

THE
PARLIAMENTARY DEBATES
OFFICIAL REPORTS

[Volume 8]

PROCEEDINGS AND DEBATES OF THE FIRST SESSION (1981) OF THE NATIONAL ASSEMBLY OF THE FOURTH PARLIAMENT OF GUYANA UNDER THE CONSTITUTION OF THE CO-OPERATIVE REPUBLIC OF GUYANA.

17th Sitting 2 .p.m. Monday, 8th June, 1981

MEMBERS OF THE NATIONAL ASSEMBLY (82)

Speaker (1)

*Cde. Sase Narain, O.R., J.P., M.P.,
Speaker of the National Assembly

Members of the Government – People’s National Congress (69)

Prime Minister (1)

Cde. P.A. Reid, O.E., M.P.,
Prime Minister (Absent)

Other Vice – Presidents (4)

Cde. S.S. Naraine, A.A., M.P.,
Vice – President, Works and Transport (Absent)

Cde. H.D. Hoyte, S.C., M.P.,
Vice – President, Economic Planning and Finance

Cde. H. Green, M.P.,
Vice – President, Public Welfare (Absent)

Cde. B. Ramsaroop, M.P.,
Vice – President, Parliamentary Affairs and Party/State Relations

Senior Ministers (10)

Cde. R. Chandisingh, M.P.,
Minister of Higher Education

Cde. O.E. Clark, M.P.,
Minister of Regional Development

Cde. R.H.O. Corbin, M.P.,
Minister of National Development

*Cde. F.E. Hope, M.P.,
Minister of Trade and Consumer Protection (Absent)

*Cde. H.O. Jack, M.P.,
Minister of Energy and Mines (Absent)

- *Cde. Dr. M. Shahabuddeen, O.R., S.C., M.P.,
Minister of Attorney General and Minister of Justice (Absent)
- *Cde. R.E. Jackson, M.P.,
Minister of Foreign Affairs (Absent)
- *Cde. J.A. Tyndall, A.A., M.P.,
Minister of Agriculture (Absent)
- *Cde. S.A. Moore, M.P.,
Minister of Home Affairs (Absent) – on Leave)
- *Cde. J.R. Thomas, M.P.,
Minister of Education (Absent)

*Non-elected Member

Ministers (13)

- Cde. J.P. Chowritmootoo, J.P, M.P.,
Minister, Environment and Water Supply, in the
Ministry of Public Welfare
- Cde. U.E. Johnson, M.P.,
Minister of Co-operatives
- Cde. J.N. Maitland – Singh, M.P.,
Minister, Consumer Protection, in the (Absent)
Ministry of Trade and Consumer Protection
- Cde. S. Prashad, M.P.,
Minister, Crops and Livestock, in the (Absent)
Ministry of Agriculture
- Cde. Sallahuddin, M.P.,
Minister, Finance, in the Ministry of
Economic Planning and Finance
- Cde. R.E. Williams, M.P.,
Minister, Fisheries, in the Ministry (Absent)
of Agriculture
- *Cde. C.A. Nascimento, M.P.,
Minister, Mechanical Equipment, in the (Absent)
Ministry of Works and Transport Fisheries, in the Ministry
Of Agriculture
- *Cde. F.U.A. Campbell, M.P.,
Minister of Information (Absent)
- *Cde. F.U.A. Carmichael, M.P.,
Minister, Forestry, in the Ministry
of Agriculture
- *Cde. Y.V. Harewood – Benn, M.P.,
Minister of Public Service
- *Cde. H. Rashid, M.P.,
Minister, Office of the President

- *Cde. R.C. Sluytman, M.P.,
Minister, Drainage and Irrigation, in the
Ministry of Agriculture (Absent)
- *Cde. R.A. Van West – Charles, M.P.,
Minister, Health, in the Ministry of Public Welfare (Absent)

Ministers of State (3)

- Cde. M. Corrica, M.P.,
Minister of State for Culture, in the
Ministry of Education, Social Development
and Culture
- Cde. R.C. Fredericks, A.A., M.P.,
Minister of State for Youth and Sport, in the
Ministry of National Development
- *Cde. C.E. Wright, M.P.,
Minister of State for Construction, in the
Ministry of Works and Transport

Parliamentary Secretaries (3)

- Cde. A.W. Bend – Kirton – Holder, M.P.,
Parliamentary Secretary, Women’s Affairs and
Housing
- Cde. P.A. Rayman, M.P.,
Parliamentary Secretary, Office of the Prime Minister
- *Cde. E.M. Bynoe, M.P.,
Parliamentary Secretary, Office of the Prime Minister (Absent)

*Non-elected Member

Other Members (23)

- Cde. D.A.N. Ainsworth, M.P.
- Cde. M. Ally, M.P.
- Cde. M. Armagon, M.P.
- Cde. B. Beniprashad, M.P.
- Cde. B. Bhaggan, M.P.
- Cde. J.B. Calderia, M.P.
- Cde. A.A. Chin, M.P.
- Cde. E.B. Davidson, M.P.
- Cde. H. Doobay, M.P.
- Cde. A.B. Felix, M.P.
- Cde. E.H.A. Fowler, M.P.
- Cde. P. Fredericks, M.P. (Absent)
- Cde. E.F. Gilbert, M.P.
- Cde. J. Gill – Mingo, M.P.
- Cde. A. McRae, M.P.
- Cde. J.M. Munroe, J.P., M.P.
- Cde. R.N. Primo, M.P.

Cde. C.G. Sharma, J.P., M.P.
Cde. H.L.B. Singh, M.P.
Cde. S.H. Sukhu, M.S., M.P.
Cde. B. Tiwari, M.P.
Cde. C. Vandenburg, M.P.
Cde. H.B. Walcott, J.P., M.P.,
Government Chief Whip

Members from the National Congress of Local Democratic Organs (2)

Cde. R. Bishop, M.S., M.P. (Absent – on leave)
Cde. B. Latchminarayan, M.P.

Members from the Regional Democratic Councils (10)

Cde. K.N. Jones, M.P. (Region No. 1 – Barima/Waini)
Cde. K.V. Jairam, M.P. (Region No. 2 – Pomeroon/Supenaam)
Cde. C.A. Singh, M.P. (Region No. 3 – Essequibo Islands/West Demerara)
Cde. W. Bipat, M.P. (Region No. 4 – Demerara/Mahaica)
Cde. H.I. London, M.S., M.P. (Region No. 5 – Mahaica/Berbice)
Cde. I. Chowritmootoo, M.P. (Region No. 6 – East Berbice/Corentyne)
Cde. N.R. Charles, M.P. (Region No. 7 – Cuyuni/Mazaruni) (Absent – on leave)
Cde. D. Abraham, M.P. (Region No. 8 – Potaro/Siparuni)
Cde. A. Dorrick, M.P. (Region No. 9 – Upper Takutu/ Upper Essequibo)
Cde. D. Hinds, M.P. (Region No. 10 – Upper Demerara/Berbice)

Members of the Minority (12)

(i) People’s Progressive Party (10)

Minority leader (1)

Cde. Dr. C. Jagan, M.P.,
Minority Leader (Absent)

Deputy Speaker (1)

Cde. Ram Karran, M.P.,
Deputy Speaker of the National Assembly

Other Members (8)

Cde. J. Jagan, M.P.,
Cde. Reepu Daman Persaud, J.P., M.P.,
Minority Chief Whip (Absent – on leave)
Cde. N. Persaud, M.P. (Absent – on leave)
Cde. C.C. Collymore, M.P.
Cde. S.F. Mohamed, M.P. (Absent)
Cde. I. Basir, M.P. (Absent)

Cde. C.C. Belgrave, M.P.
Cde. Dalchand, J.P., M.P.

(ii) United Force (2)
Mr. M.F. Singh, J.P., M.P.
Mr. M.A. Abraham, M.P.

OFFICERS

Clerk of the National Assembly – Cde. F.A. Narain, A.A.
Deputy Clerk of the National Assembly – Cde. M.B. Henry

PRAYERS

2 p.m.

ANNOUNCEMENTS BY THE SPEAKER

Leave to Members

The Speaker: Leave has been granted to Cde. Moore for today's Sitting and to Cde. Reepu Daman Persaud for two weeks from today.

INTRODUCTION OF BILLS – FIRST READING

The following Bill was presented and read the First time:

Miscellaneous Enactments (Amendment) (No. 2) Bill 1981, Bill No. 7/1981. /The Vice – President, Economic Planning and Finance./

PUBLIC BUSINESS

MOTION

CONFIRMATION OF CONSUMPTION TAX (AMENDMENT) ORDER 1981 (No. 31)

“Be it resolved that this National Assembly, in accordance with section 5 of the Consumption Tax Act, Chapter 80:02, confirm the Consumption Tax (Amendment) Order 1981 (No. 31), which was made and published in the Gazette on 2nd June, 1981.” /The Vice – President, Economic Planning and Finance./

The Vice – President, Economic Planning and Finance (Cde. Hoyte): Cde. Speaker, this Motion seeks to give effect to some of the fiscal measures which were announced in the Statement on the Review of the 1981 Budget which I made to this honourable Assembly on Monday, 1st June, 1981. There has been a rather full debate in this Assembly on these issues and it remains for me merely to move the Motion formally.

Question proposed.

Cde. Janet Jagan: Mr. Speaker, in connection with this Motion before the Assembly, Confirmation of Consumption Tax (Amendment) Order 1981 (No. 31), on behalf of the Party I represent here in this Assembly, I say that we accuse the Government of squeezing the workers. We accuse the Government of hoarding goods, we accuse the Government of black marketing and pricing goods higher than their real cost, we accuse this Government of diabolic and cruel tax measures which spell increasing poverty to the working people; we accuse this Government of insulting the workers, accusing them of spending more than they earn. We hear that they say that workers live beyond their means and they must live within their means. We accuse this Government of taking orders from imperialism and its agency, the International Monetary Fund.

Balzac, a very famous French writer, said this: “Virtue has only one form: evil a thousand.” There are a thousand evils in this Bill, a thousand evils that mean oppression to the working people of this country. We see here – hidden taxes, the amounts covered by prices that are given to the people. How many people will have this monstrous document before them to know how much they are being taxed by this oppressive Government? The essential of life are here – fats, oils, margarine, clothing; kerosene, household items. Amazingly enough – to highlight the hypocrisy of this Government that is moving this – I see an item here, a 20 per cent increase for elastic knee-caps; stockings; anklets; leggings and similar articles of a kind used for the alleviation or cure of physical ailments or defects.

In this year of the Disabled this Government has the audacity and the cruelty of heart to increase, on top of everything else, 20 per cent on items that are needed for the rehabilitation of those who have some form of disability.

The Speaker: Cde. Jagan, I just want to enquire for my own edification, the rate of tax you refer to, you say that is an increase of those percentages?

Cde. Janet Jagan: They are imposing these percentages on the items.

The Speaker: I understand that. You said an increase of 20 per cent.

Cde. Janet Jagan: They have 20 per cent. They are increases. I don't know what the original is. All these increases; those who are disabled will have to pay 20 per cent.

I also say increases on consumption tax on important items required for our industries. They talk about industrialization, improving development through our own local industries, yet we see here increases right down the line for items that are absolutely necessary for industry – sheets and plates, iron or steel wire, alloy steel wrought plates and a whole lot of things, a whole series of items which are going to harm and make the industries find it even more difficult. In other words, there is no encouragement to industry in this document we have before us.

We hear a lot of talk about socialist countries, cynical remarks about production etc., but has anyone made the point or asked if subsidies have been removed, if prices have gone up, if the standard of living is affected? I say this: that this document here, this as well as the other taxation that is being imposed, further erodes the cost of living. I have recently returned from the two socialist countries, Bulgaria and Czechoslovakia. I went shopping and I can tell you that the essential goods are extremely cheap. The cost of living is low. Food and essentials are at extremely low prices so I don't know how in this Assembly we can hear remarks about production going down without balancing it off to make the important point which is essential to all persons who are striving to live good lives, that the standard of living has not been affected by the so-called “economic crisis.” The taxes that we see here are punitive:

they are not protective. They are not protecting anyone; they are not protecting any industries. They are imposing hardships on people as consumers and industries that are trying to function.

The Government is holding the public to ransom; it has put taxes on everything. I would say this: the members of the Government would be hard pressed, after looking through this document and others I have seen, to find something else that they can tax. They have taxed everything. Earlier when I spoke, I accused this Government of hoarding. Right now, at this moment as I stand here speaking, there is a crisis of flour in the city of Georgetown and throughout the country, but what is the Government doing? The K.S.I., which is the arm of the People's National Congress, which is the Government, is hoarding flour and waiting for the new price and putting the whole population to ransom.

This Government is accusing and charging and carrying to Court small shopkeepers, accusing them of hoarding while the Government itself is the biggest hoarder of all. Let the members of the Government deny that now. They are hoarding flour and are not releasing it. People have had over the week-end to pay as much as \$2.50 for one loaf of bread. They have held up the release of goods on the docks waiting for the changes to be made. Goods that come in before cannot be released, waiting on this document so that the prices can go up. Flour that was purchased and paid for at one price has not been delivered. The K.S.I. controls the distribution of flour – another racket of the Government. Workers are paying exorbitant prices now for bread and flour, just to name a few.

This morning I met a pig-rearer. He told me that he bought one ton of wheat middling, that is, pig food, from the G.M.C. on May 27. He was supposed to collect it from the flour-mill on June 1. When he went back he was told that he had to pay the new price. Who is black marketing? Who is hoarding? This was from the G.M.C. This is what is happening in this country.

2:15 p.m.

We are told Guyanese spend more than they earn. My god who is spending more than they earn, maybe the rich are living beyond their means, but the poor man, how can you possibly be so insulting as to accuse the working man of living beyond his means, he cannot make two ends meet on what he is earning. Let me quote from page 10 of the report of the Technical Committee appointed by the Executive Council of the Guyana Trades Union Congress preparing a background paper for negotiations with government with respect to the fourteen dollars a day minimum.

This paper says, if we look into the budgetary patterns of low income workers we find the take-home pay grossly inadequate, for example, the take-home pay of a worker whose gross salary is \$270.90 a month would be approximately \$250.00 a month after taxes, N.I.S. etc. have been deducted and if he is married and has four children to support, his total expenditure would come to \$654.00. Perhaps that is

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2:00 – 2:15 p.m.

Mr. Sallahuddin means when he talks about living beyond their means, because they cannot live within what they are earning. The food alone for a family of six

would be approximately, and I think these are modest terms, \$384.00 a month, so to get around the fact that the Government is squeezing the workers, they insult the workers on top of it and go so far as to suggest, I was astonished to hear it, that when workers get their bonus they run off and squander it on clothing. A worker living on the minimum wage cannot even buy clothing and if he gets bonus and buys clothing that he could not buy for a year, you insult him and say he rushes off and squanders his money. What are we coming to? Totally insulting the working people of this country. Cost of living is so high, and it is growing higher, clothing is expensive, workers cannot buy their clothing out of their weekly and monthly incomes. I suppose the gentlemen and ladies in this Chamber do not know what is being sold in the markets. Old clothing that is brought down because people cannot afford new clothing, people are suffering.

We hear specious excuses in this hall about nutrition. How many times I have heard different members at different periods when the accusation is made that malnutrition is growing because of poverty, we hear the same specious argument: Oh, the people do not know to choose their food. You can be very rich and suffer from malnutrition. Surely, things exist in a minority but malnutrition is scientifically a disease of poverty. Let any in here deny it. It is a disease of poverty and in a small percentage of cases you get people who do not eat the right food. Yes, you can get a rich child who eats ice-cream and sweets all the time but that is not the norm and everyone here knows it and I hope we do not have to listen to those specious arguments again. I say that malnutrition is growing as a result of this and other taxes that have been loaded onto the backs of the low-income group of this country.

We have to take a broad view of what is happening, not only this document, it is a question of rent going up, it is a question of electricity going up. In fact, in the T.U.C. report, for a working-class family of four children and two adults they give for electricity \$25.00 a month. It is no longer \$25.00. even since this thing went to press since March 1981, I am sure there are very few working-class homes which pay \$25.00. I have spoken to many workers who are now at the \$40.00 level. Personally in my house I am at the hundred dollar level already and so people will have to stop using electricity, their travel will have to be greatly reduced because, as they say, the price of gasolene is going up again, everything is going up but the basic thing is that the taxes are going up but the incomes are not moving up at a pace to match the increased taxation, the increased cost of living, the increase on everything that is going up.

We hear the party there speaking in the name of development, they are putting on all these taxes. They are squandering our money, they are squandering the taxpayers' money, they're throwing it all over the place and spending it stupidly and that is the reason they cannot make two ends meet. Like Shylock of Shakespeare's play, the P.N.C. is squeezing the last cent out of the working people. Yes, the P.N.C.

Regime is an oppressive government, it is an anti – worker government, we accuse the P.N.C. of robbing the working people of Guyana of their right to live in peace and comfort and well being. We accuse the P.N.C. government of being even worse oppressors than our former colonial masters.

We advise the P.N.C. to give up before the country sinks into the mire in which they are dragging every citizen of this country. The people of Guyana want to live in comfort, in peace, they are not asking a lot, you go talk to any worker on the street or at his workplace, he is not asking to live in luxury like the Ministers of the Government. No, he does not want that, he just wants the normal right to have decent accommodation, to be able to send his children to school properly dressed, properly fed, to be able to buy the necessities of life and to have some leisure, but I am afraid that this plus the massive taxation that is being levied on the people of this country will bring only hardship and I cannot see that these acts are going to solve any of the problems that face the people of this country. Not one is going to be solved.

When I speak here on the budget, let us call it the first budget this year, I said that it was only the tip of the iceberg, that they were only starting, and it is a fact. They hadn't even started to lay on all the hardships. They are coming out and I say here again, I have a strong belief that the P.N.C. Government will be incapable of completing this year without adding further burdens on the people, and I may add, without squandering more money as they have been doing before. It is time that they get out.

Cde. Dalchand: Cde. Speaker, this taxation now being introduced by this Government is definitely going to be a blow to agriculture. These are the most cruel increases that will affect the agricultural sector of this country. Cde. Speaker, we notice that taxes on imported food stuff have gone up too, but what is the position today? They do not have the local substitute. In the time of the P.P.P. when we taxed imported foodstuff, we used the taxation to subsidise local agricultural development. When coffee was in glut in Guyana, the P.P.P. Government shipped our coffee beans overseas and brought them back into this country as instant coffee. We took care of the farmers. Whatever increase we had on foreign foodstuff was used to subsidise the local development of food. Cde. Speaker, if you look you you will see there is a variety of items, coffee, split peas, flour. Not only those but you will find that even much needed spare parts for agriculture, bearings, metals wire are affected. During the time of the P.P.P., there was a surplus of milk, Oil. The P.P.P. carried out an extensive expansion in the coconut farming industry. What did the P.N.C. do? It destroyed that industry. It introduced a subsidiary, palm oil, and today even that industry is dying, there is a failure of that whole sector and now they are going to re-introduce coconut palm planting. They have made a mess of the whole agricultural sector in this country, they have destroyed agriculture in this country.

I spoke to them about increases in tolls and license. This will affect agriculture. Charges to cross

the bridge have now gone up. Farmers coming to sell their produce from the West Demerara and Islands have to pay an increase. An increase of 20 per cent.

2:25 p.m.

How are we going to encourage Agriculture? Where is the farmer going to find this money from? I was told that another co-operative society, which had received from the Government hundreds of dollars, on the West Coast Demerara, is folding up because it cannot succeed. The Government should look seriously at this new taxation on agriculture. I am asking that all agricultural inputs in this country be duty free – spare parts, machinery etc. – and that the subsidy on basic food items maintained. See that people get food to eat.

2:25 p.m.

Cde. Speaker, what is being done? Rice is scarce on the local market. This Government prefers to sell the rice overseas to earn foreign exchange. Where is the food for the people to eat? How are we going to produce? Their slogan is “Produce or Perish.” Today, the people are producing and perishing. Cde. Speaker, the farmers’ income must be calculated along with what they sell. Let us look at 1965. In 1965, the total revenue for this country was \$77 million. Today it will be somewhere in the vicinity of \$623.8 million. By how much have wages increased from \$4.00 a day in 1965. With the new taxes, with \$12.36 a day, 200 per cent increase in wages and 900 per cent in expenditure, you can see clearly where we are heading. We are heading to doom. Whatever measures are being contemplated today are not going to save the farmers or agriculture and, therefore, production will fall.

I want to ask the Government to reconsider these harsh measures put on the people. It seems to me that the Government does not know what it is doing. Last Friday, the price of gasoline was increased from \$5.34 to \$5.69 and today from \$5.69 to \$6.23. In only two days. What is happening? This is an increase of 89¢ in three days. Dieseline which is used in agriculture to plough and prepare lands, to transport padi, has been increased from \$3.28 to \$4.57, 79¢ or over 20 per cent increase. That is it, that is the reality and Guyoil is a Government outlet. Cde. Speaker, I do not know how the farmers in this country, how the people are going to exist when these measures are put on their backs.

I ask the Government to re-consider these issues. Give the farmers duty-free concessions, subsidise basic food items, remove increased tolls from agricultural machinery, and help these people to exist.

Mr. M.F. Singh: Mr. Speaker, we accept that we have to find more money. We accept that increased taxation is inevitable in these circumstances. However, the increased taxation which has been spelt out in the review of the Budget and, indeed, enumerated in this Order made under the Consumption Tax Act seems to cover directly or indirectly almost every conceivable aspect of things sold, bought or used in Guyana. That in itself is objectionable to us. However, particularly objectionable is the removal or partial removal in one case of the subsidy in respect of flour and rice. I noted in the NewNation of last Sunday on the first page in respect of flour that the subsidy on flour did more for the farmers in the country producing wheat than for our local farmers. Okay. If that is true about flour, what about rice? It seems as though the same argument does not apply in respect of rice.

Mr. Speaker, the fact of the matter is that since I have been in this honourable Assembly and until the recent past, we have always told that: we in the Government are doing a very great thing; we subsidise sugar, rice and flour. These are essential commodities, basic commodities for the small man. I agree with that, I support that wholeheartedly. All along, during the period from 1966 to now, I supported it. We in the United Force support it. After all, let us take flour and rice. They are the staple diet of Guyanese. The man who earn can afford it, he can buy this steak and yam chips. Right now on the market you cannot get rice, you cannot get flour. On Saturday, a relative of mine scoured the town but could not get rice or flour. I understand they were being hoarded because of the expected increase in price.

But, Mr. Speaker, I understand there was an almost near riot outside the market square this morning as hire car drivers refused to work unless there was an increase in fares. I took the trouble to get the price. Before the Review of the Budget, super gasolene was \$5.34, after the Budget it was \$5.68 and this morning it is \$6.23. immediately after the review it rose by 34¢. Then it rose so that the total increase is 89¢. All right, let us say the hire cars use regular gasolene; before the Review regular cost \$5.11, after the Review, %5.43. It rose by 32¢. Today it costs \$5.97. A total rise in one week of 86¢. Perhaps, we will have an explanation from the hon. Minister. I fall to fathom the rationale in this. If you are going to put on increases, I think the thing should have been properly thought out and one block increase presented. I do not claim to be omniscient and to know everything, but there seems to be some lack of foresight somewhere that you should have two increases like that in respect of such an important commodity as gasolene, because on that depends transportation.

2:35 p.m.

The public transport system in this country is atrocious. Just take a drive, or ride or walk along the East

Coast road any day of the week and you will realize how terrible the present system is. I think the Government admits it. Our public transport system is not up to standard, so hire cars are used to a great extent by John Public to go around the place and the increased cost of gasoline will affect John Public because he will have to pay more for transportation. The hire cars are demanding an increase of 45 cents. From 55 cents for a drop around Georgetown they are now demanding one dollar. I am reliably informed by my own colleague who spoke to some hire car drivers around the market square this morning that that is what they are demanding.

Transportation costs will go up and when transportation costs go up everything sold in the Stabroek Market and the Bourda Market will go up in price – bora, callaloo, plantain, cassava, all the things you say must be substituted for flour, every single one will go up in price. So you will have a state of affairs where the cost of living must necessarily go up. It prices do not go up directly, they will go up indirectly. They will go up indirectly as a result of increases in transportation costs and as a result of devaluation, and they will go up directly as a result of direct taxation.

Let us take another area. Wrapping paper will go up, cardboard cartons will go up. Do you think the manufacturers will absorb that cost? It will be passed on. All these additional costs are going to be passed on to the poor consumer down below who has to pay more for the basic flour and rice will now have to pay more for transportation and everything else. We will come to a state of affairs where there can be no doubt about it: the cost of living will go up.

I spoke in Parliament on the last occasion and I said I agree with the increase in salaries proposed by the hon. Minister in his Review of the Budget. I agree with increases, particularly for the Judiciary who are grossly underpaid, and for a lot of other persons. I now repeat this: their salaries have gone up. It is true that the small man got some small increases in between but the small man's salary will have to go up now. The small man will not be able to survive unless there is an increase in salaries. Let me say this: if this is proceeded with and no changes are made, it will mean a rise in the cost of living and will have a tremendous and

a significant effect on the small man's budget. How will he meet it? [Interruption.] He may be able to plant his little garden here and there but not all of us have a little land to garden. Some of us are living in rented houses.

I here and now call upon the Government to expedite its dealings with the small man so that every single one can get an increase in salary. That is the only way they can meet the increase in the cost of living. Nobody can gainsay the fact that the cost of living will go up. The small man can only meet it if there is an increase in salary. He may do his little thing in certain areas but in the final analysis, if this is pursued, if no amendments are made, you are going to have to increase his salary.

My appeal is for the Government, if it proceeds with this – and I know from bitter experience in the past that this will be proceeded with and it will be passed; being a realist I say: if you proceed with this and pass it, please give an undertaking, as early as possible, to all workers in this country to increase their salaries with effect from 1st January, 1981. That is the only way the small man will be able to survive.

The Speaker: Vice – President Hoyte.

Cde. Hoyte (replying): Cde. Speaker, as I remarked in moving the Motion, all of these matters were thoroughly thrashed out in the course of the debate on Thursday, 4th June, so that today we have had nothing new. In deed, the major issues raised today were raised by the Statement which was made and the answers given for example, the rationale for withdrawing the subsidy on flour and split peas and in the rice industry. It is otiose at this time for me to repeat what was said in the Paper and what was said in the course of the general debate on this matter.

It is a little alarming to hear an hon. Member of this Assembly alleging that all the items, all those thousands and thousands of items in the Customs list have in fact been affected. In fact, only a very small range of items has been affected. The consumption taxes have been applied selectively to items which the Government is satisfied, in the particular circumstances, can bear the additional increases.

As Your Honour rightly observed, the percentages contained in the Order are not percentage increases. They are the rates to which the taxes have moved and in many cases, if the Members of the Minority parties had just taken the time to compare the new rate of tax with the old rate, they would have seen that the movements were marginal.

For example, let us look at the case of the items which the member Mrs. Jagan referred to kneecaps and things like that. The hon. Member Mrs. Jagan, with some facetiousness, I believe, referred to virtue. The virtue I would commend to her would be the virtue of truth and accuracy. It is a little disgusting to say the least to hear a member accusing the Government of hoarding flour and not selling

flour from the flour-mill. The Government does not own the flour-mill: the flour-mill is privately owned and certainly the hon. Member will know that. It is perhaps necessary for me to remark that no member of the Government has ever said that the workers were living above their means. She has accused my colleague, Cde. Sallahuddin of saying that. Cde. Sallahuddin, as the records will show in this Assembly, has never said that in this Assembly and certainly has never said it outside of the Assembly.

The hon. Member Mr. Feilden Singh wanted to know why there were two movements in the price of gasoline. The answer is simple: the first movement in the price of gasoline had to do with an increase given to the distributors, the oil companies, who have been pressing for a long time for an increase based upon an agreed formula with the Government. This formula relates to increases in their overheads. They have made out a case and, in accordance with that formula, the Government in honour bound has had to give an increase.

The second increase has, of course, to do with the current fiscal measures so the fact that within a fairly short space of time the price moved twice has nothing to do with a failure to think through. It has to do with two separate considerations, both of which had to be met. [Applause.]

Question put, and agreed to.

Motion carried.

2:45 p.m.

BILL – SECOND AND THIRD READINGS

TAX (AMENDMENT) (NO. 2) BILL 1981

A Bill intituled:

“An Act to amend the Tax Act.” [The Vice – President, Economic Planning and Finance.]

Cde. Hoyte: Well, again, Cde. Speaker, this arises out of the fiscal measures proposed. We propose to increase the fees charged in accordance with the new figures which now appear in the Bill.

Question proposed.

Cde. J. Jagan: Mr. Speaker, again we come to another imposition by the Government – another oppressive act – increasing the amount to be paid for passports. I suppose the Government, recognizing that more and more people are leaving the country, hopes to make money out of this sad fact of life in Guyana. It was mentioned in relation to this, that the figures are not really so alarming – figures of persons leaving the country. I challenge that statement and say that the

figures are alarming and that the number of people leaving Guyana is creating problems that will take generations to solve. As far as I can see, some of your best talent is leaving this country.

As a result of the various tax measures that we have heard over the last few days, I would suggest that some of the ladies and gentlemen in this Assembly go round to the income-tax office and right now, they will see a fantastically long line, an unusual line, an indication that more fear has been injected into the minds of Guyanese by the actions during the last seven days. I feel that as a result of the latest impositions, hardships, and squeezing of the working people, we are going to lose more and more people, and perhaps it is on the basis of this knowledge that the Government is trying to grab a few more from the increases, by increasing the amount of money for passports. I think maybe the Government needs a think-tank to think out new measures of making money. Maybe, I can help them out. Maybe the best way of raising money is by putting a tax on every toilet.

Cde. Ram Karran: Your Honour, I wish to join with my colleague in drawing attention to the severe difficulties that are brought about on this society as a result of the universal increases in almost every single item, and to make the observation that the hon. Minister in introducing this Bill – and I can concede his jumping off to Venezuela – made a very significant statement that this fee – this fee – in accordance with the Government’s proposals is being increased. I hope that the hon. Minister recognizes the point that what being imposed here is a fee and not a tax.

There is a difference, and in all appropriations, in all exercises of this kind, a fee is in relation to the cost of providing that service. One would have expected the hon. Minister to have said, at least to have indicated to this Assembly what has caused this fee to go up. Is it that the cost of printing the passport has gone up, or what is the justification for it? I understand that the negotiators with the IMF and the World Bank cringingly stood on their knees and said “Look! We are a great Government, we have an agreement with the TUC, and we have decided not to pay the 1979 leg of it. So not withstanding the fact that we have been able to perform, and to make the economy stand up to your expectations, we humbly beg you to continue the arrangements.” Is that the sort of cringing, begging Government that we have. Although they talk so big, from this measure increasing the passport fee and other fees that the Government has imposed, which have nothing to do with taxation, they are showing their true mettle as cowards in the ring.

I remember some time ago, Your Honour, when all of the Caribbean territories were issuing passport forms free, and, in fact, some Guyanese were going to the High Commission in England to get passports, we were selling them. My friend has given one other item that can be taxed. I am wondering how it is that they have not thought of this one. The sheet of paper that costs three cents they are charging

25 cents for it. How is it that they did not put an imposition on that too, hon. Minister, so that the Guyanese people would see what is the real thing behind it? A passport fee or any fee, a licensing fee, is what is the cost not to be used as a measure of taxation but my friends have gone wild and everything, they have imposed upon.

It is time, sir, it is time that my friends recognize that political adventurism which they seem to be going deeper and deeper into, cannot solve the problem in this country. Last year, my friend got up and said that they were going to retain the taxation on rum and alcoholic beverages in order to maintain the subsidy on flour. Last year he said that. Today he is telling us notwithstanding the taxation maintained on alcoholic beverages and so on, the subsidy on flour has been withdrawn. My friends cannot afford to behave in such a manner, they have to be men and not mice and not to be driven into holes as they are driven by the IMF and the money lenders overseas.

Cde. Hoyte: (replying): My good friend Mr. Ram Karran has such a charming disregard for truth. Nowhere in the Budget Speech last year did I speak of increasing taxes in one area to maintain subsidies on flour as he alleged. Indeed, I went out of my way to point out that the Government will not defend the unrealistic price of flour, and, more than that, in my statement on 1st June, that is on Monday last week, I actually quoted the section in which I had made that statement; but I do not think that anyone takes the hon. Member too seriously.

Now, it is true that we have not imposed a tax on the item which was suggested by the hon. Member, Mrs. Jagan, and that is out of solicitude for her. Were we to increase the tax on that item, then having regard to the large number of such items that she needs for her daily ablutions, we would certainly destroy her financially, and we do not want to do that to a colleague in this Assembly.

2:55 p.m.

Cde. Speaker, what interests and intrigues me with the hon. Member Mr. Ram Karran is that he knows the answers to the questions and he essays to give those answers. For example, he wanted to know why the increase in the passport fees. Now, unlike him, I do not make all this nice distinction between a fee, a tax, an impost, a duty. They are all fiscal measures; they are all taxes. But he identified the reason for the increases quite clearly, namely, the high cost of printing. The cost of paper, as everybody knows, has gone up tremendously and I made that point in the Statement. I explained that in my cases the fee charged or the duty imposed does not even cover

the cost of administration, therefore, it is a little surprising that he would ask the obvious.

Cde Speaker, the points raised are not new; the answers have already been given, and I reiterate that we have a package of fiscal measures which the Government considers necessary in our circumstances, the justification of which has been fully articulated in the statement made on 1st June and in the contribution from members of the Government in the debate Thursday, 4th June, 1981.

Question put, and agreed to.

Bill read a Second time.

Assembly in Committee.

Bill considered and approved.

Assembly resumed.

Bill reported without Amendment, read the Third time and passed.

ADJOURNMENT

Resolved, “That this Assembly do not adjourn to a date to be fixed. /The Vice – President, Parliamentary Affairs and Party/State Relations./

Adjourned accordingly at 3 p.m.