority which can make a decision for the entire region? In the absence of that, every State is sovereign and every State will make, and must make, its own decisions.

I did not miss his point at all and I am quite sure that all Hon. Members who were listening to him understood him to be accusing us of not having consultations. I do not take his argument that we should proceed together. How can you proceed together when you have separate sovereign States, each of which has not the right to take its own decision? It is a trifle naive to say that the economic situation is the same in each of these territories we are talking about.

First of all, as far as currency matters are concerned, it is Britain who will be speaking for the Eastern Caribbean and, having regard to what I said, for Barbados. Therefore you are left with Trinidad and Tobago and Jamaica. It is a bit odd, to say the least, for anybody to suggest that the territories must necessarily take the same decision when one looks at the criteria which one has to apply in arriving at technical decision. Implicit in what the Hon. Leader of the Opposition has been saying all the time is the suggestion that these matters can be the subject of a political decision. But the relevant factor in it all is the technical aspect of the whole thing. In arriving at a decision, one takes into account three criteria: first of all, the effect on the real income in the community; secondly, the effect on price levels, and I say price levels and not cost of living, and thirdly, the effect of the price/cost structure on your main industries. And when we have balanced all of these factors against the fact that (a), imports and exports are never in balance, (b), and this is a critical point which Members ought to bear in mind – that the export of exporting countries are not necessarily denominated in the currencies of the exporting countries' (for example,

bauxite and petroleum) prices are determined and denominated by other currencies, and (c), that, in the overall, there is bound to be a shift of emphasis in imports and exports – taking all of these factors into consideration, we have arrived at an economic decision that what we have done in relation to the re-alignment of our currency is in the best interest of Guyana.

The Government of Trinidad and Tobago may arrive at a different conclusion, and the Government of Jamaica may arrive at a different conclusion. Let me nail this misstatement here and now. I have read in the papers and I have heard over the radio, an estimable gentleman like the President of the Chamber of Commerce saying that the cost of living will rise by 15 percent. That is the absurdity of the year! It is obvious that whoever has given him that information is either a person who does not know what he is talking about or actuated by a spirit of malice.

The cost of living impact is likely to be minimal, if at all. First of all we have to take into account the fact that we do not import all of our commodities from non-dollar sources. Secondly, many of the commodities which we import do not necessarily go into the cost of living matrix. We are not talking about price levels. We are talking about cost of living and if we are not to be confused, if we are not going to spread misinformation and alarm people unduly, we must be quite clear in our own minds what we are talking about. What are the staple foods and commodities we use, when we are talking about living and existing in Guyana? Rice, sugar, fresh fish, green vegetables. How are those basic things going to rise by 15 percent?

I am glad that the Hon. Leader of the Opposition will have an opportunity for a substantive debate on this matter, when we go into it in greater details and with much more nicety, but I want to say most emphatically that there is no question of the cost of living rising alarmingly, I would draw attention to the statement I made, when I announced in this House the new rates of exchange for the Guyana dollar, of “*Government’s action to deflect the impact of the cost of living in Guyana*”.

Head 64 – Ministry of Finance

Mr. Hoyte: The Hon. Member is incorrect when he says that he amount is tucked in for the first time, because the amount really was brought in last year as will be seen from the Estimates. The Subhead and the amount appear under the Ministry of Finance because the work is being done by the Statistical Bureau which is under the Ministry of Finance. It is very important and necessary work, having regard to our agricultural programme.

What the Statistical Bureau is doing is in fact compiling statistics about our agricultural sector in terms of numbers of persons engaged in agriculture, the number of persons engaged in various types of agricultural pursuits, the location of farms, the size of farms and other holdings and as

far as possible the income earned by various types of farmers and that kind of information, which will give the Ministry of Agriculture a broad perspective of the agricultural position. This type of information is needed very urgently if we are to proceed with a rational and intelligent programme of agricultural expansion.

[Head 64, Ministry of Finance - \$669,127 – agreed to and ordered to stand part of the Estimates.]

Head 65 – Ministry of Finance: Accountant General

[Question proposed that the sum of \$1,405,331 for Head 65, Ministry of Finance, Accountant-General, stand part of the Estimates.]

Mr. Hoyte: Mr. Chairman, in answer to the Hon. Member Mr. Ram Karran, I would say, Yes.

When the Financial Paper showing the increase in the 1971 allocation was debated in this House I did take the opportunity to point out that substantially the amount covered a number of unexpected visits, such as the visit by the Chinese Trade Mission here and the visit of our mission to China. There were things like that which has not been anticipated at the time.

Contrary to what seems to be a popular belief, the visits and representations really refer principally to visits and representations abroad by public servants who are going to conferences and similar meetings in relation to their particular field of expertise.

Next year the Ministry of Finance does propose to draw the line rather heavily on visits abroad and we propose to make a very real effort to ensure that this vote does not keep escalating. Perhaps this is a good time as any to serve notice on public servants that they need not send up to the Ministry of Finance too often submissions recommending officers in their particular Ministry for visits abroad.

Mr. Chairman, we propose to effect economies at every level. Certainly there will be a reduction in the number of visits. The proposal from the Ministry of Finance is that it is only in cases where we are satisfied that there is going to be a real benefit to this country that we will give our sanction for this type of visit to be met from this particular allocation.

At the same time, when we send our representatives abroad, we must ensure that they are accommodated at acceptable standards. I am certain that the Hon. Member will not want representatives from this country to go abroad and not be accommodated in a way befitting their status at the particular meeting or representation. We are not saying that the accommodation must be palatial, but certainly it should be adequate and convenient.

[**Head 65, Ministry of Finance, Accountant General** - \$1,405,331, agreed to and ordered to stand part of the Estimates.]

Head 66 – Ministry of Finance: Customs and Excise

Mr. Hoyte: Mr. Chairman, with respect to the first question asked by the Hon. Member Mr. Ram Karran I will tell him in all sincerity that I do not know what he is talking about. Whatever accusations he and his Party may make against me, I am certain that they cannot honestly say that I interfere with personnel in any of the Departments under my Ministry. Whatever is the particular problem he is talking about I know nothing about it and I do not consider it a matter for me. I certainly reject the allegation that the Government or the Party to which I belong interferes in matters of this sort.

Secondly, one slight point of correction. We no longer have a Queen's Warehouse; we have a State Warehouse. But, nevertheless, we all know that that building is in a state of disrepair and that there is a need for a new structure. I agree with the Hon. Member that we should not repair but construct a new one. I cannot tell him when we will put up a new one because from year to year the question of Government buildings and, indeed, the question of expenditure in particular fields becomes a matter of the priority at the particular time. Buildings are important, so is agriculture. What I can tell him is that the Ministry of Works, Hydraulics and Supply is at present engaged in an exercise of trying to identify the Government Buildings which need to be urgently repaired, reconstructed or rebuilt. When we have got that report well, then, it becomes, again, a matter of priority. I have no doubt that a building of this sort is one which will rank high in the Government's list for putting up new public buildings.

Mr. Chairman, perhaps I can begin by rejecting out of hand the statement alleged to be made by the Chamber of Commerce that there are several millions of dollars outstanding in respect of refunds of revenue. I can also assure the Hon. Member that the Chamber of Commerce never requested any meeting with me and never had any meeting with me; had they requested it I would have met them. I recall some time ago I got a letter couched in vague terms suggesting that there were large sums of money owing to businessmen and recommending that there be some expedition. But that kind of letter is unhelpful. I personally always believe in identifying in a positive way the particular problem and coming to grips with it. I find no help at all in people making general statements to me. I would wish to say that if the Chamber of Commerce has a problem of this sort and they are in a position to give me the details in support of their claim I will most certainly get after my officers to have the situation corrected.

Last year, we had a problem with refunds. The Director of Audit questioned the legality of refunds which the Comptroller of Customs and

Excise had been making and the comptroller quite naturally had to hold up payments pending advice from the law officers. The advice from the law officers indicated that the point made by the Director of Audit was correct and that the Comptroller of Customs was paying out money illegally. Hon. Members will recall that we brought legislation to this House to do two things – to legalise the payment and to ensure that people who, in fact, had valid claims did not lose their right to recover.

Secondly, I would like to point out to this House that the Comptroller of Customs and Excise is introducing a new system which would make refunds more expeditious. Refunds, instead of being payable at the Treasury, will be paid at Customs House and we are now awaiting the forms from the printers in order to put this new system into operation. We hope by this means we will be able to get to things more quickly. Government does not have any intention of depriving citizens of money which is legitimately due to them. We hope that with the co-operation of businessmen, the new system will work smoothly and will remove some of the irritation which businessmen complain.

[Head 66, Ministry of Finance: Customs and Excise - \$1,876,725 – agreed to and ordered to stand part of the Estimates.]

Head 67 – Ministry of Finance: Inland Revenue

[Question proposed that the sum of \$2,073,346 for Head 67, Ministry of Finance, Inland Revenue stand part of the Estimates.]

Mr. Hoyte: Mr. Chairman, to dispose of the questions asked by the Hon. Member Mr. Roshan Ally. I agree with him wholeheartedly that the Corentyne Road will affect agriculture. It will affect agriculture favourably. My own conviction is that the road will prove a boom to people engaged in agriculture for a variety of reasons which I need not spell out here and now.

The Hon. Member asked me whether I knew that the road was not a highway. I do not propose to engage in a dialogue on semantics with him. Whether he calls it a highway, a road, a freeway, whatever he chooses to call it, the Government has put down a first-class road in that area and we believe that residents there will benefit enormously from the existence of that road.

With respect to the road being a zoo, I am not quite sure what is the point the Hon. Member is making, but it might have been helpful to this Honourable House if he had spelt out the kind of animals contained in this zoo which he sees every day on this road.

To a more serious aspect of the discussions on this page. The Hon. Member, Mr. Ram Karran, questioned the increase in the vote for Transport and Travelling, that is, Subhead 2. There are two reasons for the increase in 1971 of the Revised Estimates over the Approved Estimates,

and I did give this explanation when we were discussing the Financial Paper in which we sought the increase under that Subhead.

First of all, because of the nationalisation of DEMBA, the Commissioner of Inland Revenue and his staff were required to travel frequently to Linden to audit both the books and stock of the Demerara Bauxite Company. That audit has been going on since December of the previous year.

Secondly, towards the end of the year, there was an increase throughout the Public Service of transport and travelling allowances. That is why it is projected at this figure of \$32,000 for the year 1972. There has been an upward regarding of allowances paid to public servants.

The Hon. Member chose Subhead 8, Refunds of Revenue, to indulge in a tirade and to take up cudgels on behalf of some organisation he called G.A.D.M. I do not propose to reply in kind, but merely wish to say that Government intends to pursue relentlessly and without apologies all persons who have not been fulfilling their obligations to the state in respect of income tax payment.

The Hon. Member claims that I see income tax files. Under the law, the President has power to direct the Commissioner of Inland Revenue to disclose information to specified persons and the Hon. Member could not be serious in suggesting that I, as Minister of Finance, responsible for the collection of public revenue, ought to be denied access to files and ought to be precluded from investigating the workings of a Department within the ambit of my Ministry. I do not think he is really serious.

May I say that it is obvious from our income tax returns that a substantial percentage of people eligible for the payment of income tax are not, in fact, making a contribution?

That is why next year there will be an intensive effort on the part of the Government to ensure that as many people as possible fulfil their obligations in this respect. The Hon. Member complains that very many people fail to get refunds of income tax due to them. This is so, but I think we must understand the reason for the failure of many of these people to get the refund which is due to them; and the Income Tax Department has been carrying this cross all the time. People have been criticising, they complain to me personally; members of my own family have complained to me about failure to get their refunds.

But Sir, there are two important reasons. First of all, you cannot get a refund unless you file a return, and very many people who pay income tax under the P.A.Y.E. system believe that, as long as the money is deducted they have nothing more to do and at the end of the year of assessment they do not make a return. I think the major problem which the Commissioner has been facing is that persons who are employed have their income tax deducted from month to month or week to week as the case may be, and at the end of the year the employer submits Form II stating the name of every employee and the mounts of deductions made. Frequently two things happen: (1) You cannot get that Form II from the employers, and (2) very

often when the Form II is submitted it cannot be reconciled with the actual amounts paid in. Therefore, the staff of the Commissioner is tied up in pursuing pettifogging things like these. Sometimes, the fact that you cannot reconcile the forms with the money paid in is due to the fact that the Form II is prepared in a slovenly manner. Sometimes it is due to the fact that some dishonest employers deduct income tax from employees' salaries and do not pay in that money.

There are many problems. What I want to do now is to give notice that next year we are going to apply the law vigorously. Whenever the law is applied you get complaints of discrimination, when in point of fact it is not so at all. The whole system can only work smoothly if everybody complies with the rules and regulations. If people do not do that you get into snags and bottlenecks and people suffer.

The Hon. Member Mr. Sutton raised a question under Subhead 8, Refunds of Revenue. There is this problem with refunds of revenue and it is this: it is always an estimate and it is very difficult to arrive at anything near to the real figure. The reason is that large taxpayers, Booker Sugar Estates and companies like that, pre-pay taxes and therefore if their profits do not come up to expectation as happened, for example, in the sugar crop of 1969, you are faced with the fact that income tax has been pre-paid at too high a rate and the Government is faced with repaying. Last year during the first half of the year, instead of collecting taxes from the Sugar Companies, the Government was in fact repaying taxes which had been overpaid the year before and it was only towards the end of the year that there was this upturn in taxes from the sugar industry.

The Hon. Member also asked me to give him the timetable for establishing the bus service on the Corentyne. I regret that I am unable to give him any firm answer to that question. What I do know is that the Guyana Transport Service Limited, which will be putting buses in that area, has got a number of buses under order. The timetable, to use the Hon. Member's word, for the delivery of those buses is something not under the control of the company. I would wish to reiterate the statement made by the Hon. Prime Minister in this House that it is not proposed to establish the system of toll collection until there is an adequate public transport system on the Corentyne. I think that these were the questions asked and these are the responses which I have been able to give to them.

[Head 67, Ministry of Finance: Inland Revenue, \$2,073,346, agreed to and ordered to stand part of the Estimates.]

[The Chairman: Page 161.]

Head 68 – Ministry of Finance: Revision of Wages, Salaries and

Related Payments

[Question proposed that the sum of \$10,000,100 for Head 71, Ministry of Finance, Revision of Wages, Salaries and Related Payments, stand part of the Estimates.]

Mr. Hoyte: I have explained time and again to this Honourable House what the position is with respect to the job evaluation exercise. Nevertheless, despite what the Hon. Member, Mr. Ram Karran, has said, Government does have the confidence of the Public Service in this matter. I have pointed out that this exercise is not being done by the politicians. This is being done by technicians who are public servants and they themselves admitted that the magnitude of the task was initially underestimated and they themselves know that the whole question of negotiations about new conditions of service and things like that are dependent upon the finalising of this exercise; so they have every incentive to bring it to an end.

It was only about a fortnight ago, I believe, I was invited by the Permanent Secretary to go to the Public Service Ministry to see the progress which they had made. I am satisfied that they are proceeding with this job apace, and in the course of the next year, according to their estimates, this whole exercise will be completed. We will then be in a position to proceed rationally with remunerating our public servants. I do not think that any Member of this House who is serious will want us to continue with the old irrational system which has grown up in a haphazard fashion and which has resulted in a large number of anomalies and injustices in conditions of service between public servant and public servant and between Ministry and Ministry.

[Mr. Ram Karran: One does not wish to have the old system continued but I have repeatedly observed that the Government creates anomalies in these Estimates. The most important point I wish to drive home to Hon. Members is the fact that the Government, by carrying out the exercise in this manner, is depriving a large number of people, particularly those who cannot afford to bear the hardship, namely, the casual workers. They do not benefit under the scheme of temporary payment. I want to point out that the Government is employing people on a daily and hourly rate all over the country and because they do not have permanent employment they are deprived of the benefits.]

Mr. Hoyte: May I dispose of this myth which the Hon. Member has been peddling in this House? Every Government employee has the benefit of the allowances which are paid.

[Mr. Ram Karran: No casuals.]

Mr. Hoyte: Everybody. I wish to assure this House that every person employed by Government gets the relief which Government has provided in this Honourable House

[Head 71, Ministry of Finance: Revision of Wages, Salaries and Related Payments - \$10,000,000, agreed to and ordered to stand part of the Estimates.]

Mr. Hoyte: I beg to report that the Committee of Supply has considered and approved the Estimates of Expenditure for the year 1972. I now ask that the motion for approval of the Estimates be put.

[Question put, and agreed to.]

[Motion carried.]

Motion on the Approval of the Customs Duties (Exemption from Import Duties) (No. 31) Order, 1971: 29th December, 1971

*“Be it resolved that this National Assembly, in terms of section 9 of the Customs Ordinance, Chapter 309, confirm the Customs Duties (Exemption from Import Duties) (No. 31) Order, 1971 (No. 80), which was made on the 3rd of December, 1971 and published in the *Gazette* on the 11th December, 1971.”*

[The Minister of Finance]

Mr. Hoyte: Your Honour, the Customs Duties (Exemption from Import Duties) (No. 31) Order, 1971 was made to give a measure of protection and encouragement to the local phonograph record manufacturing industry. As Hon. Members will perhaps know, a number of Guyanese have entered this field and have been meeting with strong competition especially from similar manufacturers in the CARIFTA area.

These manufactures enjoy the advantage of duty-free materials. Therefore the manufacturers in Guyana were at a serious disadvantage. The purpose of this Order is to allow the duty-free entry of the raw materials, so to speak, which go into the manufacture of phonograph records so as to be able to put the local businesses on an equal footing with their CARIFTA counterparts. At present only the vinyl biscuit, that is the ingredient which makes the record itself, is allowed in duty free. This Order seeks to extend the duty-free concession to all materials not obtainable in Guyana which go into the manufacturing or production of phonograph records.

[Motion proposed.]

[Question put, and agreed to.]

[Motion carried.]

Motion on the Second and Third Readings of the Miscellaneous (Fiscal Enactments) (Amendment) Bill: 29th December, 1971

A Bill intituled:

“An Act to amend certain Fiscal enactments.”

Mr. Hoyte: Mr. Speaker, Hon. Members, the Income Tax (Amendment) (No. 2) Act of 1970 was passed to give effect to a number of fiscal reforms which the Government had previously announced. The main thrust of those reforms was aimed at rationalising taxation on companies, therefore the old “*across the board*” 45 percent income tax payable by companies was removed and the system of Corporation Tax, Company Income Tax, and Withholding Tax was introduced which raised the effective rate of income tax for non-commercial companies as defined, to 51¼ percent, and effective rate of income tax for commercial companies to 61 percent.

After the Act was passed on the 12th December, 1970 a number of companies objected to the legislation and brought an action against the Attorney-General and the Commissioner of Inland Revenue to contest the legality and validity of the law. Their objection seems to have been based on two broad grounds: first, there was objection to Government’s tax policy and secondly, there was objection founded on matters of law.

Obviously, the first area of objection was certainly not one which was justifiable in the courts, but Government proceeded to discuss the points raised by the companies of course, with the legal advisers of the companies, with a view to trying to see whether there was any merit in the legal objections, because if there as merit, well, then, Government was prepared to make the necessary Amendments. After protracted negotiations, the Government is now satisfied that all the possible legal objections can really be disposed of, and the necessary Amendments have been brought before this Honourable House in the form of this Bill.

What the Bill seeks to do is, first of all, to remove the objections to retroactivity. One of the points raised by the companies was that the provisions for retroactivity were unconstitutional and otherwise illegal. That was not really an objection which Government felt was well founded, except, in so far as the Act did give the impression that certain criminal offences could possibly be retroactive; but, nevertheless, in order to remove the objection, Government has proposed not to proceed with the sections which were retroactive. This Bill seeks to do that.

Secondly, there were several words and phrases in the various sections of the law which were alleged to be ambiguous or to require clarifications in some form or the other and opportunity has been taken in this Bill to remove all alleged ambiguities and to clarify certain sections where it was

alleged that the sections were not clear. I would draw Hon. Members' attention to one or two more of the important provisions of the Bill.

Section 3 has been the subject of a large measure of misunderstandings by persons who write in the press and hold themselves out as authorities on all matters. I did read in one of our newspaper an assertion that Government had, without mentioning it in the Budget, increased Corporation Tax from 35 to 41 percent and from 25 to 31 percent. It is obvious that the writer of that article did not quite understand what this Bill was all about. I should point out to Hon. Members that this increase is merely in relation to Year of Assessment 1971. In point of fact, what Government is doing here is seeking to recoup those taxes which should have been paid had the retroactive provision been implemented. Government having concede the point that it will not apply the law retroactively, nevertheless, was quite firm that it did intend to recoup the income tax which ought to have been paid had the law been proceeded with.

I draw attention again to the Schedule. The Amendments which are proposed with respect to sections 14, 22, 27B, 28B, are all Amendments directed to remove ambiguities which the companies allege the sections contain.

Section 19B was proposed to give a measure of relief to persons who buy new houses, in other words, to put them in the same position as persons who build houses as residences. Under the law, a person who builds a house as a residence is entitled to income tax relief in respect of the interest which he pays on a mortgage; but where a person buys a new house, he has not been given that facility or advantage. Section 19B seeks therefore to give to such a person the right to claim as an income tax deduction the interest he pays on the mortgage which he has obtained to enable him to acquire that house.

Opportunity has also been taken to amend the Property Tax Ordinance. The insurance companies made representations in respect of their Statutory Fund which, under the law, would be treated as loan capital and therefore would not be allowed as a full deduction for the purposes of property tax. Obviously, because of the nature of this business, it is a bit unfair and unrealistic to treat the Statutory Fund of insurance companies and also deposits of banks in the same way as you treat loan capital of a commercial company engaged in another type of business. Therefore, the point has been conceded as being valid and well founded. We seek here to enable the insurance companies and the banks to deduct in full their Statutory Fund and the amount held as deposits respectively for the purposes of computing their liability under the Property Tax Ordinance. The other Amendments both to the Income Tax Ordinance and the Corporation Tax Act, 1970, seek either to clear up an ambiguity or to deal with this problem of retroactivity which was raised by the companies.

Finally, opportunity is taken to make an Amendment to the Licence Revenue Ordinance, 1956. There has arisen a legal difficulty in as much as

it is alleged that the licence revenue officer and his staff do not have the power to bring prosecutions under the Weights and Measures Ordinance. Whether this is so or not, is not a matter which concerns me very much, but what concerns me is to ensure that the law makes it clear that the licence revenue officer and his staff in fact have the power to bring prosecutions because the administration of the Weights and Measures Ordinance really falls to the licence revenue officer and his staff.

I should say that the Amendments in this Bill have come after very long and patient discussions with the solicitors of the companies which brought the action to which I referred and we feel that on the Government's side we have done everything possible to resolve the problem which they have raised.

As I said at the outset, the problem of policy is not a legal problem and Government's policy is quite clear on taxation. There are, however, some Amendments I should like to refer to arising from further points made at the last moment by solicitors for the companies, and I think that the points are points which need consideration and ought to be accepted.

The first Amendment will deal with the position of companies which were not liable to pay withholding tax during the period 1st January, 1970 to 11th December, 1970, that is, immediately before the Income Tax (Amendment No. 2) Act of 1970. Therefore it is proposed also to amend the law to give those companies the right to prove to the satisfaction of the Commissioner that they are not so eligible.

Secondly, we would wish to give the companies which have, in fact, paid withholding tax between the 12th December, 1970 and the 31st December, 1970 the right to set off the tax which they have paid against the tax which is now liveable under this proposed Act.

With those few remarks, I would commend this Bill to Hon. Members, laying final stress on the point that it is an effort to meet objections raised by business people.

Perhaps I should take this opportunity to clarify a point which some businessmen tell me has been worrying them. It relates to the payment of withholding tax. I think that the scheme of the law and the spirit of the law is that once the withholding tax is paid it is not liable to be paid again. In other words, if company 'A' pays withholdings tax on a distribution of profits to company 'B', then that is an end to the matter. If company 'B' distributes those profits again, it will not be liable to another application of the provisions for withholding tax. In other words, the tax is meant to be excisable once and not successively. I think that this might be as good an occasion as any to make that abundantly clear for the guidance of the business community.

Your Honour, the great problem in replying is that Hon. Members have assumed a roving commission and have not really stuck to the Amendments of the proposed Bill. It occurred to me while the Hon. Member Mr. Sutton was speaking that if the business community were

present in this House they would have shuddered at the fact that he was advocating their cause.

I tried to explain in opening the debate that the provisions in this Bill arose out of very careful and protracted discussions between the Government team and the lawyers and accountants representing the business people who have brought the action.

I do not wish to say anything more except to correct what appears to be an erroneous expression again by the Hon. Member Mr. Sutton that the business people have undertaken to withdraw their action. The Government is not concerned with whether or not they withdraw their action. These compromises were not made because Government, as the Hon. Member said, was satisfied as to the wrongness or illegality of the provision. These Amendments were made in the spirit of compromise. I do not think that any lawyer who is worth his salt can get up and say that retroactive legislation per se in relation to tax matters is illegal or unconstitutional.

The point made by the business people was that the question did not relate really to the quantum of the taxes. Some of them complained that they had distributed already. And Government's point was that in those circumstances, it would not proceed with respect to the others and it would adopt an alternative device in relation to the recoupment of these taxes. There is no question of any apologies for that.

I was a bit alarmed to hear the Hon. Member Mr. Sutton say, as I understood him, that he or his Party had made the point about the Statutory Funds and of insurance companies and the deposits of banks. That is why I looked through the *Hansard* to see whether that was so because both the insurance companies and the banks admitted that this was a point which they overlooked. They overlooked it when they were having discussions with the Fiscal Review Committee before the legislation was proposed, and they overlooked it after the publication of the Bill. It was only after the Bill became law that they recognised the consequences of the provisions for their type of business and sought an interview with me to put forward their case. Insurance companies and banks are in a different position from other types of commercial concerns because when one looks at their balance sheets, one finds as part of their debts, their Statutory Fund and their deposits.

I would just wish to reply to the point made by the Hon. Member Dr. Ramsahoye in relation to the relief which we propose to give to people who buy new houses, thus putting them on the same footing as people who build new houses. Hon. Members will know that in 1966, in order to encourage and stimulate the building of new houses, Government introduced legislation to allow the interest paid on mortgages by people who built new houses as residences to be deducted for purposes of income tax. We consider that there is no difference between a person who builds a new house and a person who buys a new house and therefore we seek to extend the same relief to the person who buys a new house.

Obviously, one has to draw the line somewhere. If one goes back to 1950, someone will say he bought in 1949; if one goes to 1949 someone will say he bought in 1940 and is still paying interest. One knows what happens with some people who buy houses. They continue paying the mortgage interest from year to year without repayment of the capital. One finds people who have been in houses for thirty years or longer who have not repaid their capital and who would make the same application for relief. All I would say is that we have attempted to extend the area of relief and I think some credit is due to the Government.

[Question put, and agreed to.]

[Bill read a second time.]

[Assembly in Committee]

[Clauses 1 and 2 agreed to and ordered to stand part of the Bill.]

Clause 3

Mr. Hoyte: Mr. Chairman, I should like to propose an Amendment to Clause 3 by adding the proviso contained in the note of the Amendment circulated. The purpose of the proviso is to give companies a chance of proving that they were not liable to pay withholding tax during the period 1st January, 1970 to 11th December, 1970. As the Clause now stands, it would affect all companies but there may be companies that may wish to prove that they were not so liable and we seek by means of this proviso to give them that opportunity.

Secondly, some companies did pay withholding tax between the date of the passage of this Bill in December, 1970, and the end of the year, and we wish to give those companies the opportunity to set off the amount they have paid against any amount which would be leviable under clause 3.

Amendment: That a colon be substituted for the full stop at the end of the clause and the following proviso be inserted:

Provided that –

- (a) The increase in the corporation tax imposed by the foregoing provisions of this section shall not apply to a company which satisfies the Commissioner of Inland Revenue that the company would not have been liable for the payment of withholding tax pursuant to section 27B of the Income Tax Ordinance if that section had been in operation during the period commencing on 1st January, 1970 and ending on 11th December, 1970;

- (b) Any amount received by the Commissioner of Inland Revenue from a Company as withholding tax pursuant to section 27B of the Income Tax Ordinance during the year 1970 shall be set off against the increase in the corporation tax payable by virtue of the foregoing provisions of this section.

[Put and negatived.]

Clause 3, as amended, agreed to and ordered to stand part of the Bill.]

Mr. Hoyte: In reply to the Hon. Leader of the Opposition, I wish to say that the amendment is fraught with difficulties. At present, we have a base year in 1964. Where are we going to draw the line? Then we have limited the concession to new units and I think that was the rationale behind the granting of the concession, to encourage people to put up new buildings, in other words, to add to the nation's housing stock, and not to give the person a relief because he has bought a house.

This matter cannot be dealt with in this way. It would require very careful consideration. I myself would benefit if the Amendment were accepted, but I would point out that people have made representations to me for relief where they have, in fact, carried out major reconstruction. They have not in fact put up a new house, but perhaps extended; they have put on a bottom flat; they have converted a one-bedroom house into a three-bedroom house. All these people are, in fact, making a contribution to satisfying our housing needs. One has to look at the situation very carefully.

We are, at present, in the Ministry of Finance trying to finalise the details of incentives to people who will get into this business of adding to the nation's housing stock. I will promise Hon. Members to take note of what they have said here today to see whether we can do something along the lines suggested, but I do not think that at this stage I will be willing merely to put in this blanket kind of Amendment, which means that anybody at all, no matter how long he has had this house, can come along and say, "*Well, let my mortgage repayments be tax free.*" I would like to have the opportunity to give more careful consideration to these proposals.

Amendment: That "(b)" be renumbered as "(e)", and the following be inserted as "(b)", "(c)", and "(d)" in the Amendment to section 198 of the Income Tax Ordinance, Chapter 299:

(c) Delete the expression "*has after the 31st December, 1964*"

(d) Insert the words (occupied or) after the word (building) where it first appears

(e) Delete the word (new) where it first appears.

[Put and negatived.]

Mr. Hoyte: I listened with interest to the contribution by the Hon. Leader of the Opposition and by the Hon. Member, Mr. Fielden Singh. I would reiterate that the policy behind this section is to encourage the building of new units.

The Amendment, which is now being sought, would, in effect, change the policy behind the legislation and Hon. Members, I am certain, will appreciate that one cannot, by a side wing, introduce a new policy into legislation. This must be a matter for careful consideration. It must be a matter which has been properly submitted in due form.

I will again reassure Hon. Members that in the proposals we have now for incentives for house building and house ownership, we will take into account all that has been said here today.

I am grateful for the new dimensions which Hon. Members have put on this seemingly simple Amendment, because the more one looks at it, the more one realises that there is a great deal of scope for the improvement of relief offered and for new forms of incentives to add the nation's housing stock.

[Amendment put and negatived.]

[The Chairman: Will the Hon. Minister move the Amendment standing in his name?]

Mr. Hoyte: Mr. Chairman, my I first of all draw attention to section 27A (b) in the Schedule and ask for a correction. The printer's devil seems to have been at work. The third line should be the fourth line. The lines have been transposed. That section should read:

“(b) The words ‘and has done so after the enactment of this section’ shall be substituted for the words ‘or has done so after the commencement of the accounting period for the year of income 1970’ in subsection (4) (a).”

I ask that that correction be made.

I beg to move an amendment, namely, the insertion of section 6(2) into the Schedule immediately after section 6(1). The purpose, again, is to clarify, at the instance of the persons who brought the action to which I referred, the meaning of that particular section. It was agreed that the word ‘for’ should be replaced by the words ‘in the preceding year’ and that would make it abundantly clear.

[Amendment put, and agreed to.]

[Schedule, as amended, put and agreed to.]

[Assembly Resumed]

[Bill reported, with Amendments; as amended, considered; read the third time and passed.]

Motion on the Approval of the State Pensions Bill: 29th December, 1971

A Bill intituled:

"An Act to regulate the awards of State Pensions in respect of service to the state in certain special circumstances."

Mr. Hoyte: Mr. Speaker, in every country there are people who give public service, in one way or another, of distinction to their fellow citizens and to the State. Those persons very often do not fall within the official class. They are not public servants nor are they members of any governmental or quasi-governmental institution or agency. But, Sir, that fact in no way diminishes the quality of the service and the importance of the service which they render the State. From time to time many such persons, in spite of their distinguished service, sometimes because of the very way of life they have chosen in the service of the State, find themselves in later years in straitened circumstances and this Parliament has from time to time in the history of this country brought special legislation to grant pensions to such citizens.

What this Bill seeks to do is to formalise the procedures for granting State Pensions to persons who have given outstanding service to the State and whom the State wishes to honour not only by awarding national honours but by ensuring that in their later years they are saved from the indignity to which very often impecunious circumstances reduce people.

The scheme of the Bill envisages that where the President considers it desirable, having regard to the nature and quality of the service rendered to the State by any person, he may designate such service as qualifying for a State Pension. I have in mind service which a citizen may offer in the field of social and community activities, service to trade unions and trade unionism. We remember people like the late Hubert Nathaniel Critchlow who is acknowledged as one of our outstanding citizens who made a sterling contribution to the evolution of trade unionism and, indeed, the evolution of the political and national life of the country. If I am not mistaken, I believe the State did award him a pension in his old age when he found himself in straitened circumstance.

But, as the nature of our society changes, we find more and more citizens becoming involved in public service, in the wider meaning of that term, in one way or the other distinguished men of letters, artistes, teachers outside of the Government Teaching Service, trade unionists, sportsmen, people of that quality, who perhaps today are honoured and respected, but when they have passed the prime of life may well find themselves in straitened circumstances. The State needs to do something for them.

Therefore, this Bill sets out the procedures by which the Government through this Parliament can award a pension where the President certifies that the quality and nature of the service rendered by such persons ought to qualify for a State pension. When the President so designates, the responsible Minister may by Order award a pension to that person. That pension under the proposed law cannot exceed the maximum pension payable under the relevant legislation to Hon. Members of this House who do not fall in the second category to the Schedule of that legislation. The Order, of course, must be laid in this House and it will be subject to a negative resolution.

The Bill seeks to ensure too, Sir, that a pension may be awarded to the widow or children and other dependants of the person to whom a State Pension has been awarded. In conclusion, I think that every modern State must have regard for its citizens and particularly for its outstanding citizens who have laboured on behalf of the State. In this respect, Hon. Members may well find that this Bill is a commendable one.

Mr. Hoyte: (Replying) Mr. Speaker, I should begin by deploring the disrespect shown for the Head of State by no less a person than the Hon. Leader of the Opposition. It is all well and good to talk about values, morality and things like that. If we do not show a proper respect for the Head of State, well then, I have no doubt that we will continue to have a society in which the proper values are not established. I think that one of the important things we have to learn in our society is respect for functional authority.

[Dr. Jagan: I would be glad, Sir, if you could correct the Hon. Minister because I did not speak disrespectfully of the Head of State. I did not and I think it will be creating a wrong impression.]

[Mr. Speaker: That is his understanding of it.]

Mr. Hoyte: I am quite certain that the only conclusion that one could draw from remarks of levity directed to the Head of State was that this was something for ridicule, the office and the man. If the Hon. Leader of the Opposition says that he meant no disrespect. I accept unreservedly what he says, but we can only go by the impression, unfortunate though it has been, created upon us by his words and action.

As I listened to the Hon. Leader of the Opposition, I was reminded of the story of the Pharisee who was praying and who thanked the Lord that he was not like other men.

I do not wish to follow the Hon. Leader of the Opposition into an excursion into matters not related to this Bill. From time to time, the Members of the Opposition complain that Members on the Government Benches do not take them seriously, but it is difficult to do so when the contributions made bear little or no relation to the matters on the Order Paper.

The one point I should like to touch upon, before replying to the contributions from other Members, is the point the Hon. Leader of the Opposition made about the support for the Government in relation to the nationalisation of bauxite. It is true that the PPP supported the Government; it is true that there were certain proposals which arose out of negotiations leading up to the unanimous decision – I leave out the United Force for these purposes – taken in this Honourable House.

Implicit in all this was that the Parties would pursue a bipartisan policy with respect to the nationalised bauxite company. Yet, immediately after the nationalisation, we had the sad and anti-national spectacle of the Opposition trying to create strife and dissension at Linden.

[Interruption]

[Mr. Speaker: Order, please!]

Mr. Hoyte: As I was saying, the Government cannot take them seriously if they do not take themselves seriously. I think that their failure to observe that commitment arose out of certain – should I use the patented phrase of the Hon. Leader of the Opposition? – dialectics. He said that the dialectics of the situation, if I may again use the phrase which is exclusive to the Hon. Leader of the Opposition in the language of this country, showed that the support for the PNC was dwindling and the Party was falling apart so that it was an opportunity for them to step into the breach and win political kudos. That apart, let us get on with this Bill which we are debating here.

The contributions by Hon. Members, I think, were really unworthy of this House and of them. As I understand the substance of what was said is this: that the Bill was all right in principle, but that the Peoples National Congress Government was going to misuse powers given in this Bill. But, Sir, is that facing political realities? We have got the majority in this House and we can come every day and introduce a Pensions Bill to give every Tom, Dick and Harry a pension.

What is the difference between that and this procedure? What we have done is to formalise the procedures and the Bill makes specific provision for all the details: the pension and the conditions to be laid in this Hon. House publicly and to be the subject of a negative resolution if Hon. Members are of the view that the person whose name is proposed for a pension is unworthy.

It is not a secret matter. We could have deleted that clause. We could have said the Minister would award the pension. Full stop. But it is because this Government has respect for this House and regard for Hon. Members of the Opposition, that it has specifically introduced this provision which requires the Government to bring its proposals before this House so that Hon. Members may know what is happening and be in a position to voice their objections inside this House and outside this House as they so frequently do.

The Hon. Member, Mr. Derek Jagan, asked that we should set out the categories of persons and the service which would qualify for pension. Now, Sir, that is not really possible if we stop to reflect for a moment. The categories of public service are never closed. How are you going to say here and now what particular type of public service you may want to designate in the future? As I said a man may be an outstanding cricketer or footballer. A man may bring great fame to this country by literature or music. Today we have got scores of young people who are painting and who are building for themselves a reputation not only in Guyana, but in the Caribbean and indeed in the world. One cannot say sportsmen, politicians, trade unionists. You can attempt it but you will never be able to encompass all the types of services, all the types of contributions which people are capable of making to the State.

Both the Hon. Member, Mr. Jagan, and the Hon. Member, Mr. Fielden Singh, sought to draw comparison between the kind of person who may qualify for pension under this bit of legislation and Members of this Hon. House. My own view is that the comparison was most unfortunate. We in this House qualify and will qualify for a pension not necessarily because of the value of the contribution we make to the State. We have given ourselves, by law, the right to qualify for a pension, but it is not based on quality of service; it is based merely on the fact that we sit here and we are the law-makers and we have put ourselves on a par with civil servants. The types of people we are talking about are people who will make a real contribution, people who when they are making that contribution are not looking for Government support and who probably will not be getting it. Very often, too, it is not until many years after that we come to recognise and appreciate the quality of service which such people have made to the State.

In the late 1940s when the Hon. Leader of the Opposition began his political career, the powers that be then considered him a nuisance. Nobody considered then that he was going to be tremendous force in the political life of this country. But we recognise it now, so many years after, and twenty years hence, fifty years hence, when historians come to write, nobody can write the history of these times without giving prominence to him and to his contribution. Nobody is concerned with the details.

Policies may differ, points of view may differ, but the quality of service to the State is something which cannot be gainsaid. I hope that Hon. Members will appreciate the spirit in which this Bill has been brought and will wait until, as they fear, the Government misuses the power before offering the kind of criticism which has been offered here. I think today this debate is concerned with principle of the Bill, whether the Government is doing the right thing in setting up this kind of legislation. When the Government brings forward specific cases for the award of pensions, I think that is time for criticisms to be made harshly if Hon. Members of the Opposition believe that the Government has merely used this legislation for partisan and unworthy purposes.

[Bill read a second time.]

[In Committee]

[Clauses 1 to 3 agreed to and ordered to stand part of the Bill.]

Mr. Hoyte: I wish to remind you Hon. Members of the Opposition, that the alleged happening in respect of some negative Motion some time ago cannot recur in this Honourable House.

I do not know what the particular Motion was all about because, obviously, it was before my time, but I would draw the attention of Hon. Members to Standing Order 69A, which was passed in this Honourable House and which reads as follows:

“(1) The period prescribed for the purposes of section 17(1) of the Interpretation and General Clauses Act, 1970, (which relates to subsidiary legislation subject to negative resolution) shall be 40 days from the date on which the subsidiary legislation is laid before the National Assembly.

(2) Where notice of a Motion that any subsidiary legislation subject to negative resolution shall be annulled is given within 21 days of the date on which the subsidiary legislation is laid before the Assembly, that Motion shall be debated as soon as practicable and in any even before the expiration of the period prescribed in paragraph (1) hereof.”

In other words, we passed here an Amendment to the Standing Orders to prevent a recurrence of the situation which Hon. Members alleged occurred, so there is absolutely no possibility of a negative resolution not being debated in this House.

We have the additional legal problem in accepting the phrase which the Hon. Member Mr. Ram Karran seeks to introduce into clause 4, in that our Interpretation and General Clauses Act we have there set out terms which have precise meanings, both in the law and in the Constitution, which make provision for affirmative and negative resolutions. If we were to insert here the phrase which the Hon. Member wishes to insert we would be, in fact, creating something in the nature of a legal chimera. It would be a phrase unknown to law; it would have no relation back to the Interpretation and General Clauses Act; it would have no relation back to our Constitution and, in fact, we would be allowing ourselves to pass legislation containing a phrase which has no meaning in law.

For those reasons, I would urge the Hon. Member to consider the possibility of not proceeding because, in any case, the premise upon which he based his Amendment is not a sound one as he had forgotten the Amendment to the Standing Orders and, in any case, it would be giving effect to a phrase which will be no meaning in law.

[Mr. Ram Karran: I did not hear the Hon. Minister disclose any other view point of the Government save the question of difficulty in the terms. If the Government wishes to accept the Amendment, in the spirit of the Amendment, then, naturally, it is not beyond the ability of the eminent lawyers advising the Minister and the Attorney-General to put our ideas in proper legal phraseology. I am sure it is possible.]

Mr. Hoyte: Amend the Constitution?

[Mr. Ram Karran: I do not think there is need to go to the Constitution; you merely amend the Act. I pointed out that a Motion that was brought before this House was not debated in defiance of the Standing Orders.]

[The Chairman: Hon. Member, will you kindly confine yourself to the remarks of the Minister of Finance, if you are replying to him?]

[Mr. Ram Karran: I am merely pointing out that that is not the substantial reason why the Amendment has been moved. As I pointed out in moving the Amendment, which has been ably supported by my colleague and friend.]

[The Chairman: I understand all that. Please confine your reply to the Minister's point.]

[Mr. Ram Karran: That is what I am trying to do.]

[The Chairman: You are not trying.]

[Mr. Ram Karran: The main reason for the Amendment is to have unanimity in the House in so far as these awards are concerned.]

[The Chairman: We understand that.]

[Mr. Wilson: I want some explanation. On the basis of the Amendment to the Standing Order, which the Hon. Minister read, it will not be possible for a negative resolution not to be debated. I am not very well versed in these Standing Orders, but I should like to be informed on this point. If the Motion does not come out, what will be the effect with regard to the matter that is to be negative? Will it become null and void, or will it pass? Suppose the House, for some reason, does not meet and there is no chance to debate this negative Motion within the 40 days' limit, what effect will it have on the Order?]

[The Chairman: The Standing Order speaks for itself, if you had taken the opportunity to read what it states.]

[**Mr. Wilson:** I have not got my spectacles here.]

[**The Chairman:** That is not my fault.]

Mr. Hoyte: Mr. Chairman, there is no question now of such a Motion not coming. It must, under the Standing Orders. Before this Amendment in March this year, there was no provision, so obviously there was no opportunity to get by with what the Hon. Member referred to, because you could not have pointed to anything in the Standing Orders which said you must debate it. Now, to rectify this situation, this Motion was debated in this Honourable House and passed unanimously.

This is like asking what happens if five days are not allotted for the general debate on the Budget or seven days are not allotted for the consideration of the Estimates. We have grown to accept the Standing Orders as our guide. We are getting into the field of speculation, and useless speculation, in asking questions like that.

Motion on the Appropriation Bill: 29th December, 1971

A Bill intituled:

“An Act to provide for the issue from the Consolidated Fund of the sum necessary to meet the expenditure (not otherwise lawfully charged on the Consolidated Fund) of Guyana for the financial year ending 31st December, 1972. Estimates whereof have been approved by the National Assembly, and for appropriation of that sum for specified purposes, in conformity with the Constitution.”

[The Minister of Finance]

Mr. Hoyte: Mr. Speaker, I ask that the Appropriation Bill, 1971, be read a second time.

[Question put, and agreed to.]

[Bill read a second time.]

[Bill read the third time and passed as printed.]

Devaluation of the Dollar: 12th January, 1972

“Be it resolved:

That this National Assembly deprecates the action of the Guyana Government in devaluating the dollar and proposes that a special levy should be instituted to recover the net gains made by exporters from devaluation, the proceeds of which should be used for the subsidisation of essential commodities.”

[The Leader of the Opposition]

Mr. Hoyte: Mr. Speaker, a decision to change the external value of the currency of any State must be based upon technical and economic considerations solely. It is not a matter which is susceptible of political formulation. No amount of emotionalism, no amount of feigned indignation, no amount of political posturing can convert such an issue into a political matter. Therefore, any contribution to this debate which is not founded upon a careful and logical analysis of the underlying technical and economic factors is futile and naïve; because, in the final analysis, the overriding consideration in arriving at such a decision is the balance of the economic advantage to the country.

In the present state of world trade, all countries of the world are bound together in a web of international transactions. It is only the theoretical closed economy beloved of old-fashioned writers of text books economics which would be totally unaffected by what happens in other countries of the world. As long as we are bound together by ties of trade and financial transactions, whatever happens in the major trading countries in the world will have repercussions in all other countries including Guyana, whether we like it or not.

On 15th August, 1971, when the United States of America decided to take certain action to protect what it considered to be its own vital, economic interests, that action caused more than a ripple; that action had, in fact, severe repercussions in all parts of the world. The orderly system of financial relationships which had been established at Bretton Woods in 1944 was thrown into disarray, and the currencies of different countries of the world reacted in different ways to this new situation which had arisen, and which, in fact, had been created by the action of one major trading country in the world.

The pound sterling, with which the Guyana dollar had very close relations, appreciated away from the United States dollar, and the Guyana dollar also appreciated in sympathy with the pound sterling. Therefore, without any action on the part of the Guyana, without any deliberate or conscious choice by the Guyana Government, the external value of the Guyana dollar appreciated by some 4 percent against the United States

dollar, thus, in my submission, forcing upon us an unjustified appreciation in the value of our currency for the purposes of international transactions.

On 18th December, 1971, when the major trading countries of the world, the so-called 'Group of Ten', decided to realign their currencies and re-establish a measure of order in their own affairs, they realised that their action was going to have serious implications for the other countries of the world. In their communiqué which was issued on 18th December, 1971, they recognised this fact and called upon the other countries of the world, in particular members of the International Monetary Fund, to give urgent consideration to their own exchange rates. Mr. Speaker, in the precise words of the communiqué which was issued on the 18th December, 1971, the Group of Ten said this, and I quote:

"The Ministers and the Governors recognise that all Members of the International Monetary Fund not attending the present discussions will need urgently to reach decisions, in consultation with the International Monetary Fund, with respect to their own exchange rates."

Therefore, Mr. Speaker, not only for Guyana, but for all other countries of the world which were members of the International Monetary Fund, there arrived a moment of decision.

Obviously, in Guyana, we were concerned mainly with three currencies, the pound sterling, the United States dollar and the Canadian dollar, because some two-third of our external trade and financial transactions are with the UK, the USA and Canada, as indeed is all of our external debt. I would not pause too long to dispose of the odd – and I use a charitable word – statement by the Hon. Member Mr. Fielden Singh, that we have a greater external debt with sterling than with the dollar area. That assertion is based upon – and again I would like to be charitable – a profound lack of understanding and knowledge. The fact of the matter is that 60 percent of our external debt is with the dollar area as against 40 percent with sterling. But may I proceed.

In the circumstances which had arisen in the international monetary world, what was important to us was to take action to secure the balance of economic advantage of Guyana. Should we align our currency with the US dollar or should we align it with the pound sterling? (At this stage I may remark in parenthesis that, contrary to what the Hon. Leader of the Opposition said, the Canadian dollar has not appreciated against the US dollar but is in fact floating and has established, in that float, parity with the United States dollar. I would recommend that the Hon. Leader of the Opposition do a little more homework.)

We had to consider the balance of economic advantage. In that study, there were several difficult and complex factors to be marshalled, analysed and assessed against the background of certain hard and inescapable economic facts. I have pointed to the fact that with the UK, the USA, and

Canada, we have something like two-thirds of our international trade and financial transactions. When we add to those countries the CARIFTA area, we account for countries with which we have four-fifths of our foreign trade and international financial transactions. Contrary to what appears to be popular belief, a greater portion of those dealings is with the dollar area rather than with the UK. In fact, 39 percent of those transactions are with the United States and Canada, as against 28 percent with the United Kingdom.

There were other hard and inescapable economic facts we had to face. For example, in our balance of payments, we were in surplus in our transactions with the United States, and with Canada, and with the rest of the world (excluding the UK) but we were in deficit with the United Kingdom. We took into account, also, the special relationship which we had with the Caribbean Free Trade Area. It is therefore slightly irritating to hear the Hon. Leader of the Opposition get up and say that we plunged headlong into certain decisions without consulting our CARIFTA partners. I have already, in this Honourable House, pointed out to him that that allegation was without foundation.

In our approach to this matter, we were careful to consider Guyana's position in relation to traditional trading partners and particularly in relation to our CARIFTA neighbours. But even if we were to take the decision now, to devalue or not to devalue, after our CARIFTA partners have made their decisions, our decision would be the same, because the overriding consideration has not changed, namely, the balance of economic advantage to Guyana.

There were three main criteria which we had to apply in resolving this matter, namely, the effect of the two courses open to us, upon the real incomes in the community, the effect upon price levels in the community, (which concept would include but would not be synonymous with the cost of living) and, thirdly, the effect on the cost-price structure of our major industries, and in particular, our export industries. Within the ambit of those broad criteria, there were several controlling factors which had to be weighed and balanced, in order to arrive at an intelligent decision in the best interests of this country.

For example, we considered and gave due weight to the fact that the prices of imports and exports are often denominated neither in the currency of the exporting country nor in the currency of the importing country. More particularly, we studied the volume and pattern of our imports and exports, and of our international financial transactions, and estimated the shifts and changes likely to be induced by the changes in relative exchange rates. Those were some of the complex considerations to which we had to apply our minds in arriving at a solution to what was a very difficult problem.

I listened with interest and with growing alarm and concern to certain figures quoted by the Hon. Leader of the Opposition, but, in the end, he

himself apologies for not knowing whether his figures were correct. As I understood him, he did not vouch for the accuracy of figures which he put forward. I do not know the source of the data he used, but certainly the figures put forward are more than slightly ridiculous. In any event, I tried to follow the point he was trying to make by presenting those figures, but in vain. Obviously, nobody could follow it, because one does not arrive at a decision to devalue or not to devalue by merely picking out one sector of the economy and adding up and subtracting figures in a higgledy-piggledy way. The whole exercise is far more subtle.

I have tried to explain to this Honourable House the several complex factors and considerations which have gone into this exercise. What was critical in the final analysis was the amount of the proceeds of our export earnings plus our net capital inflows, because it is with these proceeds that we buy the goods and services which we import and utilise in this country. Export earnings, therefore, was a critical factor, a dominant factor, in the consideration of this matter.

We had to consider, too, how our current policy of diversifying our trade, and of stimulating local production, was going to mesh with a decision to change the external value of our currency, because we approached this issue at all times not in isolation or in a haphazard and sectional way, but with the whole economy constantly in mind.

In the final analysis, when all the data had been thrown up, when the technicians had gathered all necessary information together and had put it in proper statistical form, when all this information had been fed through the computer and had been analysed, we came out with this answer: that if we aligned the Guyana dollar with the pound sterling, having regard to our trade patterns and our international financial transactions, we were going to suffer a loss on the proceeds of our exports and net capital inflows of something like \$19 to \$20 million. On the other hand, by aligning with the United States dollar, we were going to be in surplus by \$1 million.

That was a vital consideration. It is all well and good to say, "*If you stay with sterling, your internal prices are not going to rise.*" You can stay with sterling; you can have, notionally, no increase in the prices of imported goods, but you will not earn the foreign exchange to buy those imported goods.

Let us look at the matter a little more critically, because when we talk about our foreign exchange earnings, we are talking principally about the earnings from the export of bauxite, sugar and rice. Bauxite has its own history on the world market. It is a very complex subject to deal with, but an important point which we have to bear in mind always when we talk about bauxite/alumina sales and contracts, is that the price of bauxite/alumina is effectively denominated in United States dollars. It is not denominated in Guyana dollars. It is not denominated in pounds sterling. It is effectively denominated in United States dollars and there is nothing that the exporting country can do about that now.

The reasons for this are historical and are partly bound up with the way international buyers operate. We have to remember that until last year the United States dollar was virtually the international currency. Therefore, if Guyana had not devalued, the bauxite industry stood to lose G\$11 million gross on its sales annually and between G\$7 million – G\$8 million net. It should be noted that inputs and other commodities which are imported for that industry represent something like 50 percent of sales, 40 percent of which are imported from US dollar sources, as against 10 percent imported from sterling sources. These facts and figures indicated that, in relation to that industry, there was only one choice. The protection of the bauxite industry became a matter of paramount importance.

Why is this so? Because the bauxite industry is the growth point of our economy. We have not taken over the bauxite industry to run it down and destroy it. We have taken it over to make it the growth point of our economy. Consequently, we must preserve its economic viability, we must preserve its profitability. We could not take any decision which would have an adverse effect on the bauxite industry, which would put it in a position where it was likely to suffer losses, which would put it in a position where it could not expand and could not guarantee job security to the workers at Linden.

We have publicised our decision to expand the bauxite industry. We intend to begin this year, we intend to expand calcined production; we intend to expand alumina production; we intend to promote the linkages which are natural to the industry. This year we will begin to exploit kaolin and we have already started to effect other linkages within the economy, for example, with agriculture, by the use of cassava starch as an input.

Therefore one has not got to be an econometrician, or to be able to understand the intricacies of the differential calculus, to appreciate that, in relation to that vital industry, our salvation lay with aligning the Guyana dollar with the US dollar.

Does the Hon. Leader of the Opposition suggest that we should have aligned our currency with the pound sterling and cause the bauxite industry to contract, cause it to have to retrench workers at Linden? If that is his proposition, let him get up and say so that the workers can understand what he is proposing.

Again, what about the other major export industry – sugar? Sugar is exported to the United Kingdom; sugar is exported to the United States and Canada. But it is the export to the dollar areas which is the money spinner. The Hon. Member Mr. Harry Lall will confirm that the profits are made in the dollar area, where we will sell about \$30 million worth in 1971 out of a total sales estimated at \$85 million. If we had gone with sterling, the sugar industry would have made no gains on sterling sales and would have suffered considerable losses in the dollar area, losses estimated at about \$2.5 million. As a result of devaluation, the earnings of sugar on the US

market have been protected and, moreover, earnings from UK sales will increase by about \$4.9 million.

Again, one sees the critical importance of protecting our export earnings. Recently, we have been talking about expansion in the sugar industry. We have concluded a Trade Agreement with the People's Republic of China to supply some 30,000 tons of sugar; but where is that sugar to come from unless we ensure the continued viability of the sugar industry and put it in a position where it can expand capacity?

Does the Hon. Leader of the Opposition suggest to this Government that it should have taken a decision which would have prevented the sugar industry from expanding? A decision which, on the contrary, would have resulted in the contraction of the sugar industry, with all the serious consequences for employment? Does he seriously tell us that? Because if that is his proposition let him get up and say so explicitly so that the sugar workers of this country, whom he professes to befriend, and for whom he professes such great solicitude, may understand what kind of friend they have.

I now turn to rice. Our prices for rice exports are denominated in Guyana dollars and in Eastern Caribbean dollars. The quantum of the proceeds in terms of Guyana dollars will, therefore, be roughly the same. Insofar as the price of our rice exports is denominated in Eastern Caribbean currency, there will be some gains.

On an overall consideration, based on the balance of economic advantage, when we look at technical and economic factors, there was only one sensible decision which could have been taken, namely, to devalue the Guyana dollar. That decision was not a snap decision; it was not taken in any haste as has been suggested by both the Hon. Leader of the Opposition and the Hon. Member, Mr. Fielden Singh.

Ever since 15th August, 1971, the regional monetarists realised that this situation was likely to develop and there was continuous dialogue between the Central Bankers in the Caribbean. They met at the instance of Jamaica in Kingston in September, 1971. They met again later in September, 1971, at the Commonwealth Finance Ministers' Conference in Nassau. They met again at the end of September in Washington, United States of America, during the World Bank Annual Meeting. They met again in Barbados at the end of October, 1971, to consider the matter on a regional basis and to decide what should be done in the event of this situation arising. But each Central Bank Governor realised that, in the final analysis, it was not a question of regionalism, but what was best for the individual country. It would not have been otherwise because, although CARIFTA is bound together by ties of trade, it is not bound together in a political sense and there is no authority which can take regional decisions on matters of this sort.

But, behind all of these matters I have already mentioned, was a very important consideration. What was going to be the impact on the cost of

living, if Guyana devalued? We considered this aspect very carefully and were satisfied, after the technical data had been analysed, that if we did nothing, if we followed the old import/export pattern; if we did nothing about stimulating local production, if we merely sat down and folded our arms, the impact could not be as much as 3 percent. Why is this so? Because the average increases in import prices of commodities from countries with which we have had trade relations worked out at 7 percent. It is true that Sterling has appreciated against the Guyana dollar by 8½ percent or thereabouts. But not every trading partner has appreciated to that extent, and with the United States there is parity. The effective average increase worked out at 7 percent. But we can only have an overall increase of 7 percent in domestic price levels, if we imported all the goods and services we utilise in the country. Obviously that is not so. Of the aggregate demand for goods and services in this country, 40 percent is supplied by imports, so that the average consequential increase in domestic prices brought about by the changes in the exchange rate of our trading partners could not be more than 3 percent. At this stage we are talking about price levels. It follows, therefore, that since every item of import does not go into the cost-of-living index, the effect on the cost of living would obviously be less than 3 percent. As a matter of fact, now that we have done a refined study of the data and have looked at the cost-of-living index, we note that the impact on the cost of living could not be more than 2.5 percent, even if we did nothing to minimize or deflect the impact.

But, Sir, long before devaluation, the Government has been taking action to ensure that we kept a grip on our cost of living and on price rises. If we looked at the cost-of-living index and the items which go into making it up, we will see why it is that the effect of devaluation, if we did nothing, would be at most a 2.5 percent increase. As I pointed out only a portion of imports will go into the cost-of-living index.

Let us look at the category, 'Food', in the cost-of-living index. Obviously 'Food' would have the heaviest weight in the index: the weight for 'Food' is over 50 percent. Therefore, Food is the critical area in the index. Let us look down the list of items we have here and let us ask ourselves in the light of Government's policy and action, where will be this dramatic impact on the cost of living, as some are prophesying? (In passing, I may remark that, contrary to what the Hon. Leader of the Opposition said, it is not the 1942 index which is being used today. Again, I would urge him to pay a little more attention to his homework.) In the category, 'Food', under the heading, 'Poultry, Meat, Fish and Beef', what do we find? Brisket, cow heel, liver, stew meat, steak and port. Up to that point, where are the imports which are going to attract this alleged price rise, or which are going to be affected by the fact that some external prices have risen? We come to other items: Corned beef, salted pollock, pink salmon, sardines, smoked herring. All these have been banned with the exception of corned beef which is, I think, under licence. One sees the beautiful logic to

Government's policy to eliminate the non-essential items which would have attracted a price rise, and to put the emphasis upon relevant local foods the prices of which will not be affected by devaluation. It is not a question of banning for the sake of banning. It is a carefully thought-out economic policy. One may say the policy is wrong. One may attack it on matter of principle, but for Heaven's sake, Sir, do not let us have this kind of attack upon Government's policy based upon assertions that that policy is misconceived because it is haphazard and results from snap decisions.

How can it be based on snap decisions when as early as April last year, at the Fourteenth Annual Congress of the People's National Congress, in a paper which I presented to that Congress, I drew attention to the importance and necessity of banning non-essential imports? I ended that paper with these words, and I quote:

"In the light of the economic realities, is it not time that we formulate and implement a clear policy of restricting the importation of non-essential items in the larger interest of national development?"

That paper has been published under the title '**To Develop Guyana**'.

Anybody who has been studying PNC policy will know that this matter was articulated long ago, because the subject matter of a formal Congress Paper presented by me in April, 1971, and thereafter was the subject matter of discussion and debate at grass-roots level in this country. What has happened is, that in the wake of devaluation, the time was ripe and the occasion propitious to implement the policy which we had enunciated so long ago.

[Applause]

Mr. Hoyte: I return, Sir, to this list of food items in the cost-of-living index. I have pointed out that there would be the rise only in the prices of the imported and non-essential food items which we have banned. The other items to complete this Subhead in the index are shrimps, fish and chicken, all of which are of local origin. When we go to the heading '**Root Crops and Ground Provisions**' listed in the index, what do we find? Cassava, eddoes, plantains, English potatoes. (I pause there because there is no need for us to use English potatoes. They are not banned, despite what the *Mirror* has said, but are they essential? I reiterate that by an intelligent outlay of our income we can reduce or eliminate the impact of any price increases on foodstuffs from sterling areas.) The list continues – sweet potatoes, tannias, and yams. (It will be noted that under '**Root Crops and Ground Provisions**', there is only one item which is imported, that is, English potatoes. We can do without English potatoes.) Under the heading, '**Fresh Vegetables**', the list shows no imported items. Under the heading '**Dried Vegetables and Fruits**', we have raisins and black eye peas

as the only items we have imported in the past. We have banned black eye peas; therefore the question of a price increase for this item does not arise. We are producing and will continue to produce in this country the total amount of black eye peas which we need for our sustenance.

Let me remind Hon. Members, that last year, this time, the price of cabbages ranged between 60 and 90 cents a pound and cabbages are imported and scarce. But we banned the importation of cabbages, and what has happened today? The price has fallen to between 12 to 20 cents a pound and there is a surfeit of cabbages on the market. And what we have done for cabbages, we will do for black eye peas and the other crops which we are promoting today.

[Applause]

Mr. Hoyte: I can go through this list in the index; it is a long list. But the point I seek to make is this: in our cost-of-living index, the import content is fairly small and, with understanding of Government's policy and a careful outlay of our expenditure, we can save by purchasing and using local produce. The savings will counterbalance any increases in the price of any food items which we have imported. There is no doubt that Government has not allowed the situation to slide.

The Hon. Leader of the Opposition, when he was citing his figures, albeit on his own admission, inaccurate, said that this calculations were based on the assumption that the import/export pattern would remain the same. But how can he say that here, today, in the light of the fact, which every schoolchild knows, that Government's policy has changed that pattern radically? It is no longer even a question of intention, it is a question of fact. The import pattern has been altered radically. Government has been taking action, as I said on the 21st December, 1971, when I made the statement on devaluation in this Honourable House, - Government has been taking action to deflect the impact of any price rises on imports originating in the sterling area and reduce the impact to zero. What has been that action?

First of all, we have taken action to cut out non-essentials from our imports bill and particularly, from our food import bill. We have taken action to stimulate local production, and we have taken action to ensure continued stability of prices through the Ministry of Trade and the External Trade Bureau. For example, although the merchants of the Chamber of Commerce sought price increases for all commodities coming from the sterling area, Government did not agree. Government refused price increases where the margin of profit was substantial, because Government took the view that the merchants must absorb the increased cost and not pass it on to the consumer. With respect to that category of goods where the mark-up was moderate, Government allowed only a partial increase in prices and not the full extent of the changes in exchange rates due to devaluation.

It is only with respect to the third category where the margin of profit was very low, that Government permitted a higher price increase.

It is common knowledge that we have been diverting our trade from traditional high cost countries; hence the trade agreement with China; hence the increasing volume of imports from middle European countries. If one would only look at the trade bulletins published by the Statistical Bureau, one would realise that our imports have become extremely exotic. Last year, we imported from Sudan, Eritrea, Lebanon, Thailand and other faraway places with strange-sounding names. We are continuously seeking our cheaper import sources.

The Hon. Leader of the Opposition put his finger upon a very important point, but characteristically spoiled the effect by bad presentation. He argued that the Government should recover the increment accruing to exporters as a result of devaluation. I have no quarrel with him about that; but then he goes on to say that we must eat out the profit. Sir, that is the approach of the small shopkeeper. If we were to do that, this whole exercise would have been in vain. I agree with him that we must ensure that the increment to exporters ...Let us not beat about the bush. It is only sugar he could be talking about. It is only sugar which stands to gain a windfall. Why does the Hon. Leader of the Opposition not have the courage of his conviction and get up and say we must recover it from sugar?

I agree that that increment which has come as a windfall to sugar as a result of devaluation must be ploughed back into the economy. We cannot eat it out, because if we eat it out we will have devalued in vain. We must promote capital formation: we must ensure that the economy recovers this gain for development, and that is precisely what Government intends to do. Government does not have to wait for the Hon. Leader of the Opposition to tell us that. Government has already taken action to achieve this end.

Another way of eating up our profits accruing from devaluation is to disburse them in unjustified wage claims. If we do this, the money will move out again via consumer goods without any real benefit to the economy. Let me repeat that Government has taken this action in devaluing the Guyana dollar, not to benefit any particular individual or section, but to benefit the economy of Guyana, not in an abstract sense, but to benefit every Guyanese and to protect the material welfare of all Guyanese.

In the course of this debate, there have been many things said which are not based on knowledge or understanding. The Hon. Leader of the Opposition made the extraordinary error of assuming that, in considering a matter like the devaluation, one has only to look at gross external debt for a solution. It is a frequent irrelevance of his in this Honourable House to make statements like this: The external debt is increasing, it has doubled; it has quadrupled. That is not the consideration. What one has to look at is the debt service ratio, which is the debt charges expressed as a percentage of exports of goods and services.

When one looks at the debt ratio, Guyana is in a fortunate position. Guyana is one of the few countries in the world which, according to the World Bank and Reports, does not have a debt service problem. In the 1971 Annual Report of the World Bank, this point is very clearly established in the figures published. At pages 64 and 65 of that Report, it is shown that Guyana is among the few countries whose debt service ratio between 1965 and 1969 – the Report stops at 1969, but I can assure Hon. Members that the position is the same for 1970 and 1971 – is just under 4 percent.

Let us compare that with India, where it was 22 percent in 1969. Compare it with Peru – 13.8 percent in 1969; compare it with Tanzania – 6.3 percent in 1969. Therefore, it is an error based upon misunderstanding to look at the aggregate debt without considering the relativity which makes sense in economic terms.

Again, the Hon. Leader of the Opposition asks why has not Jamaica devalued? Why has not Trinidad devalued? I cannot give him those answers. I am not a member of the Jamaica Cabinet or the Trinidad Cabinet. I am not privy to their secret deliberations. But when the Hon. Leader of the Opposition goes on to say that the economic circumstances of those countries are the same as Guyana's, I suggest that such a statement has been made without due consideration.

Let us consider Trinidad. I shall take just a few points, because although this is a subject that one can deal with at very great length, it is really peripheral to this debate here today. Trinidad imports oil and she exports oil. Oil prices are denominated, like bauxite prices, in United States currency. One has to consider the volume and value of imports in their relationship to the volume and value of exports.

Moreover, it is easy to see that, by not devaluing Trinidad will be able to import oil much more cheaply than before.

That is not the whole answer. We have read that Trinidad is about to become a member of O.P.E.C. and O.P.E.C. has already served notice that it intends to recoup revenue losses resulting from devaluation. Therefore, with respect to oil – I just pick on one commodity – Trinidad will remain with sterling and still gain advantages from the devaluation of the US dollar because the powerful O.P.E.C. undoubtedly will wrest higher revenues from the oil companies thus ensuring that its members are not adversely affected by the devaluation of the US Dollar.

Let us turn to sugar. Trinidad and Jamaica do not sell sugar on the US market. They have not been able to reach the production targets to take advantage of that market, so they have no problem about losses on a US market. It is Guyana that has that problem as far as the export of sugar to the United States is concerned.

Again, let us take bauxite. The people of Jamaica do not own their bauxite industry; the people of Guyana own a bauxite industry. There is a fundamental difference between a nationally-owned industry and an industry which is owned by foreigners.

[Applause (Government)]

Mr. Hoyte: We cannot allow the profits at Linden to fall and then retrench our workers. In Jamaica, even if the bauxite companies suffer losses, conceivably the trade unions and the Government could put pressure on them to maintain the same work force and to maintain, and possibly even increase, wages.

These are a few of the fallacies which the Hon. Leader of the Opposition has been peddling here today and which, I think, we need to expose, as I have done.

What have we secured by devaluation? We have ensured that the proceeds of our export earnings and our net capital inflows have not been impaired. We have ensured that the bauxite industry continues to be viable, that its profits are not diminished, that it is in a position to continue its programme of expansion, and guaranteed the job security of every worker at Linden.

We have done the same for the sugar industry. We have ensured that its profits have not been impaired but, on the contrary, are enhanced, that the industry is now in position to plough back those profits for the expansion of the economy so that we can develop this country and take advantage of new export markets.

As I have said, if we have taken the other course, there would have been contraction and retrenchment in our major export industries. And I again invite the Leader of the Opposition to stand up and say explicitly whether his suggestion to this Government is that it should have followed a policy which would have resulted in retrenchment of workers in the bauxite industry and in the sugar industry. Additionally, we have ensured that we are able to pursue a logical policy of import restriction. One of the main arguments in favour of devaluation is that it puts pressure on imports. This is precisely Government's policy, to put pressure upon non-essential imports in order to protect our economy and stimulate production, particularly in the area of agriculture.

Finally, there is the fallacy peddled in this House and outside that, as a result of devaluation, this country will be flooded with high-priced goods from the CARIFTA area. People who make that statement have not taken the time to study the trade figures which show that the goods banned total \$12 million, whereas the similar goods imported from CARIFTA amount to only \$1.8 million. You have a \$10 million gap to play with. And I contend that not even rapid expansion of capacity by CARIFTA manufacturers can fill this gap in any short space of time.

Here is a \$10 million market for local businessmen who, instead of belly-aching, ought to get down to the business of producing in this country. What are these goods they talk about which are supposed to be coming from the CARIFTA countries and which, they say, they cannot compete with? Sweet biscuits and unsweetened biscuits at an annual value

of about \$100,000. That is what is going to come in from CARIFTA and what some people have been saying we cannot produce here. Preserved fruits with or without sugar, \$8,000; fruit peel, another \$3,000; jams and jellies another \$1,000. These are goods which (according to some) are going to flood Guyana because we cannot produce them. According to that argument we have not got the capacity to produce jams and jellies and biscuits for our own needs. And confectionery, \$345,000 worth of which come from CARIFTA countries: (when I look at the trade figures I see the alarming fact that in 1970 we imported into this country almost \$1 million of sweets, syrups and confectionery from all sources.) That is what some people mean when they talk about CARIFTA goods flooding this country. These goods are marginal to our welfare and the Government has taken the conscious policy to prohibit their importation. Government is satisfied that these goods can be manufactured right here by Guyanese people and we can cash in on a substantial market if we would only bestir ourselves.

Mr. Speaker, this Government takes decisions, not whimsically or capriciously, but after careful deliberation, in the interest of the people of Guyana. This Government will not flinch from decisions which are hard, or which may be temporarily unpopular, once we are satisfied that they ensure ultimately to the benefit of the Guyanese people and the Guyanese economy. In the pursuit of the welfare of the people of Guyana we as a Government will not falter.

Motion on the Approval for Amendment of the Development Programme: 6th March, 1972

“Whereas the Development Programme of Guyana for the period 1966 to 1972 was approved by Resolution No. LXXIV of the 25th April, 1966, of the House of Assembly;

And whereas it is provided by section 3 of the Public Loan Ordinance, 1966 that any modification, amendment or extension of, and substitution for, the said Development Programme may be approved by the National Assembly;

And whereas it is necessary to amend the said Development Programme so as to provide additional capital expenditure in the sum of \$10,000,000 under Chapter XX in so far as it relates to rural water supply, to provide for accelerated pure water supply services to several rural areas;

Now, therefore, be it resolved that this National Assembly, in pursuance of Section 3 of the Public Loan Ordinance, 1966, approve of the amendment of Guyana’s Development Programme for the period 1966 to 1972, by increasing the sum provided for pure water supply under the said Chapter XX, by \$10,000,000 to provide for accelerated pure water supply services to several rural areas.”

[The Minister of Finance]

Mr. Hoyte: Mr. Speaker, Hon. Members, I signify, in accordance with article 80 (2) of the Constitution, that Cabinet has recommended the Motion on the Order Paper for consideration by the National Assembly.

Under the current Development Programme, to be precise, under Chapter XX, the sum of \$5 million is allocated for rural water supplies. With the passage of time, the dimensions of the rural water supply scheme as envisaged at the time the Development Programme was framed have increased considerably. For example, the scheme which is being implemented along the coast, alone, is pitched at the level of \$5 million. It has become obvious that with the expansion of the scheme to areas such as Linden, it will become necessary to increase the allocation for rural water supply. It has been considered realistic to increase the amount in the Development Programme by \$10 million.

Under section 3 of the Public Loan Ordinance, the sanction of this Honourable House is required to amend the Development Programme and it is in these circumstances that I recommend this Motion to Hon. Members.

Mr. Hoyte: (Replying) Your Honour, we have certainly been entertained. There was a plea from the Hon. Member Mr. Persaud for police protection. We have heard about ‘social overheads’ from the Leader of the Opposition, and we have been vastly enlightened by the Hon. Member Mr. Wilson. Surely we did have some good pointers on how to win supporters for the People’s

National Congress. He did travel far away from the purpose of this Motion before the House today.

Now this Motion is a simple one dealing merely with certain legal mechanics required for amending the current Development Programme. It is not a substantive Motion on the pure water supply schemes which the Government had undertaken. That is why I was more than slightly disappointed at the contribution from the one Member of the Opposition who sought to speak constructively, that is, the Hon. Member Dr. Ramsahoye.

The Motion carried does not indicate that the cost of the pure water supply schemes which the Government envisaged in 1966 has now risen to \$10 million because of increase in prices, commodities and services. What has happened, as I indicated when I introduced the Motion, is that the scheme has built up rapidly; it has expanded and has become larger in content than the scheme which was envisaged when the Programme was planned. Government does consider the supply of potable water to be a matter of the most urgent priority. That is why Government's Programme has picked up momentum, as any person who goes along the Coast or the East Bank Demerara of the Demerara River will see.

The Programme to supply potable water to all areas of population concentration in this country is one which will take a number of years; it is nothing which can be done overnight and it certainly has to be phased. I am alarmed at the statements coming from Members of this Honourable House to the effect that they do not know about Government's Programme for potable water expansion in this country. There are several Government publications on this matter. My colleague, the Hon. Minister of Works, Hydraulics and Supply, has spoken time and time again, *ad nauseum*, in this House about details of the Programme. It is for this reason I say it is alarming that Hon. Members of the Opposition get up today and confess ignorance of the details of Government's Programme. The Programme which was ordinarily pitched at a level of \$5 million has now reached the point where it must be pitched at a substantially higher level. The Government considers that in all of the circumstances an additional sum of \$10 million ought to be allocated for the Programme.

Motion on the Canadian Loan for Pure Water Supply: 6th March, 1972

“Whereas for the purpose of Guyana’s Development Programme for the period 1966 to 1972, as amended, the sum of (Guyana) \$10,000,000 is required for accelerated pure water supply services to several rural areas;

And whereas it is necessary to authorise the raising of a loan in the sum of (Canadian) \$2,315,000 i.e. approximately (Guyana) \$4,630,000, from the Government of Canada for the purpose aforesaid:

Now, therefore, be it resolved that this National Assembly, in pursuance of Section 4 of the Public Loan Ordinance, 1966, authorise the raising from the Government of Guyana of a loan of (Canadian) \$2,315,000 that is to say, approximately (Guyana) \$4,630,000 for the purposes of accelerated pure water supply services to rural areas.”

[The Minister of Finance]

Mr. Hoyte: Your Honour, I signify, in accordance with Article 80 (2) of the Constitution, that Cabinet has recommended the Motion on the Order Paper for consideration by the National Assembly.

Mr. Speaker, this Motion is tied up with the Motion which has just been approved by this Hon. House. It seeks to obtain the sanction of Parliament for the Government to accept a loan of (Canadian) \$2,315,000 to finance our rural water supply Programme. The sum originally allocated in the Development Programme is \$5 million, but the level of activity along the Coast and along the East Bank Demerara alone will absorb the sum originally provided.

In the Linden area, the water supply problem is very acute. We have there a large concentration of population. We have people who are changing from a transient mining community to a permanent community. They are putting roots down and they are taking their families there. The population is changing rapidly, in that, in particular, large numbers of children are now settled in that area. It therefore becomes a matter of urgent priority that the Government should proceed with the concentration of a proper potable water supply system for the people in that area. This loan will enable the Government to pay for the materials, equipment and the services for the design and construction of a potable water supply system for that industrial area.

Motion on the Exemption of Guyana Mortgage Finance Company Ltd. from Property Tax: 30th March, 1972

“Whereas by agreement of 11th July, 1968, between the Government of Guyana, the Commonwealth Development Corporation and the Guyana Mortgage Finance, Limited, the said Corporation and the said Company agreed to provide financing for housing development in Guyana;

And whereas under the terms of the said Agreement the Government agreed to take such action as may be necessary to enable the Guyana Mortgage Finance Company, Limited, to be exempted from the application of the Property Tax Ordinance 1962;

And whereas paragraph (w) of Section 6 of the said Ordinance authorises the National Assembly, by resolution, to exempt from the provision of the said Ordinance any person or authority other than those specified in the said section 6:

Now therefore, be it resolved that in pursuance of the said Agreement and of the aforesaid provision of the said Ordinance, the Guyana Mortgage Finance Company, Limited, shall be exempt from the provisions of the said ordinance with effect from 11th July, 1968.”

[The Minister of Finance]

Mr. Hoyte: Your Honour, in accordance with paragraph 2 of Article 80 of the Constitution, I signify that Cabinet has recommended the Motion on the Order Paper for consideration by the National Assembly.

Mr. Speaker, on 11th July, 1968, the Government entered an agreement with the Commonwealth Development Corporation and the Guyana Mortgage Finance Company, Limited, for the said Corporation and Company to embark upon a housing programme in the country. This Agreement evidenced Government's concern for the building of a large number of houses to house the people of this country. A term of the Agreement was that the Mortgage Company should be exempted from the application of the Property Tax Ordinance, 1962. This term was right and proper when one considered the way in which the capital of the Company was structured.

It is well-known that the Guyana Mortgage Finance Company (G.M.F.C.) is a wholly owned subsidiary of the Commonwealth Development Corporation (C.D.C.). The G.M.F.C. in collaboration with the Guyana Housing Development Company, another wholly owned subsidiary of the C.D.C., was all involved in this building programme. The G.M.F.C. and the G.H.D.C. operated wholly on loan capital, which loan capital originated from their parent company, the Commonwealth Development Corporation.

We go a little further away along the line. It is well-known that the C.D.C. itself operates on loan capital which is provided by the British

Government. Therefore, it was considered, in the circumstances, that the G.M.F.C. should be exempted from the application of Property Tax Ordinance, 1962.

This is a very straightforward Agreement which would be just and equitable to the circumstances of the operations of these Companies. The Agreement to which I referred was laid in this House on 28th April, 1969, and its terms would, of course, be familiar to Hon. Members. Unfortunately, through an oversight, the formal Resolution of the National Assembly for exempting the G.M.F.C. from the provisions of the Property Tax Ordinance was never obtained and this Motion seeks to implement the terms of the Agreement to which I have referred. I commend the Motion to this Hon. House.

Mr. Hoyte: (Replying) I listened with some measure of interest to the remarks of my Hon. Friend Dr. Ramsahoye. It is surprising that a man learned in the law would not take time to examine the legal implications of a Motion such as this. The G.M.F.C. is not 'another company', that is why in introducing this Motion I sought carefully to explain the way in which the C.D.C. and its subsidiaries operate. These are not companies that go on the capital market to raise capital. These are companies operating on loan capital within the context of a Statute, which capital originates from the British Treasury. Therefore, in dealing with a corporation like C.D.C., one has to look at the realities of the situation.

The Hon. Member said that this Motion tended to be discriminatory. I agree with him wholeheartedly. It is a point made in this Honourable House that sometimes the Government uses fiscal policy in a way which is discriminatory. That needs no offence. All taxation is discriminatory and fiscal policy must discriminate in a way which will promote certain objectives which the Government has in mind. Housing is one of the important areas in which the Government would like to see accelerated activity and, therefore, Government as a matter of conscious fiscal policy will discriminate in favour of persons and companies who are willing to enter into housing development.

Government will discriminate even more if and when the funds they are going to use are off-shore funds.

The Hon. Member Mr. Chandisingh, raised a number of issues, as I understand it, in an effort to obtain information. Perhaps it would be of value to him if I explained that there is a close link between the G.M.F.C. and the G.H.D.C. The G.H.D.C. builds the houses and the mortgage finance to acquire those houses is provided by the G.M.F.C. so that as long as a person is accepted by the G.H.D.C. as qualifying for the purchase of a house, the mortgage for purchasing that house is assured. To date, over 1,000 have been built by the G.H.D.C. and the mortgage finance in respect of these houses has been supplied by the G.M.F.C.

The Hon. Member also wanted to know what percentage of the houses built by the G.H.D.C. represented houses priced below \$10,000. The answer to that is, over two-thirds, that is, between 650 and 700 of the 1,000 have been houses priced under \$10,000.

Perhaps I should also inform the Hon. Member that the G.M.F.C., in an arrangement with the Ministry of Housing, has agreed to make available this year a minimum of \$3 million to the Ministry of Housing for the purpose of financing the Ministry's hire-purchase programme as distinct from its self-help programme. The G.M.F.C. will provide mortgages to the extent of \$3 million with an undertaking that should the Ministry of Housing find itself in a position to build more houses, so that a sum in excess of \$3 million will be required, the G.M.F.C. will make the additional sum available.

I think that all of these things represent an earnestness of Government's intention to get on with the building of houses in this country. As I said, in our programme of fiscal incentives for persons who are willing to develop this country along certain lines and within the framework which Government has set out, there will be incentives of one sort or another to attract them, to make their efforts reasonably worthwhile. I do not think there is any need to labour the points which have already been made and I would ask the House to give favourable consideration to the spirit of Government's policy which is enshrined in this Motion.

Motion on the Approval of an Amendment of the Development Programme: 4th April, 1972

“Whereas the Development Programme of Guyana for the period 1966 to 1972 was approved by Resolution No. LXXIV of the 25th April, 1966, of the House of Assembly;

And whereas it is provided by Section 3 of the Public Loan Ordinance, 1966 that any modification, amendment or extension of, and substitution for, the said Development Programme may be approved by the National Assembly;

And whereas it is necessary to amend the said Development Programme so as to provide additional capital expenditure in the sum of (Guyana) \$13,000,000 under Chapter XVIII in so far as it relates to coastal roads, to provide for improvement to roads in the West Demerara area in the County of Demerara.”

[The Minister of Finance]

Mr. Hoyte: Mr. Speaker, in accordance with article 80 (2) of the Constitution of Guyana, I signify that Cabinet has recommended this Motion for consideration by the National Assembly.

Your Honour, Hon. Members, this Motion seeks to amend the current Development Programme to provide for an increase in the capital expenditure under Chapter XVIII in the sum of \$13 million (Guyana). This is a legal requirement of Section 3 of the Public Loan Ordinance, 1966. The sum required is in connection with Government's road programme. As Hon. Members will already have known, Government proposes later this year to start extensive road operations on the West Coast and West Bank, Demerara River. The road programme in that part of the country will be as follows: On the West Coast, it is proposed to upgrade the road from Vreed-en-Hoop to Uitvlugt, a distance of some 10.8 miles to provide a first-class highway in that area. On the West Bank, it is proposed to do similar works from Vreed-en-Hoop to Patentia, a distance of some 9 miles, and also in the Canals Polder, both No.1 and No. 2, distances totalling fourteen miles.

The cost of those roads will be made by a loan of \$4.4 million (US) which will be provided by the International Development Association which is, of course, the soft window of the World Bank. It may be appropriate to inform Hon. Members of the terms and conditions under which this loan will be provided. The International Development Association does not charge interest on its loans but charges merely a service charge which will be imposed at the rate of $\frac{3}{4}$ percent per annum. The loan will be for a period of fifty years with an initial grace period of ten years. In the second ten-year period, payment will be made at the rate of one percent per annum; and in the final period, thirty years, repayment will be at the rate of three percent per annum. It must be seen that the loan is made on very generous concessionary terms and despite the *sotto voce* comment of my

good friend, the Hon. Member Mr. Ram Karran, I do not think it will take much genius to realise how important it is to us that we are able to obtain a loan on such generous concessionary terms.

This Motion is tied up with the second Motion on the Order Paper and I chose to deal with the substantive matters in the first Motion so that when we come to the second Motion we will not lose much time in going over a whole ground again. In these circumstances, I commend this Motion to the Hon. House.

Motion on Loan from the International Development Association: 4th April, 1972

“Whereas for the purposes of Guyana’s Development Programme for the period 1966 to 1972, as amended, the sum of (Guyana) \$13,000,000 is required for the improvement of roads in the West Demerara area in the County of Demerara;

And whereas it is necessary to authorise the raising of a loan in the sum of (United States) \$4,400,000, i.e. approximately (Guyana) \$8,800,000 from the International Development Association for the purpose aforesaid:

Now, therefore, be it resolved that this National Assembly, in pursuance of Section 4 of the Public Loan Ordinance, 1966 authorise the raising from the International Development Association of a loan of (United States) \$4,400,000, that is to say approximately (Guyana) \$8,800,000 for the improvement of roads in the West Demerara in the County of Demerara.”

[The Minister of Finance]

Mr. Hoyte: Mr. Speaker, in accordance with paragraph (2) of Article 80 of the Constitution, I signify that Cabinet has recommended the Motion on the Order Paper for consideration by the National Assembly.

This Honourable House, in the course of the day’s sitting, approved of the Amendment of the current Development Programme to provide for an increase of \$13 million on the allocation for Capital Expenditure for roads on the West Demerara. This Motion seeks the authority of this House to raise a loan of \$4.4 million US, that is, approximately \$8.8 million Guyana from the International Development Association for the purpose of constructing the roads referred to in the Motion which we have just discussed.

I took the opportunity in the course of the debate on the first Motion to explain to Hon. Members the terms and conditions under which this loan was being raised from I.D.A. and there seems to be no purpose in repeating those details. I therefore urge for the consideration and approval of Hon. Members, the Motion standing in my name.

Motion on the Approval of Financial Paper No. 1 of 1972: 31st May, 1972

[**Mr. Balchand Persaud:** Item 3, Purchase of Equipment. I wish to ask whether the two Land Rovers purchased by the Ministry of Information and Culture were reconditioned Land Rovers, because it seems to me that the cost is low for two long-based Land Rovers.]

Mr. Hoyte: Mr. Chairman, these are new Land Rovers. The explanation is, of course, that the vehicles were acquired duty free through the firm of Guyana Gajraj, which, the Hon. Members know, is a firm in which the Government has a substantial equity.

[**Dr. Jagan:** Item 2, Industrial Development. I want to raise this question of trawlers. We understand that ten trawlers have been purchased from Mexico and Colombia and from a statement which I read in the press; it seems that there are to be the initial numbers out of a total of about one hundred. Now, the first point I should like to raise: it is a pity that the Government does not, from time to time, bring this House into its confidence so that we could know and not have to make comments after certain things happen, and then we hear a release by the Government by way of an explanation. I questioned why it was necessary to purchase all these ten trawlers from abroad, why it was not possible to do what was done in the case of the steamers?

When the PPP Government was acquiring these steamers, it got one built in the United Kingdom and the two subsequent ones of the same prototypes were built here by Sproston. The trawlers are smaller craft in comparison with the big steamers that we have, and I am wondering if the Government perhaps will say the same thing which it said to the press, that this was a condition of the loan. Apparently, the Government had to take it on that basis; in other words, the Government could not do as was done in the case of the steamers. If that is so, do we understand that this same pattern will be followed for all the other hundred trawlers which we understand will comprise a fishing fleet by 1976?

The second point: it seems to me that ten trawlers for \$2.2 million, the equivalent of roughly \$220, 000 for one, is a lot of money. I wonder if the Government, before making these deals, closing them, had competitive bids or made enquiries to ascertain what were prices elsewhere, because I understand in some countries they are producing these trawlers on a mass production basis, making them very cheaply. I raise this point because it seems to me one small trawler for \$220, 000 is a lot of money. It seems from the explanation given in the press that this was a question of tied aid, packaged unemployment. We have to take it or leave it. Maybe the Hon. Minister will give us some explanation on this score.]

Mr. Hoyte: Mr. Chairman, I should like to reply to the Hon. Leader of the Opposition and to state that these trawlers were commissioned after the most careful investigation into the prices and the competence of the ship builders. The prices are not exorbitant, but are indeed very competitive. It is not sufficient to talk about trawlers, trawlers being mass produced, or trawlers being built at a particular price. There are different types of trawlers. These trawlers which have been commissioned by the G.D.C. on behalf of the Guyana Marine Foods Ltd., are steel-hulled trawlers of the very finest design, fitted with the most modern gear for fishing and the necessary refrigerating equipment which will enable ships to operate at maximum capacity for an extended period at sea.

The question was raised about the construction of these trawlers in Guyana. I do not think that it is appropriate to compare the construction of ocean-going vessels with the construction of vessels which are being used as ferries, so that it is really a profound type of ignorance for that type of comparison to be made.

A vessel like one of the trawlers which we have commissioned must be certified as ocean-going vessels. As far as we are concerned, these vessels in this part of the world have to be certified by Lloyd's or by the American Shipping Bureau. The vessels which are being made in Colombia will be certified by Lloyd's; the vessels which are being made in Mexico will have to be certified by the Mexican Admiralty and also by the American Bureau of Shipping. We are talking about entirely different things.

It has been said that this type of vessel can be built in this country. The question arises: How long? Because late last year – I think it was around October or November – my colleague the Minister of Trade and myself were invited to Messrs. Sprostons Ltd. Shipyard to witness the launching of a ship which they had built for one of the Oil Companies operating in Trinidad. On that occasion, we were informed that Sprostons were then in a position, at that time, to build trawlers. As a matter of fact, on the day after my colleague and I attended that function I got a letter from the Manager of Sprostons Limited indicating that his firm was then in a position to do certain works. That was long after these ships had been commissioned.

Secondly, no business operates by putting out the entire capital cost of ships. The Government was in a position to do so if it wanted and could have taken out \$2 million and paid. But is that business-like? People operate on credit if they are running business, once the conditions are right. In the case of these vessels, the G.D.C., acting on behalf of the Company which was incorporated later, the Guyana Marine Foods Ltd., was able to organise credit in relation to these vessels. We have to look at a number of factors when we come to deal with these vessels. It may well be that for the future Sprostons Limited might be in a position to act in a matter like this. This is a matter which we certainly will explore with them. If these ships can be built in this country the Government certainly will take the

necessary action to ensure that the local industry gets business rather than a foreign shipbuilding concern.

This is not the first time this matter has been raised. I am trying to moderate my language because this is a situation which calls for caustic language, when a Hon. Member gets up and suggests that the ocean-going trawlers which operate off the shrimping grounds can be built by boat builders around the country. They cannot be. As I said, these are steel-hulled vessels and the Government agency took a deliberate decision to build steel-hulled vessels. There is no question of taking the Opposition into confidence; the Opposition is not the Government. The Opposition is entitled to know what the Government wishes it to know, and it is about time you understand that.

The facts of the matter, as I have said, that these vessels have been ordered not from the United States, as the Hon. Member, Mr. Ram Karran has said, but from Mexico and Colombia. The Government is satisfied that, in the circumstances, this decision was the best one. Government has no apologies to make for that. I have explained the circumstances under which these orders were placed. I have explained what would be the position if it were the fact that comparable types of boats with the gear equipment and of the quality which we desire could be built in this country. I have nothing further to say.

Sir, again I rise. It is difficult to help the Hon. Leader of the Opposition to understand. My schoolmaster used to say that when people indulge in the passive voice, "*It is said*", "*It is known*", or in the vague plural, "*They are able*", well, then at that stage, they are bluffing. That is precisely the position with the Leader of the Opposition. "*We are told*", "*it is known*", "*it is said*", "*there are people*"; not one concrete statement in support of the very airy propositions which have been put here today. Can he not understand that a trawler is not a schooner? Can he not understand that today trawlers are operating with the most sophisticated equipment? When you talk about trawling you are not dealing with ordinary shrimping schooners or shrimping boats which operate off our shores. These are ships which remain out at sea for an extended period carrying their own provender, having their own refrigerating equipment, having their own radio equipment, and generally, built to a standard which enables them to carry out this particular activity without danger to their crews. I have explained quite clearly the financing arrangement. Government cannot be bothered by airy-fairy suggestions couched in language, as I said before, of the passive voice and vague plurals.

Head 37 – Ministry of Works and Communications Civil Aviation

Mr. Hoyte: Mr. Chairman, Subhead 1, item 13 on which the Hon. Member raised a query is very simply explained. If one were to do some simple

arithmetic one would see that this works out at about \$300 per month for a Supervisor, that is, for each of the 4 Supervisors provided for in the Estimates. Scale A10 runs from \$203 to \$338 a month. It means that most of these people are somewhere on average in the middle of that scale.

Last year the situation was quite simple. First of all there was a lower salary scale and secondly there were vacancies. So if you take those 2 things into account you will see that the figures explain themselves easily.

Subhead 1, item 17, 'Temporary Clerical Assistance.' Here again it is very difficult to anticipate how much temporary clerical assistance a Department would need in the course of a year. The Ministry of Finance proceeds on the basis that this type of employee is employed for a very short period of time. Indeed this is so. That is why actual posts are not set out in the permanent establishment section of the Ministry.

There are several reasons why a large figure might turn up. For example, in the course of this year there was a request from the National Insurance Scheme for certain works to be done in examining the payments by the large number of unclassified people who were in the Department of Civil Aviation. This meant taking on people to do the job in a certain time.

Again, there were times when the capital programme of the Department of Civil Aviation which had to be accelerated because of weather conditions. A lot of the work is done in the hinterland; therefore one has to work during certain limited periods of the year. So no matter what figure one puts in the estimates one is likely every year to be far off the target.

The Hon. Member raised the question of providing an electronic device is that to enable an aircraft which has crashed to be easily located. This is a matter which the Director of Civil Aviation himself has raised since the disaster we had earlier this year. This matter is being pursued by him. I am grateful to the Hon. Member for bringing this matter to the attention of the House.

I am not aware that there is dissatisfaction on the part of pilots of the Guyana Airways Corporation. If there is, the pilots are highly educated, very articulate people. They have a very active association. I am sure whatever problems they have can be sorted out with the management of the Guyana Airways Corporation.

I should like to say something about the point made by the Hon. Member in connection with search and rescue operations, and, in particular, with the operations which was mounted by the United States team in the course of our last disaster.

In the western hemisphere there are search and rescue areas carefully demarcated. Unfortunately, within those areas there are countries like Guyana which do not have the expensive and sophisticated equipment necessary for difficult search and rescue operations. So whenever we have a problem we put an appeal to all of the people in the region who are likely to help. The first people who come, of course, get into the act and then we stand down the others.

In the disaster which occurred earlier this year Hon. Members will recall that the people who arrived first and did very excellent work were the Brazilians. We are very grateful to them. Indeed, an American team arrived long after and said that they could not have done anything more than had been done by the local rescue party and the Brazilians. In fact, they themselves went back without doing anything.

On this occasion we did the same thing. The Americans arrived first. They, of course, effected the rescue of the one man who survived the crash. Again, Sir, we have indicated to them our own appreciation of their efforts in this operation.

So there is really what one may call an arrangement; but we have to understand that search and rescue personnel and equipment are not there sitting down waiting for Guyana to send an S.O.S. Very often when we request assistance the personnel and aircraft are engaged in some operation. Sometimes we do have to wait. I do hope that the time will come, not very far away, when we will be able to have here in Guyana the equipment necessary for search and rescue operations.

Head 38 – Ministry of Works and Communications (Works) Establishment

Mr. Hoyte: Mr. Chairman, the Planning Unit is suffering from not having both a Senior Economist and a Cost Accountant at the moment. The reason is that these people are very scarce and there is a great demand for their services and so we find a great turnover. People come into the Unit, look around quickly and then they are snapped up by some other agency with offers, perhaps, higher emoluments or better conditions.

We hope that in the coming year we will be able to staff the Unit properly and get on with the very important work which it is intended the Unit should do.

In the Building Division, there are several vacancies among the Architects. There is a vacancy, I think, for Chief Architect. We have people acting up, of course, and we have made an arrangement with the UK Government to let us have by way of technical assistance, the services of an Architect. We hope to recruit another Architect through the good offices of the Government of India, and we hope to have one of our own people in training return in the course of next year.

In addition, we have an arrangement with the Guyana Architects' Association whereby they are involved in the work of this Division. As a result and despite the fact that we do have vacancies, we have been able to get on reasonably well with the architectural work we have to do.

I do not agree with the Hon. Member that if we have an increase in the volume of work we necessarily must have an increase in the number of Electrical Inspectors or other persons in the Electrical Division. What we have done, first of all, is to have increased the mobility of the personnel and

ensured that we can deploy them more readily and more effectively by installing radios in the vehicles which they use. I am not sure where the Hon. Member got this information from, but it is inaccurate to say that that Division has only three vehicles. I do not accept this idea in the Ministry of Works and Communications or indeed in the Government system, that a division has vehicles.

As far as I am concerned, the Ministry has vehicles and all the vehicles must be deployed in the service of the Ministry. That is how the Ministry operates. I have had no complaints from the Electrical Division about being unable to get transportation to get to any place.

I will say further, that one must look also at other Subheads which provide for supporting staff for the Electrical Division; for example, Subhead 1, item (134), which provides for Electrical Assistants. The work of this Division is supplemented by people whom we get from the Technical Institute, graduates, whom we absorb into the system and pay from other votes. These people get additional training; but while they are getting this higher training, that is, training over and above the training they got at the technical institute, they are very useful in doing work of a routine nature under proper supervision.

The Hon. Member did refer to the salary of the Head of the Division. I personally agree with the point of view which he has expressed, and I believe that the officer is taking the necessary steps to have his grading reviewed.

Head 39 – Ministry of Works and Communications (Works) Annually Recurrent

Mr. Hoyte: Mr. Chairman, maybe I can answer the last question first. It is the easiest one. This amount was originally intended to be reflected in the Estimates of the Ministry of National Development and Agriculture since drainage, as a subject, has gone over to that Ministry. It was not reflected there in the end and we have brought it back to the Ministry of Works and Communications.

In respect of the payment of rates on un-alienated State lands in the Vergenoegen/Bonasika drainage and irrigation areas, two things happened in the course of this year. First, there was a waiver by the Government of large accumulations of rates owing by farmers in that area and, secondly, a waiver of current rates until the work which is being done now to complete the drainage and irrigation scheme has been completed.

It is projected that that work would be completed around 1975. The PPP Government did launch that scheme, I think in 1960, although all the infrastructural work was not completed. The people who farm in the area were not able to make a proper living from farming activities. As I said, arrears and current rates in that area have been waived. The Government

hopes to put the farmers in that area in a position in 1975 to make farming an economic activity.

The Hon. Member looked at the book-keeping point in connection with the quarries and concluded that in as much as the expenditure shown here amounts to a certain figure and the deduction of issues amounts to a figure of \$1 less than the expenditure shown, the quarries are an uneconomical and unviable activity. It is not so. First of all, one does not accept that from the capital investment one will get back all the money in a short space of time or right away. What one has to be concerned about is a rate of return over a reasonable period of time.

What is shown here is roughly a balancing item, monies expended, monies received. But there is a proper organisation in the quarries and, although I am in no position to say precisely what the returns from the quarries are in financial terms, I believe that the quarries are not being run inefficiently nor are they unviable.

The difficulty here, of course, has been touched upon by the Hon. Member, namely, that there is a lot of backup services: Clerks at headquarters, accountants and people like that whose services are not quantified. We really would not be able to do that unless we convert the quarries into a corporation or company or one separate entity and keep the books showing the cost of every item.

Whether that is desirable is a nice point, but from the available information and from the work done by the last Cost Accountant before he left us for what he considered to be greener pastures in another sector of the public service, it does appear that the quarries are doing reasonably well.

The Hon. Member will be aware that this kind of operation calls for very heavy investment.

Division XXI – Ministry of Works and Communications – Works

Mr. Hoyte: Mr. Chairman, we propose to continue our road building activities next year, all of which are aimed at ensuring that the economic life of this country is maintained.

On the East Coast of Demerara, we propose to start building a four-lane highway between Georgetown and Buxton. I think the need for such a highway is obvious to anybody who has the misfortune to be on that road early in the morning or in the afternoon between 4 and 6 o'clock. And beyond Buxton to Mahaica, we will be widening the road and straightening out some of those very dangerous bends in the road.

In Georgetown we will continue the widening of Sheriff Street; we will link up Sheriff Street with Ruimveldt Avenue, and Princess Street will be expanded and tied in with the East Bank network so that people coming down from the East Coast and beyond can get to the East Bank without having to pass through the very heart of Georgetown.

In East Berbice we hope to continue the work, which has already started there, right through to Canje to improve the approaches to New Amsterdam, that is, both from the Canje and the East Bank side, and also to reconstruct the Canje Bridge which is a death hazard in Berbice.

Hinterland Roads: We will, first of all, be starting the road from Wineperu to the Hydropower site in the Upper Mazaruni. That road is an urgent priority because it is along that road that equipment will have to be taken to construct the Hydropower station. As Hon. Members know, we hope to have that hydropower station commissioned between 1978 and 1979. In addition, we will be starting the upgrading of the Lethem/Annai road up to all-weather standard. We will continue to upgrade the Mahdia/Annai national self-help road and we will start upgrading the Crabwood Creek/Orealla Road, another national self-help road. Now that the self-help effort has been completed, we will be starting work on that road to bring it up to the required standard. Also, we will start upgrading the Kwakwani/Ituni self-help road to all-weather standard. These are the main hinterland roads we will be doing next year.

The Hon. Member asked about the Government Offices we hope to build next year. We will be starting work on a new Customs Building. The present building is very congested and very uncomfortable for members of the Department to work in. The Department has already started to move to temporary quarters so we hope that during the first week of next year we would start working on a new Customs Building which would give pleasure both to people who work in the Department and to members of the public who have to deal with the Customs Department.

The Hon. Member asked about the Memorial to the late Sir David Rose. It is a little difficult for me to describe the architectural design, but there will be a Monument with apposite landscaping built at the place where the late Governor General was buried – at the site of the Seven Ponds. Maybe, what I can do for the Hon. Member is to let him have a look at the model which has been prepared by the Architect, but I confess that I would not be able to describe the architecture.

[**Mr. Singh:** What is the \$65,000 for?]

Mr. Hoyte: I find that difficult to understand myself and I suspect that there is some error there. It is now being explained to me that originally there was a request for \$65,000, but that was revised to \$85,000 and that accounts for the figure in the Financial Paper. The explanation for the difference between the figure in the Financial Paper and the figure here is that this figure is wrong.

Motion on the Annulment of Ministers, Members of the National Assembly And Special Offices (Allowances) Order 1972 (No. 17): 31st May, 1972

Mr. Hoyte: Your Honour, let me get to the heart of this matter immediately. Government rejects this Motion on two grounds: Firstly, because Government is satisfied that the allowances made under the relevant Order are justified; secondly, this Motion in Government's considered view arises out of pettiness, ill-will and personal spite; and Government cannot allow itself to be influenced by such unmeritorious considerations in administering the affairs of the nation.

The Order makes provision for an increase in the entertainment allowance and the duty allowance accruing to the office of the Speaker has been increased from a paltry \$60 per month to an equally paltry sum of \$100 per month. In other words, the entertainment allowance which is now attached to the office of Speaker is on parity with the entertainment allowance paid to Ministers of the Government.

Government makes no apology for making that equation. Everyone knows that persons who hold high constitutional office such as that held by the Hon. Speaker, are the recipients of hospitality and entertainment, and in the normal social conventions which operate in this country are expected in turn to reciprocate that hospitality and the entertainment which they have received.

The amount of \$100 per month is an insignificant provision for any person in high constitutional office to meet those obligations. The Government looks upon this entertainment allowance merely as a means of helping the holder of such an office in meeting these obligations. The amount cannot, by any stretch of imagination, be sufficient to meet the liabilities which occur from day to day to a person who holds such an office.

I was looking out of curiosity at the number of parliamentary delegations and foreign dignitaries associated with Parliaments and foreign Governments who come to this country and who had to make appointments with the Speaker and whom the Speaker according to normal courtesies in civilised societies had to entertain. I see that over the course of the last twelve months there have been fifteen such visits, including the visit of a parliamentary delegation from Yugoslavia, a parliamentary delegation from Suriname, a parliamentary delegation from the Federal German Republic. I see also visits by individual M.P.s – from Suriname, Germany and the United Kingdom. I see also a visit to this country by the Speaker of the Indian Parliament and also by the Speaker of the Parliament of Suriname. I see also visits by other dignitaries from places like Israel, Canada and India who called upon His Honour and who in the normal course of events had to be entertained by him. In addition, it is well-known that His Honour has been abroad recently and it must...

Now, Sir, it is significant and a pointer to the social graces of the Hon. Member Mr. Maccie Hamid that he believes entertainments of dignitaries like that of necessity have to be public entertainments, or semi-official or official entertainments to which he and his cronies must be invited. I do not think that the point made by him needs any further comment from me.

I was saying that a mere look at the facts will show that \$1,200 per annum is, as I have said, a very insignificant amount to take care of that kind of entertainment, that kind of hospitality, which is expected from people who have public and, in particular, a high constitutional profile, if I may coin such a phrase. Government makes no apologies for increasing the allowance because one entertainment alone of any of these delegations would absorb the \$1,200 per annum which attaches to the office of Speaker as an entertainment allowance.

Secondly, duty allowance: What is a duty allowance? A duty allowance payable to Hon. Members of this House is an allowance which recognises the fact that because of the official position held by Members of the House they are required almost every day to meet a variety of financial commitments which are only attached to them by virtue of their official position. We all know, and indeed the Hon. Leader of the Opposition himself must know and would be the first to admit that whenever there is a request for donation or contribution to a charitable or worthy cause the first people who are approached are Members of the Cabinet, the Leader of the Opposition, people like Your Honour the Speaker and we are expected to contribute, we are expected to make a donation.

We face the realities of the matter, which is, that unless a person is enormously wealthy he cannot make a donation in keeping with the office he holds if he has to make it out of his personal income.

That is why the Leader of the Opposition himself is the recipient of \$3,600 tax free per annum as a duty allowance - because the Government recognises his position and recognises the commitments which he must have by virtue of his high constitutional office. Mr. Speaker, his point may well be that his duty allowance is too low. If that is so and he makes the proper representation, then the Government will be entitled, will be willing, to look at those representations.

The Government makes no apology for placing the Speaker on par with a Minister of Government as far as duty allowance is concerned. We cannot put people in high constitutional office and neglect to make appropriate financial arrangements for them to exercise their functions with dignity and according to the norms of civilised behaviour. I say again (because the Government is satisfied and as this was indeed a matter which I personally investigated, I personally was satisfied) that the position of the Speaker in this respect of a duty allowance is in no way different from the position of a Minister. What is more, the Speaker in the Table of Precedence of Guyana ranks number four, after the President, the Prime Minister, and the Chancellor of the Judiciary. The Leader of the Opposition ranks number

nine and it is a bit of an absurdity to suggest that they should be equated as far as duty allowance is concerned.

What happened in May, 1969, when Order No. 17 of 1969 was made, which made provision for the payment of duty allowances to Ministers, Government Whip, Opposition Whip, and other Members of Parliament, was that the Office of Speaker was inadvertently overlooked. It is not true to say that provision was made to pay the Speaker \$100 a month; there was no reference to the Office of the Speaker. The Speaker only became entitled to the \$100 per month as duty allowance because under the Constitution he is a Member of this House; so he came to be ranked as a backbencher and that, as I said, is a constitutional absurdity.

It pains me to sit down and hear the Hon. Leader of the Opposition speak of the few allowances and the relatively, I underline that word, small allowances which are attached to the Office of the Speaker which have been increased by virtue of Order No. 17 of 1972. The Leader of the Opposition himself is entitled to allowances, perquisites, and entitlements in the amount of approximately \$20,000 per annum and that is in addition to \$6,000 per annum as his salary, made up as follows: duty \$3,600 per annum; office, including rent, \$15, 012 per annum; telephone \$144 per annum; hinterland travel \$1,200 per annum; all amounting to \$19, 956 per annum, which, as I have said, is approximately \$20,000 per annum. In addition, he is entitled to a travelling allowance of 30 cents per mile for travelling to this Honourable House, plus free travelling on the transport services operated by Transport and Harbours Department, plus, he is entitled to the payment of his office telephone bills, in respect of which Government has already paid some \$1,000 to date; in addition, he is entitled to the payment of his electricity and power bill in respect of his office, in respect of which Government pays \$384 per annum; in addition, he is entitled to free furnishings in respect of which Government has expended \$3,000 to date.

When one quantifies these fringes and adds them on to the \$20,000 per annum to which I referred, the estimate is that in addition to \$6,000 per annum as salary, he is in receipt of allowances, perquisites, and entitlements, amounting to \$25,000 per annum, all of which is tax free in his hand, but as he makes disbursements, maybe an infinitesimal part of it attracts tax in the hands of the people to whom it accrues.

I make these points not merely to demonstrate to this Honourable House what a well-kept Leader of the Opposition we have, but also and more importantly, to allude to the point that despite the fact that he has a salary of \$6,000 per annum, and allowances and entitlement of \$25,000 per annum, with the insistence of Oliver Twist but not with the meritoriousness of Oliver Twist, he keeps making representations inside and outside this House for more allowances. There is the record of this Honourable House on Friday, 17th December, 1971, where he made the point from his seat that he wanted more entitlements. He was not getting sufficient, he said.

That is why the Hon. Leader of the Opposition, by his own pettiness, by his own inability to recognise the broader issue, brings his own office into

ridicule and public contempt. How is it possible, when he himself and the Hon. Member, Mr. Derek Jagan, also have been making representations for an increase in their allowances on the grounds that...

The behaviour of the Hon. Leader of the Opposition in this matter brings me to a point of some constitutional importance. Because it does appear that instead of giving the type of leadership which this country expects of a Leader of the Opposition – so well remunerated and provided for – he spends most of his time with petty matters and bothering about allowances and things of the sort. It has become an obsession with him. That is why you will never see in this country the Hon. Leader of the Opposition and his Party fail to fight an election despite whatever loud mouthings he makes. He has said that there must be constitutional reform and electoral reform. Government is satisfied that the constitutional and legal arrangements made for elections in this country are satisfactory. Government does not propose, as at present advised, to change those provisions. And I should like the Hon. Leader of the Opposition to get up and say that if those provisions are not changed he will not fight an election. You will never hear that. He is too enamoured of the allowances he gets. He loves the perquisites too much. You will find, Sir, that as long as he and his Party sit over there they will fight elections so that he, the Leader of the Opposition, can get in addition to \$6,000 per annum \$25,000 tax free, as perquisites, allowances and personal entitlements.

Mr. Speaker, Government considers this Motion completely unmeritorious and the Government rejects it.

Widows & Orphans Pension (Amendment) Bill, 1972 - 2nd Reading: 24th July, 1972

Mr. Hoyte: Your Honour, Hon. Members, I beg to move that the Widows and Orphans Pension (Amendment) Bill, 1972, be read a second time. This is a short Bill which seeks to amend the Principal Ordinance in several particulars. There are two important Amendments and a number of other Amendments which I would classify as minor.

The first of the important Amendments is set out in clause 6, which seeks to incorporate the Board of Directors, which is responsible for the administration of the Fund. The importance of investing the Board with a legal personality will be seen when one looks at Clause 7, which seeks to give to the Board certain powers of investing the moneys accruing to the Fund. It did not have these powers before. Clause 7 seeks to enable the Board of Directors to invest the funds on the security of mortgages on movable or immovable property, I need not say, for the benefit of contributors. This was a power not possessed before and it is obvious, if this power is to be exercised properly, the Board of Directors would then have to have the legal right to enable it to do all things necessary for exercising its powers under that Clause.

The other Amendments, as I said, are minor, but never the less important for the smooth running of the Widows and Orphans Scheme. Under Clause 3, it is proposed that instead of a panel of two medical practitioners, persons who are eligible for entry to the scheme be permitted to be examined by one medical practitioner. The reason for this is that in the past there have been very many delays while people waited to get this panel of two doctors constituted. There have been cases where officers have waited a very long time. There have been cases where people have died before they have been examined and consequently, they never became legally members of the Scheme and so lost their legal rights – to pensions under the Ordinance.

The second set of minor Amendments are contained in Clauses 7, 8, 9 and 10. By and large, they seek to validate certain irregularities which occurred in the past, whereby the directors refunded monies to people who had contributed to the fund and who did not become legally entitled to membership. Under the Ordinance, as it is, there is no real legal power to make those refunds and I think that common justice demands that those people who are their legal representatives should be refunded the monies. Opportunity is taken not only to validate that action by the directors but also to insert the power in the statute.

I should like at the appropriate time to move an Amendment in respect of Clause 7, to propose that all refunds made prior to the Act should be deemed to have been lawfully made and to enable the directors to make refunds to people –

[**Mr. Speaker:** What Clause did you say Hon. Minister?]

Mr. Hoyte: It is Clause 10, Validation, to enable the directors to make refunds where those refunds are deemed to be just. With those brief remarks I ask that the Bill be read a second time.

Motion on the Approval of (i) Amendment of the Development Programme and (ii) Approval of Canadian Government Loan of G\$154,000: 31st July, 1972

Mr. Hoyte: Mr. Speaker, in the current Development Programme there is an amount of \$500,000 under Division XVII, Subhead 9, which is a Subhead which provides for co-operation between the Government of Canada and the Government of Guyana in respect of geophysical surveys. In point of fact, the operation is really one to build up an inventory of our mineral resources. That work has progressed a very far way. Up to now there have been aerial magnetic radio surveys which have yielded very interesting results. As a result of the information got from the aerial surveys, the Canadians are of the view that the time has come for them to get on the ground to do further work on these surveys. They have agreed to advance the cost of this work which is estimated to cost \$154,000. Therefore, this Motion is to seek the approval of the Hon. House to amend the Development Programme in terms of section 3 of the Public Loans Ordinance to permit Subhead 9 to be increased by \$154,000.

The other Motion, No. 113, is to enable the Government to accept from the Canadian Government the additional sum proposed of \$154,000 to enable this very valuable project to be completed.

Motion on the Approval of Financial Paper No. 5/ 1972: 23rd November, 1972

Mr. Hoyte: Mr. Chairman, in answer to the question raised by the Hon. Member Mr. Ram Karran as to when rehabilitation of Timehri will end, my answer is simple. Rehabilitation of Timehri will never end so long as we have the airport there. This obviously is an item of expenditure which keeps recurring for a number of reasons. It would be a good thing if Hon. Members take the time to understand the scope of the various Subheads which appear in the Estimates year after year and examine what is done with the funds voted under the particular Subhead. For example, it is well known from reports in the news media that P.A.A. proposes to have daily flights into Guyana, to overnight and to turn around here. If that in fact takes place, it will become necessary to extend our parking facilities at the airport and, again, one will find that substantial sums will have to be voted under this particular Subhead to improve those facilities, so long as we are thinking of improving the facilities – because one must not only think in terms of building under this Subhead – this will be an on-going expenditure.

In answer to the Hon. Member Mrs. DaSilva, I would dispute her assertion that at all international airports at any hour of the day or night one can get something to buy from the concessionaires. I myself have travelled throughout the Caribbean, have stopped at airports at Seawell and at Piarco, and have set down there long hours during the night without being able to purchase anything because the concessionaries had closed down. This happens when the schedules get out of order. Very often a plane is due in at a particular time. It is delayed, it does not come in until three or four hours after, and in those circumstances, one would not find concessionaries keeping their shops open in the hope that a plane might come in two, three, or four hours after the time when it was expected to come in. I agree we need to have a proper service, we need to ensure that the shop is open when the regular services come in, and that commuters are given the opportunity to have refreshments at a time when they are needed. If, in fact, the allegations made by the Hon. Member are true, I certainly will cause an investigation to be made. I have no doubt that the concessionaries operate under contracts and they are required to do certain things, and it is the duty, I concede, of the Ministry and the Government to ensure that they live up to the terms of their contracts. As to the other matters which she raised, I have noted them and will take similar action.

[**Mr. Ram Karran:** The Minister, perhaps unconsciously is misleading the House when he said that rehabilitation will continue forever, so long as the service runs. What I was trying to get, perhaps it was not clear, how long is this phase of rehabilitation going to run? Have the Americans given

the Government a blank cheque to write under PL 55 for ever and ever? Surely not. If the Americans want to run Pan American as part of a new arrangement, surely, the Government has to arrange another loans because this Government cannot do anything unless it secures American loans, but that will be another exercise. I am talking about the existing arrangement and if this is the final payment on the present rehabilitation programme. Perhaps we are very lucky if we do not have to pay it back.]

Mr. Hoyte: It is unfortunate that the Hon. Member did not find the words to ask the question which he wanted to ask in the first instance. I think it is a little unfair of him to attribute to me any powers of divination. In answer to the question which he has now raised, I would say that the legend would make this matter abundantly clear, that for certain specific rehabilitation work there was a provision made under the loan agreement referred to in the notes and these are accounts relating to that particular loan agreement which, as I have said, was voted for particular work. But that does not falsify the statement I made, that under this Subhead rehabilitation of Timehri is an on-going thing. If the tower falls down tomorrow, we would have to find funds to rehabilitate it and that would come under this Subhead. If there are minor defects in the building, we have to find money to repair it and I pointed out that if there is work to be done on the tarmac and on the facilities which go with the tarmac, we will have to find money to do it under this Subhead.

[Mr. Balchand Persaud: But I thought, Sir, that we had passed that stage long ago, or is this money for something else, that is, the project itself?]

Mr. Hoyte: Mr. Chairman, the Hon. Member Mr. Balchand Persaud asked a question in connection with the West Demerara roads and the expenditure for the preparatory works. The road programme for West Demerara consists of the reconstruction of the roads on the West Coast from Parika to right down to Vreed-en-Hoop, the reconstruction of roads on the West Bank down to Toevlugt Patentia and also in the Canal Polders. The first phase of this reconstruction from Parika to Uitvlugt/Meten-Meer-Zorg, which is about 9 miles, was done by local financing by the Roads Division of the Ministry of Works & Communications. The second phase which will start from Uitvlugt, take in the coast, the Bank and the Canals Polders has started, and that is being financed, as Hon. Members will know, with World Bank funds. This position is to do the preliminary work. That is, clearing the right of way and establishing the alignments. The surveyors of the Ministry are setting down the pals to mark the extent of the road reserves. There is a lot of work to be done because where the road is re-aligned it become necessary to remove fences and to remove houses and sometimes to remove trees which might be in the way of the proposed road.

So this money is in that connection and is for the purposes which I have indicated. Now the actual work of mobilization will start next month because by that time we expect that the preliminary work of laying out the right of way, as it is called, will have been completed.

With respect to the question raised on hydropower surveys, I can link the question by the Hon. Member with the question raised by the Hon. Leader of the Opposition. This amount is in respect of the surveys which are being carried out at Kamaria in the Cuyuni and in the upper Mazaruni. This matter was raised on a previous occasion and I did explain to this Honourable House what we were doing.

This Upper Mazaruni project and the Kamaria project are being carried out jointly with the Yugoslavia. It is a specific project; it is not a total survey of our hydro-electric potential but it is an area which has been identified as providing more than possibilities for our immediate needs. For our overall needs, surely one would have to do a survey of our total hydro potential which will cost millions of dollars, as Hon. Members would know. This total survey will be undertaken by U.N. D.P. Already, there has been agreement of the funding of this total survey which is going to start next year, but this particularly project in the Upper Mazaruni is one which has been very far advanced. By March next year, we expect to have a complete report, at which time the Government will be called upon to make a positive decision as to whether it will go to the next stage of actually building hydro-electric facilities.

The Hon. Member Mrs. DaSilva raised a question on the Glasgow Tepery quarry. It is not true that the quarry is not working, as the Hon. Member has said. Unless that quarry had been in existence, the whole Government road building and sea defence programmes would have been in jeopardy. The decision to bring this quarry into operation arises out of the fact that the private operators were in no position to supply the total projected needs of the Government for the various projects which it has to execute and there was the very real possibility of stone having to be imported into this country. It was to prevent such a situation that this quarry come into existence.

The quarry operations are very severe on machinery. One has only to go to see the type of beating the machinery gets from the big boulders to realize that the cost of keeping it going is high, and one would have to keep spending money to keep it going and to replace machinery as it goes bad. It will be noted that the sums requested are for equipment which is necessary to keep the quarry going. The equipment consists of large trucks of the type which is necessary to do that kind of rough work, and other types of equipment necessary to keep the machinery functioning.

I have noted the point made by the Hon. Member Mr. Balchand Persaud on the resurfacing of the South Dakota racing circuit and if there is anything the Ministry can do, because we are based at Timehri, we certainly will do it in the interest of the sport. Thank you.

Just to correct a misapprehension on the part of the Hon. Leader of the Opposition. This overall comprehensive plan for identifying our hydro-electric potential in this country has not been shelved. The work which is going on in the Upper Mazaruni is work which we are capable of undertaking with our own finances, it is work which ties in with the whole projection for electricity expansion in this country, and is not limited to the domestic projection because next year, and no later than next year, the Government will have to take a firm decision as to whether our future will be in thermal or in hydro power. That is why this work is urgent and that is why it has reached a very advanced stage. Early next year, the projection date is March, we will be having a complete report on what we have there at the Upper Mazaruni.

[Dr. Jagan: It takes ten years for the Government to make a decision whether to proceed with thermal or hydro is cheaper. P.C.R. recommended this since 1960, that after buying initially a few steam plants, they should go to hydro. If the Government found in its Development Programme, through all its meanderings all about, that it could not find the money for the big one, then it should have gone in even for the small one which would be economic. This was the point made since 1960. By now, the projections of P.C.R. for the Electric Company were that in the first ten years they will made a net profit of \$20 million including the financing of the hydro station at Malali, \$20 million in the second ten year, \$40 million. Now, the Minister says in the coming year they are going to decide whether to continue with thermal or proceed with hydro.]

Mr. Hoyte: The Hon. Leader of the Opposition fails to appreciate the very simple point that the requirements of 1960 will change radically in 1970, 1971 and 1972 and will change more radically having regard to what it projected for the future. In 1960, surely the only thing that the Government would have been thinking about was for domestic use.

[Mr. Ram Karran: No.]

Mr. Hoyte: It is the only thing you could have done. What did you control industrial-wise? Now, we have got the bauxite industry and the development of hydro power. Therefore, it must be tied in and this is just one example – with the future development of that industry and must be tied in with the whole Government concept of what the industrial development of this country is going to do.

