

National Assembly Debates

PROCEEDINGS AND DEBATES OF THE NATIONAL ASSEMBLY OF
THE SECOND SESSION (2002-2005) OF THE EIGHTH PARLIAMENT
OF GUYANA UNDER THE CONSTITUTION OF THE CO-OPERATIVE
REPUBLIC OF GUYANA HELD IN THE PARLIAMENT CHAMBER
PUBLIC BUILDINGS BRICKDAM, GEORGETOWN

Part I

78TH SITTING

2.10 PM

Thursday, 19 January 2006

MEMBERS OF THE NATIONAL ASSEMBLY (69)

Speaker (1)

The Hon. Hari N. Ramkarran, S. C., M. P. - *Speaker of the National Assembly*

Members of the Government (38)

(i) People's Progressive Party/Civic (34)

(ii) Non-elected Ministers (3)

(iii) The United Force (1)

The Hon. Samuel A.A. Hinds, M.P.	-Prime Minister and Minister of Public Works and Communications
(Absent) The Hon. Reepu Daman Persaud, O.R., J.P., M.P.	- Minister of Parliamentary Affairs
The Hon. Clement J. Rohee, M.P.	- Minister of Foreign Trade and International Co-operation
The Hon. Harripersaud Nokta, M.P.	- Minister of Local Government and Regional Development
The Hon. Gail Teixeira, M.P.	- Minister of Culture, Youth and Sport (AOL)
The Hon. Dr. Henry B. Jeffrey, M.P.	- Minister of Education
The Hon. Saisnarine Kowlessar, M.P.	- Minister of Finance
The Hon. Shaik K.Z. Baksh, M.P.	- Minister of Housing and Water
The Hon. Rev. Dr. Ramnauth D.A. Bisnauth, M.P.	- Minister of Labour, Human Services and Social Security
The Hon. Clinton C. Collymore, M.P.	- Minister in the Ministry of Local Government and Regional Development
The Hon. Satyadeow Sawh, M.P.	- Minister of Fisheries, Other Crops and Livestock (Region No. 5-Mahaica/Berbice)
*The Hon. S. Rudolph Insanally, O.R., C.C.H., M.P.	- Minister in the Office of the President

	<i>with responsibility for Foreign Affairs</i>
*The Hon. Doodnauth Singh, S.C., M.P.	- <i>Attorney General and Minister of Legal Affairs</i>
The Hon. Dr. Jennifer R.A. Westford, M.P.	- <i>Minister of the Public Service</i>
The Hon. C. Anthony Xavier, M.P.	- <i>Minister of Culture, Youth and Sport</i>
The Hon. Bibi S. Shadick, M.P.	- <i>Minister in the Ministry of Labour, Human Services and Social Security (Region No. 3 - Essequibo Islands/ West Demerara)</i>
**The Hon. Manzoor Nadir, M.P.	- <i>Minister of Tourism, Industry and Commerce</i>
The Hon. Carolyn Rodrigues, M.P.	- <i>Minister of Amerindian Affairs</i>
* The Hon. Harry Narine Nawbatt, M.P.,	- <i>Minister of Transport and Hydraulics</i>
The Hon. Dr Leslie S. Ramsammy, M.P.	- <i>Minister of Health</i>
Mr S. Feroze Mohamed, M.P.	- <i>Chief Whip</i>
Mr Cyril C. Belgrave, C.C.H., J.P., M.P.	- <i>(Region No. 4 - Demerara/Mahaica)</i>
Mr. Donald R., Ramotar, M.P.	
Mr Husman Alli, M.P.	- <i>(Region No. 7 - Cuyuni/Mazaruni)</i>
Mr. Komal Chand, C.C.H., J.P., M.P.	
Mrs Indranie Chandarpal, M.P.	
Mr Bernard C. DeSantos, S.C., M.P.	- <i>(Region No. 4 - Demerara/Mahaica) (Absent)</i>
Mrs Shirley V. Edwards, J.P. M.P.	
Mr Odinga N. Lumumba, M.P.	
Mr Heeralall Mohan, J.P., M.P.	- <i>(Region No. 2 - Pomeroon/Supenaam)</i>
Mr Ramesh C. Rajkumar, M.P.	- <i>(Region No. 6 - East Berbice/Corentyne)</i>
Dr Bheri S. Ramsaran, M.D., M.P.	
Mrs Philomena Sahoye-Shury, C.C.H, J.P, M.P.	- <i>Parliamentary Secretary, Ministry of Housing and Water (Region No. 1 - Barima/Waini)</i>
Mrs Pauline R. Sukhai, M.P.	
Dr. Moti Lall, C.C.H., M.P.	
Mr Zulfikar Mustapha, M.P.	- (Absent)
Mr Neendkumar, M.P.	- <i>(Region NO. 4 - Demerara/ Mahaica)</i>
Mr Khemraj Ramjattan, M.P.	- <i>(Region No. 6 - East Berbice/ Corentyne) (Absent)</i>

* *Non-Elected Minister*

** *Elected Member from The United Force*

Members of the Opposition (30)

(i) People's National Congress/Reform (27)

Mr. Robert H. O. Corbin, M.P.	- <i>Leader of the Opposition</i>
Mr. Winston S. Murray, C.C.H., M.P.	
Mrs Clarissa S. Riehl, M.P.	- <i>Deputy Speaker of the N.A (AOL)</i>
Mr. E. Lance Carberry, M.P.	- <i>Chief Whip</i>
Mr. Ivor Allen, M.P.	- <i>(Region No.2-Pomeroon/Supenaam) (Absent)</i>
Mrs. Deborah J. Backer, M.P.	
Mr. Deryck M.A. Bernard, M.P.	
Mr. C. Stanley Ming, M.P.	
Mr. Vincent L. Alexander, M.P.	- <i>(Region No.4-Demerara/Mahaica)</i>
Mr. Basil Williams, M.P.	
Mrs. Volda A. Lawrence, M.P.	
Dr Dalglish Joseph, M.D., M.P.	
Miss Amna Ally, M.P.	- <i>(Region No.5-Mahaica/Berbice)</i>
Miss Sandra M. Adams, M.P.	- <i>(Region No.10-Upper Demerara Berbice)</i>
Mr. Jerome Khan, M.P.	
Dr George A. Norton, M.P.	
Miss Myrna E. N. Peterkin, M.P.	- <i>(Region No.4-Demerara/Mahaica) (AOL)</i>
Mr. James K. McAllister, M.P.	- <i>(Region No.3-Essequibo Islands West Demerara)</i>
Dr Carl Max Hanoman, M.P.	
Mr Joseph Hamilton, M.P.	
Mr Abdul Kadir, J.P., M.P.	- <i>(Region No.10-Upper Demerara/Berbice)</i>
Mr Ricky Khan, M.P.	- <i>(Region No.1-Barima/Waini) (Absent)</i>
Mr Dave Danny, M.P.	
Mrs. Rajcoomarie Bancroft, M.P.	- <i>(Region No.8- Potaro/Siparuni)</i>
Mr Nasir Ally, J.P., M.P.	- <i>(Region No.6-East Berbice/Corentyne)</i>
Miss Judith David, M.P.	- <i>(Region No.7-Cuyuni/Mazaruni)</i>
Miss Genevieve Allen, M.P.	- <i>(Region No.4-Demerara/Mahaica)</i>

(ii) Guyana Action Party/Working People's Alliance Party (2)

Mrs Sheila V.A. Holder, M.P.	- <i>Absent on Leave</i>
Mrs Shirley J. Melville, M.P.	- <i>(Region No.9 Upper Takutu/Upper Essequibo)</i>

(iii) Rise, Organise and Rebuild Party (1)

Mr Ravindra Dev, M.P. (Absent on Leave)

OFFICERS

Mr Sherlock Isaacs, *Clerk of the National Assembly*

Mrs Lilawtie Coonjah, *Deputy Clerk of the National Assembly*

PRAYERS

The Clerk reads the **Prayer**

OATH OF A NEW MEMBER

- (i) Resignation of Mr Raphael Trotman and Miss Lurlene Nestor
- (ii) Election of Mr Joseph Hamilton and Mr Dave Danny

The Speaker: Honourable Members, I have received two letters:

One from Mr Raphael Trotman dated 14 December 2005, resigning his seat as a Member of Parliament with effect from 27 December 2005.

The other is from Miss Lurlene Nestor dated 28 December 2005 resigning her seat as a Member of Parliament with effect from 31 December 2005.

With Mr Trotman's and Miss Nestor's resignations, two seats in the National Assembly became vacant. The vacancies are in accordance with Section 99(A) of the Representation of the People's Act Chapter 1:03, to be filled by persons whose names are to be extracted from the list of candidates from which Mr Raphael Trotman's and Miss Lurlene Nestor's names were extracted.

As Mr Trotman and Miss Nestor's names were extracted from the People's National Congress/Reform list of candidates, I have, in accordance with Section 99(a) of the said Article, called upon the representa-

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tive of the said list to further extract from that list the names of persons who are willing to become Members of the National Assembly to fill the vacancies in the Assembly.

Following the resignations of Mr Raphael Trotman and Miss Lurlene Nestor and my call upon the representative of the People's National Congress/Reform list of candidates, I have been informed that the names of Mr Joseph Hamilton and Mr Dave Danny were extracted from the list and that Mr Joseph Hamilton and Mr Dave Danny were, on 16 January 2006 and 17 January 2006, respectively, declared to the elected Members. Before Mr Hamilton and Mr Danny can take part in the proceedings of the Assembly they will have to make and subscribe to the oath before the Assembly as required by Article 167 of the Constitution. Mr Hamilton and Mr Danny are present. As they are now present, they can now make and subscribe to the oath which will be administered to them by the Clerk.

[Mr Joseph Hamilton and Mr Dave Danny made and subscribed the oath which was administered to them by the Clerk]

ANNOUNCEMENTS BY THE SPEAKER

Congratulations and best Wishes to the New Members

Honourable Members, I would like on behalf of Members of the National Assembly and myself to congratulate Mr Joseph Hamilton on his return as a Member of the National Assembly, and Mr Dave Danny on his becoming a Member of the National Assembly. I welcome them to the Assembly and extend best wishes to them. *[Applause]*

PRESENTATIONS OF PAPERS AND REPORTS, ETC

(1) By the *Speaker (Chairman of the Committee of Selection)*:

Minutes of Proceedings of the 16th Meeting (No. 2) of the Committee of Selection, held on Thursday, 24 November 2005.

(2) By the *Prime Minister*:

(i) The Environmental Protection (Hazardous Waste Management) (Amendment) Regulations 2005.

(ii) The Environmental Protection (Authorisations) (Amendment) Regulations 2005.

The Speaker: Is anyone presenting on behalf of the Prime Minister?
[Pause] I am advised that these will be presented later.

[Deferred]

(3) By the *Minister of Finance*:

(i) Financial Paper No. 9/2005-Supplementary Estimates (Current and Capital) totalling \$1,467,645,921 for the period 2005-12-14 to 2005-12-31.

(ii) Report of the Special Select Committee on the Value-Added

Tax Regulations 2005 (No. 48/2005)

- (iii) Report of the Special Select Committee on the Excise Tax Regulations 2005 (No. 12/2005).

The Speaker: Honourable Minister, you are required to name a date for the Financial Paper No. 9/2005.

Hon Saisnarine Kowlessar: Mr Speaker, I name 31 January 2006.

The Speaker: Thank you.

- (4) By the *Minister of Amerindian Affairs*:

Report of the Special Select Committee of the National Assembly on the Amerindian Bill 2005 – Bill No. 13/2005

STATEMENTS BY MINISTERS

Flood affected Coastal Communities

The Speaker: The Honourable Minister of Fisheries, Other Crops and Livestock

Hon Satyadeow Sawh: Mr Speaker, you will recall that, on Thursday, 29 December 2005, I made a statement here in Parliament, updating the nation on the floods that were upon us here in Guyana.

Mr Speaker, I now wish to further update this National Assembly and

the nation as a whole, on the situation as it is today, about what the Government has done, and what we intend to do in the future.

Mr Speaker, no one will dispute the fact that the world is undergoing changes, particularly climatic change. We have seen the warming taking place in certain parts of the world, glaciers, additional amounts of water being pumped into oceans, resulting in a lot of water, which is inundating several countries of the world.

Mr Speaker, not only here in Guyana, let us look at our neighbours here in the region. We recently read of intense flooding in several villages across Trinidad and Tobago, resulting in dislocation of many citizens of Trinidad and Tobago. The same can be said of Jamaica, Barbados and other islands in the Caribbean.

Equally so, Mr Speaker, if we look at North America, we would have read and heard about floods taking place in areas we have not heard of or dreamt that they would have experienced the flooding that is happening in those countries. California and Washington in the USA; in Canada, Vancouver and other places; the same can be said for parts of Asia.

Mr Speaker, as we know, our country lies below sea level and we have experienced part of this heavy rainfall that the rest of the world has been experiencing. It is also a fact that our drainage and irrigation system, which was designed many years ago, starting with the Colonial era, has not been designed to take on the amount of water we are seeing and receiving in this country today. That is a fact. We therefore need to work to improve, restructure, and allow proper facilities to be put in place and this is what this PPP/C Government has undertaken ever since it started in 1992. *[Applause]*

To illustrate this information, the Hydrometeorological Department of the Ministry of Agriculture indicated that compared to the thirty years average rainfall was:

- 159 percent higher in December and 67 percent higher in January for Mahaica and Mahaicony;

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- 101 percent higher in December and 118 percent higher in January for Abary;
- 68 percent higher in December and 108 percent higher in January for Black Bush Polder; and
- 96 percent higher in December and a staggering 300 percent higher in January for the Pomeroon.

Of course, the current data available is part of January. So this illustrates the very point I made that we are now living in a changed reality. We now live in times where we have to rethink our strategies and make provisions for the future and when it comes to drainage and irrigation, this Government is committed to ensuring that we do everything to help, particularly the farmers - the working people of this country, on whom we so much depend for our existence and our prosperity.

Due to this persistent rainfall, water has remained high, especially in some badly affected areas and this has been increasing, because of the rainfall up to last night in several other areas. We are speaking here of areas such as Pomeroon in Region 2, all the way to Black Bush Polder, and other areas in Region 6.

Mr Speaker, you will recall that last Monday, we took the decision to blow the Maduni Sluice, to bring the water in the conversancy to an acceptable level. The experts there indicated that the conversancy has reached the point where it could not sustain anymore the deluge of water that was being accumulated. We therefore did so, advising the residents of the communities that would be affected by radio, by television and personally, His Excellency, the President, deployed Cabinet Ministers and other officials to the areas to sensitise the people, particularly the farmers, of what we were doing, why we were doing it, and to make provisions to see how best we can help them cope with the new reality that they were about to face. *[Interruption: 'Why you did not go to Hopetown?']* I am coming to that in a moment, Mr Corbin

I wish to outline some of the things that the Government has been doing,

and have explained, throughout the different regions of this country.

In Region 2:

- A breach at the main canal embankment at Maria's Lodge by the RDC has been sealed.
- The Copoey conservancy embankment has been raised at a cost of \$5 million to prevent further flooding;
- Five tractor pumps have been installed at Charity to alleviate the flooding;
- \$5 million have been spent to desilt channels at Somerset, Burkes Unu Creek and Mainstay.

In Region 3:

- Extensive works at a cost of \$20 million have been carried out to clear the channels in Canals 1 and 2, which have been completed.
- A pump has been installed at Leguan Island and another pump has been repaired by the RDC at Windsor Forest.

In Region 4:

- The desilting of the outfall channels at Hope and Belfield have been completed. A report on the embankment is being addressed.
- Other major works include \$42 million spent to rehabilitate the sidelines at Golden Grove, Nabacalis East and West, Anns Grove, and Victoria.

In Region 5:

- Pumps have been installed at Bellamy Canal and Trafalgar.

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- Canals have been cleared and Basket Pimpler at Mahaicony, with the machine being used at Ithaca to clear a blocked drain.
- A hymac excavator is ready to go into Belladrum today to clear the canals at that location.
- Works started yesterday at Hopetown.

For the interest and information of the Honourable Leader of the Opposition, I was in Hopetown and I did not run away from Hopetown, but rather I was accompanied by the residents of that beautiful community. I had a very good tour of Hopetown and experienced first-hand what was happening and together, in partnership with the residents, came up with some solutions which hopefully will bring some sort of relief to them. But not only in Hopetown, but across Region 5 and across this country. This is what the Government has been doing from day one, in terms of bringing relief to our farmers.

As I said, work has started at Hopetown with two hymac excavators to clear the canal there.

- At Onverwagt, one pump has been installed to help alleviate the flooding, while a second pump will soon be installed. The Honourable Prime Minister visited that area recently.
- Also revetment works at Perth, Biabu have now been completed, with some \$13 million being spent to construct a drainage culvert at Perth Village.

In Region 6:

- Two pumps have been working around the clock at Joppa to clear flood waters.
- In Fyrish one pump has been working twenty-four hours a day and has now cleared the outfall.

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- A pump was also installed at Sea Well on the embankment at No. 19 Village, which has been raised.
- In Black Bush Polder, residential drains at Yakusari and Johanna have been cleared and several cuts on the crown dam have been sealed.

Mr Speaker, there is no doubt that this occurrence we are experiencing is bringing hardships to many people, particularly the farming communities. Many people have lost their rice, cash crops, and livestock, particularly in the Mahaica/Mahaicony/Abary areas. Cash crop farmers in the Pomeroun, Canals Polder, Mahaicony and Black Bush Polder have been able to receive some support for the losses that they have incurred as a result of the floods.

In terms of support to the livestock producers, the National Dairy Programme, in collaboration with our vets have been able to supply things like wheat middling, molasses, and veterinary supplies to the tune of approximately \$4.5 million.

Veterinary supplies were distributed in the form of packages containing oral antibiotics, which can be administered by the farmers themselves, mineral blocks and spray treatment for wounds to the animals.

To date the approximate amounts of supplies have been distributed:

- Wheat middlings 1,000 bags;
- Molasses, 200 gallons;
- Veterinary supplies 600 packs; and that is an ongoing exercise.

Mr Speaker, we are also looking at the possibility of transporting the animals, because our animals are suffering, particularly in the Abary River/Mahaicony/Mahaica areas. Provisions are being made to transport animals that can be transported to higher grounds. You would appreciate,

Sir, that many of our animals in the Abary area are wild animals and are not accustomed to being confined, therefore that is putting an additional burden on us to reach them. Notwithstanding that, Sir, all efforts are being made to bring some relief to this sector.

Cash crop and livestock farmers will receive \$50,000. Rice farmers in the flooded settlements in Black Bush Polder will receive \$10,000 per acre for a maximum of twenty acres. Other rice farmers will receive \$5,000 per acre up to twenty acres and will benefit from the special \$400million assistance package announced on 22 December, for the purchase of inputs for rice farmers.

For the residents of the *Pomeroon* - Government has set aside \$60 million for assistance. This will cater for approximately 1200 households. Farmers were given the choice of choosing the \$50,000 cheques as were given to other cash-crop farmers in other areas affected or have an assessment conducted on how much each farmer had lost and to help them accordingly. However, the farmers rejected that proposal and opted for the lump sum financing. This was as a result of visits made by the President both to the Upper and Lower Pomeroon as well as Charity.

For the residents of *Mahaica and Mahaicony* - The President has confirmed that residents will receive up to \$100,000 in assistance. As bad as the flooding currently is and as extensive as some of the damages have been, we could have been in a worse situation.

One has to remember the flooding of approximately one year ago, at which time, as by the end of it, the Government had set up a taskforce to execute works. Since the setting up of that taskforce, approximately \$952million was expended and some of those works quickly served in some of the regions:

Region 2:

- Rehabilitated its sluice at Lima outfall;
- constructed a wall at Ituribisi conservancy; and

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- raised the embankment at Capoey relief creek.

Region 3:

- repairs to sluice at Parika outfall; and
- rehabilitation of channels and structures at Canals No. 1 and 2, Potosi, Leonora and Naamryck;.
- Revetment works at La Grange koker, Vergenoegen, Barnwell and Hague Gib.

Region 4:

- rehabilitation of Kofi Canal and sluice;
- dredging and embankment works at East Demerara Water Conservancy;
- flood relief works at Kuna head regulator and excavation of the Kuna Channel,
- constructing access road to Flagstaff;
- rehabilitating sluices at Beehive, Beterverwagting, Hope, Belfield, Buxton, Golden Grove and Victoria.
- Drainage and revetment works at Buxton/Friendship,
- excavating of Shanks Canal and raising embankments; and
- raising of the Crown Dam from Two Friends/ Haslington.

Region 5:

- extension of the Perth/Baiboo Main Canal; and

- D&I works in some areas in Mahaica/Mahaicony.

Sir, approximately \$952 million was spent and I would rather suspect that despite the heavy rains across our country, the fact that we have not seen any kind of floods that we did prior to that year in Region 4, is a direct result of works done by the taskforce in relation to bringing relief and to do the necessary work that was needed to be done during that period of time.

Mr Speaker, may I also update the Assembly and the nation on some of the major works undertaken during this current rainy season that has started in December and which continues now into January.

Region 2:

- widening of relief channel at Good Hope to Supenaam,
- disilting Somerset, Burkes and Mainstay.
- constructing of a relief structure at Mainstay; and
- constructing of a revetment at Copoey.

Region 3:

- cleaning of channels and Canals No.1 and 2.

Region 4:

- constructing and rehabilitating of sluice at Ann's Grove;
- raising of the Lamaha canal embankment;
- revetment works at Crown Dam at Haslington, Enmore, and Nabacalis;
- cleaning of drains within Mahaica to Plaisance; and

- works on the embankment of the East Demerara Water Conservancy.

Region 5:

- constructing the drainage culvert at Perth Village;
- constructing drainage pump at Mortice/Mahaicony; and
- constructing revetment and raising embankment at Perth/Baiboo.

Approximately \$175 million have been spent in this regard so far and these works are all ongoing.

These works that I have outlined have helped to alleviate the impact of the flooding and has also increased our preparedness to face the flooding this time round. As I said, this is a phenomenon that we are going to have to live with. Flooding is not new to this country and I rather suspect that despite all the resources at ones' disposal and the realities of the United States, Canada, Malaysia and the other more developed countries addressed this point, that money and spending money on D&I infrastructure, is no guarantee that you will never get floods. One has to spend it in a way that is systematic and is geared to bring the best results. Therefore careful planning is necessary over a period of time.

I wish to give a summary of the amounts of money that were given by cheques to residents in different areas of our country.

- Pomeroun - 1,375 amounting to approximately \$68 million;
- Canal No.1 - 265 cheques to the amount of \$13 million;
- Canal No.2 - 412 to the amount of approximately \$20 million;
- Mahaica/Mahaicony/Abary - 496 cheques to the amount

of approximately \$50 million;

- Morakabi - \$4 million to that Amerindian Community, which experienced heavy rainfall.

Mr Speaker, the heavy rainfall water continues to come down from the highlands and inundate us here on the Coast. At one time, we heard all kinds of rumours and talks - wicked rumours, (if I may say) that the Conservancy was broken and that the MMA was interfered with. All of these, Mr Speaker, have proven to be wrong. We even took a delegation of farmers to inspect the infrastructure, and they concurred that there were no breach in these conservancies. Rather, the heavy rainfall in the highlands has to come down somewhere Sir, and it came down unto the coast, into the more vulnerable areas. As I have said, since we have now been able to open the Maduni sluice, we are having excess water into the creeks. We said so. I want to make this point, Mr Speaker. This has not been a dishonest exercise as some people would know of. We went to the people beforehand, to alert and advise them that as a matter of necessity, we had to do what we had to do. And so we went and empathised and are there continuing to help, despite some who, in their own narrow-minded ways, in their own shadows, would go secretly into some communities and seem to be whipping up fears and protests in terms of trying to bring attention. This Government is committed to help all the farmers and the people of this country without any discrimination with regard to their voting patterns and sexual orientation. Without any of those, we are going to be there with the people, at all times, to assist as we have been doing, so that we can bring an end to this situation we are facing with excess water on the ground.

Mr Speaker, the question for us is not: is there a lot of rainfall? There is. The question is: how quickly can we get this water off the land? And this is what the PPP/C Government is committed to do so that people can go back to their productive lives, sooner rather than later, and start their production. *[Applause]*

Mr Speaker, in this vein, I think it is an opportune time as any, for us to

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pledge to work together to bring an end to the sufferings of our people.

It is no use making big speeches about commitment, partnership, togetherness and on the other hand, doing things that are exactly opposite to them. I call on the nation, all of us in this Assembly, and the people of this country; under these difficult times, to let our patriotism rise above all our narrow partisan interests. Let us rally to the cause and work together, as we are working with the CDCs and other communities. We are working together to bring relief and if all hands go together onboard, we can make the lives of the people of this country better in a faster time. I thank you. *[Applause]*

REQUEST FOR LEAVE TO MOVE THE ADJOURNMENT OF THE ASSEMBLY ON DEFINITE MATTERS OF URGENT PUBLIC IMPORTANCE

Flood Situation in Various Coastal Communities

Honourable Member Mr Robert HO Corbin

Mr Robert HO Corbin: Mr Speaker, I wrote to you earlier today and I believe, before the stipulated time deadline ... *[Interruption]*

The Speaker: At least, on this occasion.

Mr Robert HO Corbin: ... indicating to you, Sir, that in accordance with Standing Order No. 11(2), I wish to move an adjournment of the National Assembly at today's Sitting to discuss a matter of urgent public importance about the devastating floods taking place along the coastal belt of Guyana from the Corentyne to the Pomeroon and the response of the administration to the situation.

I did indicate to you Sir, that should leave be granted, I would be in a position to deal with the Motion, which I had also submitted to you. I would not attempt to read the Motion or the letter at this stage. But I also do not seek that, after listening to the presentation of the Honourable Minister a few moments ago, giving the Government's report, albeit belatedly, to this National Assembly on this situation, and looking at the headlines of today's national

newspapers alone - *Avoid Flood Waters As Much As Possible, the Conservancy Dam under threat*, and having regard to the regular newsreels that we have seen over the last week, and indeed my personal visits to many of these areas - the Pomeroun, Corentyne, West Coast Berbice, and the East Coast, there can be no doubt, Mr Speaker, that this is matter of urgent public importance, and because, as I said, I had an indication from you in my meeting prior to the commencement of this Sitting that there may be a possibility of your ruling favourably in this matter, I will reserve any further comments in this matter in the hope that you will rule positively in this matter and give me an opportunity to elucidate on those matters which I had written in the debate itself. I so move the Motion, Sir.

The Speaker: Thank you Honourable Member. As I indicated, I will allow the Motion and we will adjourn in accordance with the rules, either to 16:30h or to the end of Government business, whichever is the earlier.

Mr Robert HO Corbin: Much obliged, Sir.

INTRODUCTION OF BILLS

Presentation and First Readings

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**1. TRADE UNION RECOGNITION (AMENDMENT)
BILL 2006 - Bill No. 1/2006**

*By the Minister of Labour, Human Services and Social Security, on
behalf of the Government*

**2. CARIBBEAN COMMUNITY (MOVEMENT OF FAC-
TORS) BILL 2006 - Bill No. 2/2006**

*By the Minister of Foreign Trade and International Cooperation,
on behalf of the Government*

3. CARIBBEAN COMMUNITY BILL 2006 - Bill No. 3/2006

*By the Attorney General and Minister of Legal Affairs, on behalf of
the Government*

**4. MUTUAL ASSISTANCE IN CRIMINAL MATTERS
BILL 2006 - Bill No. 4/2006**

*By the Attorney General and Minister of Legal affairs, on behalf of
the Government*

PUBLIC BUSINESS

MOTIONS

ITEM 1 - AFFIRMATION OF THE VALUE-ADDED TAX REGULATIONS 2005

BE IT RESOLVED:

That this National Assembly, in accordance with section 95(3) of the Value-Added Tax Act 2005 (Act No. 10 of 2005), affirm the Value-Added Tax Regulations 2005, made under section 95(3) of the Value-Added Tax Act 2005, on 31 October 2005 and published in the Gazette dated 31 October 2005.

The Speaker: The Honourable Minister of Finance

Hon Saisnarine Kowlessar: Mr Speaker, I rise to move the following Motion standing in my name, be it resolved that the National Assembly, in accordance with section 95(3) of the Value-Added Tax Act 2005 (Act No. 10 of 2005), affirm the Value-Added Tax Regulations 2005, made under Section 95(3) of the Value-Added Tax Act 2005 on 31 October 2005 and published in the Gazette dated 31 October 2005.

Mr Speaker, the VAT and Excise Tax Regulations, as you would know, have gone through a long process of consultations and sensitisation and today we have further advanced the process by submitting the report of the Special Select Committee for consideration and approval by the National Assembly. The Special Select Committee has fulfilled its mandate, and the report is now ready for consideration by this House.

This is in keeping with the commitment given by the Government at the

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time of the presentation of the principal Acts that the Regulations will be brought to the National Assembly for affirmative resolution and before it is agreed to put those Regulations to a Special Select Committee.

It is to the credit of the Government that the Regulations were sent to a Special Select Committee, which I am advised is a novelty in recent Parliamentary practice.

Mr Speaker, the Committee met on eight occasions, as indicated, and I wish to point out that while there were disagreements on some issues, those meetings were conducted in a frank, open and cordial atmosphere. I also wish to point out that the members approached the task with a spirit of understanding and in that respect I wish to commend all the members of the Committee.

Given the timeframe for completion of its work, the Committee embarked on a selective consultation process, which saw the following organisations making oral and/or written presentations:

- The Private Sector Commission of Guyana
- Banks DIH LTD
- Guyana Insurance Brokers Association
- Tourism and Hospitality Association of Guyana; and
- Forest Products Association of Guyana

Those consultations were indeed quite useful to the deliberations of the Committee. Again this was honouring the commitment given on 10 November 2005, when those Regulations were laid in the National Assembly. Moreover, at the time of the presentation of the Regulations on 10 November 2005, the undertaking was also given to provide the Special Select Committee with the sensitivity study that was done on VAT. Not only was the information provided, but the Committee had the benefit of a presentation by the consultant, Mr Lindsay Holder. As the report

indicates, the Committee divided on three major issues on the VAT Regulations 2005.

- (i) The VAT rate of sixteen percent;
- (ii) The basis for determining the registration threshold; and
- (iii) Regulation 7(2), which some members claimed had not been taken into account a person who unintentionally provides false information.

There was an amendment to Regulation 10, which is stated in the report. Regulations 1, 2, 3, 4, 5, 6, 7, 8, 9, 11 and 12 were agreed to as presented.

Mr Speaker, with respect to the rate of sixteen percent, several simulation scenarios were done by the consultant of the likely yield of the VAT. Those were done using both official and unofficial estimates of the VAT base. The base of the VAT is closely linked to measures of national income and thus projections for the likely yield of the tax that were based on official estimates from the VAT base would have used the official GDP data as the starting point. For those VAT projections that were based on unofficial estimates of the VAT tax base, modified GDP data was used as the basis for calculating the value of expenditure that was likely to be taxed. The various scenarios that were simulated varied according to three criteria:

- (i) The extent of waivers or deferrals from VAT on imports
- (ii) The extent of relief from VAT on food imports; and
- (iii) The value for the rate of the VAT.

Waivers of deferrals of VAT from imports would incur when, for one reason or another, tax would not be required to be paid to the GRA, when imported goods are cleared from the customs. A waiver refers to the situation when there would be absolutely no requirement to pay the

tax, for example, international organisations and diplomatic missions.

A deferral occurs when an entity that should pay the VAT on imports is granted temporary relief, that is, no tax is collected by Customs when the goods are cleared, but the full amount of tax for which that entity should pay would be collected at a later date.

Waivers or deferrals can be limited or extensive and some of the simulations were based on the assumption of limited waivers or deferrals and others assume that waivers or deferrals would be extensive. It is important to note, given that there will be deferrals that the base scenarios for the simulations assume that those waivers or deferrals would be limited.

The simulations also took into account whether relief would be provided for VAT on food imports. The base scenario assumed that no relief would be provided. Other scenarios assumed that relief would be provided, and that relief would either be extensive or limited. Extensive relief involves a wide range of food items, while limited relief involves only those imports for which no consumption tax is currently charged. The last parameter that was allowed to vary the various scenarios was the VAT rate and rates of fifteen or sixteen percent were used. The various simulations were done using data for 2003, and comparison of the various projected VAT yields estimated using both official and unofficial GDP data, indicated that there was only one scenario that will allow the Government of Guyana to recoup \$16.4 billion in revenue to be foregone with the removal of the:

- Consumption tax;
- Travel Voucher tax;
- Hotel Accommodation tax;
- Entertainment Duty;
- Tax on horse racing betting shops;

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- Telephone calls;
- The service tax;
- The Premium tax; and
- The Purchase tax.

For that scenario the VAT rate was sixteen percent, waivers and deferrals for imports were limited and there were no provisions of VAT relief on imports of food. Based on unofficial GDP data, the projected yield for VAT was significantly greater than when official GDP data was used. As a matter of fact, when official GDP data was used, the result was basically revenue neutral. With the selection of the appropriate VAT rate, the Government of Guyana is constrained by the fact that it has to use the rate that will allow it to generate the required amount of revenue and where the likely yield is paid on official estimates on GDP. By way of comparison, Barbados, which introduced VAT in 1997, used its official GDP data to determine its rate. Also, it did not provide any relief from VAT on food imports and introduction of the tax in January 1997. Relief was provided a year later, after the performance of the tax for the first nine months was reviewed.

Mr Speaker, the \$10 million threshold was chosen in order to allow for better administration of the VAT by eliminating those businesses that may not be able to comply with the record keeping requirements of the tax, thereby enabling the VAT department to focus its resources on persons or businesses, whose gross earnings exceed this threshold. At the same time, the Regulations also provide for persons to be registered voluntarily and so remove the disadvantage which may be faced by a person operating below the threshold.

Mr Speaker this, in a nutshell, is an attempt to provide this House with an indication of the proceedings of the Special Select Committee and the thinking that went into the decisions that are now before this House for consideration and approval. I trust that the Motion would be supported by all sides. Thank you.

The Speaker: Honourable Member, Mr Winston Murray.

Mr Winston S Murray: Mr Speaker, I want to begin by saying, I do share the Minister's assessment about the way in which the VAT and Excise tax Committees conducted their work. It was a cordial atmosphere, the discussions were frank and open. We disagreed where we had to, but we did not do it with rancour and I hope that in presenting the PNC/R's position that will also be the case here this afternoon.

Sir, I wish to begin by recalling that the PNC/R, in the debate on the Principal Acts - the VAT Tax Act and the Excise Tax Act, we supported the introduction of these measures in principle. The pillars of such support were revenue-neutrality, bringing into the tax net a wider range of persons and businesses, and since the effects of the two taxes combined was to be revenue-neutrality, the overall effect would have been to reduce the tax burdens on those who currently pay tax.

My understanding - and I have researched the Hansard, indicates that the Government's contributors to the debate on the Principal Acts emphasize the revenue neutrality of the two measures combined. I recall specifically, the open commitments given by at least three ministers. I think it is worth repeating, because unfortunately the People's National Congress/Reform is forced to come to the conclusion that this commitment uttered by ministers of the Government in this House, have been violated in a very significant way by the positions that the Government adopted in the work of the Special Select Committee. On behalf of the People's National Congress/Reform, I have to report that based on the information made available to the Special Select Committees, the numerous inadequacies of the Acts as passed and assented to and the choices opted for by the Government in terms of the rate of the VAT, the threshold, the PNC/R cannot support what is in effect a majority report of the Special Select Committees.

We believe, we have a bounden duty to inform the Guyanese people of

the basis of our position.

As the Minister himself just pointed out just now, one of the most important matters referred to the Special Select Committee, if not the most important matter, was the rate of VAT and in this regard, I am pleased to acknowledge, the Honourable Minister did make available to all members of the Committee, the report of the Consultant entitled *Estimation of the impact of a Value-Added Tax*.

With your permission, Sir, I would like to refer to some of the contents of that document, because I believe it is instructive, in relation both to the rate adopted by the Government and in relation to the position adopted by the People's National Congress/Reform.

As the Minister pointed out, the Consultant, in his report, provided a number of simulations - basically three. Under each simulation provided, in some cases five scenarios and in other cases seven scenarios. I need not detain the House as to the content of each of these, but what I can say is that on Page 38 of this document, there is set out a comparison of results based on both official GDP estimates and the estimates for GDP by the Consultant.

Sir, the Consultant made it clear that in his view, it was not appropriate to use the official GDP as the basis for determining the rate of the VAT. On Pages 24 and 25 of this report, he very clearly identified the reasons why he suggested that we should focus on GDP estimates, other than the official estimates. Exhibit 2, on Page 24 of his report, he points out that there is an understatement in the official GDP for the contribution made by the forestry, logging, timber and wood products sector, to the extent of \$3.6 billion, and that the manufacturing sector was understated in the official GDP by over \$3 billion, and the wholesale and retail trade by over \$12.2 billion.

Sir, he also pointed out that the 2003 GDP estimates which, as the Minister said, forms the base for these calculations, that the wholesale and retail sectors which have the largest discrepancy between an official es-

timates and the estimates used by the consultants and that the figures used in the official estimates are inconsistent with the estimates for other sectors, because the wholesale and retail sectors will largely flow from the production in other sectors and imports. So there is a way of estimating, with a fair degree of accuracy ... and he said here that while at the official GDP level, it is said that 4.1 percent of GDP is contributed to by the manufacturing sector, that in their estimates, the contribution is of the order of 11.5 percent. Not only did he say that there, Sir, but he summarized the position as follows in explaining why he chose a GDP other than the official GDP.

First of all he identified the sectors, and he identified specific shortfalls that are non-existent in the official GDP and this is what he said in his conclusion:

Our firm belief is that the official GDP data has being under-estimate, and it therefore does not reflect the level of economic activity, particularly in the wholesale and retail sector. We therefore believe that conclusions based on the use of such data, that is, official data, for the analysis of the impact of VAT and associated Excises, are likely to be inaccurate and misleading.

Yet the Government is opting to use the official GDP as the bases for estimating the yields of these taxes. Their estimates are approximately twenty-one and a half percent greater than the estimates used by the Government for official GDP.

Beyond that, I would like to refer to a Working Paper done by the International Monetary Fund by its then Resident Representative here in Guyana, Mr Abraham Faal, who did a paper on *The Underground Economy in Guyana*. At Page 16 of that Paper, he said that *for the year 2000, the underground economy was estimated at thirty-five percent greater than the official GDP* and then he produced it in the form of a figure and he demonstrated that it was just under forty percent/ thirty-five percent and rising. That was the trend in the year 2000.

Sir, he also went on to identify some types of transactions that are in the underground economy which could be brought into the framework of the VAT, given the way in which the VAT is going to be administered.

He said that drug dealing and manufacturing, money laundering, smuggling are illegal activities, but that they have a presence in the economy and they make a immense contribution. They cause flows of money and circulation of money within the economic system that are in fact going to be affected by VAT. Even in terms of legal activities, there are some things that are not, at the moment, caught by the tax system, such as tax avoidance, tax evasion and under-invoicing.

Mr Faal in fact puts the picture as even worse than the Consultant did. The consultant said an additional twenty-one point five percent GDP should be the basis for determining the level of VAT. Mr Faal said, back in 2000, and I believe I run no risk of being contradicted if I were to say that Mr Faal's estimate of thirty-five percent in 2000, if we were to do an estimate in 2006, it would be higher, because the underground economy has been expanding.

Sir, what does that bring us to? It tells us, quite clearly that the Government has, without good and proper justification, chosen a smaller base on which to estimate the yield for the VAT. I will not say, because I do not believe it to be the case that this is sinister, but I do believe that the Government is very much aware that were it to use the more realistic GDP base, as was suggested and argued for strongly by the consultant that the yield of the VAT would be embarrassingly high in terms of revenue-positive. That is what they do not want to portray to the Guyanese people, having committed themselves in the debate in this House to a result of revenue neutrality. So what we have being presented to the nation is the masking of the reality of the effect of the VAT that they have chosen to impose here in Guyana.

Sir, let me tell you what the differences actually amounts to, in terms of yield. If we use the scenario that the Government informed us in the committee that they have chosen as the basis for the VAT, it would show

that using the Consultant's estimate, the revenue gained from the application of a VAT of sixteen percent, it is approximately \$3.7 billion. Now that is a mighty cry for revenue neutrality. Of course, that would make the Government extremely easy, but if they back away from that position and they use the official GDP, then the revenue gain would be projected to be approximately \$530 million. Mr Minister, as much as this is an estimate, I do not think you should call it revenue neutrality, because that is revenue-positive, although I am willing to concede that in the realm of calculations it may not be extremely significant. I do not think you may try to mask it as revenue neutrality.

Mr Speaker and Members of this Honourable House, what we have here is a subtle imposition of additional tax burdens on the people of Guyana, while mouthing the rhetoric of revenue neutrality.

In fact, Sir, I am glad that the Honourable Minister spoke of Barbados, because I want to use that very country, but for another purpose.

In 1997, Barbados introduced a VAT of fifteen percent and what this report says is that the experience has been that the fifteen percent VAT introduced in Barbados is associated with the one-off increase in the price level. In Barbados, the approximate increase was five percent, thus the real incomes of individuals would decline by five percent, assuming no adjustments in wages and salaries and that can be associated with an approximate across-the-board reduction of five percent in the quantities of goods and services purchased. I know, and would concede that we are not an identical economy as Barbados, but I want to venture to suggest that the experience in Guyana would be no different, because we spent many hours going through these rates on a number of items and when we married the VAT and Excise Taxes we discovered, in fact, that while in some cases they were close, in other cases there were significant differences. At the end of the day, the point is, there is likely to be a one-off overall increase in the price level. So let us prepare our citizens for what is the truth. The truth is that we are about to introduce a VAT and Excise Tax which, together, are going to have an effect in the real cost of living of the people and also the effect of imposing

additional tax burdens to the people of this country.

One other reason why the Government should have shied away from using the official rate, Sir, and we believe we owe it to the people of this country to make it known, is that it make the argument itself during the course of the debate on the VAT Bill that one of the reasons for introducing VAT is that it was going to capture more people and companies into the tax net. So the logic of that position suggests that you must use as your basis a GDP that is greater and the transactions which flow out of the GDP that are taxed are greater than the one you are using in this case. So you defy your own logic by what you have chosen to do.

So, Sir, on this question of the rate, there is something else I really believe necessary to say. Sir, I am sure the House and the nation will find this very interesting, when the Consultant made his presentation, he presumed two alternative rates for VAT - a 16 percent and a 15 percent rate of VAT. Those were the two options before the Committee. Then he proceeded to explain to us the ramifications of one rate as against the other, as the Minister said, without waivers or with limited waivers and without relief for food imports and with relief for food imports. But we of the People's National Congress/Reform referred him to his methodology, because we believe that we should not simply announce a rate or two rates as options, but given the fact that the objective was to achieve revenue neutrality, we started from a position in which we knew what was the amount of revenue we wanted to garner by this tax, because we had the information that would make us aware as to what were the revenues - the consumption tax, the purchase tax, and all the other taxes that are listed, which were going to be repealed. We knew what we got on an annual basis.

Under the methodology, this Consultant said that the conventional methodology that was employed for estimating the yield of a VAT involves aggregate national accounts data employed for estimating the yields of a VAT. I said to the Consultant, but Sir, why are you commencing in your methodology with estimating the yield of a VAT? That is not the primary purpose as we in this National Assembly debated and concluded. And

so we told the Guyanese people on all sides of the House to simply garner that same amount of taxes, as we had garnered under these taxes that we were going to forego, except that Value-Added Tax had an added benefit in that it would widen the net over which it would be cast, therefore the rate would be lower and the tax burden on those who currently bear it would also be reduced.

To my horror, the Consultant said, it is unwise to speak of revenue-neutrality. Revenue-neutrality is a highly theoretical concept, because I put it to him. Since we knew the amount of tax we wanted to recover and we knew the base on which it was probable to recover that tax, it would be methodologically possible to determine what rate of tax would give you the yield you want to recover or the amount of revenue you want to recover. So you do not begin with what a given rate of tax would yield, but rather you say, what rate of tax do you need to give you a particular yield? Sir, I found it extremely distressing that when he debunked the position of revenue neutrality, not a member of the Government's side had something to say. There was utter silence and I was struck by that, because I wondered if this meant that the Government gave sanction and asked this Consultant to prepare a report assuming a sixteen percent rate and prepare a report assuming a fifteen percent rate and therefore could not, in public, seek to contradict what he was saying? I did not see it as my place to take the Government out of this dilemma. I therefore refrain from asking the man. But to me it would have been quite a proper question to put to the Consultant: why he could not have used the information to give us a derived VAT that would be nearer to revenue neutrality? Sir, I felt compelled to mention that, because while I do not want to impugn the motives, I do not have a clear explanation yet, as to why the Government did not speak up about revenue neutrality at that time. And he spoke about neutrality again today and he knows that we are not going to be anywhere neutral.

I also want to point out to what I believe is a major problem with what we are proceeding to do, and it is this:

The Minister pointed out that in the assumptions made by the consultant

in his report, he gave us alternatives on the basis of having waivers or deferrals from VAT on imports and having VAT relief for food imports.

I only want to deal with one, because I do not want to delay this House unduly. I believe it is important enough to note that when the Government brought the parent Bill to this National Assembly, it did not make any provisions anywhere in that Bill and in what is now an assented to Act for VAT relief on food imports. So we came to the Committee to consider the structure of the tax, the Government having picked sixteen percent and under that scenario that they themselves identified, it says, no VAT relief for food imports. I pose the question to the Government: are you saying that in your regime that you will implement, you will not allow VAT relief on those food imports which currently do not pay consumption tax? Because if you do that, you would in fact be taking those items out of the non-taxed category, because they had no consumption tax and putting them in a category qualifying for VAT imposition. That would have a direct burden on the consumers of Guyana. For clarity let me tell you what are the items we were talking about here, because he listed them at the back of the study:

- Potatoes;
- Onions;
- Garlic;
- Split peas;
- Rice; and
- Soya beans

And Minister Nadir, to his credit, pointed out that the list left out one important item:

- wheat and wheat flour.

All of them under the law, as is, will pay VAT. When they saw the dilemma, if not pickle (to use the Guyanese parlance) they were in, they then said to the Committee, because this is our probing that is bringing this out, they will agree to refrain from imposing VAT on these food items. But alas we have a problem, we cannot put these items in the regulations, because these regulations could only amplify what is in the principal Act and in the relevant schedule of the principal Act, there is no mention about food items. So as the law stands today as we speak, if we implement the VAT these items would become subject to VAT. But the Government has committed itself and I say that in order for the totality of the picture to be presented to amend the principal Act to make provisions for the exemption of these items from the application of VAT.

My problem, Sir, with that approach is this, because there are some other items which I could refer to which have similar problems, the legislation does not provide for their exemption. But in the cut and thrust of the Committee's work, we of the PNC/R pointed out other situations in which, if there was no action, VAT would be applied on other things, one of which, I think, is the Excise Tax, because MPs are also going to be thrown through the window and I must say Minister Baksh was very aggressive on this one and wanted to ensure that MPs did not suffer and would not be any worse off after VAT and Excise Tax than they are now. I wish to compliment him for that because I believe we all are involved and so he did it on behalf of us all. So once again, I want to compliment him for that.

Sir, on the question of this rate ... [*Interruption: 'You went low, that is sarcastic'*] No, no. I gave him credit and he is benefiting all of us. Alright I withdraw it. Mr Speaker, through you I withdraw it Mr Ramotar, because I do not want us to fall out over a matter of this nature. I withdraw those remarks unreservedly. I want to go back to this question of the rate of the VAT, because this is an important national issue. If you look at this table ... [*Interruption*]

The Speaker: Your time is up Honourable Member.

Mr E Lance Carberry: Mr Speaker, I rise to move that Mr Murray be given fifteen minutes more to conclude his presentation.

Put and agreed to

The Speaker: Proceed.

Mr Winston S Murray: Thank you, Mr Speaker. I can work within that time limit. Sir, if you look at what was given to us, there is a scenario which says you can apply a rate of fifteen percent if you use the unofficial data and the expanded GDP base, which the consultant strongly suggests. You can apply a rate of fifteen percent, one percent less and can end up with a revenue gain of \$2 billion. What this tells me is that if you adopted an approach we suggested to the Consultant, it may even be possible to come down to fourteen percent and reduce this \$2 billion to \$1 billion, and if you go down to thirteen percent it may even be less. I believe that work still needs to be done. We were led to believe, Sir, in the Committee (well, I should not put it that way. I will put it even more positively). I think the Chairman of the Committee (the Minister) announced that he was going to amend the date for the implementation of these taxes to 1 January 2007. I will deal with it in this context, because that is approximately one year hence as against coming into operation in April and July, the two parts respectively. I want to suggest to the Government, so that the people of Guyana can feel comfortable and know the full picture, the legal framework within which they will have to live or die under a VAT. I am optimistic that they will live. I want to suggest that these Regulations be held, they should not be proceeded with, because the effect of adopting these by Affirmative Resolution, we will be out-voted and we know that, it is really nothing in terms of giving effect to these rates, because you would not have brought into effect that part of the Act which institutes the rate of Section 9 of the VAT Act - the sixteen percent. You are not bringing it into being until 2007 and undertake the following:

- (i) To get a consultancy to look at a revenue neutral base as the starting point, adopt a methodology using that base and the unof-

ficial GDP to tell us what rate of VAT will give us true revenue neutrality and let us see that.

- (ii) Put these Regulations in abeyance again, bring to the House the relevant amendments to the existing Act, which is not yet enforced and will not come into force until 2007 bring those amendments here so that we will see that split peas, garlic and onions and so on are, in fact, provided for in the law to be zero-rated for VAT purposes so that consumers out there will not only understand it, but see it in the law.

Similarly, those other matters such as the situation with MPs could also be brought into the Principal Act through a process of amendments. And once we shall have done that and amended the Act to fully reflect this, first of all, we might have a possible rate change from sixteen percent to one that is lower. And secondly we will make explicit provisions in the Principal Act to exempt or zero-rate certain items from the taxes, then we can bring the Regulations back into the picture and then we will have a simultaneous release to the public of Guyana giving them the true, proper and full legal framework within which VAT will function. To my mind, that will help to make the people of Guyana confident that the measures you are bringing indeed has the objective that you stated in the debate. I believe the Government should not miss an opportunity to do that.

Beyond the question of the rate, I would like to refer to some other specific Regulations that caused us concern and which we could not support. We could not support Regulation 4 as it stood because Regulation 4 gives discretion to the Commissioner General, who is the person that will administer the VAT, to have people voluntarily register even though they were below the threshold. But in the exercise of his discretion it says, they may be registered if they satisfy certain conditions and the conditions are set out in Regulation 3(a), (b) and (c). These conditions are very onerous. They must have the following:

- A cash flow;
- Revenue projections;
- Evidence of their bank loans;
- Feasibility studies; and
- Ability to purchase capital equipment.

They have to give all of that to the Commissioner so that he can have a total picture of their abilities to function as a good business entity and to be able to provide him with this information. But at the end of this exercise, there is no guarantee that the Commissioner will register him. He still reserves a residual discretion as to whether he would give such a person registration. In our view that is unfair. If you set up criteria for a person that he has to satisfy and he satisfies them, I believe, the Commissioner should automatically grant these people ... [*Interruption: If he gets a call saying, do not grant these people.*] ... that is right. That is what it does. It gives him the discretion, although people satisfy these criteria, to choose who he grants to and who he does not grant registration to.

We believe too that Regulation 7(2) cannot be supported as is. This is a Regulation which enforces a penalty where a person provides false information in relation to the filing of his returns and the credit that he claims. If he commits an offence he would be subject to a fine of \$25,000 and imprisonment for one month. This, as put here, suggests a strict liability offence. Whether this person has any knowledge or has been deliberate is irrelevant. As far as the Commissioner General is concerned, once this person supplies information that is false and have resolutely refused to put the word *knowingly*, because what we are saying is, you must establish that the person had the mind - the *mens rea* - to commit an offence or to deceive the Revenue Authority. Why do we not want that? Do you know what the explanation was? It would be hard to prove in the court if we put that in. So we want him to be pure and simple, if you supply information that is wrong then it is a \$25,000 fine

and a month in jail for you.

Sir, we do not believe that is fair and encouraging to business. People want to get registered and showing an enthusiasm for registration they want to be incorporated in the tax system, but what we do we frighten them away to stay underground. Because even if you unwittingly supply information that is inaccurate or false, we will fine you and we will jail you. So we cannot support that Regulation.

Sir, we also have a big problem with Regulation 11 - Financial Services - Regulation 11(2)(d) and Regulation 11(8). The gist of the problem is this; according to the interpretation given by the Attorney General, the summary of those two parts I have referred to is that brokers who sell insurance policies will have their commissions vatable. They will have to pay the sixteen percent VAT on those commissions, but the irony is that insurance premiums are exempt from VAT. How does the broker gets this commission that is going to be vatable? He gets it out of the premium and he does not add on top of the premium a broker's commission. It is incorporated in the premium, so what you will have is discriminatory treatment as between a broker who has to earn a commission but gets it out of the premium and the insurance company who charges the premium, but nothing is vatable in that premium that he charges and the policy in which he issues directly, nothing is taken out from that. But the poor broker is going to have to pay the VAT and all that the brokers came to the meeting to ask, is to create a level playing field. If it is that you are going to tax my commission which is part of the premium, tax that part of the premium whether or not it comes from a broker or an insurance company, then we will have a level playing field. If not, you are definitely putting the brokers at a disadvantage competitively, because with respect, they would not have the option of raising the premiums, because the insurance company will tell them that they cannot sell a policy beyond that premium and it means *ipso facto* they will have to take a loss and that is what they face. So we could not subscribe to that.

I also want to refer to medical services, which is the last item before I take my seat. The Medical Services, Regulation 12 says, prescription

drugs are exempt from the imposition of VAT, but prescription drugs prescribed by a medical practitioner - that is the definition of prescription drugs - drugs prescribed by a medical practitioner. There is a number of drugs which are over-the-counter drugs, but may also be prescribed by a practitioner. Because if you go to the practitioner and you tell him you would like to have this, he prescribes. If you did not go to him and you may have gone outside, but you did not know that that was the drug so you did not go outside to acquire it, you would go to him and he prescribed it. That is not vatable. But if you buy that same drug simply bought it over the counter, because you had illness before and you know that this is the cure that purchase is subject to VAT. So here you have a rather difficult situation - the identical product because it is purchased over the counter it is vatable, but if it prescribed it is not vatable. Sir, we were provided with a list of medical supplies that currently are free of consumption tax and what we asked the Government which my understanding is that they have agreed to accept this list which is currently free of consumption tax which should also not be subject to VAT. My understanding is that the Government agrees and accepts this position and again they undertake that they will have to amend the Principal Act to give effect to this. I have given them a solution and a way to go so that we do not have a situation in which people see the partial picture and later on are going to see the fuller picture.

The last thing I want to say is this: I believe this Committee has had to work at immense speed in order to meet the deadline announced to us sometime into the Committee's work, not by agreement within the Committee, but by announcement that we have to meet an IMF deadline. Sir, I am taking a very strong objection to this approach. I have said before and I repeat to the Government that we are willing where the national interest requires it, to join with you, to approach these international financial institutions, to get adjustments to timelines, to allow the peoples' representatives in this House, to fully debate and come to agreement, in a studied manner on issues that affect the citizenry of this country. *[Applause]* But the Government persists that no, we have to meet this deadline. It is pure and simple that we have to meet the deadline.

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You take it or leave it and a lot this is hurried work. I have not had the time. We have just seen this final report and as we were sitting here. We went through it, but normally what would happen in these committees is, you would have a last meeting to go through it with a fine-tooth comb. But I have accepted it on trust, because I understand the predicament of Hon Minister Saisnarine Kowlessar who has a budget to present on Monday and therefore wants to see the back of this. So we have agreed to go ahead, but I want to say to you, in all honesty, that this is not a situation in which we should allow to work. We have to find a mechanism, both the Government and the Opposition must stand up and say that we, the representatives of the people of this country, feel that in keeping with national interest and to proceed together to make representations in this regard. Mr Speaker, I therefore take my seat by renewing my call to the Government not to proceed with these Regulations that are before us, but rather bring the amendments to the House for the Principal Acts and once the full legal framework is ready and available to the people of this country then we can, together, look at a total regime to impose including the rate of VAT. Thank you very much. *[Applause]*

The Speaker: Thank you Honourable Member.

The Honourable Minister of Housing and Water

Hon Shaik KZ Baksh: Mr Speaker, I have listened very attentively to the Honourable Member Mr Murray and for the first half an hour of his presentation, he dealt with the question of whether we use the official GDP rate or the unofficial GDP rate. And of course he used the Consultant's report to arrive at that position. The GDP rate or an important component of the entire model used by the Consultant and I think he agrees with that. The model used by the Consultant utilised both a national income approach and what is known as a Social Accounting Matrix, very complex and it is based on four types of data sets:

- The first data set is data on imports and exports and the associated tax yields and this can be readily obtained from the Customs and Trade Department through the ASYCUDA System - very comprehensive.
- The second set of data derives from imports by economic sector and this also can be obtained from the list of the 2000-odd importers which the Customs and Trade Department has at its disposal.

However, the other two sets of data on total sales and total purchases by economic sector were estimated based on the GDP, data provided by the Bureau of Statistics. But the data was found to be inadequate by the Consultant and therefore he proceeded to provide his own estimates of the GDP.

The final set of data was data on sales and purchases between sectors, which was not available through the Bureau of Statistics. Hence this is what the Consultant did: he generated this data through his own estimates and relied on a percentage of allocation of sales and purchases in the Social Accounting Matrix from Barbados and Dominica. So we can see what is happening here. In presenting his model for this impact assessment on the VAT, the Consultant presented data which, to some extent, cannot be relied upon. Secondly, the consultant posited in Scenario C, which Mr Murray referred to, as to two sets of tabulations – one based on the official GDP rate and the other on the unofficial GDP rate. Using the unofficial GDP rate was really to present a scenario for the Government to say, well, if you use the official GDP rate this will be the results. If you use the unofficial GDP rates this will be the results. I will quote from Exhibit 10, which he used extensively to prove the point. In Simulation C and Scenario 1, which the Government is accepting, this is on Page 38:

It provides for ...

and I will qualify this later on the Government's side.

... waivers or deferrals from VAT on imports. VAT relief for food imports is not provided for and the VAT standard rate of sixteen percent.

If you use the unofficial GDP rates, you will get a revenue gain of \$3.6 billion, that is correct, but if you use the official GDP rate you will get a revenue gain of \$530 million. This whole concept of revenue neutrality which he dealt with and laboured upon all the time - the revenue neutrality has to be defined within a context. There is no perfection in all of these data. So you cannot have revenue neutrality in the sense that he is referring to. It will be a plus or a minus, but the ultimate objective is to ensure that the revenue yield which we are receiving now through the consumption tax regime for the purchase tax and all these other taxes would be around the figure of \$16.4 billion. This is the revenue yield which will be foregone by the country in abolishing these other taxes or the whole range of other taxes. So we have to make up, more or less, for that loss of revenue foregone and this is the objective. It cannot be precise in no way. In the national accounts of Guyana can there be a perfect situation of balancing off. You will attempt to reach that position and this is clear.

What Mr Murray did not mention is that we would not be able, using the official GDP estimates, and if we decide, this is part of the report which he did not mention. I will quote the part of the report on the zero-rating of food items. I do not think he read the report, where we are recommending that the Government institute a regime to zero-rate and to amend the VAT legislation later. If you do so, you will see that the sum of \$680 million will be foregone as lost revenue in giving that dispensation so that you will actually arrive at a figure using the Scenario 1, which the Government is accepting on the condition also that we provide some relief for food imports and he has quoted the listing there. We would actually arrive at a slightly negative position ... *[Interruption: 'How you arrive at that?']* Let me repeat, if we provide, under Simulation C to zero-rate food items, there will be a revenue loss of \$640 million or thereabout, and when you balance it off, you will have a slight loss position in all of this. *[Interruption: 'Present the figures.']* It is here on Page 38

of Exhibit 10. It is right next to you. Just look at your catalogue there and look at the figures here on Scenario 1.

Mr Speaker, this is a model presented by the Consultant and it should be noted that in the selection of an appropriate VAT rate, which is sixteen percent, the Government is constrained by the fact that it has to use a rate that will allow it to generate the required amount of revenue and where the likely yield is based on the official estimates of GDP. How can this Government use other than the official GDP figures? We cannot do that. There is the thinking out there that the GDP rate should be higher, it could be five, ten or twenty percent. He quoted the IMF report of thirty-five percent, but there is no study of the GDP in Guyana to bring that out. There are no precise figures. He cannot present precise figures on that.

The point I wish to make is that the official GDP estimates are usually obtained using standard instruments. For example, all the macro-economic indicators of this country revolve around the official GDP estimates. Should we go and use some other figures plucked from the sky? We cannot do that. The whole argument spins on that.

Secondly, all the policy instruments of the Government, both fiscal and monetary are based on the official GDP rates. Do you want this Government to pick some figure out of the sky? We cannot do that. All the international agencies including the World Bank and the IMF based their assessments on the official GDP of a country. Let us take the lessons from the Caribbean, there is no Caribbean country that have not used the official GDP. And so in implementing VAT we have to look at the comparison situation. The comparison situation of Trinidad, Barbados and Jamaica and the other countries showed that in all cases they have used the official GDP and it makes sense. You cannot deviate from that position. The Consultant used some figures in a hypothetical sense, to draw a comparison to show that if the GDP figures go up, and it is important to do so, I must commend the consultant on that, because at a later date, and the review of VAT legislation in the Caribbean, showed quite clearly that when you review the VAT legislation, you will have to

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look back at your GDP rates - all reviews have been done and adjustments made to go along. There is nothing precise about that therefore we will have to ensure that we use the GDP estimates as the most appropriate one.

Another important thing to bear in mind is that in Guyana until we revise ... [Interruption]

The Speaker: Honourable Member, if you are going to make another point, I suspect you may have some more time before you conclude your presentation.

Hon Shaik KZ Baksh: You are right, Mr Speaker.

The Speaker: How did I guess? This would be an appropriate time for us to take the suspension.

But before we do we have three Special Select Committee meetings for which Members have received notices and which will take place now. Because there is such a large number of people, I will assign responsibility for these meetings. These are just to elect the Chairperson of these meetings. That is all. So, each one will take less than fifteen seconds. But what takes the time is gathering Members to the meeting.

For the Special Select Committee on *Municipal and District Councils Bill*, the members are: Honourable Members Clinton Collymore, Philomena Sahoye-Shury, Zulfikar Mustapha, Cyril Belgrave and Heeralall Mohan. I assign the responsibility of gathering these members on Honourable Member Mr Clinton Collymore. The members of the Opposition are Honourable Members Vincent Alexander, Basil Williams, Ivor Allen and Sandra Adams. The responsibility here is for Mr Vincent Alexander, his name coming first.

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The other is the Special Select Committee on the *Competition and Fair Trading Bill*. The members of this committee are: Honourable Members Shaik Baksh, Satyadeow Sawh, Bibi Shadick, Manzoor Nadir and Odinga Lumumba. Honourable Member Shaik Baksh has the responsibility. On the Opposition you have Honourable Members Mr Winston Murray, Ivor Allen, Basil Williams and Jerome Khan. I am tempted to give Mr Jerome Khan the responsibility, but since Mr Murray is senior to him perhaps Mr Murray should bear that task.

Finally, Mr Corbin, the Special Select Committee on the *National Development Strategy*, the members are: Honourable Members Saisnarine Kowlessar, Shaik Baksh, Satyadeow Sawh, Manzoor Nadir and Harry Narine Nawbatt. The responsibility is on Mr Kowlessar. From the Opposition: Honourable Members Winston Murray, Lance Carberry, Jerome Khan and James McAllister. The responsibility is on Mr McAllister.

Honourable Members, please gather. It just takes about fifteen seconds to elect a Chairperson, so we can do that. Thank you very much.

16:00H

THE SITTING IS SUSPENDED

16:40H

THE SITTING IS RESUMED

**REQUESTS FOR LEAVE TO MOVE THE ADJOURNMENT
OF THE ASSEMBLY ON DEFINITE MATTERS OF URGENT
PUBLIC IMPORTANCE**

Flood situation in various Coastal communities

Mr Robert HO Corbin: Mr Speaker, on a point of order, to my understanding, Sir, of Standing Order 11 ... *[Interruption]*

The Speaker: You are talking about the quorum, Honourable Member?

Mr Robert HO Corbin: I thank you for guiding me there, but I do not want to raise the matter of a quorum ... *[Interruption]*

The Speaker: You are right, Mr Corbin, I understand. Thank you very much.

We will suspend the debate currently on the way and I will now invite Mr Corbin to proceed with his Motion.

Honourable Members, before doing so I wish to point out that an Adjournment Motion has been described as an extraordinary device - a procedure which interrupts the normal business of the House to introduce a matter of urgent public importance. This does not occur very frequently. As a matter of fact very rarely, so I want to alert Members, firstly, that only one issue can be raised on an Adjournment Motion and Mr Corbin has raised that issue and the Motion has been allowed. However, the debate on such a Motion is confined strictly to the matter with regard to which leave to move the adjournment of the House was obtained.

I am reading this for both sides of the House, not one side.

No matter can be raised, incidentally, which would be out of order if it had been included in the terms of the Motion.

Secondly, debate on the Motion, when admitted, should be strictly restricted to the specific matter mentioned in the Motion.

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I just want to read those passages for Members to clearly understand that while it would be appropriate in certain circumstances to allow some liberty for Members to deal with some tangential issues, I will not allow a free-roaming-ranging debate on the floods from either side of the House.

Proceed, Honourable Member.

Mr Robert HO Corbin: Mr Speaker, I am grateful that this House has agreed to adjourn to discuss this urgent matter of public importance.

Mr Speaker, perhaps I should begin my presentation by quoting from the Stabroek News of 19 February 2005, written by Andre Haynes, and the headline stated *FLOOD SYMPATHY MOTION CARRIED, OPPOSITION CALLS FOR INQUIRY COMPENSATION SWEEP ASIDE*. And the contents of this article detailed proceedings of a debate which took place in this Honourable House almost a year ago, running over two days I think, and as the Newspaper reports, the Motion was carried at 03:29h. That is how long we were here in this Honourable House discussing and trying to make suggestions to avoid a repetition of the experiences which we had in Guyana during last year.

Mr Speaker, since early December 2005 heavy rainfalls, as outlined by the Honourable Minister in his statement to the House today, even though he omitted to say, coupled with the obvious poor state of drainage and infrastructure, contributed to the flooding in several communities around this country along the Coast, including farmlands. That rainfall continued throughout the month and by early January of this year - the very first week in January - it was very obvious to any observer that Guyana was on the brink of facing another flood disaster close to, though not yet comparable to the one which we experienced in 2005.

Mr Speaker, several farms in the Pomeroon area were flooded as early as December and I think these dates are important, because of the misinformation which is being peddled daily on the monopolized state me-

dia, giving the impression that this phenomenon suddenly came into being in the latter part of January, but as early as December farms in the Pomeroon River were flooded and as rains continued, the water overflowed to the homesteads along the river in the Pomeroon. Those flooded areas in the Pomeroon included Jacklow, Dredge Creek, Cross Canal, Martindale, Friendship, Friendship Canal, Victoria Land, Aberdeen, Hackney, Hackney Canal, Grant Enterprise, and many other areas along the Pomeroon River.

Mr Speaker, I do not speak here from hearsay. I visited all these areas that I have mentioned, and I spoke to the farmers and the citizens of these areas, who confirmed that their farms began flooding since early December. In all these areas flooding of the farms and the residences of these citizens occurred over a prolonged period, because they are still under water and all of them have suffered severe losses of poultry, livestock, cash and permanent crops. I would like to emphasize permanent crops, because I want to make some recommendations to the Honourable Minister here today when he spoke quite glibly, as he did earlier today about this fantastic and caring Government that is handing out cheques to the value of X million dollars. According to him, in the Pomeroon, a thousand cheques were distributed valued at (I cannot remember) ... I hope the Hansard has it ... some \$60 million, as though these gestures compensate and justify the late and tardy response of the Administration in what could have been an avoidable situation in some of these areas.

The value of the damage done in many of these areas will result in hundreds of millions of dollars. I do not know if it is going to be billions, because we need a proper professional assessment. *[Interruption: 'When you went there?']* Last Tuesday! In such circumstances, hundreds of millions of dollars might be just a minimum estimate of the kind of losses which farmers in that area have experienced.

I tarry on these matters, because I am on the head of my note, which I would call the gravity of the present crisis. That is what makes it urgent and of public importance. We need to understand the gravity of the

present situation.

In these areas, particularly the Pomeroon, for example, there are farms which have been established in excess of fifty years. One farmer, Mr Melville, whose farm I visited at Jacklow, told me he inherited this farm from his father, who had bought it from somebody else and he was able to show me some citrus plants which he said were bearing before he was born. It is important to note these things, because when the Minister speaks glibly of compensation many people on the Coast and I believe, some officials in the Administration, think that the entire Guyana is involved in growing rice, which is a three-month crop, and by providing support to rice farmers, which we ought to do generously, but within a short period of time it is possible to re-generate the necessary surpluses to overcome losses. But when we are dealing with farms that have been established for twenty-five and fifty years, with permanent crops like coffee, cocoa, citrus, bilimbee, carambola, and a farmer loses a crop that takes between five to eight years to reach maturity, and his entire livelihood is dependant upon that farm, then we begin to understand the gravity that this flood will have on the lives of people in Guyana.

And so, in the Pomeroon area alone, we have had severe losses, not to mention the poultry and other livestock, which all farmers in that area would have - the dead chickens, sheep, goats and all the other small stock that they would have lost.

I move from that area, because apart from the Pomeroon, which began flooding since early December, we were alerted much later in December, to flooding which began to occur in the Black Bush Polder area. Again, if one listens to the State media, one gets the impression that the flooding in Black Bush Polder occurred some two weeks ago with the heavy rains. But at late December, in one of my press conferences, I drew attention to the fact that flooding had already commenced at Joanna and they needed urgent attention. It did not occur in January, but of course, as is the case these days, we have to wait until the residents of a particular community become agitated ... [*Interruption: 'You agitate them.'*] I am glad if I had the capacity to go into Black Bush Polder and

Tain to do it.

So Mr Speaker, the residents of the Corentyne and I do not think Mr Ramotar in his wildest dreams, could think that I have the capacity to go into Tain and Black Bush Polder and stir up his supporters to burn tires and block the streets and have fires in order to attract the attention of this Government to their plight. So let us deal with the issue which is before the House. That issue is the total neglect to deal with an issue promptly. I am not dealing yet with the infrastructure, my colleagues here might be dealing with those issues. I am dealing with the fact, there is no truth to the fact that these problems suddenly arose ... *[Interruption: 'No truth to the allegation. ']* ... no truth to the allegation, thank you for correcting me. There was no truth to the allegation (you see, I admit when I am not right) *[Laughter]* that there was an emergency situation which caused the Government to respond quickly. After weeks of suffering, then protests, then the Government responded in the Black Bush Polder. I think in the last few weeks, the national media has done a very competent job and I am speaking here of the State NCN has done a very wonderful job in pointing out to the nation, not only the gravity of the problems which the people of the Corentyne are experiencing at the Black Bush Polder, in the various schemes, they have also done a wonderful coverage of the tremendous relief which the Government suddenly was able to carry to these farmers - tremendous financial assistance - the Minister happily outlined the great assistance that was given ... *[Interruption: 'What were you doing in Pomeroon?']* We took a lot of food a whole boat load ... to the people of the Corentyne and of course, even as we speak, those farmers are wondering what their economic future would be like. We hear the Government speaking about great plans that are being made for their recovery.

We will now go to Region 5 areas and if we follow the national media, again NCN has done a very wonderful job in publicising the great tragedy which the people of Mahaica/Mahaicony/Abary have suffered. Indeed, it is very tragic to see many farmers who have their life savings, their cattle, their homesteads flooded. Of course, we have also been bombarded with the millions of dollars that have been pumped in to

assist with this emergency situation, although I again suspect that if one examines it, one will find that the Meteorological Office predicted since early December that we were going to have excessive rains in this country right on to 28 December. I have heard that on the 4 December, when we were planning certain outreach activities, we found out from the Meteorological Office and they were able to say that they were predicting excessive rainfalls and rain would fall almost incessantly until the 28 December. Well of course, they did not predict for January because I did not ask for that. Maybe they might have been able to predict for what is happening now, but I cannot say, because I did not ask that question, but this revelation, I would say, by the Honourable Minister that the Government could not have been prepared fully for this, because natural disasters occur in various parts of the world, and we were told of the United States and all that. God forbid, should we have a natural disaster of the magnitude that has occurred in other countries, I hope that we do not get one, because the little flood we had last year told us of our great un-preparedness. The entire Coastland of Guyana will drown; people will drown, because they are unprepared, even as I speak, for any such natural disaster. So do not let us compare Guyana with the kind of natural disasters that have occurred in other parts of the world. We have not seen it yet. We have not even seen the tip of the iceberg. What happens if the conservancy dam really breaks? Are we prepared for that? That is a catastrophe we have in waiting if we do not do something to ensure that that the dam is preserved. So do not call disasters on Guyana and try to use the experiences of other countries, which have real natural disasters, to justify incompetence and negligence on the part of the Administration, which had adequate warning and failed to take the appropriate steps to prevent the suffering which our people are now enduring.

I will now move from Mahaica/Mahaicony/Abary and go to West Demerara. In Canals Polder and in West Demerara, we have heard of the great problems being faced by the residents there because of defects in the Boerasirie Conservancy and other problems with drainage there. Again, the national monopolised television station has adequately informed this nation of the great suffering of the people in the Canals Polder and

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they have explained of the great assistance which the Government is providing. The Minister has confirmed it this afternoon, Mr Speaker. He provided a list, identifying how many cheques were issued and the value of the total sum of these cheques that were taken to these areas.

Mr Speaker, if one were to follow what the Minister has said this afternoon, one would arrive at the conclusion that yes, we have a crisis, it is concentrated in certain area but everything is under control.

I want to assure this Honourable House, Mr Speaker, that far from being under control, we are facing a crisis of serious proportions if this Administration does not act responsibly by involving professionals, getting them on the job, stop playing politics with serious relief work and let us work to resolve the problems of this country.

Mr Speaker, I was on the Corentyne only Tuesday and if one was to be guided by the report of NCN, as I said, the average Guyanese would believe that the only place in the Corentyne that is flooded is the Black Bush Polder area. But if one travels along the Corentyne Coast going through these villages:

- Eversham;
- Joppa;
- Fyrish
- No. 2 where the sea dam, I think, had a breach only on Monday, flooding out the whole of No. 2 area with water seeping into Fyrish and Courtland on the Corentyne.

You would find hat many villages on the Corentyne, not yet reported on NCN, have had severe problems and I am speaking at first-hand and I have on camera; not Mr Robert Corbin speaking, but the residents explaining how many weeks they were suffering and seeing the Government vehicles flying past and not paying attention to some of those communities. *[Interruption: 'Racial slur.']* Yes, it is and it is a serious

indictment, because I am not the person who should cause the residents to come to the conclusions, where they themselves came to, by analysing the behaviour of the Government at a time when many people, of all strata of society, of all ethnic groups, of all political affiliations are in the same boat, all suffering and yet we are seeing a disparity in the treatment given to some communities in this country. How can we forge national unity? [*Interruption: 'You cannot change.'*] And do not tell me I cannot change, go to Eversham, go to Fyrish. The residents of Fyrish told me that as late as last week Monday, where the entire village was flooded, they have managed to persuade the Regional Chairman to visit. The residents were angered. There was a breach the night and they identified a contractor to do the work, but the contractor said it was too late, they cannot move for emergency.

When I arrived there on Tuesday afternoon, the entire back of the Fyrish/No. 2 area was covered with water. This is a serious indictment. In order to attract the attention of this Administration, the residents had to get on the road and indicate that they were going to create a blockage. This is what I have been told. I was not there. That stimulated the Administration to visit the area, because they heard that the residents were going to protest.

Mr Speaker, despite all of this, it had to take the visit of President Bharrat Jadgeo on Tuesday afternoon, at about four o'clock, to tell some people in the area, go quickly boys. See how you can do the dam. I think the contractor is Jadgeo, but I do not think he is related to the President; so do not think that I do not know the name of the contractor, because I have the notes, to try to see what they could do to save the breach on the dam on the Corentyne. So the community suffered for weeks, first with rainwater, then later with the breach of the water coming from the sea and tardy actions by this Administration was what they witnessed.

As I said, I am not speaking on my own. You will have to speak and I want you to speak. I hope they take these tapes and play it on the televisions in Berbice. Let the Ministers tell this Parliament that what I am saying is untrue so that the people of Berbice will hear what you are

saying. You can fool Georgetown that what I am saying is untrue, but I want you to take your tapes and play what you say here in this debate to the people of Berbice.

Mr Speaker, the magnitude of this situation must also be seen in West Coast Berbice, where on Tuesday morning as I was travelling to Berbice, I was stopped on the road by residents at No. 28. They were obviously learning from the people of Black Bush Polder and they obviously believed that the only way to get the attention of the Government administration was probably to block the road to bring some official to deal with their plight.

So here I was, Mr Speaker, going to Berbice and finding that the road was blocked. I came out and spoke to the residents. They said that they have seen the officials passing everyday, flying to certain areas, going into Mahaicony and Abary Creek and they have been under water for weeks and nobody came to find out of their plight. No. 28 to 30 villages, Hopetown, Belladrum ... This morning, I had a call from a resident at Ithaca Village, who called me to make the same complaint. She pointed out that even in Blairmont the water is rising, and at the time she spoke to me, she said that water was running over the main road at Blairmont this morning. The call came at 5:30h. I want to assure the Honourable Member that I know this country well. Blairmont is not a big place. *[Interruption: 'What part?']* You obviously do not know the place. Blairmont is the place between the Estate and Ithaca Village and it not a long distance. So it is not difficult to find out if water is running over the road there. It had to have been running over a very large area, because the road does not undulate. I do not need to go there. It must be running over several places and that was at 5.30 this morning. When the road is at a point where water is overflowing the main road at Blairmont and Ithaca at 5.30 this morning, you can image what is happening in the low areas in the farms, because the road is slightly elevated above the yard level. So within the yards you would find, as the woman was saying that the water is between three and four feet in the community. Now I did not go to Blairmont this morning. I am speaking from information on that particular area from a caller who saw

me visiting or heard I was visiting Hopetown yesterday and decided that she wanted me to come up today to see what the problems were at Ithaca today. I do not think somebody will wake me up at 5.30 in the morning, in sincerity, inviting me to go up there if they were giving me misinformation. But I can confirm that I was at Hopetown yesterday and again, barring none the residents of Belladrum, No. 28 to 30 Villages, Hopetown, all confirmed that it was only after the commotion at No.28 on Tuesday that they saw some hurried visits from some Government Officials, including the Hon Minister Satyadeow Sawh, who went yesterday or the day before to Hopetown. The Prime Minister who suddenly busied himself and went up there, I also heard the name of the Minister of Health, Dr Ramsammy and others. I was there on Tuesday. I spent until eight o' clock that night going through some of those communities and I promised to return yesterday, so yesterday I was able to hear about what happened the day before.

If one was to go to the East Bank Demerara, there are people who are suffering.

[Interruption: 'Tell them about the suffering.'] I thought Minister Sawh would tell you. You do not know, you live in the area. Friendship is one place ... *[Interruption: 'Friendship and Anns Grove, ask CN Sharma to show you.']* Yes, you see, that is the trouble. We are speaking about farmers and farmlands and I would invite you to ask Mr CN Sharma to show you. You have not closed his television station this time around, so at least he has been permitted during this flood to adequately record and show to the Guyanese public what is transpiring and if you look at the footage, you would see what is happening at the farms with Friendship.

Now Mr Speaker, I have elaborated on this situation to point out if we have a crisis of such national proportions, it requires a responsible administration to take an approach which could ensure:

- (i) that speedy relief is provided to those who are suffering;

- (ii) that there is a comprehensive plan in place to relieve the residents from the suffering that they are experiencing; and
- (iii) that there are proper plans in place to compensate and rehabilitate those who have been affected, and to ensure that in the process of conducting those phases of the exercise, the people of Guyana do not experience any discomfort at the psychological level into believing that they are treated as second-class citizens.

They must see an even-handed approach towards flood relief and I am not inventing these suggestions at this time, Mr Speaker.

On January 18 2005, this is what I said in a letter to his Excellency the President, in my capacity as the constitutional leader of the Opposition of this country. I would not read the whole letter, but I started off by saying that I refer to my e-mail to you earlier, because I was sending him e-mails, since I recognised that they were going to have a crisis in January of last year. I did not wait for the next day. The very evening after I had gone through Albouystown and had seen water four or five feet up. I knew we had a problem and I e-mailed him promptly and said that we have a serious crisis and this is what the letter says. I confirm the e-mails. I am pleased that the disaster is being declared and so on.

In the second paragraph I stated that the PNC/R and I, have publicly stated that we are committed to giving every support to this national effort, which should be well thought out, organised, and a professional response to the crisis. In the light of the foregoing, I would like to repeat my proposal for the establishment of a National Command Centre, with the concomitant structure to ensure efficacy. This command structure must be properly staffed by competent and experienced professionals. This was on 18 January 2005.

Mr Speaker, I do not want to go over the area covered in the debate on the flood in February, but in that debate, not only did we make recommendations about what was needed to be done in terms of infrastruc-

ture, but I believe that Mr McAllister spent a great deal of time here pointing out all the various reports, all the recommendations about what was needed to be done to avoid the repetition of the crisis which we experienced then. And so the question which we need to ask ourselves, having recognised that there was a crisis, what was the response of this Administration? I put it in a simple sentence; lacklustre, irresponsible, late, and ineffective.

I mentioned the Pomeroun, Mr Speaker, I pointed out that the flood started since December.

Mr Speaker, do you know when the first efforts were made to go in there? I am not speaking of the publicized visit of the President on the day after I had been through that area. I am speaking of the visit of the regional officials just three days before then, who hurried through the river in boats and instead of visiting the farmers to really assess the gravity of the problem and what really the Administration could do to solve the problem, they were telling them that the President is coming tomorrow, walk with your ID car; money gon share. This is what the residents told me and I have that on tape. I did not go there to manufacture this story. I would not have known this. The residents said that they were told that they should go to these three points where the President was going to arrive to bring money to save them. Some of the residents were angry. Some did not even want food relief. They said that we do not want food relief, but instead they wanted someone to tell them how they were going to get the water off the land, because to them, it was a situation far graver than the situation in Black Bush, because they were looking at years of cultivation being threatened. They wanted to know what could be done urgently. So I went into Dredge Creek side canal, where I spoke to Mrs Alfonso, who is the Assistant Secretary of one of the eight groups established in the Pomeroun since February 2005, so I do not know if I am making up stories, since you think that I am manufacturing these stories. I am calling her name. She said that she was there in a crisis in 2005, that the Regional Chairman with some officials from the Office of the President visited and one of those persons who was the man next to the President - so I asked, who was him? Was it

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Mr Lumumba? She said, no (that is a little jive, I did not ask for that; that is just a little jive for my friend Mr Lumumba). So I asked who was this close man next to the President? She said, Mr Robert Persaud. I said, you do not know Robert Persaud. She said, yes, he is the Information Liaison Officer to the President. I asked, was he here in this spot? She said, yes, last year February. The lady had a notebook, Mr Speaker and she said, it was 3 February, and he came with the Regional Chairman and she had the names of all the visitors. She said that the place was flooded and they told us to form groups and we formed eight groups in this area. Ask your representative from the Essequibo. This is serious business. This is not a joking matter. One of the persons I spoke to was in tears when they told me the story, so do not think this is a joking matter. The woman was in tears. She said, they have told us to form eight groups and we formed the eight groups and having formed the eight groups, they told us they are going to come back and speak to us. She said, they came back on 14 February and told them that EPAS is going to fund it and that a number of things were going to happen. They worked out the canals that were going to be dug and she said that they were part and parcel of suggesting what to do to prevent the flooding and they told them that they will be back very shortly to execute this plan.

Mr Speaker, when I visited there last week, the lady was still looking for these officials to come back. It is a sad story, because while she was telling me this story, she was showing me her dead sheep; her dogs were on scaffolds; her sty had about four scaffolds, with pigs on top of it, and she was telling me of her severe losses. This was only the front. She was saying, Mr Corbin, if I carry you down at the back, you would cry to see what has become of my farm.

She further stated that there was no excuse the administration can give to her about not being able to do it, because she said that between April and November, the place got very dry, and she said it was so dry that the water became slightly salt so that they had to take a paddle boat to go to some places to get fresh water. It was so dry that they had to be worried about scratching matches lest the place catch afire and damage

the farms. That was how dry the place was which suggested that the conditions were appropriate for remedial works to be done at Dredge Creek Canal in Pomeroun.

Mr Speaker, I can go on highlighting specific examples at the various schemes along the Pomeroun River. I visited another farm of a gentleman by the name of Melville. I would not deal with all of them. He pointed to an old dam and an irrigation project that they had several years ago. He pointed out that the officials came and told them that they will improve this operation, build a new dam further back and condemn the one in front. It ended up with them feeling that they will have protection. They said, when the work started they went to the administration and told the officials that the work was substandard and that it would not be able to withstand the water. Monies were paid. I do not know the amount so that is why we have to get accountability for monies spent in the flood. Millions were spent in these projects, but as soon as the rains came this year, the dam broke away and the entire cultivation was washed away. When I spoke to the gentleman, I am speaking of his house which was on stilts about eight feet high. The water in that particular farmer's yard was just about an inch from his door. That is how bad it is and I am not exaggerating.

Sir, I asked him, how was he getting in? He said, I had to move my wife out of the place. I have my wife at Dartmouth and I only came back today, because I heard on the television that you were visiting. I also heard that the President coming tomorrow, so I came back. I am going to Charity and wait until President Jagdeo comes to tell him, because he must come and visit my farm. I do not want him to go to Lilly Dale these buildings, because if he goes to these buildings, he would only hear strange stories that people tell him. He can come and visit and see the magnitude of the losses that we are experiencing.

Now what do we do in this case study that I have outlined? I have used the Pomeroun as a case study to blow the wind out of the sails of the Honourable Minister, who a few moments ago, would have this House believed that the Government busied themselves to make all the

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infrastructural arrangements. I say incompetence, negligence and I believe the Government has a responsibility to accept full liability for all the farmers who have suffered in the Pomeroun as a result of the carelessness and negligence and not \$50,000 cheques. There should be adequate evaluation of the losses which each farmer suffered and proper compensation be given to rehabilitate them to resume their lives again. So when you come to the Parliament and speak about a \$50,000 dollar cheque or a \$200,000 cheque being given to farmers, who are we fooling? Maybe those persons who do not understand what it takes to have a farm established in twenty-five years over twenty acres and suffered losses. I believe the Government is liable sir.

On the West Coast of Berbice, we have heard on NCN of the compensation being given to the farmers there.

Mr Speaker, yesterday I travelled through all those villages that I pointed out to you. I ask the Minister to look at that sheet of paper that he read here in this House and tell me if he has a single cheque given to anybody at Hopetown. I ask him if he has a single cheque given to anybody at No. 28 village. I can tell you about the two cheques given at Mahaicony, one to a regional party official in the hope that maybe if he gets a cheque, he would not say anything more. I can call names because I am checking on these things and you are not fooling the people with these things.

continued in Pt II

National Assembly Debates

PROCEEDINGS AND DEBATES OF THE NATIONAL ASSEMBLY OF
THE SECOND SESSION (2002-2005) OF THE EIGHTH PARLIAMENT
OF GUYANA UNDER THE CONSTITUTION OF THE CO-OPERATIVE
REPUBLIC OF GUYANA HELD IN THE PARLIAMENT CHAMBER
PUBLIC BUILDINGS BRICKDAM, GEORGETOWN

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cont'd fr. Pt 1

Mr Speaker, what has happened was, the people were telling me that there was no proper assessment and evaluation going on. The RPA/PPP/C activist/sympathiser goes through the area, get up your list - just like the Pomeroun - get your ID card; twenty acres X amount of dollars. Sir, I am not saying farmers must not get their compensation. They go to the area, they prepare the lists and by the next day or two days, the cheques come, people come with their ID cards and get money. Now, that is fine, people are in crisis and I think, we ought to move quickly, because I did say one of the things to be done is expeditious handling of the matter. If you are doing that in some areas and if you do not want to create problems in the society, you have to be even-handed. You have to ensure that there is a level playing field, and you do that in every community or else you are going to create a monster for yourself, and that is what is happening on the West Coast of Berbice. This is what the people told me. They can tell you of the names of people who received cheques; who have farms and did not get cheques; and how nobody came here to give them cheques. When I speak of discrimination and this kind of behaviour, I am not trying to create unnecessary problems or to sow seeds of confusion. I am trying to advise my friends on the other side of this House that we offered since January to work with you. We suggested that there should be a collaborative taskforce, because if you have people of all walks of life, various stakeholders, involved in a relief operation, it is not that you would not get claims of discrimination, because you would always get claims of discrimination. You would always

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have complaints and areas of dissatisfaction. You would never be able to eliminate it, but I suggest to you that if you have a collaborative approach, a more even handed and professional approach, you are unlikely to suffer from the accusations which the people of West Berbice are at the moment levelling at you, that you have bypassed them and paid other people and left them alone. *[Interruption]*

The Speaker: Before you proceed, Mr Corbin, your time is up.

Mr E Lance Carberry: Mr Speaker, I ask that the Honourable Member be given fifteen minutes to conclude his presentation.

Question put and agreed to.

The Speaker: You may proceed, Mr Corbin.

Mr H O Corbin: Mr Speaker, I will make a few references now to the West Coast Berbice yesterday. The Minister, a few moments ago, would have this House believe that the Government had responded most expeditiously sir. That they would have gone to clear all these canals. I will only bring one reference. He admitted that he went to Hopetown. I was there the night before and yesterday again. So I walked around, not stayed on the road. I heard he went down at the back of some place. Well, at the very road you went down, Mr Minister, you would have seen ... and I am sure if the Minister stands to speak, he will confirm, because he was there, the people told me that they took him down. He will confirm that yards were covered with water. Some were covered for the past few days only, but some of the farms which were lower were covered for weeks. But they pointed out, what could have been done to relieve them and it also pointed out what was not done, over the past few months that caused them to be flooded. And what was it? The main drainage canal for the area was blocked up. I am told that the Minister promised that the next day he would have speedy assistance coming and he will send machines. I am told that he was advised that he could not

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send any machines, because the dam was too soft and that was a case for manual work. Let us get some people and we will go in there and see what we can do, because the dam is so bad at this time.

Lo and behold, Mr Speaker, when I arrived there at 11:30h, this so-called emergency assistance lasted for five minutes. By the time the hymac got down to the dam, and by the time I got there, it was almost in the canal. So here was a situation where the people were led to believe that they will get relief, but unto when I left there at 16:30h yesterday afternoon, Hopetown was still under water. The hymac was still halfway in the canal and the only hymac working there was the one way down at the back of the village, way past into the rice cultivation area. I waded through the mud to go there, because I thought it was a regional administration machine. I went there to see what work was being done and all that this machine was doing was moving weeds from the canal so that the water could run out.

This is the great rehabilitation work that the Minister said was being done all through the year to prevent flooding. They were doing it yesterday at 14:00h when the village was already flooded and after the people had protested that they were neglected, that is when it happened. And that machine at the back there, the rice farmer said that was not the regional machine. That was his project he was now trying to do that clearing in order that he could save a hundred and something acres of rice that he had planted at the back there. His name is Bacchus, if you think I am making up the story. I told the Minister and he said that was the regional machine. I did not argue. He that was not the rice farmer's machine, it was the regional machine. I said, well, maybe the rice farmer lied to me. I do not know, but I have the Minister on video saying that machine there is the regional machine. This one is the one I have and that one, Mr Speaker, was working. You see there is a difference in approach, because that man obviously invested his hard earned money to hire the machine and he wanted results in his rice field, so despite the dam was bad, I do not know how he did it. But that machine was down at the back there working to relieve his rice field, while the machine at the front, allegedly brought hurriedly to relieve the people of Hopetown,

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was almost in the canal. That is the kind of swift response that we receive.

And so I said to the Government that they have a liability to all the farmers of this country. They should stop misusing the media and misinforming the nation of this crisis. Use the media constructively and not to mislead the people. I must draw attention, because I have no right of reply on the television station or the radio. I am told that yesterday there was a morning programme on the radio station where one Miss Wanita ... I think that is the name, was interviewing Mr Edward Gordon, speaking about the floods around Guyana and his observations and she was able to extract from him all that he has been doing around the country. At least he admitted that he did see the PNC/R working in various areas. Of course that was the only time it was ever mentioned on NCN radio, when in this interview, this man mentioned he did see the PNC/R around. Perhaps they want the PNC/R to be invisible, as some people wrote - the invisible PNC/R. So, in that interview, he was asked what was the position and he informed Ms Wanita Huburn ... I think is her name, that he believes the Leader of the Opposition and the President must be speaking on these matters, because he believes that there is close consultations on the flood. Well, I do not know who believes this, but I want to state categorically for the media, for NCN and for their programmes, that there has been absolutely no communication between the President of this Republic and the Leader of the Opposition since this flood began to say anything about the flood. So do not mislead the nation, because there is no secret collaboration and that is why I am clarifying it for the record that Ms Huburn Hubourne and Mr Edward Gordon to correct themselves on NCN, because they would not put me on radio there or on the television to mislead the public about the flood situation. So I say, use the NCN radio and television constructively. Let us use it to get proper advice as the Minister of Health has been doing, telling people about the diseases -leptospirosis. I must advise the Minister that the people of No. 28 village were a little disappointed yesterday. They said you acted promptly and sent a medical team, but it only went to the medex and no doctor. They want a doctor, so I hope you sent a doctor today.

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I am monitoring the situation. It came a little late, all in a hurry yesterday, but there was no doctor in the team, so I hope that the doctor goes to correct the situation. I do not know all the medical personnel that are required.

Again I want to make a call on the Government. I repeat my call that I made in a letter to the Head of State of this country since 15 January 2005, that we cannot overcome crises of this kind by dealing with the issues of such national importance in a partisan manner. We have to act responsibly. We have to involve stakeholders. We have to work genuinely with all the people so that we can ensure that our citizens do not get the impression that they are second class citizens in their own land.

Finally, again I want to repeat my recommendation that a proper professional taskforce be appointed to deal with these issues and not have politicians dealing with the engineering issues. Let the politicians stay to give moral support, as they have been doing, utilizing the skills of technical people to advise us on what to do. I believe, in that way, we will be able to overcome our problems.

I do not want to deal with the questions of accountability, but after hearing what I have outlined, the manner in which money has been spent, the absence of any known records of these monies given out, the fact that we have not had a report on the last flood and the millions spent in that manner, I believe, it cries out for transparency. I believe, my colleagues after me will deal with those accountability matters which this nation ought to know.

I therefore hope that in this crisis, the Government changes its response and compensate the farmers fully so that we can have advancement in this country. Thank you. *[Applause]*

The Speaker: Thank you, Honourable Member.

The Honourable Minister of Fisheries, Other Crops and Livestock

Hon Satyadeow Sawh: Mr Speaker, I wish to comment on some of the issues, only for clarification, raised by the Honourable Leader of the Opposition, Mr Corbin, in his presentation a few moments ago.

First of all, let me correct some of the inaccuracies with which the Honourable Member started off his presentation in relation to the Pomeroun. I do not recall in my earlier statement that I said that the Government was compensating people. We are not compensating anyone. We cannot compensate people for the losses materially, physically, emotionally, that one undergoes in situations like these.

What this caring Government is doing is trying to assist people to get back on their feet, as quickly as possible, within their resources and the limitations of resources that we have.

Mr Speaker, the Honourable Member also said that he believed that it was about 1,000 cheques handed over in the Pomeroun. As I said, I just want to clarify that for the records.

The exact figure 1,375, to the monetary amount of approximately \$68 million. As I said, this is our effort to assist. This is not a once-and-for-all, as the Honourable Leader of the Opposition tried to imply in this presentation that this Government seems to be concerned only to hand over cheques. That is part of our responsibility, this is part of our caring nature, but this is far from being our response to people in need at this point in time.

Let us start off with the Pomeroun in Region 2. The Honourable Member suggested that the response to our colleagues in Region 2 only came a few weeks ago. Yes, it is true, President Bharrat Jagdeo and his team visited the Pomeroun recently, had meetings in the Upper Pomeroun, in the Lower Pomeroun and at Charity. They met with an overflowing crowd. I do not know if the Honourable Member Mr Corbin, is somewhat annoyed that only a handful, maybe a dozen people showed up at his meeting the day before. But the school was overflowing with people listening to the Head of State and discussions and decisions were made.

I happened to be one of those who accompanied the President on those meetings and I vividly and clearly recalled the President posing the question to the residents.

Do you wish to have this \$50,000 now or should we undertake a full-scale examination to see what it is that you have lost, to compile all the figures and then come up with a figure that we can help you with? And almost overwhelmingly the residents replied, no, we want that cheque now to start.

So it was a decision-making process in which the President involved the people. This is grass roots democracy at its fullest, so there was no attempt to deceive, as the Honourable Member was implying.

The Honourable Member stated that since December, waters were high. I wish to state, Mr Speaker, what are some of the things the Region undertook, in terms of bringing some relief, particularly to drainage and irrigation structures in that region.

- The widening of the relief channel from Good Hope to Supenaam;
- disilting of Somerset and Burkes, Unu Creek and Mainstay relief;
- construction of relief structure at Mainstay;
- construction of revetment at Capoey; and
- of course, the Cozier Canal in the Pomeroon that was done earlier.

All of these have an impact on drainage and irrigation. You cannot only do D&I works in Pomeroon or in another community and expect the region to be free of floods and high waters. We have to do this in a holistic manner and that is why, in addition to the Pomeroon and other areas in the region. It is important to note the heavy rainfall that fell and

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flooded the Pomeroon River. There are no breaches of this or that or anybody cutting the dams - natural heavy rains which the region has not seen in years.

Mr Speaker, the Honourable Member Mr Corbin gave the impression to this Honourable House that somehow this Government seems to be responding to some areas faster and better than others. We have a responsibility to all the citizens of this country and we go about doing our work of helping people without any consideration, as I said earlier, to their political beliefs among other things, and the areas that were the hardest hit at first. There is no one here who can deny this, started out in the Mahaica/Mahaicony/Abary area. Other areas came on board including the Pomeroon, then on to Black Bush Polder, then Canal Polder and other areas.

Our responsibility is to respond to emergencies in areas that present themselves to us. That does not mean it is an exclusive undertaking. We respond wherever there is need to respond. As we responded to Hopetown and the other places the Honourable Member spoke to a few days ago, because water has risen to the level ... for example, in the creeks that necessitated a much more urgent response and that is what we gave.

The Honourable Member then went on to Region 6 and Black Bush Polder. He suggested that we only responded to Black Bush Polder, because of agitation from the people.

Sir, there was no agitation in the sense of people chasing anyone out or anything of that nature. People have their concerns and naturally, they seek the assistance of officials of the Government at the level of ministers or at regional levels. We went in there, listened to the people, addressed their problems and maybe that is why after those interventions, President Bharrat Jagdeo was so warmly welcomed with the Tasso drums that you spoke about.

Mr Speaker, all across this country not only there.

The Honourable Member spoke about Region 5 and the Meteorological Office, but the point is, the Meteorological does not indicate to the nation where in its predictions rainfall will be pronounced. Yes, we are told that *for the next couple of days expect high intensity rains, so and so*. But this year and we have been hammering over this point, the rain has been falling in the Highland areas and flowing down in a slope to the coast where there is a basin and that is why there is an accumulation of water on the coastal areas. Morakabai, for example, is a good case in point and just for the records, because the Honourable Member alluded in his presentation that somehow this Government is partial in its response.

Morakabai also received money from this Government to assist them to get back on their feet, because they also were affected by the heavy incidents of rainfall.

The Honourable Member, then painted the picture stating that we have not done anything since the previous flood and asked rhetorically what would happen if the conservancy dam was to be breached.

Mr Speaker, since the last floods everyone including Members of this Honourable House, is aware that we set up a taskforce to examine where we are and what are some of the steps we ought to take in preparation for these rains. That taskforce executed its mandate and allow me, if you will, to state what has happened for Region 4:

- the rehabilitation of Cuffy Canal and sluice;
- the dredging and embankment works for the East Demerara water conservancy;
- flood relief works on Kuna head regulator and excavation of Kuna Channel,
- constructing an access road to Flagstaff;
- rehabilitation of sluices at Beehive, Beterverwagting, Hope,

Belfield, Buxton, Golden Grove and Victoria.

These are some of the things that this Government through the taskforce has undertaken, to the tune of more than \$800 million in order to prepare for this flood Sir. The fact that the flooding has not even been around us here in Region 4, I say it is testimony to the work that the taskforce of the Government has undertaken. *[Applause]*

Mr Speaker, the Honourable Member again asked the question about Region 6, about what happened to places like Eversham, Joppa, Fyrish and those other places? *[Interruption: How many?]* Well, generally in those areas.

In Region 6 Sir, two pumps have been working around the clock at Joppa to clear the flood waters. In Fyrish, one pump has been working twenty-four hours a day and has cleared the outfall. A pump has also been installed at Seawell, and the embankment at No. 19 Village has been raised. These are things that are happening, in terms of preparing ourselves for these floods, so I do not understand when the Honourable Member says that nothing has been done in these areas. These are the works that we are doing, not only in selected areas that you quoted, but right across the country where there is an accumulation of water. As I said, we want to get rid of the excess water off this ground as quickly as possible and that is why we are moving around.

Again, the Honourable Member alluded to West Coast Berbice, Nos. 28 to 30 Villages ... *[Interruption: 'Yes, that is your region']* Indeed, it is my region and it is yours too Amna. The people of West Coast Berbice learnt from the people of Black Bush Polder to block the roads. Mr Speaker, blocking roads is something associated with members of the opposition. I hope nobody has to resort to those things to find solutions to problems. This Government is engaging the people at all levels to work out solutions that are in the interest of all of them. As I said, works have been done there.

The Honourable Member spoke about Blairmont and about Ithaca, so

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let me tell the Honourable Member what is happening at Blairmont and at Ithaca ... *[Interruption: 'Tell me about No. 28']* I will tell you about No.28 in a moment and the distortions you made about Hopetown just now.

At Blairmont - Clearing of blocked tubes at Gelderland and construction of revetment along No.1 Blairmont road.

At Rosignol - Rehabilitation of seventeen canals and capping of embankment. Those works are ongoing in those areas, where the Honourable Member said that nothing was being done.

I now want to focus attention to the visits at Nos. 28, 30, Hopetown and Onverwagt - like the Honourable Member. I also visited these areas and not purely out of response to circumstances. We go around wherever there is need for officials of this Government to be seen, to be heard, to be listened to, and to work out solutions for the people's interest, as we do in Mahaica, Mahaicony, Abary, Black Bush, in Canal and in the Pomeroun. What happened at Hopetown?

Mr Speaker, I would like you to listen. When I stopped at Hopetown, there were people standing on the road. By the time I got off the vehicle, a host of people arrived and they were glad that a Minister of the Government did not fly by as the Honourable Leader of the Opposition said, but stopped to listen and to offer solutions. Earlier, Minister Ramsammy visited, the Prime Minister visited and the people put their positions over on some of the issues affecting them in the community. On-the-spot decisions were taken in terms of cleaning some of the canals and getting heavy-duty excavators to do others. The canal in question which the Honourable Member spoke about, we agreed that the volume of work was such that necessitated a hymac, because humans could not clear that Canal, so therefore we agreed that some of the canals will be cleaned manually, because His Excellency, the President, has instituted a programme whereby people living in the communities will be hired and paid \$24,000 per month for four days a week to work and clean the canals and drains that are clogged up over the year. Mr Speaker, do you know

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that the people were very happy that I stopped and visited. The biggest complaint was that the NDC was not doing its job for the people in that community.

Mr Speaker, our engagement resulted in works starting with both the cleaning and the excavating. I have not heard, but I take the Honourable Member's word, that maybe the hymac is unable to perform as it should, because of the sogginess of the dam. But I ask, Mr Speaker, that we ought not to descend to be Members who are nitpickers in this House. The intentions of the Government were clear. The Government responded to the request of the people and dispatched a hymac within a day. Unfortunately, because of the conditions of the dam, the operator of the hymac misread this condition and he got stuck in the mud. Is that something for us to bray and brag about? I say no, Mr Speaker. We have to adopt a position where we can all work together and I was pleased, because many people who were there - a few of them identified themselves to me that they were members of the PNC/R in the region, but they were happy that we took the opportunity to clear some of the doubts. And yes, the medical team was going, so that was how we responded to situations in Hopetown and Onverwagt.

The Honourable Member listed a few things that he said he think we should engage in:

- a comprehensive plan in place;
- compensation;
- rehabilitation; and
- speedier relief.

Mr Speaker, we are ensuring that everybody, wherever they are, that we reach them and that we bring relief to them as quickly as possible.

Sir, permit me, in terms of speedier relief that the Honourable Leader of the Opposition spoke about, let me outline what is speedy relief, in rela-

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tion to what we did. For example Mahaica/Mahaicony/Abary, those areas were first affected. Animals which suffered tremendously in Abary in particular, we have tried to reach them to get the Vets to inject them with proper medication. We have presented stuff that we hope the Cattle Farmers Association can assist.

In Mahaicony, we provided a pontoon that is moving animals to find higher grounds in the area. Our Veterinary Officers have been in the area with supplies of veterinary food. There are some machines that have been dispatched to help raise embankments and to do some pumping in relation to help some of the farmers who believe that they can still save some of their rice. We are looking at the possibility of actually moving some people in the deep forest-depths savannahs of the Mahaicony River, for example, to higher grounds - maybe in the schools, because in those areas the water is very high, almost to their homes. So these are some of the things that are ongoing across Guyana and our colleagues will speak about the other experiences.

In terms of a comprehensive plan, we responded almost immediately. As I said earlier, with the taskforce, after the first encounter with major floods and since then many other initiatives are in place to bring about relief.

You have heard, and we have spoken about this soft loan that we have from the Government of Italy. It is an Italian soft loan, whereby we are going to procure some equipment from Italy which will be used in Region 5 and other places to help in terms of raising embankments and other things of that nature.

Mr Speaker, you are aware that His Excellency, the President, has announced \$500 million for the acquisition of fifteen excavators or Hymacs, that will be deployed across the country, including the Pomeroon in Region 2, where it will be used year round - this is important - with committees formed not only with the regional administration, but with the people's involvement, to ensure that it is moved to areas where it is needed, where it is vulnerable areas and that accountability for its use is

always in place.

And we believe, Sir that this will go a very far way, in terms of not only responding at times of excess water, but that throughout the year, very quietly and efficiently works will be done. This is strategic planning. This is good management. This is what the PPP/C Government is all about.

Mr Speaker, another initiative, in terms of second class citizens [*Interruption*] comrades, we brought in 26 mobile pumps last year, and we have to shift them from area to area as is needed.

The Honourable Prime Minister, in his encounter with the citizens of Hopetown and Onverwagt two days ago, said that he was going to make arrangements for a pump to be dispatched there immediately to help with the relief of the water and my understanding is, a pump is on its way and should be operating even as we speak right now. But I was somewhat disappointed with the Honourable Member, Mr Corbin's remarks or assertions or implications, implying that this Government treats same people as first-class, second class and third class citizens.

Sir, the whole philosophy of the People's Progressive Party/Civic Government has been the recognition that the people of this country deserve the best, all the people regardless of their race, colour, class or creed.

We have undertaken, Sir, in every engagement, to ensure that whatever we have ... and we have to recognise where we came from when we talk about, oh, we need to have done this, we should have dig this and we should have done that.

Sir, responsible Government evokes that it should have resources to spend. You cannot hang your hat where your hand cannot reach, as we say. Maybe some others who were living in a fool's paradise did that and it resulted in when we took office in 1992, we inherited a bankrupt economy, where ninety cents on every dollar we earned had to go back into debt payments.

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Today, Sir, we have been able to reduce the debt payments down, which allows more money to be spent in infrastructure, roads, electricity, drainage and irrigation and to bring more comfort to all the people of this country. Maybe they are still in their mindsets of the days when they were in office when they speak about first class and second-class citizens [*Interruption*]

The Speaker: Let us stick to the floods, Honourable Member.

Hon Satyadeow Sawh: Yes, Mr Speaker, even the Amerindians, so let us go back to the floods.

Even the Amerindians in Morakabi received assistance like other areas and I think it is important that we should know this.

Mr Speaker, there cannot be cheques for No. 28 Village and Hopetown and I made a note of it, because the Honourable Member asked the question to which the answer is, you just do not write cheques because your face looks handsome or you are so tall or so good-looking.

There is a system in place, where our officers go out, take down their names, the identification and ensure that what you are reporting is actually so. But our experiences from the previous flood has led us to know that even with our good intentions, there are still some people, regrettably, amongst our midst who are dishonest, who are claiming two cheques, and ten cheques for people who are dead, who live outside and they still claim relief from the Government. But we know that these people are only fooling themselves, because it is our own money we have to turn back and give. The system is, before you get a cheque, we inform the community to assemble most times at a public school. As the names are called out, we depend on the rest of the people there to really ascertain whether this gentleman has in fact lost two acres of cash crop or five acres of this or three acres of that. That is the ultimate test of fair play and accountability and I do not accept the analogy the Honourable Member Mr Corbin, tried to make that somehow the permanent crop farmers in the Pomeroun are either more-or-less important than the hum-

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ble cash crop farmers or rice farmers from Mahaica or Mahaicony.

Every man has a right to earn his living, whether it is half an acre, it is his way of earning a living and this Government recognises the sacrifices that our farmers are making and we will continue to assist in whichever way we can.

Finally, I wish to state, Mr Corbin alluded to that, quite rightly so, but we cannot always get it right. There are some slacks in the systems that you will find as you go along, which we have to try and iron so that we can really have a transparent and foolproof system. All of this requires that everybody work in tandem. It requires that we put aside the narrowness and pettiness that seem to permeate our discussions every time we come to discuss issues affecting national importance in this country, like this one here.

I think, now is the time for us to work together and I am glad, for example, the experiences that the Honourable Member spoke about in Hopetown and Pomeroy and I am glad that the Honourable Leader of the Opposition is going around. I hope his intentions are honourable and are sticking to the issues at hand and that he is not otherwise organizing or mobilizing.

But that aside, Sir, we need to interact and interface with each other. We need to have these discourses in this Parliament - the highest forum in the land - as we are doing together.

Sir, it is my hope that coming out of these discussions, so honestly and openly that we can really be prepared to face the eventualities that this changing world environment will ultimately thrust upon us. I thank you.
[Applause]

The Speaker: Thank you, Honourable Member

Mr Robert HO Corbin: Mr Speaker, I did not want to interrupt the

Honourable Member, but I just want to correct a factual statement in which he said that I equating the Pomeroon farmers as more important than the rice farmers. That is not the point I am making. That is what he just said, he interpreted me to say. I want to clarify that what I was saying is that the nature of the cultivation (if he does not appreciate what I am saying) requires a proper system of evaluation, because a permanent crop farmer cannot be equated with a rice farmer in the area of compensation. One is eight years and the other is three months, so therefore it is the system which has to be put in place for evaluation, which is not being done.

The Speaker: Thank you.

The Honourable Member Mr Jerome Khan

Mr Jerome Khan: Mr Speaker, for a moment I thought that some sense of seriousness and appreciation of the spirit of this Motion that was brought to this National Assembly would have been appreciated. Here it is that we are debating a Motion that is extremely serious in its nature. It is affecting thousands of Guyanese lives, who are currently suffering, living in misery, some have died because of diseases and some have lost their property. Mr Speaker, the spirit under which the Honourable Leader of the Opposition brought this Motion, I believe we are losing that spirit, because all I hear is the kind of heckling that is coming, that for citizens of this country who will be seeing us in this debate through the lenses that are over there - five of them - would want to know whether or not we, as their representatives in this Parliament, truly deserve to be here - all of us. *[Applause]*

I believe that the intent of this Motion is to deal with the seriousness of a problem that has confronted us just a year later from 2005 to 2006. I also believe that all citizens of Guyana, some of them who may be in favour of the PPP/C or PNC/R, including members of the media, some who may even attack us, are all writing and echoing a single sentiment -

that we have not learnt our lessons of 2005.

Mr Speaker, I wish to direct my contribution to certain elements of the Motion, including an address to the WHEREAS Clause and the RESOLVED Clauses. I wish to go to the Paragraph 4, where it says:

Whereas there is no information available about a coherent national programme by the administration to deal with this situation.

Mr Speaker, the same sentiments were expressed recently in the *Stabroek News*, I must say, a newspaper that is not very friendly to our own party. On 9 January 2006, in an Editorial captioned *Floods and Failure*, the *Stabroek News* writes and I wish to quote certain sections.

The *Stabroek News* writer states that:

in the aftermath of the disastrous January/February flooding

the oft-repeated refrain was that -

the country had to embark on a rigorous campaign to ensure that if the rains came again in buckets, there will be quick and efficient extrusion to the sea and rivers to ensure that the water did not remain on the land for too long

Let us fast forward to December 2005/January 2006, then they say:

The same nagging concerns have been raised over the causes of this flood and the people are even more sceptical now of the Governments explanation. There are several disturbing features in the current flood.

[Interruption: 'What date?'] Stabroek News, 9 January 2006.

When the floods rose in January 2005, President Bharrat Jagdeo had publicly complained that the Civil Defence Commission, the body with the recognised mandate to address emergencies, such as flooding, was not activated. Its head could not be found. The President himself took charge of the relief efforts and a joint operation centre involving the Po-

lice and Army had to be established. This time around there has not been much of a difference. There is a Head of the CDC in place, but the CDC is still not driving the alleviation or relief operation.

Mr Speaker, this is central to one of the concerns raised by the Leader of the Opposition and Members of this side of the House, why we are here to debate this Motion. Because we feel that if an organised central body was established - a body that involves not only Government people, but stakeholders, that this body could have been activated, including all members of society, all stakeholders, including civil society, who would have been part of the process to deal with the issue of the flooding. This has been happening. What had happened is that there is lack of a coherent plan in the approach to deal with the flood, because all stakeholders are not involved. Because of this, there is missing information which is valuable that could have been coming to the relevant authorities so that they could act quicker. The response time would have been better to alleviate the suffering and plight of citizens whether they are from Mahaica, Mahaicony, Abary, Pomeroon, Region 5 or Hopetown. The issue is that we do not have such mechanisms and such an organisation that captures all Guyanese. I wish to refer to an organisation called the *Guyana Citizen's Initiative*. That Organisation comprises members of civil society. It has some institutional members and it has some institutional capacity to deal with problems associated with flood. To the best of my knowledge, when the floods came and due to the reports that were missing in the newspaper, the Government sought not to contact them and to ask their intervention in terms of information gathering or knowledge sharing. I think, this is a tragedy, because in the matter of a great flood that is taking place now, affecting tens of thousands of lives, we can least afford to play politics with this, because the flood is not affecting one political area, it is affecting citizens of all races, of all political persuasions, of all religions, of all viewpoints and that is why I am saying that it is necessary for us to seriously look at bringing other persons onboard, other than the Government agencies. We must not use a flood as a cheap political operation. I disagree with my Honourable friend about the issue of cheques. I disagree with him, because if you ask a man or woman in the street from Georgetown or New

Amsterdam or the flooded area, she/he will tell you that while they welcome the cheques, because the cheques are going to help them, they see it as a cheap way of dealing with their misery. Many of them told me that they are appalled, like if they were beggars. They had to accept these cheques. They are taking them... *[Interruption: 'Why don't you go back in Cane Grove? When last were you there? You cannot go in Cane Grove and say those things.']* Mr Speaker, I will respond to the pea-nut gallery over there because he seems to be suffering from a substance withdrawal syndrome at the moment, but what I will say is that the cheques must not be seen as a reward for people who are suffering. People do not want cheques alone. What they want is a resettlement of their lives so that they can start back planting their cash crops, attending to their cattle, livestock, poultry and rice. That is what is important. Therefore let us not, in this House, try to trivialize their suffering by making wisecracks and cynical comments. We must be serious, because this is a matter of great seriousness and we are talking about the plight of citizens of this country. And then we sit over there and behave as though we belong to a rum shop. The citizens out there would laugh at all of us and they would have contempt for us in this House, who are supposed to be their representatives, representing their interest.

Mr Speaker, if you look at one of the RESOLVED Clauses in the Motion, it calls for accountability ... *[Interruption]*

The Speaker: That Motion is not before the National Assembly, Honourable Member. You are reading from a document that is not before the House, but please proceed. There is no objection to you raising the issue of accountability.

Mr Jerome Khan: Thank you for that correction, Sir, much obliged.

One of the elements of this particular document is that there is a clear call for the Government to be accountable to this Parliament and I believe that is a call that every citizen in this country would like us to embrace and endorse.

Not too long ago, last year, my colleague, the Honourable Member Gail Teixeira, who is absent today, brought to this House and quoted extensively from a document called the *Latimer House Principles on the three branches of Government*. Later we did receive a copy of that document through the Commonwealth Parliamentary Group. I wish to report to Page 11 of this document. The document is called the Commonwealth Latimer House Principles, on the three branches of Government, published by the Commonwealth Parliamentary Association. It has to do with accountability. It says on Page 11 that *the executive must be accountable to Parliament. Parliaments and Governments should maintain high standards of accountability, transparency and responsibility in the conduct of public business*. Therefore, when we see the Executive travelling around Guyana, doling out monies that are not appropriated from this House, we have to raise serious questions, because we are concerned that it may be undermining the very nature and purpose of this Parliament.

I also wish to refer to another document which we received from the Commonwealth Parliamentary Association, a document that deals with the New Zealand Parliament - *Government's Accountability to the House*. This document is relevant to what is happening right now, because we do not know where the monies are coming from, that the Executive is handing out to citizens willy-nilly.

Mr Speaker, this document deals with the whole issue of Appropriation and Supply of Public Funds and it quotes Mr William Gladstone in 1891: He made this statement:

If the House of Commons, by any possibility, loses power over the control of the grants of public money, depend upon it, your liberty will be worth very little in comparison.

And the document continues to say:

It is a long-standing constitutional principle that appropriation of public funds must be approved by Parliament through the passage of laws au-

thorising expenditure. It is fundamental to a democratic system because it ensures the Government must retain the confidence of the House to fund its activities.

Therefore we are raising from this side of the House some serious concerns about how these monies are being spent and where they are coming from. We do not know the source, all we know is that these funds are being given to residents and we have no problems or objections in the Government moving to help citizens in time of plight. We have absolutely no problem with that, but what we are saying is that certain rules must be followed. Unless these rules are followed, then you are laying the foundation for the undermining of the very principles of democracy that you pride yourself of upholding and we have some serious problems with that.

My colleague, the Honourable Minister Satyadeow Sawh, in his presentation earlier today and reinforcing in his presentation a few minutes ago, said that we are looking at flooding on a global scale, how flood is taking place in our region and he cited Trinidad and Tobago and Jamaica for example. I think the point was made that you cannot talk and compare yourselves to other countries. What you have to compare is not the amount of flooding that they are receiving, but our preparedness to deal with whatever level of flooding is here. And I wish to posit to the House that that is the issue. The issue is not how much rain is falling in Trinidad or in Jamaica or in Barbados, but how prepared are we as a nation, given our experiences of January 2005, given our experiences of the last year, how prepared were we, this time around, to deal with the flood and save and except maybe the Ministry of Health, which seems to be responding gingerly to its task, I must say that we the citizens of Guyana are disappointed. They are disappointed that we did not respond with the kind of alacrity that we ought to on the question of flooding.

Mr Speaker, we talk about percentages of rainfall and how we have had 152 percent in one higher than December of last year, 118 percent higher than January. We have a meteorological office. We have people who

are paid to track the whether patterns to observe when there are going to be increased saturation points, when they are going to be an increased in precipitation. Therefore we ought not to be surprised at the amount of rainfall that is taking place right now, unless we were sleeping. If we were well informed, we ought to have prepared those areas, well in advance, of the eventualities that are taking place. It is pointless saying to them, well, we have to blow the Maduni sluice or we have to let out water here. We should have moved them a long time before, because we should have been well advised and informed of the amount of rainfall that was coming, so that many of them could have saved their livestock and their poultry. They could have harvested a cash crop at an earlier basis and what we are saying is that the Government must learn from this. Not just standing up there condemning, Sir. They should understand what the Motion is about. The Motion is to remind you that a year ago we have had this problem and we have not learnt from a year ago. We are taking this opportunity today to remind you. Let us not have this occurrence again a year from now, because when Guyanese are suffering, it is not PNC/R or PPP/C people are suffering, it is Guyanese. We should not trivialise this issue, to laugh and smirk about it, when thousands of people from my neck of the woods are suffering.

You talk about Cane Grove. I experienced a flood in 1968 as a little child growing up there so I know what it is to live through a flood, because I grew up in a logie and the logie was totally swamped, with water coming from the Flagstaff and Cane Grove when they had a breach, so do not tell me about floods. I have experienced it. *[Interruption]*

The Speaker: On that note, Honourable Member, I think this will be an appropriate time to suspend. You will continue when we resume.

Mr Jerome Khan: Thank you.

18:30H

SUSPENSION OF SITTING

20:02H

RESUMPTION OF SITTING

The Speaker: Honourable Member Mr Jerome Khan

Mr Jerome Khan: Mr Speaker, when we broke earlier for dinner, I was at a point where I was making some responses to the Honourable Minister Satyadeow Sawh, who in his contribution to the House, spoke of the Government's alacrity the speed at which they responded.

Mr Speaker, I am not here to pick a fight with my honourable colleague on this issue, but I wish to share with him a telephone call I received today from Canada, where a mutual friend of ours, someone we know, called me and wanted an update on the flood, because he said the information seemed to be coming out in an distorted way. He is not a PNC/R supporter by any stretch of imagination and he said to me, I am very disappointed at the way the Government and the national media is covering the plight and suffering of the Guyanese citizens in the flooded communities. He said, he looked at one of the newspaper reports and saw adorning and featuring in a prominent spot was a photograph of Mr Robert Persaud, the President's Liaison Officer, deep in mud posing for the camera going to Black Bush Polder.

The event was not the suffering of the people. The event of that narrative was the mud bath. The picture is a narrative, it tells a story and that narrative was that the Government official was having a mud bath. Nothing and very little was said about the plight of the people. Then he said how insensitive can we be as Guyanese that we are reporting tassa drum, mala, thali and lota as if they were part of a celebration - the arrival of our President. Well, it is good for the President went and I am glad he

did go, because he saw the suffering of the people. Then he said the other thing that really upset him and that is why he called. He said he saw an announcement in the Chronicle. He said the announcement reminded him, as a young man growing up, when the District Commissioner or the Governor was about to visit a region in the country. The announcement was that my friend, the Honourable Minister Mr Clement Rohee was going to visit a particular area. Now the event was not the suffering of the people or what could be done to alleviate their plight, but was the fact that a Governor was going to visit a particular region and therefore you must assemble for the right Honourable Governor where he will take your complaints.

Mr Speaker, I make the point, because the world is judging us. They are not judging the Government alone. They are judging every one of us in this National Assembly on how we conduct ourselves in the face of a crisis.

Mr Speaker, one of the points my Honourable friend, the Minister of Agriculture made, was that we are getting a soft loan from the Italian Government and that the proceeds of that loan will go towards the procuring of some hymacs. I think it is an idea in the right direction, but in the same spirit, we therefore would like to urge the Government to fully disclose how much help they have received so far. What type of assistance they have gotten, what type of resources have they received, did they received any boats, any outboard engines, what type of non-cash items they have received and what kind of accounting system is in place to ensure it is distributed properly and equitably in Guyana? I would urge the Minister to reflect on that and if they do not have such a system, then put it in place and tell this National Assembly.

Mr Speaker, in some regard, we are dealing with real problems and perceived problems. There is a view that there is an inequitable distribution of resources in this country - region to region. This is a view of the Guyanese community, from ordinary people out there. I am urging the Government that in a time of crisis, as Guyanese people are faced with, to try and reflect on the criticisms that are being made and to reflect and

act in a pro-active manner, rather than being reactive and engage in polemics and political gaff, because this is not a time to score cheap political points. It is a time for us to help each other so that we can bring some kind of relief to persons who are suffering.

The world is watching us. We cannot be sure that there is not going to be a point in time in the near future where donor fatigue will step in. There is going to be a saturation point. Therefore, collectively, we ought to do some inner reflection and do not treat everything in a trivial manner and believe that if we traipse around Guyana and people see us and say, we belong to Jagan party we will win another election, as my dear good friend the Hon Clement Rohee wrote in a long letter published in the *Stabroek News*.

Mr Speaker, we have to be careful that we do not do that.

We from the PNC/R believe that a national taskforce ought to be established, which must have greater involvement of civil society and other stakeholders to take into that taskforce volunteer organisations, such as the help of the Red Cross; the Engineering Groups out there; the Georgetown Chambers of Industry and Commerce, who may be willing to help, the Guyana Manufacturers Association; the Private Sector Commission and all the various organisations. Any organisation of this nature would certainly bring about great involvement of all the citizens and that is what we are attempting to say. I endorse the point made by the Honourable Leader of the Opposition.

We believe that a compensation package must be made to all those who have suffered and this must be determined, not merely by the Government, but by other individuals who would go around and try to do as best and as scientifically as possible to make a determination at the levels of suffering.

We believe and we call on the Government to present a report on the present flood situation to the Parliament, detailing all actions taken, the extent of the damage caused, the proposed action and the expenditure

required to undertake the proposed work.

We also call on the Government to present to the National Assembly a report on the distribution of money and other flood relief items, including the beneficiaries who have received it so far and what plan they have to assist those who have so far received no assistance, including those who reported yesterday in the Stabroek News 18 January 2006 that they are yos in the flood. Some farmers say no assistance is getting to them.

We also call on the Government to present to the National Assembly an account of all the donations received by Guyana during the 2005 Flood, and to say how those donations were utilized.

We also call on the Government to immediately establish a national taskforce as I earlier pointed out, so I would not repeat that.

Mr Speaker, we are advised and I have not received a notification, but I did hear it on the national radio that the Budget will be presented in this body on Monday 23 January 2006.

Therefore, we would like to know whether the events of 23 January 2006 will somehow superimpose itself and overtake the events of 2005, particularly the promise by the Government to bring a supplementary budget - a flood budget - to this National Assembly, because that has not been done. If you make a promise to do so, you should at least live up to that promise.

In this country, we are tired of receiving promises which are not kept and the citizens in this country who are suffering will hold all of us accountable if we do not bring that budget to this National Assembly.

Mr Speaker, in closing, I wish to say that the spirit and intent of the Motion that was presented today in this National Assembly was not to criticise the Government, but to point out the shortcomings and to ask the Government to reflect on those shortcomings, and for us to work collaboratively.

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I reflect on the work of an author Brackett Williams, who wrote a book *War on my Name - Stain in my veins*. [*Interruption: 'I read war and peace.'*] I did that too and I wrote my thesis on it and I took a first in that course. [*Interruption: 'Send a copy for me.'*] You cannot read what I wrote.

Mr Speaker, Brackett Williams writes about the cultural struggle of Guyana - the struggle for hegemony in Guyana and at Pages 98 and 99 of that book, which I commend to my good friend the Honourable Minister Clement Rohee to read. What Brackett Williams in the study of Guyana found that there three things missing in the cultural struggle of Guyanese:

- Respect for each other;
- Cooperation; and
- A belief in themselves that they can work together.

Therefore it may sound like an appeal and a call for shared Governance, but I am saying to you that were we to reflect on the words of Brackett Williams, where we can respect each other's point of view and where we can cooperate. The folks who are suffering in misery in the flood today may be better of if we can work together, because this is not about showmanship. This is not about who got there first, whose announcement went to the paper first, whose picture was there and who was swimming in mud. This is about helping the ordinary Guyanese people, who are currently in misery. That is the point and that is the spirit and intent of my leader, Mr Robert HO Corbin's Motion today in this National Assembly and if we understand that ... [*Noisy Interruption*]

The Speaker: Let us have some order please. Proceed Honourable Member.

Mr Jerome Khan: ... and if we understand why the right Honourable Leader of the Opposition came today, you would understand why the Members of this side of the House have absolutely no problem in saying to you that we are prepared to work along with the Government, if we

are called upon, to make sure that the citizens of this country - region to region, village to village, district to district, get their help during this time of plight. Thank you sir. *[Applause]*

The Speaker: Thank you Honourable Member.

The Honourable Minister of Health

Hon Dr Leslie S Ramsammy: Mr Speaker, thousands of our sisters and brothers today live in flooding conditions across the country in several regions - 2, 3, 4, 5 and 6. Our sisters and brothers are enduring flooding situations. That we all know. That we all accept and this evening we, in the National Assembly come together and I accept, in a genuine show of concern. I am going to accept my friend, the Honourable Member Jerome Khan's view that this is a Motion that was brought in that spirit - acceptance and our genuine concern together for all our people. The people around the country who have to live in conditions of flood water are not PNC/R or PPP/C supporters. They are our sisters and brothers, Guyanese together. We all ought to feel whether we live in those conditions today or not, a sense of loss and concern for everyone. I think we all agree on that.

Mr Speaker, we also agree in this House and outside of this House that certainly, unusual amounts of heavy rainfall, second year in a row contributed to these floods. I do not think I have heard anything this afternoon from the Honourable Leader of the Opposition or from the Honourable Member Mr Jerome Khan that seek to deny that we have had heavy rainfall and that these have contributed to the flood that we have. I did not hear anything and I do not think an attempt was made to deny that.

Earlier this afternoon, in a statement made by my colleague, the Honourable Minister Satyadeow Sawh, he gave some of those data. I think, that it is important that not to just us in this House, but all of our sisters

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and brothers have a good idea of the kind of rainfall that we are dealing with, the unusual weather that we are dealing with. Last year we experienced it and we know the outcome. This year again, it is not that we did not anticipate it. For months we have been talking about the first January flood of 2005. We talked about the May/June rains and we made preparations for those and I think Guyana came out well from the May/June period. We did not have much rain. But we also anticipated heavy rainfall in December and now January of 2005. I think we do need to have an idea of what kind of rainfall we are having.

So far, if we look at this year, at the different areas of our country (let us say) Anna Regina, where the average rainfall over the last many decades, where the total average rainfall for January is about 6.6 inches. In Anna Regina, up to 18 January of this year so far, it has been 27.8 inches of rainfall.

If we were to take (let us say) Onderneeming, there is an average of 5.8 inches of rain for the month of January. For this year, up to 18 January, it has been 23.1 inches of rainfall.

If we go the West Bank Demerara to Wales, where the average is usually 8.2 inches, so far this year, it has been 14.8 inches of rainfall.

If we looked at the Boeraserie area with a usual average of 8.9 inches, it has been 15 inches of rainfall for this part of the month so far.

In the Georgetown area, at the Botanical Gardens and there is a point to this one here, the average is about 7.3 inches, but so far this year, the average of the Botanical Gardens has been 13.3 inches.

At Ogle, where the average rainfall is usually 7.1 inches, it has been 11.2 thus far.

If we go to the Mards area, which averages 7.24 inches for January usually, up to this point in January it is 14.26 inches.

At Blairmont, where the Honourable Leader of the Opposition talked

about, the usual average is 7.1 inches. So far this year it is 16.1 inches.

At New Amsterdam, the average 7.1 inches is now 16.52 inches.

At Rose Hall, which usually average 6.2 inches, the average is about 19.3 inches.

I can go down the line to many villages in our country, so there is no doubt, we all accept that we have had, not just unusual weather or unusual rainfall, but significantly excess rain in our country. We also all accept that we do live in a low-lying Coast throughout these regions. We all accept that the drainage system that we have, even with its improvement, will not be able to handle these kinds of rainfall especially if it is sustained over a short period of time, which is exactly what we have experienced. So I think, we should have absolutely no doubt that the heavy rainfall is part of the problem we had last year and this year so far. It is true that not just in Guyana, but globally we are experiencing this change of weather.

I think there is a legitimate point when we discuss the drainage system. Obviously the drainage system that we have, even if it was perfect, would not be able to sustain the kind of challenges it is being faced with and therefore there will have to be a re-orientation. Guyana will now have to confront the drainage system that we have and make some changes, not just the improvement of what we have, as the President said, a reorientation of this. This is something that we have been working on for some time now. It has not just been said last year and this year. So this is a challenge that we all face and I agree that this is not a time for us to be in the National Assembly, or out of the National Assembly, and try to score cheap political points. There are times for politics and there are times to score political points, but there are also times when a nation must come together, not to criticize, but to work together for the benefit of all the people of this country. We, in the Government have worked on behalf of all of our people. In spite of the criticisms we hear, we work for all of our people, not just one area, but throughout our country. I can vouch for that and my colleagues over there can vouch that. When I go

around this country, I do not go to a particular village to stop, I travel around Guyana, stop in every village and try to provide what kind of assistance I can as Minister of Health and also partly as Minister of the Government. Some of the criticisms, while we take them seriously, were also not fair. To say that we are totally unprepared and that we cannot compare ourselves with others. Others have had these challenges and they all faced these problems. I am not going to go and give many examples, but thank God that our response in 2005, and our response so far in 2006, comes no way close to Katrina and New Orleans, none whatsoever. *[Applause]* I think that as Guyanese, whichever political party we belong to, whichever side we sit on and whichever village we live in, we should take a sense of pride that Guyanese people - Government and people - all came together in effort to ensure that we have as minimal losses as possible.

Even with the losses we have now, they have been enormous. Last year, we suffered almost sixty percent loss of our GDP and this year, we are bound to suffer great losses, both as a country, nationally and also as individuals. That is why, when we come out and talk about assisting people to get back on their feet, we would love as a Government, to be in a position this evening or at anytime, to say that we would compensate all of our sisters and brothers for their losses. We would love to do so, but we are a prudent Government. We manage well and we know that it would be irresponsible for us to say we can compensate our people, all of them, who have suffered losses whether it is household things or crops or whatever. We are not in that position, so it is not a lack of desire to help our people more, but we understand our ability to compensate our country. It would be impossible and irresponsible for us to take on that position and we would not be true to say to our sisters and brothers across this country that we will compensate them when we are not in that position to do so. I am not going to go back into why we are in this position. I listened to people talk ... Mr Murray was trying to make a point in an earlier debate about the GDP and so on. We know how we got here and tonight is not the time to talk about why we are in a position that makes us unable to compensate all of our sisters and brothers, but we can provide assistance. The People's Progressive Party/

Civic Government has always been there, whether it is 2005, 2006 or earlier and I guarantee you that we will always be there with our sisters and brothers in the future, whether they live in Pomeroun, Black Bush, Mahaicony, Hopetown, Belladrum, wherever they live, we will be there to provide assistance. Assistance does not have to be in the form of a cheque. That is one way, but one of the immediate concerns is about removing water from the villages and communities. We have to remove the water as rapidly as possible and I think we all agree with that too. We have made attempts, because we anticipated the fact that we will have heavier than normal rainfall. My colleague the Honourable Minister Sawh, has already spoken on the preparations we made, but we have a drainage system, which I have already talked about, right now if it is perfect, it cannot not handle the amount of water present on the land. But the system itself was neglected for so long that during the tenure of this Government, so far, we have had to spend an enormous amount of money trying to bring back whatever infrastructure we have to some suitable, adequate working state. We know how much money we have spent between 1995 and 2004 alone. Almost \$5 billion had to be invested to remedy some of the neglect of the drainage and irrigation system in this country and today my colleague in this House, the Honourable Leader of the Opposition has visited the West Berbice area, I was there too and I saw him there. One of the things he heard, one of the things several of you over there heard, and the things we have heard . . . It is not about finding fault and so on, because we may have made mistakes and when I say *we*, I not talking about the present Government, we may have made mistakes in this country, because all along West Berbice area, remember when we established the MMA, all those sluices were closed down and maybe for good reasons. I am not an engineer and I cannot say, but every citizen that I met on the West Berbice, whether a PNC/R or PPP/C supporter, all of them said that we made a mistake in retiring those kokers and sluices and that was not done by the PPP/C Government. I am not saying that here this evening to blame a previous Government who did that, they were probably given advice, because they had advisors and they did what they thought was right at the time. But today, many of us believe, many of those citizens, whether they are

engineers or not - I am not an engineer - I identify with those citizens, that maybe we need to re-examine that fact and that is part of the re-orientation that we have to undergo in this country; the kind of constructive re-examination that we need and not running around in rhetoric that try to suggest some motivation based on discrimination. This Government will never discriminate against any citizen of this country. *[Applause]*

When we come here, I try to ignore those things, but I am taking it that we all agree that this re-examination is needed, and it does not matter who made the mistake. Guyana probably made a mistake when we closed those sluices. I walked all over at the back there and I saw how this water distributed itself, obviously West Berbice is one of the areas, but there are many other areas where we have to go.

Since the flood of 2005, Minister Sawh has given us the details of how much money was spent and indeed national taskforces are very important. Soon after the flood, it was the Government who established a D&I taskforce. The D&I taskforce which was established soon after the flood to look at the drainage and irrigation system, to make the kind of changes and to do the kind of work in preparation, first for the May/June and then for the December/January rainfalls were not made up of politicians. There is no member of the Cabinet on that taskforce. They are not political people on the taskforce. They are technical people on the taskforce and many of them are not sympathizers, they are known to be very vocal against this Government at times, but they worked together. The Government did not only put them to work and ask for recommendations. It was a genuine effort on the part of the Government to ensure that while we may not be able to make the drainage and irrigation system perfect, that we could improve on it so that we can better be able to face the challenges of the heavy rainfall and the excess amount of water flow that we will have to deal with. This taskforce was made up of technical people and they were given a budget, so not only do they make recommendations, but they could implement some of the recommendations and supervise those works. That taskforce actually expended in 2005 \$952 million. That is why, even if it is very difficult for some of us to concede this point, it is the reason why, in spite of the

heavy rainfall, in spite of the excessive amounts of water we have to deal with, we have not suffered the kind of flood that we did in January 2005. Yes, we have flood, but had we not done what we did to prepare this country to face that excessive rainfall, we would have been in dire straits today. So it is a good thing for a country to identify the deficiencies. It is even a good thing sometimes for us to criticise, because in criticism we sometimes find better solutions. It is a good thing, but we must also take a step backwards and acknowledge that this country which many people want to put down always seem to be able to come up with answers and to confront challenges. That is the truth.

I stand here today as a proud Guyanese, that my sisters and brothers can work together. We can put aside our political differences and confront challenges such as these unusual weather patterns. That is a fact. I think that I can depend on my colleagues on the other side to support that this is a resilient people and a people who can work together.

Mr Speaker, we have to look at what we have done. In addition to the \$952 million that was expended on improving the drainage system, the Government spent another \$2.5 billion on improving the capacity of the D&I system in our country and another \$1.5 billion was expended in the form of allocations to the National Drainage and Irrigation Board.

Mr Speaker, because of those preparations by the taskforce working together, in May a media team went and then another team made up of the donors. We heard talk about the donors and so on. The donors have been working with us closely, not only in the overall preparation, but in looking at the D&I system. A team went up made up of a drainage and irrigation expert, Robert Goodyear, who went along with a donor team UNDP, the EU, CIDA and so on, to visit some of the work. They themselves said that this taskforce did an excellent job and that they were very impressed with the work being done by this taskforce and that was in preparation. So this charge that the Government was negligent and was not preparing adequately, is a charge that has little basis. We have demonstrated, quite unequivocally that we have taken all the actions that we could take.

Mr Speaker, even when there was a charge that we did not act quickly and I think we must not be confused. We must not look at the Government's actions as just when the President appears in a community and when the President decides to take action. These are additional actions that we take, but throughout this, even going back to December, when some communities were already experiencing floods, actions were being taken by the Government.

In a number of ways we note, that in spite of the heavy rainfall, not just in Regions 6, 2 and 3, but also Region 4. I gave you the statistics to show that in Georgetown, on the East Coast, we have had significantly more than double the amount of rainfall than we normally have and yet we have avoided, up to now and hopefully we will get through this period, because we have avoided any kind of significant flooding on the East Coast and in Georgetown. There are other areas that have had short periods of water on the ground - one or two inches. I know every time the rain falls, as long I am in Georgetown, I would travel along the East Coast, through Georgetown and the East bank, so I can tell you that we have avoided that. That is testimony to some of the work we have done and there was a charge that the President only now finds out and go out. Mr Speaker, we all know the truth. We just have to go back and look at the newspapers and see. Even in November, the President was visiting communities and one of them was Georgetown itself, you would remember that additional work had to be done, the President gave the Municipality of Georgetown \$100 million. *[Interruption: 'Too late.]* Mr Speaker, yes, and my colleague on the other side, the Honourable Leader is talking about too late, but we can argue these things about being late and so on, but we must not come to the National Assembly and say that it is only now the President or the Government has woken. We have been there working not just in December, but in November/October/September and going backwards. We have been here and I wish that the efforts that we have made would have been such that the result would be that no one would have suffered from the flood, but we have to also be realistic.

Mr Speaker, let me address this issue that has come up, over and over,

and indeed a large part of Honourable Member Mr Jerome Khan's address had to deal with accountability. Yes, I do not think there is anything we can say in this House that will get the Honourable Member Mr Jerome Khan or the Honourable Leader of the Opposition or any Member on the other side, to say anything different, but they know differently, because one thing about this Government is that we have always been accountable. The Auditor General's Report is there, year after year, so let us not compare records on accountability. Let us not do that, because we subject all of our expenditure to the accountability framework that exists in this country. We are subjected every time to it and the 2005 expenditure will be audited by the Auditor General. That is for sure and you know that. But not only that, during the flood, when emergency spending had to be done, we had the Auditor General's staff with us, ensuring that our expenditure fell within the legal framework. Then, let us be honest about it, this National Assembly has examined our entire Supplementary Budget and Appropriation Bill, all the money we spent have been cleared by this National Assembly in Supplementary Budgets. That is a fact. We must not be ingenious about it. Whether we have spent the money as is indicated in these Supplementary Budgets, the Auditor General will tell us that, and the Honourable Member Mr Murray, who is the Chairman of the PAC, will have an opportunity to examine the accounts. *[Interruption: 'Tell us about the lotto funds.']*

The Speaker: Mrs Backer, I have not heard you all evening. I was wondering where you were. *[Laughter]*

Hon Leslie S Ramsammy: Mr Speaker, she gets all warmed up when I am around, *[Laughter]* but I do not mind at all.

Mr Speaker, this year, so far, we have again had to have to spend money and some of these have already been cleared, but we are also going to ensure that every cent we spend will fall within the legal framework that this Government has always meticulously ensured that we fall within. We take a lot of pride about that and yes, sometimes we make mistakes. Sometimes, as the Auditor General report shows, we make mistakes.

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The new national budget is coming out and we will indeed ensure, Mr Speaker, that at no time would we fall outside of the legal framework. That is our commitment to accountability in this country.

Then there is the talk of the timeliness of the response and I have just addressed a little of that. Mr Speaker, I hope that our sisters and brothers, who are listening, do not take the fact that because we went into Black Bush a couple of weeks ago or in the Pomeroon or the President was in West Berbice, that this is the beginning of our response. I have demonstrated quite unequivocally that we have been working throughout; but the President has been out there before. I have been out there before in many communities and it is because of that that certain things have been in place long before Christmas and every day we re-examine what we are doing. If I just use Health as an example, we were there before Christmas in many communities. We even have standby teams on the East Coast and in Georgetown, where we do not have floods, being ready and it is not as the Honourable Member Mr Jerome Khan said, a gingerly response. One of the things many of you have said to me in personal conversations is that you always over-react. You are an alarmist and indeed, I would prefer to over-react.

We have being out there, doing many thing, educating the public, providing them with literature and so on, when there is no need to provide actual medical assistance. We have several people working with us, not just the Ministry of Health staff, but many people. Indeed, in this spirit of re-examination of what we do, for example, tomorrow we have a meeting at the Ministry of Health with The Guyana Medical Association, the Red Cross and so on. We have a team made up of many stakeholders who will look at what we are doing and make suggestions as to whether we need to change, whether we need to look at other things, and indeed, in the composition of the teams we sent up. I do not want to deny the fact that in an ideal environment, when we send out a team, it should be made up of a doctor, a public health nurse, a medex, a pharmacist, et cetera. In an ideal situation that would be great, but we are not in that position in our country. Let us not fool ourselves and let us not misrepresent the situation in our country. Indeed I am disappointed, Honour-

able Leader of the Opposition, Mr Robert Corbin, that there was not a doctor at No. 28 village. There should have a Doctor in these teams, but the fact is, for the flood-related diseases that we are doing surveillance on, medexes and public health nurses can do an excellent job. Nobody will deny that and they have done an excellent job. More than half of the teams last year did not have doctors and so it is not the fact that we did not have a doctor at No. 28 village that is bad. You know what was bad? It is that I, as Minister of Health, promised the people that Dr Nelson Sinclair will be there - not just a Doctor, but a particular doctor. Unfortunately, by the time it was reported to me, Dr Sinclair had an emergency and could not be there that day, but we kept our promise with the medical team and I have instructed the Regional Health Services at the Ministry, before this afternoon, to ensure that the next medical team that goes to the Sea Breeze in No. 28 village to provide medical attention must include Dr Sinclair. I am disappointed that did not happen, and I will personally ensure that those people whom I promised, gave my word, that I will go and apologise and make up for it.

But the fact is that we have been responding in a timely manner and with a service that is equal to anything that anybody within our Region could provide in medical outreach programmes. I will challenge anybody in this House or anywhere to deny that fact. We have already proven that throughout these areas, whether they have had flooding for one, two, three or four weeks throughout all these periods, we do not have overwhelming incidences of flood-related diseases is testimony to the work that the health workers are doing out there, and this evening, I want and I ask all of you to join me in commending the Guyanese health workers.
[Applause]

We have much, much work to do, Mr Speaker. I listened to the Honourable Member Mr Corbin, the Hon Leader of the Opposition ... *[Interruption]*

The Speaker: I will have to ask you to wind up.

Hon Dr Leslie S Ramsammy: ... who he was talking about the grav-

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ity of the situation and especially mentioning Pomeroon. I was disappointed. Mr Speaker, I hope it was not meant the way, the way I read it and the way I heard it, that in going to Black Bush Polder and providing assistance; in going to Mahaica, Mahaicony and Abary and providing assistance; in going to Pomeroon - areas that technical people did assessments and concluded that these people needed help - now in going to these areas and providing assistance, that you do not see that as discrimination, simply because in many of these areas one ethnic group may dominate.

Mr Speaker, I hope the way I heard it is not what it was meant to be because, in providing assistance, we want to make sure that regardless of what ethnic group, regardless of where people live, that we can bring some solace and some assistance to our brothers and sisters.

Mr Speaker, this evening I am delighted that we have had an opportunity to talk. I hope that we will all leave this House with a commitment that we will work together and that whatever losses our country will face, whatever losses individual families will face in our country, wherever they live, that we can somehow find a way to make all their lives a little easier as we move on in 2006. Thank you. *[Applause]*

The Speaker: Thank you, Honourable Member.

Unfortunately, this debate will have to come to an end at this point in time. We will resume the business that we were engaged in prior to the commencement of this debate. I want to alert Members that in accordance with our rules, we will adjourn the National Assembly at 22:00h.

**RESUMPTION OF THE DEBATE ON THE VALUE-ADDED
TAX REGULATIONS 2005**

The Honourable Minister of Housing and Water to continue his presentation.

Hon Shaik K Z Baksh: Mr Speaker, I have advanced enough reasons to show why the Government members and the Special Select Committee have accepted the official GDP as the basis for the determination of the VAT rate. I would not want, in the interest of time to elaborate on those points I have made. The Honourable Member did make a point that the implementation of VAT may lead to an inflationary situation. He commented on the Barbados Legislation, but he should recall that in Barbados, the food items were not zero-rated and this did initially on the review of the VAT, then the zero-rated food items, but initially and I want to set clear, this is factual. Initially the Barbados VAT Legislation did not provide for the zero-rating of food items, but this was rectified nine months after at the review.

In the case of our VAT Legislation and he is right. Scenario I Simulation C by the consultant did not provide for the zero-rating of food items. And this indeed engaged the attention of the Committee, not only by Members of the Opposition, but the Government's side also looked at the various food items, the listing and so on. This took us some time. Because of that the Committee has made a recommendation here, which I want to read out, because we do not want it to go out in the public domain that we are implementing this VAT and that we are not going to look after the welfare of the people, in terms of zero-rating of certain goods. I want to make this point before I end up on this particular item and I want to read it clearly.

Section 32 - The Committee recommended that consideration be given to zero-rating of items such as:

- Food;
- Prescription drugs;
- light oils and preparations;

- Agricultural equipment; and

other items that currently attract no consumption tax, so as to preserve the taxable status of these items and that consideration be given to amending the Principal Act accordingly.

So it is there as a recommendation of the Committee that this should be done so that we can reduce the negative impact on the cost of living of the populace out there. So, I have set that record clear. Therefore I want to move on to some other points raised by Mr Murray. *Regulation 4* - He said at the Committee level and in this House here that the opposition cannot support Regulation 4, which seeks to remove the discretion from the Commissioner General for voluntary registration. We feel that the conditions set from here are not exhaustive and therefore there can be circumstances whereby the Commissioner General may have to exercise that discretion. We cannot. It may take another three pages.

Now, apparently the Honourable Member does not recognise the special conditions of the business environment in Guyana. Everything cannot be written down in this legislation and we have to be wary of the operation of certain businesses in our environment. So therefore we should not take away from a top manager - a top administrator, such discretionary powers. Already, you have taken away and you have asked for the discretion by ministers be diluted, and this has been done but to go now to a top administrator, whose responsibility is to implement the VAT Act, we strongly feel on the contrary that we should retain that element of discretion and so we have decided to keep the word *may*.

The second point raised was *Regulation 72*, is the request for insertion of the word *knowingly*. Now, clearly, if we insert the word *knowingly* in the legislation, this will require the prosecution to prove intention or *mens rea*. The element of intention, therefore, has to be established beyond reasonable doubt in this case here. But the way the Clause is structured presently, which we support, creates a strict liability offence, where the prosecution only has to prove that the information supplied is

false. We want to give, again, the discretion on the part of the Commissioner General in such a case, because let me tell you this, the whole VAT legislation, the implementation of VAT, rests on the integrity of the system, on the database, the record-keeping of the registered enterprises and that is important or it can fail. It is so serious that people should not submit false claims for refunds and so on. Therefore it is important that the onus rests on the registered firms to prove their case. We know what is happening in the business environment in this country and we must protect it by ensuring that we shift the onus and as I said, the whole operation of the VAT Legislation rests on sound record-keeping and if a registered company would come and say, well, I did not know my accountant did this and did that, it can lead to failure on the part of the VAT system, so therefore we would not want to insert that.

The other point raised here is about insurance - *Regulation 11* - and we have sought at the request of the Honourable Member, we have gotten an interpretation of the Legislation and in the interest of time, I would want to read what it states, because it does not strike at the brokerage system. It does not affect the brokers and it is clear. Regulation 11(2)(d) of the Value-Added Tax Regulations puts it beyond doubt that the sale *or transfer of ownership, of an insurance policy or the provision of reinsurance in respect of any such policy, whether the services performed by insurers, brokers or insurance agents ... exempt from tax.*

The question therefore is who pays VAT where an insurance broker sells a policy to a person? Since neither the broker nor the purchaser of the insurance policy has to pay VAT on the broker's fees and since VAT is payable on the broker's fees or commissions, it is clear that the person who has to pay VAT on broker's fees is the person immediately benefiting from the provision of the financial services, in this case, the insurance company. So it is not transferred to the brokers, so the brokers' system is intact. This is the legal opinion we got on VAT from the Attorney General's Chambers.

Finally, the Honourable Member Mr Murray placed a jab in his final commentary, stating that we rushed through the Regulations, I want to

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counter-jab him now, but he will recall that the first meeting of the Committee was held on the 15 December. One month it took us to go through these Regulations. This is a long time and because we are referring to so many pieces of Legislation and in this case, unprecedented the Regulations to a Special Select Committee, we must deal with these things in a rigid timeframe. It is important that we do that and I think he will agree with that. We had to make time and we had to wait, he will also recognise that for the various agencies of the Private Sector Commission and so on to make oral presentations and they asked for deferrals and deferrals. So we had to catch up time in the end. So it is not rushing it through, as he would want to say.

The point I want to make is that we are referring all these matters to Special Select Committees, but look at the attendance. The Honourable Leader of the Opposition is here and he should look at the attendance of the other Members on the Opposition side, they are hardly attending. Look at it. You better take note of that. Only Mr Murray made sterling contributions and we acknowledge that. You lacked the expertise to put people in there. You could have put the Honourable Member Mr Jerome Khan there

Mr Speaker, I want to end by moving on behalf of the Minister of Finance, the adoption of the VAT Regulations as amended and I so move.
[Applause]

The Speaker: The Honourable Minister of Finance.

Hon Saisnarine Kowlessar: Mr Speaker, given all that have been said by my colleague here this evening, I do not wish to add to the debate, but only to say that the VAT is a new system, it is a complex system, I must admit and we will examine the legislation, from time to time, with a view to reviewing, whenever it is necessary. We have given

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it some lead time from the time we have said it was going to be implemented we have given some new lead time to 1 January 2007. We will examine that process during that period before implementation. So with those few remarks I now move the Motion.

Question -

That this National Assembly, in accordance with Section 95(3) of the Value-Added Tax Act 2005, affirm the Value-Added Tax Regulations 2005, made under Section 95(3) of the Value-Added Tax Act 2005, on 31 October 2005 and published in the Gazette dated 31 October 2005.

Put and agreed to

Motion carried

ITEM 2 - AFFIRMATION OF THE EXCISE TAX REGULATIONS 2005

BE IT RESOLVED:

That this National Assembly, in accordance with Section 15 of the Excise Tax Act 2005 (Act No. 11 of 2005), affirms the Excise Tax Regulations 2005, made under Section 15 of the Excise Tax Act, 2005, on 31 October 2005, and published in the Gazette dated 31 October 2005.

The Speaker: The Honourable Minister of Finance

Hon Saisnarine Kowlessar: Mr Speaker, I rise to move the second Motion standing in my name. As you are aware, Excise Taxes on selected goods will be introduced along with the VAT. Those goods are:

- Motor vehicles
- Tobacco products
- Alcoholic beverages
- Petroleum products

The rationale for the introduction of Excise taxation is that the selected goods currently generate the considerable amounts of consumption tax and in the absence of Excise taxation the VAT rate would be considerably higher.

Mr Speaker, a number of amendments have been made to the original submission - the original Regulations - submitted to this National Assembly on 10 November 2005. The Schedule was amended with changes to the Excise Tax rates as indicated in the Report. This was done to ensure that the net effect is that the current revenue yield is maintained. We have provided the Schedule of Tariff Headings that would be subject to Excise taxation at the rates that would be applicable. All of the rates shown were calculated on the assumption that the revenue to be foregone, when the consumption tax on those items is removed, would be recovered through Excises and VAT. Therefore, in those cases where the consumption tax was sixteen percent or less, no Excises would be applicable.

The following comments are applicable to the various rates for:

- *Alcoholic beverages* - Tariff headings 2203, 2204, 2205, 2206 and 2207, the proposed rate is forty percent and that rate is consistent with the sixty percent rate of consumption tax that is currently on those products.
- *Tobacco products* - Tariff headings 2402 and 2403 is one hundred percent. The current consumption tax rates for those products is one hundred and twenty eight percent and the proposed excise rate, plus the VAT, will allow the Govern

ment to recover revenues lost with the abolition of the consumption tax.

- *Gasoline* - Tariff heading 2710.11.30, the proposed Excise rate is twenty five percent and that rate is consistent with the current consumption tax rate of forty five percent.
- *Diesel* - Tariff heading 2710.19.40 and 2710.19.50, the proposed rate is three percent, and that rate reflects the current consumption tax rate of 17.5 percent.
- *New motor vehicles and used vehicles less than four years old* - There are several rates and these are shown in the Excise Tax schedule.

For the better part, these rates reflect the current applicable consumption tax rates, but we have also used the opportunity, associated with the introduction of the VAT, to unify rates for several tariff headings. That is, in many instances, the rates shown are uniform rates that will be applicable, whether or not the vehicles are imported by dealers or individuals.

For imported vehicles four years or older, it is not possible to calculate the Excise rates, along with the VAT, to generate the desired levels of revenues. Currently these vehicles are subject to flat tax rates and in some cases purchase tax, with the base for the latter comprising the flat rate taxes.

The applicable taxes are specified either as absolute amounts or amounts that are calculated using formulae in which the major parameters are defined in absolute amounts.

Mr Speaker, as earlier mentioned, we have also ensured that the status relating to the taxes on motor vehicles for public officers and other categories of public officials including MPs are maintained.

Mr Speaker, I want to thank the staff of the GRA for working diligently to get these rates in place after the original submissions had some dis-

crepancies. Thank you. *[Applause]*

The Speaker: Thank you Honourable Member

The Honourable Member Mr Murray

Mr Winston S Murray: Mr Speaker, I think a lot of very hard work went into looking at the commodities that were going to be subject to the Excise Tax. Although they are in total number four, I believe, there are a number categories within each of them and so what we had to deal with was in fact quite a large number of sub-items. I would like to join with the Minister in expressing appreciation to the very hard work that was put in by the Commissioner General of the Guyana Revenue Authority and his dedicated team, not only in respect of the Excise Tax Regulations, but also in relation to the VAT Regulations and if that spirit and approach are taken into the administration of these taxes, then I believe, Sir, we can look forward to an efficient administration of them.

Having said that, I would like to say this ... and this is really largely for the benefit of the Minister under whose purview that administration falls, that these people, although enthusiastic and energetic, need to be trained. It is quite clear that there is a number of areas in which they need to be strengthened and I would urge that we have a year between now and the implementation or the coming into operation of these Acts. I urge that we spare no effort and spare no resources to get them exposed to proper training, because on their efficient administration rests the effectiveness of these taxes.

Having said that, Mr Speaker, all that remains for me to say is that I believe that there was a much more rational approach to the Excise Tax Regulations and we share the view of the Government on these rates. They are broadly equivalent to those taxes they will replace so therefore, on that score, we have absolutely no problem with them. We note

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that cigarettes have taken a big hit, but this was described by the Minister of Health, by the President, and by various other people as a sin good. I think we must, however, bear in mind that a lot of poor people smoke cigarettes, and it does have, for them ... I do not know if it is a therapeutic or whatever effect, and it may be one of those things, the consumption of which is inelastic, given the level of which it is utilized, so maybe, at the end of the day, we may be imposing additional burdens on these poor people. That is not to say we are not supportive of the principle of trying to get people off the habit of smoking, because I think we all agree on both sides of this House that is not a habit that is healthy.

Mr Speaker, nonetheless, I wish to advise the Government that while we will not vote against these Regulations, we will abstain on the vote in the context of our position that the necessary amendments, some of which have to do with VAT items, like the benefits for Members of Parliament, they have to be incorporated in a substantive legislation and we would like to see them there. So we are holding back our forth right support, because our view is that we should make those changes in the principal Act, so that they are known to be formally part of the legal arrangements for the imposition of these taxes and then we can go ahead with the Regulations. I thought we owed that explanation to the Honourable House, so we shall abstain even though we participated and actively support the rates that had been arrived at. Thank you. *[Applause]*

The Speaker: Thank you Honourable Member

The Honourable Minister of Finance

Hon Saisnarine Kowlessar: Mr Speaker, on the last point that the Honourable Member made of benefits of MPs, as you will see it is there in the new Schedule. It was not there on the previous submission, but the rates for the MPs are now there. I do not know if it is necessary to have the Principal Act amended in light of the point you have made. I

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would definitely check on that.

On the other point he made, about the strengthening of the staff of GRA, I do certainly support that standpoint and I will ensure as Minister of Finance, that the necessary resources are provided for the training and development of the staff of GRA. So basically on those grounds, I now move the Motion before us.

Question -

That this National Assembly, in accordance with Section 15 of the Excise Tax Act 2005, affirm the Excise Tax regulations, made under the said section, published in the Gazette on 31 December 2005.

Put and agreed to

Motion carried

The Speaker: Thank you Honourable Members. That brings us to the end of our business for today.

The Honourable Minister of Parliamentary Affairs

Hon Reepu Daman Persaud: Mr Speaker, I move that the National Assembly stands adjourned until Monday, 23 January 2006 at 14:00h. The Budget will be presented on that day.

Thursday, 19 January 2006

The Speaker: Thank you Honourable Member, the National Assembly is so adjourned.

Adjourned Accordingly at 20:51pm