

**THE  
PARLIAMENTARY DEBATES  
OFFICIAL REPORT  
(VOLUME 3)**

**PROCEEDINGS AND DEBATES OF THE FIRST SESSION OF THE NATIONAL  
ASSEMBLY OF THE SECOND PARLIAMENT OF GUYANA UNDER THE  
CONSTITUTION OF GUYANA**

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**55<sup>th</sup> Sitting**

**2.00 p.m.**

**Monday, 22<sup>nd</sup> December, 1969**

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**NATIONAL ASSEMBLY**

**The Assembly met at 2 p.m.**

**Prayers**

**Mr. Speaker in the Chair**

**Present**

His Honour the Speaker, Mr. R.B. Gajraj, C.B.E., J.P.

**Member of the Government**

**Ministers**

The Honourable L.F.S. Burnham, Q.C.,  
Prime Minister

Dr. the Honourable P.A. Reid,  
Deputy Prime Minister and Minister of Finance

The Honourable R.J. Jordan,  
Minister of Agriculture and National Resources

The Honourable M. Kasim,  
Minister of Communications

The Honourable H.D. Hoyte,  
Minister of Home Affairs

The Honourable N.J. Bissember  
Minister of Trade and Parliamentary Affairs

The Honourable W.G. Carrington,  
Minister of Labour and Social Security

The Honourable Miss S.M. Field-Ridley,  
Minister of Education

The Honourable B. Ramsaroop,  
Minister of Housing and Reconstruction

The Honourable S.S. Ramphal, C.M.G., Q.C.,  
Attorney-General and Minister of State

The Honourable M.W. Carter,  
Minister of Information

The Honourable H. Green,  
Minister of Works and Hydraulics

The Honourable H.O. Jack,  
Minister without Portfolio

Dr. the Honourable Sylvia Talbot,  
Minister of Health

**Parliamentary Secretaries**

Mr. J.G. Joaquin, O.B.E., J.P.,  
Parliamentary Secretary, Ministry of Finance

Mr. P. Duncan  
Parliamentary Secretary, Ministry of Local Government

Mr. W. Haynes,  
Parliamentary Secretary, Ministry of Works and Hydraulics

Mr. A. Salim,  
Parliamentary Secretary, Ministry of Agriculture and Natural Resources

Mr. J.R. Thomas,  
Parliamentary Secretary, Office of the Prime Minister

### **Other Members**

Mr. O.E. Clarke, Deputy Speaker  
Mr. J.N. Aaron  
Miss M.M. Ackman  
Mr. K. Bancroft  
Mr. J. Budhoo, J.P.  
Mr. E.F. Corria  
Mr. M. Corrica  
Mr. E.H.A. Fowler  
Mrs. P.A. Limerick  
Mr. S.M. Saffee  
Mr. D.A. Singh  
Mr. R.C. Van Sluytman  
Mr. C.E. Wrights  
Mr. M. Zaheeruddeen, J.P.

### **Members of the Opposition**

Mr. Ram Karran  
Mr. R. Chandisingh  
Dr. F.H.W. Ramsahoye  
Mr. D.C. Jagan  
Mr. E.M.G. Wilson  
Mr. G.H. Lall  
Mr. M.Y. Ally  
Mr. R.D. Persaud, J.P.  
Mr. E.M. Stoby  
Mr. R. Ally  
Mr. E.L. Ambrose  
Mrs. L.M. Branco  
Mr. Balchand Persaud  
Mr. I. Remington, J.P.  
Mrs. R.P. Sahoye  
Mr. V. Teekah  
Mr. E. DaSilva  
Mr. M.F. Singh  
Mr. J.A. Sutton  
Mr. R.E. Cheeks

Clerk of the National Assembly – Mr. F.A. Narain

Deputy Clerk of the National Assembly – Mr. M.B. Henry.

**Absent**

Mr. L.I. Chan-A-Sue	-	<b>on leave</b>
Dr. C.B. Jagan, Leader of the Opposition	-	<b>on leave</b>
Mr. A.M. Hamid, J.P.	-	<b>on leave</b>

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**ANNOUNCEMENTS BY THE SPEAKER****FORM OF ADDRESS OF MINISTER OF EDUCATION**

**Mr. Speaker:** Hon. Members, we received a letter from the Ministry of Information enclosing a copy of a Press Release dated 18<sup>th</sup> December, 1969 which advises that the Minister of Education has reverted to her maiden name of Miss Shirley Field-Ridley and wishes to be addressed as such with immediate effect.

**LEAVE TO MEMBER**

Secondly, leave has been granted to the hon. Member Mr. Chan-A-Sue to be absent from today's sitting.

**PRESENTATION OF PAPERS AND REPORTS**

The following Papers were laid:

- (1) (a) Estimates of Revenues and Expenditure of Guyana for the financial year 1970.
  - (b) Report of the Directors of the New Windows and Orphans' Fund for the year 1964
  - (c) Fifth, Sixth and Seventh Annual Reports and Statements of Accounts of the Guyana Electricity Corporation for the years ended December 31, 1965, 1966 and 1968, respectively. [**The Minister of Finance**]
- (2) Annual Report of the Guyana Fire and Ambulance Services for the year 1968. [**The Minister of Home Affairs**]

- (3) Sessional Paper No. 3/1969 by the Minister of Labour and Social Security on International Labour Recommendations adopted on 25<sup>th</sup> June, 1968, at the 52<sup>nd</sup> Session of the International Labour Conference. [**The Minister of Labour and Social Security**]

### QUESTIONS TO MINISTERS

#### VISITS BY GOVERNMENT MEDICAL OFFICER TO CERTAIN AREAS

**Mr. Chandisingh:** I have not yet received my Order Paper for today's sitting. I understand there is a Question on it.

I wish to ask the hon. Minister Question No. 8 standing in my name:

- (i) Is the Minister aware that for over six months no Government Medical Officer has visited the Borlam-Sheet Anchor-New Forest Area, also West Canje to Sandvoort, and Glasgow to Lighttown?
- (ii) When will the service be restored?

**The Minister of Health (Dr. Talbot):** In reply to part (i) of the Question:

I am aware that a Government Medical Officer is no longer assigned to the Canje-Highbury Mobile Medical Unit. After consultation with medical staff and people of the district it was agreed that a dispenser would visit twice monthly and any cases requiring medical attention would be referred to the New Amsterdam Hospital.

In reply to part (ii) of the Question: The service was never discontinued. The Mobile Medical Unit continues to visit these areas, but for the past six months a dispenser instead of a Government Medical Officer has been visiting with the Unit.

**Mr. Chandisingh:** As a supplementary question: Would the hon. Minister agree that the services of a doctor have been discontinued in that area and is it intended to replace the doctor's services in the near future?

**Dr. Talbot:** In answer to the Question, I stated that after consultation with the medical staff the decision was made that a dispenser would visit twice monthly, which means that the medical staff have advised that the illnesses which they find on their monthly visits in these areas could be taken care of by a dispenser. When any serious illness is discovered, the proper place to treat such illness would be the hospital and therefore these patients would be referred to the appropriate medical officers in the New Amsterdam Hospital.

**MOTIONS RELATING TO THE BUSINESS OF SITTINGS  
OF THE ASSEMBLY AND MOVED BY A MINISTER**

**The Minister of Trade and Parliamentary Affairs**[Mr. Bissember]: Mr. Speaker, subject to your approval, it has been agreed between the Government and the Opposition that we should sit until midnight tonight.

**2.15 p.m.**

The second agreement, subject to your approval again, is that if the Speech when it was read goes on beyond 4 O'clock, we should continue until it is finished. In other words, not to take the suspension at 4 O'clock. [Mr. Ram Karran: "We did not agree with that."] I am instructed that that has been agreed between all concerned.

**Mr. Speaker :** Shall I deal with the matter in two parts? So far as the first is concerned, the question of sitting until midnight – if necessary, I suppose?

**Mr. Bissember:** Yes.

**Mr. Speaker** :Is that agreed by all Members of the House?

*[Hon. Members indicated assent.]*

**Mr. Speaker** : Then it is so ordered.

On the question of continuing beyond 4 O'clock to enable the Minister of Finance to conclude his Budget Speech, I think that that is very desirable because, on a previous occasion when we stopped at 4 O'clock, I think it was not in the best interest of all, especially since the speech itself is being broadcast live. Therefore as members object that has my approval.

### INTRODUCTION OF BILLS - FIRST READING

The following Bills were introduced and read the First time:

- (i) Miscellaneous Enactments (Amendment) (No. 2) Bill – Bill No. 33/1969 published 22.12.69;
- (ii) Motor Vehicles and Road Traffic (Amendment) Bill – Bill No. 34/1969 published 22.12.69. [**The Minister of Finance.**]
- (iii) National Cane Farming Committee (Amendment) Bill - Bill No. 35/1969 - [**The Minister of Agriculture and Natural Resources**]

### PUBLIC BUSINESS

### MOTION

### APPROVAL OF ESTIMATES OF EXPENDITURE FOR 1970

### BUDGET SPEECH



**The Minister of Finance** (Dr. Reid) : In accordance with article 80(2) of the Constitution I signify that the Cabinet has recommended for consideration by the National Assembly the Motion for the approval of the Estimates of Expenditure for the financial year 1970 totalling \$173,448,058. I now move the Motion standing in my name.

**Mr. Speaker:** In opening this my third Budget Speech I would first like to pay tribute to the Officials of the Ministry of Finance, the Fiscal Policy Committee and the several persons both in the public and private sectors of our community, who by their ideas and advice have contributed to the formation of the contents of this Budget. These are not easy times and such meaningful assistance must be recorded with gratitude. In the concluding remarks in the Budget Speech for 1969, I observed that working together we, the people of Guyana, can turn mountains into gold. I am happy to note the leap forward Guyana has taken and the progress which we have made towards the achievement of a cooperative republic.

The year 1969 has been a busy year with both of our border issues giving us periods of severe financial and other problems. In January rebels trained in Venezuela returned to the Rupununi and after slaying several peaceful citizens fled across the border when the Guyana Defence Force moved into action. In August, the Guyana Defence Force, while patrolling, identified a military camp built by Surinam's armed forces who had taken up firm military position within our territory. The Guyana Security Forces took essentially police action against the fleeing Surinamers and there was no loss of life.

However, notwithstanding the traumatic financial problems to which those pre-occupations have given rise, the development programme moved forward significantly. This has been possible because the majority of people in Guyana became involved more meaningfully and with marked self-forgetfulness in the task of transforming our country. Government wishes to emphasise its appreciation of such significant effort and to call upon others, who can contribute, to participate in this grand and unique self-help and cooperative effort for the advancement of our nation.

Our grievous loss of our Governor-General and other outstanding hardworking citizens came upon us almost in one fell swoop as if to test our fibre. It seems as if we are being burnt like slag in the furnace but like slag. I firmly believe we are being transformed into true and hardened steel. In a society that is changing very rapidly these additional stresses demand greater exertion and prompt adaptation.

The expansion of the economy of Guyana is somewhat restricted by our very underdevelopment for both agricultural and industrial development demand the availability of capital and skills. As these are unobtainable locally in the required quantities, recourse has to be made to foreign countries and international agencies. This occasions protracted debates in international organisations in an effort to have the old policy of "aid and raid" changed to one of partnership whereby the widening gap between the developed and developing countries would be contained and eventually bridged. But even assuming some measure of success in this direction, ours is the conviction that Guyana must be primarily responsible for Guyana's development.

Therefore the keynote to this year's budgetary policy is the acceleration of the mobilising of local resources for development, armed with the knowledge gained through self-help that one dollar can do the work of several dollars. The small man is being convinced of the benefits of savings for capital formation. The tempo of economic growth of developing countries suffers equally from the inadequacy of savings and of institutions for the mobilisation of savings. Plans are well advanced whereby the small man can have an institution he can call his own. I refer to the Co-operative bank already announced by the Prime Minister on Co-operators' Day.

The Thrift and Credit Societies of this country have proved that the poor can save money. Regardless of how small the individual savings may be, if there are institutions to bring fresh

**2.20 p.m.**

hope and convert these savings into a force for development, benefits then ensue both to the individual who saves and the country in which he lives.

However, it must be realised that if progress is to be achieved an effective rechanneling of Guyana's total financial resources into developmental projects and programmes should be effected. Budgetary policy must give meaning to economic policy and planning.

Our Prime Minister indicated sometime ago that if Guyana is to benefit from economic planning then Guyana must use all the means at her disposal to channel her resources - human, natural and financial - to maximum advantage of the country and its people. Delay in moving towards this goal will spell danger for all. We cannot debate the evils of the growing gap between the developed and underdeveloped countries if no effective measures are adopted at home to deal with the gap that exists between the "haves" and "have nots" at our door step. We must move toward a better synthesis between economic growth and a just society.

The Budget for 1970 has a special significance not merely because it ushers in Cooperative Republic Year but also because it marks a new trend in budgetary policy. The course is being charted toward a broadened tax base, mobilisation of financial resources and some direction as to areas where savings should be channelled. Banks, Insurance Companies, large companies and corporations and other institutions are being called upon to play a more meaningful role in keeping with the development of Guyana and her people. These institutions should find overall satisfaction in this new venture as Guyana and her people start on the road to economic and social advancement through a more efficient utilisation of our total resources.

Of course, the span of one year which the Budget covers is a relatively short period in which to effect total transformation but Government hopes that this beginning will snow-ball and there will not be the necessity for too many legislative measures for Guyana to proceed apace. The Co-operators and self-help groups have already demonstrated what voluntary cooperation within Guyana's economic development programme can accomplish.

I must make it clear that this policy is not directed against any section of this community. Private talent, initiative and hard work must have its just reward and gainful opportunities and the Budget proposals will bear this out, for all sections of the community are complementary.

Government must ensure that access to opportunities is easier and equitable. This can only become a reality if Government is given the means to execute the planned programme.

### GENERAL REVIEW

Mr. Speaker, in my last Budget Speech I opined that despite certain strains - for example, increased expenditure on defence - the economy of Guyana was sound and was likely to grow faster in 1969 than in the previous year. In fact, levels of output in all productive sectors have been good and incomes have risen to a significant extent. The demand and supply conditions for our main export commodities - bauxite, alumina, sugar and rice - have been favourable.

Production of bauxite has been running at about 20% higher than in 1968, alumina at about the previous year's level; and sugar has exceeded the 1968 output by 14%. In fact the industry has reached its record output of 363,000 tonnes. While the overall production of rice has not expanded as much as expected, output in the autumn crop was good. The overall level of output was about the same as in 1968. Of significance, however, Mr. Speaker, was the fact that quality has improved to a remarkable extent, particularly in the large autumn crop. So that with the achievement of better grades farmers could receive higher net incomes for their rice despite the failure of output to expand significantly.

Mr. Speaker, bauxite, alumina, sugar and rice account for more than 85% of the value of our exports. Favourable demand conditions for these commodities have induced a higher level of shipments. Exports have therefore increased, and the prices of alumina and bauxite after rising sharply in 1968 following devaluation have maintained this high level during 1969. In the result the value of exports of the products of the bauxite industry has increased by about 16% compared with 1968. The increased production of sugar would all be sold; and a larger quota of sales on the United States market would enable, I expect, substantially higher earnings in the sugar industry with consequential increases in incomes. The value of exports of sugar has in fact been running at about 15% higher than in the previous year.

Mr. Speaker, the Government has been quite gratified at the industrial peace which has been maintained in the sugar industry during 1969, and which, experience in the past has shown, was critical to the achievement of its production target by the industry. I am convinced that the gratification which the Government feels must be shared by all right thinking Guyanese. This higher level of production has meant higher incomes in the form of wages and salaries, and in terms of the various bonuses, for the workers in the industry. It must mean better profits for the industry; and I expect more revenue from income taxes at both the company and the personal levels. I expect that this level of production of sugar has meant much to small cane-farmers throughout the country whom the Government has been encouraging to play an increasingly significant role in the production of sugar cane.

The rice industry has also had a relatively good year on the export market. Despite a brief period of shortage of the more popular grades of rice on the local market, the country has been able to supply its contract market. Besides the change in the overall volume of rice available, it is also of relevance to our effort in the rice industry to note that since 1968 rice has been earning a rising average price on the export market, arising not only from successful negotiations with our Caribbean trading partners, but also from the fact that better grades of rice are now available for export.

The output of our manufacturing sector - apart from sugar and rice - has also been expanding. Output of margarine, stockfeed, alcoholic beverages, cigarette, and ready-made clothing has expanded, after a slight decline in some cases during 1968.

The building and construction trade is still booming. House building and home ownership are on the increase. The house building programme is promoted by the Commonwealth Development Corporation is successfully off the ground; the Berezina housing project is taking shape at Mackenzie and the Trades Union Council Co-operative Housing Society project after some difficulties is going ahead again.

In addition there have been construction works on schools, in aided self-help, in road construction, particularly the Corentyne road, where work is well on schedule and in sea

defences. The effect of all this work in the construction industry has been to increase employment and earnings in that sector, and in a direct way to generate employment in other sectors - mainly in the logging and sawmilling industries, in quarrying, and in the service sectors, like transportation and commerce.

As a result of these trends, Mr. Speaker, the economy has been expanding during the current year. Gross Domestic Product - that is the value of all production in Guyana - is projected to increase from \$407 m. (revised) in 1968, to about \$442 in 1969 - equivalent to a growth rate of 9%. In accord with the growth in Gross Domestic Product the Gross National Product would probably have risen by just over 9% and would have favourably affected the level of savings in the community as there has been no significant rise in consumption spending. In fact savings in commercial banks are running at about 15% higher than in the previous year.

Mr. Speaker, the economy of a country grows as fast as its people are willing to forego present consumption and save for profitable investment. Unfortunately a developing country because of low per capita incomes cannot save enough to finance the capital expenditures necessary for a rapid rate of growth. There must be injections of foreign capital - official and private. Unfortunately capital does not come easily to a developing country. Guyana is no exception. At the official level there have been relatively large inflows of capital but not enough to satisfy the development needs of the country. In the private sector only the bauxite industry has made significant contributions to the increase in productive capacity. As a nation then we must take a hard look at the manner in which the savings of the community are utilised. Investment must flow into new industries.

The tax structure must be reorganised to ensure a better distribution of the burden of taxation, and to ensure that all elements in the domestic economy pay a just tax. Domestic savings must be encouraged, they must be mobilised and they must be channelled.

Our investment has been running at a fairly high level during 1969. Capital expenditure in the private sector is estimated at \$65m., slightly higher than it was in 1968. In the public sector capital expenditure has also risen, from \$40 m. in 1968 to \$44m. in 1969. However only

about 40% of the public sector development expenditure was financed from domestic sources in 1969. External capital accounted for 60%. It seems clear to me, Mr. Speaker, that with more funds at its disposal the Government could do much more to accelerate the pace of domestic capital formation, employment and earnings and thus induce more business activity in other sectors.

While internally the economy has performed creditably, our external transactions, which are merely a reflection of internal business conditions, have demonstrated clear signs of a healthy economy, but some strain was evident. Exports should exceed \$255 m. this year, surpassing last year's by something in excess of 13%. Our imports projected at \$235m. for 1969, though increasing, would nevertheless be less in value than our exports. Consequently, Mr. Speaker, our balance of visible trade would be in surplus to the tune of about \$20 m. The rising level of exports indicates an expanding economy, while the fact that imports in an open economy like ours have been kept to a 7% increase is clear evidence that consumption expenditure has been kept under control. In fact imports of capital and other production goods have been the main cause of the rise in imports.

As I indicated previously investment, which is an essential concomitant of economic growth, has been maintained at a relatively high level during the current year. Much of this investment is in capital goods from abroad, partly financed by foreign inflows of capital to the private and public sectors. In the result, however, these inflows, together with the export earnings of the economy, have been insufficient to cover imports into the country and some net outflow of foreign reserves has occurred. This underlines the necessity for this country to mobilise its internal resources to meet domestic investment requirements. In short, local participation in the financing of our capital programme must be increased.

Mr. Speaker, within this economic environment the Government was able to collect \$112 m. in current revenue in 1969, compared with \$102.6 m. in 1968, and \$7.4 2. less than was originally anticipated. Thus current revenue was approximately 25% of Gross Domestic Product in 1969, and about the same proportion as it was in 1968. Revenue itself increased by nearly 9% over 1968 roughly in line with the increase in the Gross Domestic Product. But this should have

been the position without the new tax measures introduced in my Budget of 1969. That revenue grew at roughly the same rate as Gross Domestic Product despite new tax measures is a clear indication that the revenue has not been readily responsive to certain kinds of taxes. It also carries the clear implication that fiscal measures must now have a different emphasis, and must demonstrate a new vigilance to identify avenues of seepages and to close them.

That Government revenue did not in fact move in sufficient sympathy with the growth in domestic incomes was due in part to the financial consequences of concessions to industry. It might well be, Mr. Speaker, that in certain areas our industrial incentives are too generous. In part it was due to tax avoidance practices; for example, liberal expense accounts; inflated fringe benefits; and other excessive claims as expenses against income. Mr. Speaker, the necessary implication of all this is that the fiscal system in Guyana needs a thorough examination. This is the function of the Fiscal Review Committee which I had appointed earlier in the year. The committee has not yet completed its work, but I have already had the benefit of its advice on important areas of fiscal reform. It would be necessary, Mr. Speaker, for Honourable Members to bear these facts in mind in order to appreciate more fully the fiscal proposals which would be presented later in my speech.

At this point, Mr. Speaker, I should like to give some additional details of the financial position of this Government during the current year, which I believe would provide some further indication of the financial constraints within which the Government is operating. As I indicated a moment ago our revenue for 1969 was approximately \$112 m. a large part of which (\$37.7 m.) was derived from import duties which exceeded collections in 1968 by just \$1.4 m. In spite of this, the actual collection of import duty in 1969 fell short of the budget estimate by \$1.4 m. due largely to the fact that the quantum of dutiable imports was less than was originally projected. The defence levy, however, earned \$4.4 m. over the ten months for which it was effective. Income taxes, both company and personal, accounted for \$34.1 m. of revenue, a mere \$0.2 m. higher than collections in 1968. It was in the area of company taxes that the shortfall was greatest. Income tax collections were \$4.0 m. less than was originally estimated. In the aggregate Mr. Speaker, current revenue based on the revised estimate of \$112 m. was \$7.4 m. less than was projected.



On the capital account receipts (\$35.5 m.) have also fallen short by \$15.2 m. when comparison is made with the original estimates. The shortfall was due entirely to the fact that it was not possible to draw down more than \$20.2 m. of the expected \$40.3 m. of external loans. In the final analysis the total of the current and capital receipts was \$147.5 m. approximately \$23 m. less than was expected.

With prudent management of the current budget however, expenditures were kept to the level of \$110.5 m. just \$5 m. more than was originally approved and approximately \$12 m. more than was spent in 1968. Most of the expenditure in excess of the amount originally approved was due to extraordinary commitments totalling \$4.1 m., associated in part with the interim payment to Government employees and pensioners, the employees contributions to the National Insurance Scheme and increased subsidies to the University of Guyana and the Transport and Harbours Department.

Expenditures on capital account were also restricted to \$44.3 m. about \$18 m. less than was approved. With current revenue at \$112 m. and current expenditures at \$110.5 m., there was a current surplus of \$1.5 m. As capital expenditures totalled \$44.3 m., while capital receipts amounted to just \$35.5 m., there was a deficit on capital account of \$8.8 m. In the final result there was a deficit of \$7.3 m. in the Revenue and Expenditure Accounts of the Government for 1969.

The increase in current expenditure in 1969 over 1968 went mainly into defence (\$1.1 m.), external affairs (\$0.5 m.), internal security (\$0.7 m.), agriculture (\$1.1 m.), post office (\$0.5 m.), education (\$1.1 m.), social assistance (\$0.3 m.), interim payments to public servants (\$1.8 m.), health (\$1.0 m.), public works (\$0.9 m.).

The main increases in capital expenditure from 1968 to 1969 occurred in small public works projects (\$2.5 m.), interior settlement (\$1.4 m.), education (\$2.4 m.), agriculture and natural resources (\$2.6 m.). There were however reductions in expenditure on national registration and elections (\$1.5 m.) and on airport facilities (\$2.1 m.). In the overall result, capital expenditure for 1969 was \$4.6 m. greater than that for 1968.

## THE INTERNATIONAL SITUATION

While economic development must be primarily the responsibility of the developing countries themselves, there still remains a progressively pressing need for concerted action on the international front to create a favourable external environment for development. Developed countries are still to apply more liberal trade practices - particularly to goods with respect to which the developing countries have a potential comparative advantage - and to devise changes which will bring about a greater flow of net aid and on better terms. It is recognised that some important efforts have been made to improve the prospects for commodity exports from developing countries; nevertheless, the overall picture still remains extremely gloomy. To this end we anxiously await the implementation of "Partners in Development" - the **Report of Pearson Commission on International Development**.

The tendency for the overall terms of development assistance to harden is a matter of particular concern. While the terms of official lending have remained somewhat steady the proportion of grants in disbursements to developing countries has declined by about 20 per cent. The prevailing high level of interest rates has tended to aggravate the situation. The debt service now pre-empts a very high percentage of export earnings, and the growing practice of tying aid to procurement in the donor countries has also tended to reduce the real value of assistance provided to the developing countries.

The problems facing developing countries are merely a reflection of difficulties in the functioning of the international monetary system. An important aspect has been the developed countries' complaint that the general level of their reserves is inadequate. The recognition of these difficulties has led to various attempts at international monetary co-operation including the establishment and expansion of a net-work of mutual credit facilities among the central banks of developed countries, and the agreement to supplement existing reserve assets through deliberate international action to create Special Drawing Rights.

Special Drawing Rights are intended to provide a means whereby the growth in world reserves can be adjusted to the expansion of production and trade in an orderly and deliberate

fashion. Hitherto a country acquired reserves only in exchange for real resources. It would be an expression of international solidarity if the developed countries were to declare that this saving of resources, whether viewed at the national or world level, should accrue to those most in need - poor countries such as Guyana. While the shortage of liquidity in developed countries can have a harmful impact on developing countries, the liquidity problems of the latter countries are much more substantial and grave.

The export earnings of developing countries fluctuate widely. The cost of adjustment of their economies can be particularly heavy because of relatively high dependence on trade, in particular on a few export products, and because of difficulty in reducing imports without adverse effects on the rate of growth of output and the level of employment. Furthermore, few developing countries have easy access to capital markets or can afford to increase their reliance on buyers' and suppliers' credits at the present high level of interest rates.

The cost of holding reserves for developing countries is extremely high, in view of the urgent claims for development. But the cost of being short of reserves can be even higher. Undeveloped countries can ill afford the social costs which accompany an inadequate level of reserves. Increased unemployment, industrial underutilisation and stagnation caused by import restrictions or deflation disrupt economic development and can inflict considerable damage. These considerations convince us that the needs of the developing countries for additional liquidity, whether in the form of reserves, or of credit facilities, are even more urgent than the needs of the developed countries.

Under these circumstances it would have been feasible and desirable when planning international monetary reform to establish a link between the creation of international liquidity and the provision of development finance, without detriment to either process. We must therefore express our concern over the fact that this view did not find general acceptance when the agreement for the creation of a new facility based on Special Drawing Rights was negotiated. However, the link is established between international liquidity and development finance, and contributors should use the increased liquidity to make a long term forward commitment to provide an assured increase in the volume of development aid.

## REGIONAL COOPERATION

Mr. Speaker, I would direct the attention of this House to matters closer to home.

The Caribbean Free Trade Association (CARIFTA) is almost two years old; it is still in the early stages of its development and its potential has not been fully realised. There has been continued support for its operation from the community in general and many of the original kinks have been ironed out and removed. During 1969 there have been encouraging, though only tentative, steps towards the harmonization and rationalisation of the investment incentives which are being offered by the territories forming CARIFTA; Guyana has participated in this exercise, because of the realisation that the continuous competition in the region for foreign investments and the frittering away of benefits to attract these investments can only result in a lower growth level for the whole area than its resources merit.

The Caribbean Development Bank has not begun operations, but will do so during 1970. The agreement establishing the Bank was signed in Jamaica in October and the ratification of the agreement by the founding members is proceeding apace; a President-Designate has been approached and the outlook for the early beginning of operations is good. The Bank is a necessary adjunct to CARIFTA, for it is envisaged that for many of the territories of CARIFTA the full benefits of participating in a free trade agreement will only be gained when steps are taken to broaden the economic base from which they operate; and the Bank will provide some of the capital required to effect this broadening.

There are other fields of regional economic cooperation in which this country is participating. The Guyana Airways Corporation has begun to operate a freight service within the Caribbean region and is plying the route extending from Guyana in the south to Miami in the north; this is taking place within the general concept of the regional air carrier issue. Guyana is also working closely with the Regional Shipping Council. Carriage by air and water is important to the ideal and success of CARIFTA and the region must ensure that such carriage is speedy, comprehensive and cheap.

With the plans for the growth of the domestic economy being closely related to prospects, outlook and needs of the whole Caribbean region, the picture of development takes on a promising hue.

### EXPENDITURE AND REVENUE 1970

Mr. Speaker, the 1970 Estimate of expenditure as now presented to this Assembly provide for expenditure on the current and capital services of the Government totalling \$195.6 m. - \$40.8 m. more than the revised estimate for 1969 and \$57.7 m. more than the actual expenditure for 1968. Current expenditure accounts for \$116.4 m. and capital expenditure for \$79.1 m.

#### Current Expenditure 1970

At \$116.4 m. the current expenditure for 1970 is \$5.9 m. more than the revised estimate for 1969 and \$18.2 m. more than the actual expenditure for 1968. Compared with the 1969 revised estimate, personal emoluments account for an increase of \$5.0 m., other charges for an increase of \$0.5 m. and public debt payments for the remainder (\$0.4 m.). The increase in personal emoluments covers the filling of new and vacant posts and the payment of salary increments. The increases fall mainly under:

	\$
Defence Force	0.4 m.
External Affairs	0.4 m.
Economic Development	0.4 m.
Police, Fire and Prison Services	1.2 m.
Agriculture	1.0 m.
Works, Hydraulics and Supply	1.0 m.
Education	1.3 m.
Health	0.8 m.

Included in the expenditure under the Ministry of Economic Development is the sum of \$460,000 for the population census scheduled for 1970.

### Capital Expenditure 1970

At \$79.1 m., the capital expenditure for 1970 is \$34.8 m. more than the revised estimate for 1969 and \$39.5 m. - nearly twice as much - more than 1968.

The Office of the Prime Minister will spend \$2.1 m. of this expenditure - \$0.5 m. on community development projects, \$0.4 m. for the continued operation of the youth corps and youth camps, and \$0.9 m. on equipment.

Under the Ministry of Economic Development the sum of \$7.6 m. is provided, for industrial development (\$0.5 m.), co-operatives (\$0.9 m.), the development of commercial agriculture (\$0.6 m.), continued hydropower investigation (\$0.2 m.), feasibility studies (\$3.2 m.), development projects in the hinterland (\$1.8 m.) and Amerindian development (\$0.3 m.)

The Ministry of Agriculture and Natural Resources has been allocated \$5.1 m. to spend on the improvement of fishing (\$0.3 m.), including the reconstruction of the Lombard Street Wharf, on cattle and agriculture (\$0.9 m.), on continued evaluation of our forest potential (\$0.6 m.), on the continuation of our aerial mapping of the hinterland (\$1.2 m.), on continued investigation of our mineral deposits (\$0.9 m.) and for a new survey building to house the cartographic section of the Ministry (\$0.2 m.).

The purchase of two aircraft for \$5.8 m., the purchase of one tug and one barge (\$0.6 m.) and improvements at the ferry terminals (\$0.2 m.) are the main items of expenditure totalling \$7.2 m. under the Ministry of Communications.

The Ministry of Works, Hydraulics and Supply will be responsible for spending \$34.1 m. Of this sum \$0.8 m. will be spent on drainage and irrigation, \$13.4 m. on roads - \$2.0 m. on the West Demerara Roads, \$8.9 m. on the Corentyne Road, \$1.5 m. on the interior road from Mahdia to Annai, \$0.5 m. on the Essequibo and East Bank Demerara Roads, \$0.1 m. on surveys for new roads, and \$0.4 m. on road making equipment; \$0.6 m. on buildings; \$13.4 m. on sea and river

defences, for reconstruction and rehabilitation works mainly on the East and West Coast Demerara; \$3.4 m. on improved water supply facilities mainly on the East Bank and East Coast of Demerara; \$1.1 m. on quarry equipment and the development of a quarry at Glasgow/Teperu and \$0.8 m. on other equipment.

The sum at \$3.7 m. has been allocated to Education, of which \$1.1 m. will be spent on teacher training and multilateral schools, \$1.4 m. to complete the Technical Institute at New Amsterdam, \$0.5 m. for the construction and equipping of other schools, and \$0.1 m. for the construction of teachers' houses in the hinterland.

Of the sum of \$1.0 m. provided for under the Ministry of Health, \$0.5 m. will be spent on providing modern and up-to-date equipment for our hospitals in the urban and rural areas; and of the sum of \$0.9 m. allocated in the Budget for the Ministry of Housing and Reconstruction, \$0.4 m. is for the development of land for the construction and sale of houses, flats and apartments from funds in the Revolving Fund authorised this year and not shown in the estimates.

The expenditure catered for under the Ministry of Finance is mainly for the Private Investment Fund under which loans are granted to business to purchase capital equipment (\$2.6 m.), the programme for the rehabilitation of the rice industry (\$12.0 m.) and our first and second instalments of capital subscription to the Caribbean Development Bank (\$0.9 m.).

The capital expenditure analysed along functional lines is as follows:-

	\$
Lands, Mines and Forests	19.6 m.
Transport and Communications	20.6 m.
Public Administration	11.7 m.
Finance	16.4 m.
Public Utilities	3.6 m.
and Social Services	7.2 m.

### Current Revenues

And now the position with our revenue, Mr. Speaker.

The current revenue of the Government - its ordinary revenue without new measures - is expected to yield \$121.9 m. - \$9.9 m. more than the revised estimate for 1969 and \$19.3 m. more than the actual receipts in 1968.

Import duties are estimated to yield \$38.5 m. - 0.8 a. more than the 1969 revised estimate (\$37.7 m.). It has been assumed that there will be an increase of 5% in imports on dutiable goods on this year's level of such goods but that \$1.0 m. will be lost as a result of CARIFTA during the period May to December. Consumer taxes (to offset duties lost as a result of CARIFTA) are estimated to yield \$4.0 m. - \$3.0 m. from a full year's yield of taxes introduced so far and \$1.0 m. from commodities which still await adjustment.

It has been assumed that the excise yield will rise by 4% to \$12.9 m. The income tax yield is estimated at \$38.0 m. - \$3.9 m. more than the revised estimate for 1969. This estimate includes company tax receivable during the fourth quarter of the year on the basis of an increase in pre-payment from one-third to one-half of the income tax for the year of assessment 1971 - the next step in the process towards the P.A.Y.E. system for companies.

### Capital Revenue

Capital revenue in sight totals \$62.7 m. - \$1.0 m. from miscellaneous capital receipts, \$2.9 m. from foreign grants, \$50.8 m. from foreign loans and \$8.0 m. from local loans.

### Summary

Mr. Speaker, with current revenue for 1970 estimated at \$121.9 m. and current expenditure at \$116.4 m., the estimate shows that there should be a surplus on the current estimates of \$5.5 m. On the other hand, with capital expenditure estimated at \$79.1 m. and capital revenue at \$62.7 m., a deficit of \$16.4 m. is projected on the Capital Estimates. The overall budget estimates - capital and current - now presented, therefore, show a deficit of \$10.9 m.



### EFFICIENCY IN FINANCIAL ADMINISTRATION

The Government proposes during 1970 to take the following steps to improve the efficiency in financial administration:

First, in the interest of efficiency and economy, greater emphasis will be placed on training at all levels in the accounting field and at the higher levels of the administrative structure in proper budgeting techniques and financial control.

Second, a Committee will be constituted to deal with arrears of revenue with a view to recovering as quickly as possible the sums owing to Government.

Third, Government proposes to take measures, including legal, where necessary, to ensure that tactics, such as frivolous appeals, are not used by persons to “borrow” for long or short period money owing to Government.

Fourth, Government proposes to examine the structure of the Ministry of Finance and its associated Departments, with a view to providing the appropriate staff to cope with additional tasks being required of the Ministry.

### RESOURCE MOBILISATION

Mr. Speaker, there is one aspect of our strategy for development that I would like to explain in some more detail. The strategy is the one I would like to call resource mobilisation. As a developing country with the goal of rapid economic and social development I do not think we should delude ourselves that foreign assistance under suitable terms would not be welcome, even necessary. But equally Mr. Speaker, we should not mislead ourselves into the belief that as a nation we do not have resources with which to create a prosperous economy in the course of time. It is the Government's belief that we do have resources but these resources are disorganised, they reside in inappropriate institutions, and they perhaps even lack inspiration. What we need now to do, Mr. Speaker, is to mobilise these resources in more appropriate institutions, to redirect their utilisation and to develop our human potential both in terms of managerial and manual skills.

### Financial Resources

Mr. Speaker, in 1968 so far as available information indicates, Guyanese saved more than \$20 m. in life insurance premiums and Bank Deposits alone.

This was approximately one-fifth of the total investment of the country. In 1969 indications are that savings in similar institutions would probably lie in the region of \$25 m., but Mr. Speaker, it is known that at least one-quarter of this amount and about one-half of what is saved in insurance companies is sent abroad and remains there as investments in foreign territories. The remainder probably remains within Guyana but then it is used in forms of investment which either contribute to inflation through transfers of their property or contribute to high consumption and loss of foreign exchange through credit to commercial enterprises which trade in imported consumer goods. At the same time small industries which can contribute to import substitution or even export promotion cannot be promoted because of lack of credit. The reason is Mr. Speaker, that our financial institutions are not oriented towards agricultural and small industry credit. Even at the official level the Government must finance its development by tied external loans while local savings for the encouragement of which the Government had foregone income taxes, are transferred abroad.

### The Cooperative Bank

It is in this context, Mr. Speaker, that the Government has already decided to promote the organisation of a Cooperative Bank which will be an important focal point for the savings of the community particularly of Co-operative organisations, and the main financial radius for agricultural and small industry credit.

In the initial stages, the Government has planned to give this bank substantial financial backing so that from a financial point of view the bank would be off to a good start. Arrangements are also being made to ensure that in the long run Cooperatives would have a substantial interest in the ownership of the bank.

### **Insurance Companies**

Further Mr. Speaker, and without anticipating at this stage any of my fiscal proposals, it is the intention of the Government to set certain guidelines within which insurance companies operating in Guyana must transact their business. These guidelines, it is hoped, would relate among other things to such matters as the investment policies pursued by insurance companies. It is intended Mr. Speaker, that through the application of these guidelines insurance companies would contribute in a more meaningful manner to the financing of development in Guyana.

### **The National Insurance Scheme**

The National Insurance Scheme also fits into the Government's plans for mobilising resource in Guyana. The contributions by and on behalf of workers would accumulate into substantial sums which will be invested in Guyana and serve the dual purpose of contributing to worthwhile development and at the same time increasing the value of the contributions in terms of benefits, through the interest which the Scheme will earn. I should add Mr. Speaker, the National Insurance Fund will be operated in such a way as to ensure that a proper balance is maintained between investments which bear interest and the liquidity which is necessary to meet all payments in respect of benefits. According to the Board's estimate Mr. Speaker, there would be by the end of 1970 about \$8 m. which would be available for investment by the National Insurance Board in development projects within Guyana.

### **Self-Help**

Mr. Speaker, earlier I referred to the fact that one of our problems was that some of our resources remain idle because they were uninspired. I think the record of this Government in the area of self-help is well known. Where people do not have adequate finance they can nevertheless achieve much by helping themselves. This has been happening throughout the country. Self-help groups have been formed and with technical assistance and, where necessary, building materials supplied by the Government, schools have been built, roads and houses have been constructed, and pure water supply lines laid, all by aided self-help. An estimate of the work done through aided self-help during the last two years runs into several millions of dollars.

It is the Government's intention to continue to encourage this mode of resource mobilisation in the interest of rapid social and economic development.

### **Economic Development through Co-operatives**

The Government is promoting co-operative organisation because it sees co-operatives as the most appropriate means in our circumstances of bringing together the limited financial resources and the human resources of the small man into a unit that is large enough to constitute a viable enterprise. When capital is scarce and is both thinly and widely diffused, co-operatives are the only form of economic organisation that would offer the small man the opportunity to win economic independence through the ownership of the means of production.

### **Fiscal Reform**

Mr. Speaker, Government sees Fiscal Reform as a form of resource mobilisation. In the present circumstance a little more must be taken from those who can afford to contribute, that is, from those who receive unearned income. Some more must be asked of those who earn income through the transfer of wealth and property. Seepages must be stopped and measures devised which would ensure that every one bears his just share of tax. In my previous budget speeches, I have referred to the large areas of taxes which for one reason or the other havenot been collected by certain Government departments, chiefly the Department of Inland Revenue. The time has come when strong efforts must be made to collect these arrears, and all administrative and other impediments to collection must be removed. The extent of these arrears must be a cause of concern to all members of this House. Accordingly, Honourable Members would be interested to learn that in order to expedite the process of collection of arrears, I propose to organise within my own Ministry a special committee to deal with arrears. The committee would review the whole process of collection and devise or identify the various procedures for ensuring the collection of these arrears.

**Human Resources**

Mr. Speaker, it is recognised that impediments to economic development are not only financial. Inadequate human resources also create bottlenecks. For this reason opportunities are being expended for technical education by building a technical institute in New Amsterdam and by extending the courses at the Georgetown Technical Institute. Within the University of Guyana there is now a new department of Technical Studies designed to provide a higher level of technical training than is provided at the Technical Institutes. A new Teachers Training College is to be constructed at Turkeyen and at the post primary level a number of multilateral schools are to be established with World Bank and I.D.A. financing. These schools will provide training designed to develop the full potential of young Guyanese and in the long run would provide the level of basic educational training more in accord with our needs. In addition Mr. Speaker, training at the Carnegie School of Home Economics and the Guyana School of Agriculture is being intensified. The Critchlow Labour College and the Guyana Industrial Training Centre are also offering courses of technical training. In short Mr. Speaker, sustained efforts are being made in several institutions to improve the level of skills to equip our people for efficient production.

**Natural Resources**

Mr. Speaker, a developing country would forever remain poor if the only approach to rapid industrialisation open to it was through the process of establishing import-substitution industries. These industries help to some extent, especially in the early phases of industrialisation, but very soon a limit is reached when the opportunities available for further import-substitution do not make the exercise a worthwhile one from the country's point of view.

A programme of import-substitution should be based on industries primarily concerned with the exploitation of indigenous natural resources. The combination would ensure continuity in the development process. It also provides a more certain way of broadening the industrial base of the economy. The Government is convinced of these points.

Our present approach to the question of natural resource development is to continue with systematic surveys and exploration of all aspects of such resources, the principal of which would

be forests, minerals, soils and water. However, as information is amassed on these different aspects the Government is ready to move with speed to have them exploited productively. Up to the present time, Sir, plans are being completed for the launching of a livestock development enterprise in some of our vast savannahs. The World Bank is assisting in the planning of this project.

The Ministry of Agriculture has recently been handed a report on the potentials for expansion in our shrimping and fishing industry. Action would soon be taken on this.

Through the Guyana Development Corporation, concessions have recently been awarded to a local and a foreign firm to establish a complex utilising timber extracted from our vast forests.

Work is continuing on the development of hydro-power to provide cheap power for final processing of some of our crude products.

## POLICIES OF ESTABLISHED INSTITUTIONS

### Banks

In a paper entitled "Organisation and Functions of the Guyana Banking System", the Governor of the Bank of Guyana has made some interesting observations on the structure, operations and influence of the expatriate commercial banks which might be summarised as follows:-

- (i) the commercial banks of Guyana are branches of banks whose head offices are located outside of Guyana;
- (ii) the bulk of the resources used for their day to day business operations originates in Guyana;
- (iii) the major part of the loans and advances which these banks make is of a short term nature;

- (iv) the banks have a big say in the distribution of financial resources among the various sectors of the economy.

In summarising the general position, the Governor drew a number of conclusions, one of which deserves to be mentioned in the light of the observations to which I have just referred and, in the light of the additional responsibility it seems to imply for the Government.

“Even in the short run there is room for the development of commercial banks that can effectively extend short - and medium - term credit to small producers. The ordinary run of commercial banks do very little in this area since here they can find in the borrower neither the collateral nor the administrative know-how they can rely on to secure their lending against the high expenses of follow-up action and the high risk of loss. This is especially true in the field of small-scale farming. Indigenous banks with ties to public institutions and other local institutions that can collaborate in airing and supervising the use of loans can be more effective in such fields” ...

Mr. Speaker, the problem of finance for the small business is not a new one; neither, Sir, is it a problem that is unique to Guyana. When the British were going through the early phases of their industrial revolution, Pressnell records in his book “Country Banking” the important role the commercial banks were playing in the solution of this problem. The British are not the only example available for reference. We have only to consult the economic history of the United States of America, of Germany and other European countries to find tangible evidence of the role played by the commercial banks in building these national economies.

In more recent times developing countries in other parts of the world like Africa and Asia are coming to grips with this problem and the commercial banks themselves are very much involved in the exercise. It is hoped, Sir, that before long prudence and better judgment would prevail in our part of the world so that this business of developmental finance becomes an issue in which the foreign owned commercial banks are more closely involved for more positive contribution to the development of the country.

## Insurance Companies

Mr. Speaker, the insurance industry is often described as one that is affected with a public interest. This is not difficult to grasp when it is considered that as institutions of communal savings insurance companies accumulate more funds than commercial banks do.

In so far as the growth of the economy is concerned much depends on what happens to these funds. If the funds are creamed off to be invested in a foreign economy or, if they are invested within the domestic economy from which they arise, in sectors of speculative activity, their influence upon economic growth would be slight if not adverse. On the other hand, Sir, if they are directed to areas of potential growth of a productive nature the multiplier effect would be lasting.

There are other aspects of the public interest of the industry. The most important of these is the nature of the contracts the insurer makes with the insured. The value of these contracts depends upon the ability of the insurance companies to fulfil their promises to the public, sometimes many years after the issuance of a policy. The ability to carry out the provisions of the contracts depends upon factors like:-

- (a) the efficient operation of the insurance company;
- (b) the selection of satisfactory risks;
- (c) the determination of proper premium rates;
- (d) the investment of reserves to earn income.

Thus, Sir, while it would be desirable from a macro point of view to have insurance companies make a positive contribution to economic growth it is equally desirable to ensure that the companies operate as efficient units, earning income from their investments and yet maintaining sufficient liquidity to meet contractual policy obligations. In short a fine balance has to be struck between the demands of the economy and the necessity for the companies to stay in business.



The insurance business in Guyana has grown considerably over the years since the 1930's. A survey of the insurance market was made in June 1968 by a group of management consultants and this has shown that there are 52 companies operating in Guyana, controlling assets to the value of around \$60 m.

The existing Insurance Ordinance requires that prior to registration and the commencement of business the insurer must have \$50,000 worth of "approved securities" deposited with the Secretary to the Treasury. This requirement for the protection of the interests of policyholders was laid down more than a quarter century ago. In the light of present day money values, it does not provide much protection. The Government proposes to rectify this anachronism.

There is also the immediate need for more supervision, by the Government, of the industry. As the situation stands at the present time there is very little of this function being performed by the state. The Government proposes to create an Office for Insurance Business, headed by a Commissioner of Insurance, under the umbrella of the Ministry of Finance. It would be the responsibility of the Commissioner to look into issues such as the licensing, examination, investigation and investment of the surplus funds of insurance companies.

The necessary amendments to the Insurance Ordinance to implement these proposals would soon be laid before Parliament.

### **Fiscal Review Committee**

Mr. Speaker, I did mention in my last Budget Speech that a Fiscal Review Committee was to be appointed to overhaul the existing tax structure to bring it more in line with modern developmental requirements.

I am happy to say that this Committee had been appointed and has recently submitted to Government its first report.

The Committee still continues its assignment on other aspects of its enquiry.

### THE CO-OPERATIVE REPUBLIC

On 23rd February, 1970, Guyana becomes a Co-operative Republic. Co-operativism is deeply rooted in the history of the Guyanese people, and will become a most effective means of furthering economic progress, substantially reducing the level of unemployment and removing the structural weaknesses and rigidities which have characterised our economy for so long a time.

The new Third Sector is expected to exist side by side with private enterprise on the one hand and the government sector on the other. The Co-operative will be expected to compete with private industry and the new co-existence ought to bring added dynamism to all three. Although in the initial phases the government will be nurturing the co-operative sector, it nevertheless recognises the principle of voluntarism which is an inherent feature of the co-operative movement. We recognise that co-operatives are essentially self-governing organisations, with their basic unit close to the people, and can grow to the best advantage only in an atmosphere of studied self-reliance. But the movement must be nurtured, guided and assisted by the Government in its formative years. The co-operative movement and the Government must at all times work closely together in the achievement of common objectives, but in this process of collaboration we will not allow co-operatives to become dependent and spineless and lose their urge for self-expression and self-help.

In the course of economic development of any country there are certain basic and strategic resources, which must be owned and controlled by the inhabitants. But from a study of our history it becomes evident that most of these resources have been owned and controlled by non-Guyanese, who have ruthlessly exploited our resources for their own benefit. By means of co-operatives we will be gaining ownership and control of these resources and their exploitation will be primarily for the benefit of Guyanese.

With an increasing number of economic activities being co-operatively owned and controlled, a significant contribution will be made to economic development and transformation by realising objectives of expanded employment, larger production and a more

equitable distribution of wealth. The co-operative agricultural and industrial programme envisages the creation of immediate and permanent employment on a large scale at relatively small capital costs. It will meet a substantial part of our increased demand for consumer and purchaser goods, will facilitate the mobilisation of resources of capital and skill which might otherwise remain inadequately utilised, and thereby bring about a more equitable distribution of the national income.

Our brand of co-operative socialism implies the creation of a large number of economic units in agriculture, industry and services. In this way we will combine freedom and opportunity for the small man with benefits of large scale management and goodwill and support from the community. For the first time in our history those people who have never had a chance of owning or producing anything, or the opportunity to make a decent living will be given a chance to do so.

The essence of the Co-operative philosophy is that every man is important irrespective of how much capital he has. To this end the principle of one man one vote will prevail. Since the granting of adult suffrage to the people in Guyana this principle has been given recognition in the ballot box. The principle of political power must be reflected in the economic power of the individual. The small man has political power. In the new scheme of things he will have a real chance of gaining real economic power. This will come about not only because of the fields of economic activity in which he will be expected to engage, but because of a continued democratic shift of the balance of economic power in his favour.

An essential feature of Co-operativism is group action. Co-operativism is not intended to kill the spirit of individual enterprise, but will help people to do things which they cannot do as separate individuals. By this means the people will be producing for themselves some good or service that is very desirable or necessary. This is the basis of the self-help movement, a tradition of which already exists in Guyana. The inherent self-help basis of cooperation will encourage the people involved to look to themselves as a group for the solution of their own problems.

Co-operatives in all walks of life will be run as business organisations, but these will be enterprises with a difference from the normal form of capitalist enterprise. The co-operative enterprise is owned by those who use its services, the control of which will rest equally with members, and surplus earnings, after allocation to expansion, will be divided among the members in proportion to the use they make of its services. This is not to overlook the social, educational and community values which will be promoted by these organisations. Our philosophy of co-operativism transcends the profit motive ideal, though we recognise that this is most important.

The influence of the co-operative sector is therefore expected to extend far beyond the particular activities organised along co-operative lines and will give our social structure and national economy, balance, direction and a new sense of values. However, we must reiterate that although the Government will father the movement, the co-operative sector will at all times remain the "People's Sector". In the final analysis it is the people of Guyana who will have to manage and make a success of ventures. The co-operative republic cannot be built overnight. The economic and social structure will not be radically transformed on the 23rd February, 1970. Co-operativism will only succeed if all Guyanese are prepared to shelve their differences, put their shoulders to the wheel and accept the many challenges both physical and psychological which this new era will bring.

### **ECONOMIC AND BUDGETARY POLICY**

Sir, I would now like to say a few words on the relationship which the Government considers should exist between the economic and the budgetary aspects of policy.

Far too often one gets the impression that a gap exists between these two aspects, economic policy being decided by one set of organisational units and budgetary policy by another. In support of this position, the argument is advanced that the two operations require personnel with different backgrounds, experience and skills. This view at first blush is not without some substance for while certain processes are common to both aspects there are situations where differences exist. For global planning for development however, budgetary and

financial policy must be one of the handmaidens of economic planning and the two must be mutually consistent and be motivated by the same philosophy and objectives.

The view of this Government is that the economic and the budgetary aspects of policy should reinforce each other at all times when development is concerned as a serious business. For instance, it is meaningless to say that economic policy is aimed at achieving growth in the national income, the expansion of industries, the promotion of social and cultural development, a more equitable distribution of income among various communal groups and not to use, at the same time, the instruments and tools which the budget provides.

Earlier in my presentation I made reference to the fact that in 1969 as in 1968 the Government's overall revenue and expenditure account was in deficit. The deficits in each year arose from the fact that capital accounts were less than expected so that in spite of substantial curtailments in capital expenditures, it was still impossible to bring the accounts into balance. These deficits in the capital accounts resulted directly from the Government's inability to draw down on external loans for which there were firm commitments. The reduction of capital expenditures because of financial problems is one instance in which our development plans were partly frustrated by constraints imposed by over-dependence on external financing. But Mr. Speaker, there is another and more fundamental kind of frustration of our development goals. Excessive reliance on external sources of finance has often resulted in a distortion of priorities in our development planning. Foreign aid is most often available only for projects in which the donor country happens to be interested. These projects are not necessarily in accord with the Government's own priorities; and if the Government wishes to proceed with a project which in its view is of top priority it must do this from local source finance if, as it often happens, it is not a project that captures the interest of a donor country. Mr. Speaker, it is the Government's intention to change this arrangement and give itself a greater choice of priorities; but to do this

there must be significant substitution of local for external finance. It is here that fiscal policy must be made to provide support for our economic policies. To put it explicitly, Sir, our future development programmes will be geared to suit our own development needs. The choice of

priorities will be our choice; and fiscal measures will be used to mobilise our financial resources so that we may implement a development programme which represents the best combination of priorities in the interest of the Guyanese people.

## **BUDGETARY PROPOSALS TO EFFECT GOVERNMENT**

### **ECONOMIC POLICY**

Mr. Speaker, I come now to the tax proposals for 1970. In the budgets of previous years the emphasis was largely on indirect forms of taxation. Further, in order to promote import substitution, import duties had been placed on a wide range of consumer goods. On this occasion a clear departure will be made. The fiscal measures now being proposed are designed to redistribute the burden of taxation and to make its incidence more equitable. Fiscal policy, Mr. Speaker, as promulgated in these proposals, is being used as an instrument for development, and as a means of mobilising and channelling our slim resources into desirable economic and social development, to the benefit of the masses of this country. I feel, Mr. Speaker, that these fiscal measures are a logical development from the working of our economy, our development goals, and our financing constraints all of which have been reviewed in my earlier remarks. In addition, the need to attract and to retain skilled man-power in the development process has been recognised and has been given weight in my proposals.

#### **Corporate Taxation**

Now, Mr. Speaker, these are the proposals: It is proposed to change the system of corporate taxation. At the present time, taxation of company profits is based on the integrated system, under which the company and the shareholders comprising the company are not treated as separate entities. The present rate of tax on company profits is 45%, but since taxation is based on the integrated system, shareholders, for the purpose of personal taxation, receive a credit on the basis of the dividends they receive. In effect, therefore, substantial refunds and credits of taxes paid by the company have had to be made to non-corporate shareholders in relation to company profits that have been distributed as dividends. The Government, therefore,

intends to remedy this by introducing a system which would ensure that a greater portion of the income taxes paid by companies remains with the Government.

Accordingly, it is proposed that the present 45% of company tax would be split into two parts, that is, a Corporation Tax of 25% and Company Profits Tax of 20% with a Withholding Tax of 35% on all intercompany distributions to resident as well as non-resident parent companies, and corporate shareholders. Where, however, the shareholder is a non-resident individual, that shareholder would be allowed to add back to his dividend the profits tax element, that is, the 20% and on the gross amount a Withholding Tax deductible at source, would be imposed as follows - 27% on gross dividends up to \$8,000; and 35% on gross dividends above \$8,000. The effective rate tax is therefore 51.25% for companies distributing to corporate shareholders. Mr. Speaker, since companies distributing to corporate shareholders already pay an effective rate of tax of 45%, this change will mean an increase of 6.25% corporate tax. It is expected however that individual shareholders would pay a somewhat larger increase on their effective taxes on dividends largely because of the 25% Corporation Tax.

It is intended that the above rates would apply to non-commercial companies only. Commercial companies, however, that is, those which are engaged say about not less than 75% in trading (including commercial agencies), would pay approximately 10% more in the effective rate of tax. The applicable rates for commercial companies would be 35% Corporation Tax plus 20% Company Income Tax, with a Withholding Tax of 40% of inter-company distributions. This will involve an effective rate of tax of 61%. Non-resident individual shareholders would pay a Withholding Tax, deductible at source as follows:- 31% on gross dividends up to \$10,000 and 40% on gross dividends in excess of \$10,000.

Mr. Speaker, as I indicated earlier, fiscal policy as reflected in the tax structure, must be used as a device for promoting economic development and bringing about the structural transformation of our economy. Within recent years the number of establishments of purely commercial nature has been expanding with tremendous rapidity; at the same time growth on industrial establishment and agricultural diversification has been slow. However, it is in the expansion of these sectors that import substitution would be promoted, and economic growth

expedited. In addition Mr. Speaker, rapid investment in commercial activity inevitably has led to high imports of consumer goods, with consequential strains on our external reserves. The time is therefore ripe for the introduction of a measure to promote the re-direction of scarce capital and managerial skills into more productive ventures. This then is the aim of the apparent discrimination in favour of production enterprises.

In this connection Mr. Speaker, I should inform Honourable Members that it is the Government's intention to negotiate Double Taxation Agreements between this country and other main investing countries. The objectives will be:-

- (1) to ensure a fair sharing of tax receipts between the investing country and this country;
- (2) to ensure that local incentives are not lost to the investor in terms of taxation in his own country.

### **Head Office Expenses**

The Income Tax Ordinance will be amended to limit allowable expenses for foreign head offices of resident branches and subsidiary companies, to an amount not exceeding 1% of sales in any year, except in the case of commercial firms, where allowable expenses for foreign offices would not exceed 0.5% of sales in any year. Mr. Speaker, head office expenses can and do loom so large in the expenses claimed by companies that some attempt must be made to limit the claims to a more reasonable level.

### **Wear and Tear Allowance for Companies Granted Tax Holidays**

Companies which have been granted a tax holiday will now be required to provide for wear and tear and therefore to depreciate their asset during the tax holiday period for the purpose of income taxation. Any initial allowances granted will accordingly be applied to the written down value of assets, at the end of the tax holiday. Mr. Speaker, it has become patently clear that a provision of this nature is necessary in order to reduce the excessive liberality of one aspect of our incentive legislation.



**Property Tax**

Mr. Speaker, there has been some criticism of the concept of a net property tax. The balance of opinion however favours retention of this tax in our fiscal system. Accordingly the tax will remain. However while it forms part of a tax structure Net Property Tax must be effective. At present it is not, as some companies have in the past been able to avoid its full impact, by gearing the company in such a way that non-equity liabilities - mainly non-interest bearing debentures and interest-free loans and advances from head offices - constitute a substantial, sometimes a major, portion of the capital of the company. In the circumstances, it is proposed to amend the Property Tax Ordinance in two ways:-

- (i) The total of loans, advances, debentures and similar fixed and non-interest bearing securities forming part of the liabilities against assets, shall in future be deemed for the purpose of Property Tax to amount to not more than 20% of the value or the assets in the case of a company and not more than 50% in the case of an individual.
- (ii) The existing provision which enables a company or an individual to discharge his property tax liability by investing double the amount of the liability in Government securities, will be abolished. This method of borrowing is too expensive.

**Capital Gains**

In order to discourage speculative transfers of property which contribute substantially to the inflationary rises in the cost of housing, the Capital Gains Tax Ordinance will be amended to provide that all net gains obtained on the sale, transfer, exchange or other forms of realisation of property within seven years of its acquisition would be deemed to be ordinary income and therefore taxable under the Income Tax Ordinance. As a consequence it is proposed that the Ordinance would be further amended to exempt from capital gains only those properties which are transferred twenty-five years or more after acquisition. Subject to this exemption property

transferred more than seven years after acquisition will attract a Capital Gains Tax of 20% on any net gains arising from the transfer. In order to avoid fictitious transfers of property by gift so as to avoid the payment of Capital Gains Tax, it is proposed, for the purpose of the Capital Gains Tax, to value the property at its value in the hand of the last purchaser for value or last beneficiary on death of the owner.

### **Life Insurance Companies**

Mr. Speaker, insurance companies today represent one of the most important institutions for savings in our community. Last year they collected more than \$11m. in savings, that is, the premiums individuals paid for life insurance. In 1969 this amount will exceed \$12 m. In 1968 more money was saved in life insurance premiums than was saved in deposits in the commercial banks, where savings increased by about \$9 m. These figures show Mr. Speaker, how important life insurance Companies are in mobilising savings in Guyana.

The Government has contributed in no small way to the growth of savings through life insurance. As we all know there are generous provisions in the Income Tax Ordinance which make premiums allowable within certain limits as a deduction from income for income tax purposes. These provisions reduce the effective cost of insurance substantially, and this is particularly the case where individuals pay a high marginal rate of taxation. Mr. Speaker, a developing country like Guyana is entitled to ask these questions - Where are these savings? How are they being used? The answer, Mr. Speaker, is that much of these savings have been transferred abroad and are invested in foreign countries. In 1968 alone, foreign life insurance companies received more than \$6 m. in premiums but invested only a very small portion of these funds in Guyana. In fact available figures point to the fact that foreign life insurance companies have invested in Guyana not much more than 30% of available funds derived in Guyana. Our local Life Insurance Companies have however done much better in this regard. It is also clear that the time had come when as a Government we must be able to set guidelines for the investment activities of insurance companies.

Accordingly Mr. Speaker, the proposals in regard to life insurance companies are as follows:-

- (i) The system of taxation of life insurance companies would be amended. Only the investment income earned by life insurance companies will be taxed. But expenses incurred in securing and maintaining policies on the books of the company will no longer be chargeable as it is now, against investment income for the purpose of taxation. Only expenses incurred in earning of the investment income of life insurance companies will be allowed and these will be fixed for the purpose of income tax at a maximum of 12% of the investment income in any year. The remainder will be deemed to be taxable income and will be taxed at the rate of 45%.
- (ii) All life insurance companies both local and foreign will be required to achieve and maintain a level of investment in Guyana equivalent to 95% of their statutory funds and other reserves held against policies sold in Guyana. In order to enable companies to satisfy this requirement as painlessly as possible it is proposed that companies would be required to invest each year in Guyana a sum equivalent to 90% of premiums received in Guyana until the 95% requirement is met.
- (iii) Every insurance company – local and foreign, both life and fire operating in Guyana will be required to deposit with the Secretary to the Treasury or other designated officer, securities to the value of \$250, 000 where such insurance company had been incorporated either locally or abroad.
- (iv) Life insurance companies will be required to invest in Government securities each year a minimum of 20% of any additions to their statutory funds or other reserves held against policies issued in Guyana.
- (v) A tax of 15% will be imposed on all amounts received by a policy holder on the surrender of a life insurance policy. The amount will be deductible at source.
- (vi) A Withholding Tax will be imposed on all bonuses paid in respect of fire insurance policies where the premiums have been allowed as deductible expenses for the purpose of arriving at the taxable income from any property or any

business. The amount withheld will be 15% in the case of individuals and 45% in the case of companies.

### **Non-Life Premiums Paid to Non-Resident Companies Abroad**

A flat tax of 10% will be imposed on all non-life premiums paid abroad to non-resident companies. The agent or person who collects and/or transmits premiums on behalf of the non-resident company will be required to deduct the amount and account to the Commissioner of Inland Revenue.

### **Self Assessment**

In order to facilitate the payment of tax by individuals and to reduce the pedestrian burden on the Inland Revenue Department of making a large number of assessments of individuals each year, it is proposed to introduce the system of self assessment. Every person, except a company, will be required to calculate his taxable income and to assess himself as to his tax liability. Having done this the individual would make a return to the Commissioner of Inland revenue showing the self-assessed tax liability, and the return will be accompanied by the cash or cheque in payment of the amount said to be due. The returns will subsequently be checked from time to time.

### **Extension of Period of Limitation**

As a corollary to this, the period of limitation for the assessment of tax will be extended from five years as at present to seven years.

### **Objections**

Mr. Speaker, it is common for taxpayers to delay the payment of tax by adopting the procedure of objections and appeal to the Board of Review established under the Income Tax Ordinance. The fee of five dollars payable when an appeal is made to the Board of Review is no deterrent to frivolous appeals. It is accordingly proposed to amend the Income Tax Ordinance to require the payment of a sum equivalent to two-thirds of the assessed tax pending the

determination of the appeal. Should a further appeal be made to the High Court the remaining one-third would then become payable.

### **Distributors of Films**

It is proposed that in the taxation of distributors of cinematograph films, the taxable profits shall be deemed to be not less than 60% of their income. A flat tax of 30% on the taxable income so derived will be imposed.

### **Licences**

Mr. Speaker, the charges for a number of licences and other fees are unrealistically low, and in many cases even uneconomic to collect. In addition, substantial loan funds have been spent on improving our roads which must now be maintained, and the cost of servicing the loans must also be met.

In these circumstances it is proposed to increase certain licences and fees as follows:-

The licence fees for goods vehicles with unladen weight –

In excess of 8,960 lbs. but not exceeding

13,440 lbs - from \$400 p.a. to \$600 p.a.

In excess of 13,440 lbs. from \$400 p.a. to \$700 p.a.

Articulated goods vehicles exceeding 11,200 lbs.

unladen weight - from \$400 p.a. to \$900 p.a.

For Registration of –

Motor Cycles from \$0.50 to \$5.00

Other Motor Vehicles from \$1.00 to \$10.00

For a copy of entry in  
motor vehicle registration from \$0.50 to cost of original fee plus \$5.00

For transfer of registration of --

Motor Cycles	from \$0.50 to \$5.00
Other Motor Vehicles	from \$1.00 to \$10.00

For examination for certificate of fitness of --

Two wheeled Motor Cycles	from \$0.24 to \$5.00
Motor car or three wheeled motor cycle	from \$2.00 to \$10.00
Motor trucks or buses	from \$2.00 to \$15.00
Articulated vehicles	from \$2.00 to \$20.00

For a dealer's Licence – Under

The Motor Vehicles and Traffic Ordinance	from \$20.00 to \$150.00
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For a learner's provisional licence	from \$0.50 to \$5.00
For a driver's test of competence	from \$1.00 to \$10.00
For a driver's licence	from \$3.00 to \$5.00
For a licence to drive a hire-car (for any period not exceeding seven days)	from \$1.00 to \$5.00
For duplicate licence or certificate	Original cost of licence or certificate plus \$5.00.

I propose to secure the necessary amendments to the Motor Vehicle and Road Traffic Ordinance so that the new fees and licences could be brought into effect from the begin of the new year.

In addition Mr. Speaker, I propose to change the basis of licences payable by commercial banks and their branches in Guyana. Commercial banks and their branches in Greater Georgetown, New Amsterdam and Mackenzie/Wismar, will each be required to pay a fee of \$5,000 per annum and in the rest of the country a fee of \$2,000 per annum. At present a commercial bank pays a licence fee of \$2,500 per annum for each place of business, and \$50 per annum in respect of every other branch. The Banking Ordinance will be amended accordingly.

There is the situation Mr. Speaker, where certain persons and agencies receive and transmit insurance premiums - mainly for non-life insurance - and are not apparently caught within the meaning of Section 15(2) of the Tax Ordinance. Accordingly these persons or agencies do not pay a licence fee. It is proposed to amend the Tax Ordinance appropriately to ensure that all persons, agents, or companies, who receive money locally as premiums on behalf of a non-resident, non-life insurance company, should pay a licence fee which would be fixed at \$1,000 - the same level as local non-life insurance companies' pay.

The licence payable to keep a dog will be abolished. The licence rates payable for a petrol pump or filling station will be increased from \$50 to \$250 for those in Georgetown and New Amsterdam and within half mile of these towns, and from \$10 to \$100 for those elsewhere.

Mr. Speaker, I believe Honourable Members would be pleased to learn that Government proposes to abolish the licence fees payable on pedal cycles from January 1970.

I now come to the area of personal taxation. Government proposes to ameliorate in some degree the burden of taxation on personal incomes, and at the same time to provide some incentives for skills to be attracted and retained in the labour force in Guyana. Accordingly Mr. Speaker, until a thorough review of the income tax bands and rates has been completed I propose, as an interim measure of relief, to introduce with effect from year of income 1970, an earned income allowance of 5% on all earned income of employees up to \$10,000. In addition Mr. Speaker, a working wife will be granted a deductible allowance of \$400 per annum.

In summary Mr. Speaker, the tax measures I propose to introduce and their respective yields are as follows:

	\$ M.
Corporate Tax	3.000
Limitation of Road Office Expenses	1.500
Property Tax	0.400
Insurance Companies (Taxes)	1.200
Withholding Tax – Fire Insurance Bonuses	0.150
10% Surtax on Non-Life Insurance premiums paid to	

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foreign companies	0.200	
Film Distributors	0.150	
Tax on surrender value of Life insurance Policies	0.110	
Licence duty on trucks etc.	0.302	
Licence on Banks	0.045	
Licences - Non-Life Insurance Companies	0.016	
Other Licences and fees	0.791	
TOTAL TAXES		7.884
Deposit on Insurance Companies (Debentures)	2.200	
Minimum Investment in Government Securities	1.00	
TOTAL DEBENTURES		3.200
Tax Reliefs (Earned Income Allowances etc.)		-1.620
		9.464

### PROSPECTS FOR 1970

Mr. Speaker, it is always difficult to make accurate forecasts of the growth of the economy. Despite this difficulty however, I am in a position to assure Honourable Members that the outlook for 1970 is good. A continued high level of production is projected in all productive sectors. The sugar industry is looking forward to an expanded level of production in 1970 and a larger quota on the more lucrative sugar markets. The bauxite industry as a whole would show a rising trend of production, and the rice industry should also better its performance of 1969.

The rate of capital formation is expected to proceed unabated with the Government contributing a growing proportion of the expenditures on domestic investment. It is expected that demand conditions for our exports would continue to be favourable, and on this basis it seems not unreasonable to expect that our exports would expand further, earning another surplus on the visible trade account. Domestic incomes should therefore increase to a significant extent, and if the trend of recent years is continued, personal savings should increase. Mr. Speaker, it is very necessary that savings should expand so that business activity could proceed without strain on our external resources.



While the outlook for production and investment in 1970 gives no cause for alarm it is necessary for Honourable Members to recognise that the time has come when strong efforts must be made to broaden and to diversify the productive base in the Guyanese economy. It is necessary that more should be produced outside the traditional growth sectors in which the means of production are owned and controlled by foreign interests. More productive units in other sectors must be established and be owned and controlled by Guyanese. Small savings must be mobilised and must be directed into productive use. It is in this context that every encouragement would be given to the co-operative organisation as the only true means of ensuring that the ordinary Guyanese take the risk and earn the profits and so win for themselves real economic independence.

The Government Mr. Speaker, does not intend to play a merely passive role in this process of economic change. The Government will seek to invest in viable ventures either solely or jointly with private enterprises and co-operatives.

Agriculture would be developed where feasible as the base for agro-industrial enterprises. Infrastructural works will be continued by the Government but will not be its sole pre-occupation. This, Mr. Speaker, is the philosophy that would condition the Government initiatives in the field of economic development and fiscal policy in the period ahead.

### CONCLUSION

Mr. Speaker. Guyana's 1970 Budget is now before this honourable House and Guyana's people. It has given recognition to the fact that ours is an underdeveloped country with great potential for real development. It has analysed our strengths and weaknesses, our achievements and our shortcomings.

This Government's deeds and not words over the past years have shown evidence of our total commitment to continue to direct this Nation toward the just society. Long though this process will be a genuine attempt has been made to improve the standard of living of the small man to give him self-reliance and self-respect and to raise financial resources from sectors which profit most from the development of this country.

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Now it is up to all of us to work this Budget in a spirit of meaningful co-operation as we proceed toward the Co-operative Republic.

4.00 p.m.

**Mr. Speaker:** The question is before the House.

**The Minister of Trade and parliamentary Affairs** (Leader of the House) (Mr. Bissember): Mr. Speaker, I beg to name Monday 5<sup>th</sup> January, 1970 as the day on which the debate on the Budget will commence.

**Mr. Speaker :** Hon. Members, the 5<sup>th</sup> January, 1970 has been named as the day on which debate on the Motion just moved should commence. I think we should now suspend the sitting for tea. In the meantime, copies of the Estimates will be placed on hon. Members' desks.

Please be up standing hon. Members. This sitting is suspended for half an hour.

*Sitting suspended at 4.05 p.m.*

4.40 p.m.

*On resumption --*

#### **SUSPENSION OF STANDING ORDER**

**Mr. Bissember:** After discussion with the Opposition, I think I have got permission to proceed with the two Bills which were introduced this afternoon, the Miscellaneous Enactments (Amendment) (No. 2) Bill and the Motor Vehicles and Road Traffic (Amendment) Bill, after the suspension of the Standing Order.

**Mr. Ram Karran** (Acting Leader of the Opposition): There seems to be some misunderstanding here. As far as the effectiveness of the hon. Minister of Finance's Speech is concerned, so far as taxes are concerned, we have no objection, but the Leader of the House just indicated to me that there was a Bill dealing with insurance companies. The Opposition is not in a position to debate that Bill, because I am sure it is a controversial one. We have not even seen it.

**Dr. Reid:** These are Bills dealing with licences.

**Mr. Ram Karran:** I have no objection to dealing with those.

**Mr. Speaker:** There are two Bills that the hon. Leader of the House made mention of. Are they both in connection with raising the licence fees?

**Mr. Bissember:** Yes, Sir.

**Mr. Speaker:** Is that understood? One Bill deals particularly with motor vehicles and the other is, I suppose, the Miscellaneous Enactments (ASmendment0 (No. 2) Bill.

**Mr. Bissember:** Yes, sir.

**Mr. Ram Karran:** We have not seen them.

**Mr. Speaker:** They are with the other papers that were circulated.

**Mr. Ram Karran:** The Opposition will offer no objection.

**Mr. Speaker:** To put ourselves in order, may we have a motion for the suspension of the relevant Standing Order in order that we may deal with these two Bills?

**Dr. Reid:** I beg to move the suspension of the Standing Order to enable these Bills to be taken through all their stages at this sitting.

*Question put, and agreed to.*

**BILLS - SECOND READING****MISCELLANEOUS ENACTMENTS (AMENDMENT) (NO. 2) BILL**

A Bill Intituled "An Act to amend certain Enactments."

[**The Minister of Finance.** ]

**Dr. Reid:** I beg to move the Second Reading of the Miscellaneous Enactments (Amendment) (No. 2) Bill - Bill No. 33 of 1969.

**Mr. Speaker:** The motion for the Second Reading of the Miscellaneous Enactments (Amendment) (No. 2) Bill has been moved. Is there any discussion?

**Mr. Ram Karran:** I imagine that during the Committee of Supply debate we will deal with these matters but I feel that the hon. Minister, while it is true that he has spoken on this for two hours, ought to have given the House, for the record at least, some idea of what the details are in these Bills.

**Dr. Reid** (replying): I did this in presenting the Budget Speech and I thought that the agreement was that the details of these will be gone into subsequently. They will be debated subsequently.

**Mr. Speaker:** There will be an expiry date.

*Question put, and agreed to.*

*Bill read a Second time.*

*Assembly in Committee.*

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*Bill Considered and approved.*

*Assembly resumed.*

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

### **MOTOR VEHICLES AND ROAD TRAFFIC (AMENDMENT) BILL**

**Dr. Reid:** In accordance with Article 80 (2) of the Constitution of Guyana, I signify that the Cabinet has recommended the following Motion for consideration by the National Assembly. I moved the Second Reading of a Bill intituled:

**“An Act to amend the Motor Vehicles and Road Traffic Ordinance”.**

**No. 34 of 1969.**

*Bill read a Second time.*

*Assembly in Committee.*

*Bill considered and approved.*

*Assembly resumed.*

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

**Mr. Speaker:** We moved on the item 2 on the Order Paper which is to consider in Committee Stage a Bill to make provision for the payment of superannuation benefits in respect of service in the offices of Governor-General and Prime Minister and in other Parliamentary and special offices.

**PENSIONS (GOVERNOR-GENERAL, PARLIAMENTARY AND SPECIAL  
OFFICES) BILL**

A Bill intituled:

“An Act to make provision for the payment of Superannuation benefits in respect of service in the offices of Governor-General and Prime Minister and in other Parliamentary and Special Offices.”

*Assembly in Committee.*

**The Chairman:** Hon. Members will have in their possession a number of Amendments that have been prepared by the Government and there is one circulated this afternoon bearing the name of the hon. Member, Dr. Ramsahoye.

**The Attorney-General and Minister of State** (Mr. Ramphal): If I can just explain something about the Amendments. Members will have the cyclostyled document and if I may ask for the following alterations to be made, in the Amendment to Clause 2(1), there are three Amendments (a), (b) and (c):

In paragraph (b) of the definition of “legislator”, delete “not being such a member.”. That is the first alteration.

The second is in the Amendment to Clause 9 in the cyclostyled sheets. After the word “legislator” in the last line of (7) of the new Amendment, a full stop should go there and all the other words should be deleted.

Then on the following page, page 2, a similar change at the bottom of the page is to be made. Subsection (a) should be deleted altogether and (b) and (c) should become (a) and (b) respectively.

If I may just explain Mr. Chairman, what have been deleted from clause 9 (7) and clause 14 (6) are words that were intended for clarification.

4.55 p.m.

On further examination it would seem that they may cause more confusion than clarification.

**The Chairman:** May we deal with the Bill Clause by Clause taking in the Amendments as we move along?

*Clause 1 agreed to and ordered to stand part of the Bill.*

*Clause 2*

**The Attorney-General and Minister of State:** Mr. Chairman, I move that the Amendments on the cyclostyled sheet as amended be put.

**The Chairman:** The Amendments to Clause 2 (1) are before the House. Are there any comments?

**Dr. Ramsahoye:** But that is Clause 9 ---

**The Chairman:** This is Clause 2 (1). Hon. Members, in the normal circumstances I should put each change separately to you, but since I think that there is general agreement, I will out the whole question that these Amendments stand part of the Bill.

*Amendments -*

That

- (a) In paragraph (c) of the definition of "child", "partially" be substituted for "mainly" in the second line;
- (b) In the definition of "former legislative service", "15<sup>th</sup> October, 1961" be substituted for "14<sup>th</sup> December, 1964" in the fourth line;
- (c) In paragraph (b) of the definition of "legislator", "not being such member," be deleted; and
- (d) A semicolon be substituted for the full stop at the end of the definition of "specified qualifying office" and the definition "'widow' includes 'widower'" be added thereafter.

*Put, and agreed to.*

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

*Clauses 3 to 8 agreed to and ordered to stand part of the Bill.*

*Clause 9*

**Mr. Checks:** Mr. Chairman, I beg to amend Clause 9 (1) (c) (i) and also clause 9 (1) (c) (ii). I am suggesting that the figure "55" be changed to "50" which would have the effect of changing the age from 55 years to 50 years at which pension may become payable. I move this Amendment because it is my view that if this is not done the very situation which this Bill is intended to provide for may be defeated.

It is quite certain that legislators will have retired for one reason or another long before the age of 50 and because of their having served the public, they might not be in the position to live as they would have normally done had they not served here and they may have to wait for many years before they can qualify for this pension. It is just conceivable that they can be



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thrown on public charity; anyhow they may not be able to live in the manner that a former legislator should. In view of that I am asking that this be changed.

There is also the second consideration that in the civil service one is allowed to retire at the age of 50 and it must be borne in mind that there is an emphasis on youth throughout the world and particularly in Guyana. Taking this into consideration, I am moving the Amendment that the age be reduced and that the age of "50" be accepted.

**The Chairman:** Well, let us deal with this Amendment and get it over first. Is there any discussion on the Amendment by the hon. Member Mr. Cheeks?

*Amendment -*

That the figure "50" be substituted for "55" in Clause 9 (1) (c) (i) and (ii)  
*put, and agreed to.*

**The Attorney-General and Minister of State:** Mr. Chairman, I move that the Amendment to Clause 9, that is the addition of a new paragraph, paragraph 7, standing on the cyclostyled sheet be put.

**The Chairman:** We shall take the Amendment by the hon. Attorney-General.

**Dr. Ramsahoye:** There is one Amendment before that.

**The Chairman:** I noticed that after the Attorney-General started to speak. After we do this we will come back.

*Amendment -*

That after subclause (6) the following paragraph be added -

(7) For the purposes of this Act, a person shall be deemed to have served as a legislator for periods amounting in the aggregate to 12 years if, having become a contributor under this Act and irrespective of his age, he fulfils the requirements of subparagraph (ii) of paragraph (c) of subsection (1) and if, in the opinion of the appropriate Minister, his incapacity to discharge the duties of a legislator in attributable to infirmity of mind or body sustained in the course of his service as a legislator; and, for purposes of this section "service as a legislator" includes service in a specified qualifying office.

*Put, and agreed to.*

**Dr. Ramsahoye:** Your Honour, in the year 1953, after 133 days of so-called democracy, the United Kingdom thought fit to destroy constitutional advance in this country and to abolish two chambers of the legislature which had been created for the purposes of constitutional advance.

At this time there were many elected men, and there were, I think, a couple of state councillors who were appointed on the submission of the electorate who ceased to be legislators by virtue of what was then described as the "rape of the Constitution". Those men, despite the wishes of the electorate, were removed from office. I think to have their services for that period counted, in practical terms, it is not going to mean anything but in case any of them should go back, it would be possible for them to take into account their services in that period when they so willingly made political sacrifices. I therefore move the Amendment standing in my name.

**The Chairman:** The Amendment has been moved. Is there any comment?

**The Attorney General and Minister of State:** Mr. Chairman, we share many of the sentiments expressed in the earlier part of my learned and hon. Friend's statement. But having, last Friday, accepted the Opposition's point of view that service should be the criteria for pension and agreed that the Bill should be amended to provide this, it is really a little surprising that my learned and hon. Friend should now, as it were, on top of all that, suggest a period of non-service as qualifying for pension purposes. During that period, many Members were pursuing their personal, private and professional pursuits which have their own superannuation reward and since this is for a period of service in the past we do not think that this ought to fall as a charge on public funds. Thus Members of this side of the House who are in the same category do not seek to have their services counted for qualifying service.

If I may just add this: It was in recognition of the fact that one should incorporate all the service in Parliament but qualifying service was taken back to this point and of course, all persons who were Members of Parliament in 1953 and who when the electorate spoke again in 1957 were put back into Parliament, will have that service counted for purposes of pension. It is only those persons during that period for whom the lacuna will have any effect. It really would not take the personal situation of Members of Parliament very much further. With those observations, I regret we cannot support the Amendment of the Hon. and learned Member.

**The Chairman:** Does any other hon. Member wish to speak?

(Pause.) Then may I put the question?

*Amendment -*

Insertion of the following in subsection (3) as paragraph (d):

- (d) a person who was a Member of the House of Assembly or State Council established pursuant to the provisions of the British Guiana (Constitution)

Order in Council 1953 shall be deemed to have served as a legislator for the full term if he ceased to be a legislator by reason only of the abolition of those Chambers of the Legislature prior to the expiration of the terms for which he was elected or appointed.

*put and negative.*

*Clause 9, as amended, agreed to and ordered to stand part of the Bill.*

*Clause 10 to 13, as printed agreed to and ordered stand part of the Bill.*

*Clause 14*

**The Attorney General and Minister of State:** Mr. Chairman, I move the Amendment standing in my name under this Clause set out specially only to the Amendment which I read out initially to the new subsection.

**Mr. Jagan:** Mr. Chairman, I take it that subsection 5 of Clause 14 means that where an annuity is being paid to the dependent of a deceased person the annuity will be taken out from the widow's part of the pension. Under the proviso if the person marries then the annuity will come to an end but would it go back to the widow or would she continue receiving two-thirds only?

**The Attorney General and Minister of State:** Let us say one-third, the payment would cease and the widow would draw full pension.

*Amendment -*

- (1) Subject to the provisions of this Act, where a person who dies leaving a widow -

- (a) was in receipt of a pension at the date of his death; or
- (b) had at the date of his death, satisfied the requirements of paragraph (a) of subsection (1) of section 9; or
- (c) having become a contributor under this Act, died, in the opinion of the appropriate Minister, in the course of service as a legislator;

there shall be paid to the widow, during her lifetime and while unmarried, a widow's pension at an annual rate equivalent to one-half of the pension, which -

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- (d) in the case of a person mentioned in paragraph (a), was being paid to him; or
  - (e) in the case of a person mentioned in paragraph (b), not being a person mentioned in paragraph (c), would have been payable to him with effect from the date of his death if he had not died but had satisfied all the requirements of section 9 for the award of a pension computed in accordance with section 10; or
  - (f) in the case of a person mentioned in paragraph ©, would have been payable to him with effect from the date of his death if he had not died but had satisfied all the requirements of section 9 for the award of a pension computed in accordance with section 10 as if he had served as a legislator for periods amounting in the aggregate to 12 years; and.
- (2) Addition of the following subsections (5) and (6):

“(5) Notwithstanding anything in this Act, but subject to the provisions of this section, where a person mentioned in paragraphs (a), (b) or (c) of subsection (1) dies leaving a dependant to whom he has bequeathed an annuity not exceeding one-third of any widow’s pension payable under this section consequent on the death of the deceased person, or which would have been payable had the deceased person died leaving a widow, and has directed that such annuity be payable under this Act, such annuity shall be paid to such dependant; and where a widow’s pension is payable under this sanction consequent on the death of the deceased person, the amount of any annuity so paid shall be deducted from such pension:

Provided that where the dependant, being an unmarried person at the date of the deceased’s death, marries, the said annuity shall forthwith cease to be payable.

- (6) For the purposes of this section -
  - (a) “dependant” means any person, other than a widow or a child, who immediately before the death of the deceased person was wholly or partially dependant on him for support;
  - (b) where an annuity is payable under subsection (5) -
    - (i) subsections (2) and (3) shall also apply, mutatis mutandis to such annuity and to the dependant to whom it is payable; and
    - (ii) the reference in subsection (3) to the widow’s pension shall, in relation to the widow, be construed as a reference to the pension

- (iii) payable to the widow under this section less the amount deducted there from under subsection (5)

*Put and agreed to.*

*Clause 14, as amended, agreed to and ordered to stand part of the Bill.*

*Clause 15.*

**The Attorney General and Minister of State:** Mr. Chairman, I propose the Amendment standing in my Name.

**The Chairman:** Any discussion on the Amendment proposed?

*(After a pause)*

*Amendment*

Substitution of paragraphs (a), (b), or (c) for paragraphs (a) or (b) in the second line of subsection (1)

*put and agreed to.*

*Clause 15, as amended, agreed to and ordered to stand part of the Bill.*

*Clause 16*

**The Attorney General and Minister of State:** I beg to move the Amendment standing in my name.

**The Chairman:** Is there any comment?

*Amendment -*

Insertion of "annuity." After "pension," in the first line and "under this Act" after "payable" in the second line.

*put and agreed to.*

*Clause 16, as amended, agreed to and ordered to stand part of the Bill.*

*Clauses 17 and 18, as printed, agreed to and ordered to stand part of the Bill.*

## **FIRST AND SECOND SCHEDULES**

**The Attorney General and Minister of State:** I beg to move the Amendment to the First Schedule. It should now be read as follows:

(S.2(1))

### **FIRST SCHEDULE**

#### **Former Legislative Service**

Legislative service, other than service as a Member holding office of emolument under the Crown, between 18<sup>th</sup> May, 1953 and 31<sup>st</sup> December, 1969, inclusive, as a Member of -

- (a) the House of Assembly or the State Council constituted pursuant to the British Guiana (Constitution) Order in Council, 1953;



- (b) the Legislative Council constituted pursuant to the British Guiana (Constitution) (Temporary Provisions) Order in Council, 1953;
- (c) the legislative Council constituted pursuant to the British Guiana (Constitution) (Temporary Provisions) (Amendment) Order in Council, 1956;
- (d) the Legislative Assembly or the Senate constituted pursuant to the British Guiana (Constitution) Order in Council, 1961;
- (e) the House of Assembly constituted pursuant to the British Guiana (Constitution) Order, 1964; or
- (f) the National Assembly.

*Amendment put and agreed to.*

**The Attorney General and Minister of State:** I move that the Second Schedule be amended as follows:

The addition of "President of the Senate" after "Deputy Speaker".

*Amendment put and agreed to.*

*The First and Second Schedules, as amended, agreed to and ordered to Stand part of the Bill.*

*Assembly resumed.*

*Bill reported with Amendments; as amended, considered; read the Third time and passed.*

**RENT RESTRICTION (AMENDMENT) BILL**

**Mr. Speaker:** Item 3 on the Order Paper is the Bill in the name of the hon. Minister of Housing and Reconstruction.

**The Minister of Housing and Reconstruction (Mr. Ramsaroop):** I beg to move the Second Reading of the Bill intituled:

An Act to effect a change in name of the Rent Restriction Ordinance, to provide for the further control of the rentals of premises to which that Ordinance applies and for other incidental matters connected therewith.

On the 28<sup>th</sup> September this year, the hon. Prime Minister in writing a few prefatory remarks on the National Insurance Scheme wrote *inter alia*:

“Today it has become a reality ushering in a new era of social security for all Guyana. The National Insurance Scheme is - - - aimed to ensure the masses greater security in the future.”

I submit and contend that this piece of legislation, in effect and in substance, is calculated by this Government to bring social security and social justices for all the people of this country. It is a measure that not only shows Government's subscription to, but Government's implementation of, its oft repeated principle and philosophy of bringing social justice to Guyana and establishing, as stated in the Budget proposals of today, a just society.

Arnold Toynbee said some years ago that “life must be lived forward but must be understood backwards”. Legislation, I submit, is a part of life and this bit of legislation intends to be in historical perspective. I do not, however, intend to go into this matter *in extenso*. My colleagues who will their contributions are going to deal extensively with the historical and

administrative aspects of it. It is sufficient in the interest of chronology and sequence that I deal with the historical facts as a factor that stimulated Government's thinking that promulgated this bit of legislation.

The year 1939 was a year that saw depressed socio-economic conditions in this country. The Second World War was raging furiously in Africa and Europe. Guyana was affected as a result of those changes and changing socio-economic conditions. Building construction in the country was almost non-existent; capital expenditure for housing development was also nil. Government, therefore, administering in its prudence and wisdom, decided to arrest this state of affairs. It was necessary, imperative, to freeze the rentals of the day. In 1941, therefore, the Rent Restriction Ordinance was enacted and under that Ordinance rentals were frozen with reference to the 1941 limit and this Ordinance, which is now on the Statute Book bears reference to that standard rent with reference to the 1939 situation.

It might be noteworthy to remark that the date chosen for freezing of rentals, the 3<sup>rd</sup> September, 1939 was the date on which hostilities commenced during the Second World War.

The application of the Ordinance during that time was only in reference to the City of Georgetown as statutorily defined. That application was subsequently extended to cover three miles outside the City limits and in 1958 the Ordinance was amended. Under that Amendment the Ordinance extended to the entire country.

The duration of the Ordinance was for a period of one year. Since 1941 it has been annually extended by Resolution passed in the legislative bodies that are a part of the constitution of this country, the last such Resolution having been passed in December last year.

The interim, temporary nature of this legislation impinges on one's mind forcibly the fact that this legislation was a creature of war-time conditions and when it is looked at in this context, immediately one appreciates best the purport and content of this legislation. Its short-term nature

is indicative of the fact that it was intended by the administration to be an expedient way by which some restriction could be imposed on the rentals of the day, because of the depressed socio-economic conditions that then obtained.

However, since 1941, there have been many significant far-reaching developments in this country and, indeed, a whole spectrum of socio-economic changes and have been effected. What was therefore a relevant, practicable and expedient measure in 1941 is unnecessary today having regard to all the circumstances which I enumerate. Population growth over the last several years, particularly over the last decade in Guyana has been to the extent of three per cent per annum; migratory movements from rural districts to urban areas have been taking their toll of the housing shortage in Georgetown, New Amsterdam and other urban areas. Wage increases have gone up nearly 300 per cent since 1941. It is patent that there are in Guyana today certain premises which enjoy a favourite status, certain premises which are being molly-coddled because of the situation in 1939.

In order that reality may be brought to the situation it is necessary that a new look be given to the present Restriction Ordinance, Chapter 186, of the Laws of Guyana. From 1941 to 1960, or thereabouts, the housing situation in this country had not been good. In fact, it might be a source of bewilderment to remark that at one time in this country there was a great adequacy of houses and an adequacy of demand. Today, however, the situation in the country has been reversed and we have a situation where there is a terrific demand for houses and an equally terrific shortage of houses.

I refer briefly to these facts so that hon. Members can appreciate the historical background behind the 1941 legislation. Several attempts in the past, all of them smacking the naiveté and puerility, have been made to rationalize this piece of legislation. I do not propose to allude to the different committees which have been set up to bring reason and cohesion to the present legislation.

I have here again some reference to the administrative history of this legislation. In 1954 a committee was set up under the chairmanship of Mr. Guy Sharples, the then acting Crown Solicitor of British Guiana, as this country then was, with the following terms of reference. I quote:

“To consider the Rent Restriction Ordinance, 1941, as amended from time to time and in the light of its operations to make such recommendations for its revision as may be deemed desirable.

In May 1955 the Sharples Committee submitted its report to the then administration. In 1957 another committee under the chairmanship of Mr. J.H. McB. Moore was appointed to carry out practical tests into the recommendations of the Sharples Rent Restriction Committee.

In July 1958 a special committee was appointed:

“To consider what incentives could be given to house builders with a view to securing more building and repairing of private dwellings, in particular dwellings for persons in the lower income bracket, and relevant matters.”

That committee submitted its interim report in January 1959 and its final report in December 1959. More recently, however, in November of 1966 a committee headed by a retired Judge, Mr. Justice Wills, was set up to go into this matter among other aspects and in November 1967 the report of that committee was submitted to Government. That, therefore, outlines the efforts which have been made in the past by several administrations to look into this matter with a view to correcting it. This Government has sought to cull from these different reports the sense and wisdom contained therein and the legislation that is now before this House contains, I make bold to say, the best and the most practical proposals.

It might be profitable to make reference to the fact that this Bill seeks to change the definition, the title, of the present rent Ordinance that applies to this country. Today the Ordinance is deemed the Rent Restriction Ordinance while under the new legislation it will be called the Rent Control Act. Restriction imports the restriction on rentals which obtained in 1939, while control will imply that there would be some control on rentals now being charged on premises falling within the purview of the Act and there will be imposed a ceiling on such rents.

Today, I have said before, social justice demands that there be new thinking. In the old situation, that is a situation manifest in the present Ordinance, there is provision for voluntary assessment of premises. Under the new enactment there would be provision for compulsory assessment of premises. There is, therefore, a departure of restriction which imports an element of volition to control, which imports control of rental of premises that fall within the confines of the Ordinance. There will also be a ceiling on the rental level which will be charged.

In considering legislation of this type one has to have regard to several instances and considerations. This Government has sought to effect a bit of legislation that would, on hand, bring adequate returns to investment of landlords and, on the other hand, see that fair rentals are charged by such landlords for premises that come within the scope of the Ordinance. It has always been this Government's obligation to contemplate that there are many people in Guyana who smart under the furies of some landlords who seek in devious ways to impose rental levels on premises that are far beyond the economic level and the financial level of people who want to rent houses.

Over the last few years there has been a hue and cry that a new look be given to the old Ordinance. This legislation, I submit, is giving a new look to a piece of archaic legislation that is outmoded and outdated. One must proceed with caution framing legislation of this type because the consequences can well be termed economic - - - while it is just and right that there be some control of rentals, it is also equally just and right that landlords who plough there economic investments in housing activities should be given a fair return for such investments. Therefore,

while we consider, on one hand, the situation with respect to landlords and the adequacy of fairness to landlords, on the other hand, we have had to have regard to the fact that if landlords are to continue to build houses which we are desperately short of, they must have adequate returns on these investments.

Since 1965 this situation had assumed tragic proportions in that, in addition to the increased population growth rate of the country, there had been the influx of many people into this country from climes abroad and that factor compounded the already difficult, if not impossible, rental situation then obtained. In the year 1965 and thereafter we witnessed an unprecedented surge of building activities in this country. I shall allude to the different concessions and rights which are enshrined in the present legislation, which concessions and rights indicate Government's appreciation of the role landlords must play in the housing market, the housing situation of this country.

There is another factor to which Government must address its mind – to which Government has addressed its mind – and that is that legislation that will bring justice must have concomitant upon such legislation the administrative machine that can lend teeth to the proper implementation of the provisions of this legislation.

**5.35 p.m.**

I would make reference in discussing the provisions of the Ordinance to misunderstanding and I shall outline the administrative arrangements of the present legislation which we hope would lend greater efficacy to the provisions of this legislation. The explanatory memorandum of the Bill sets out lucidly, clearly, the entire main features of this legislation but I feel that I should amplify some of them, sir, if you will permit me.

The legislation, it is hoped, would be changed from a temporary measure into a permanent measure and provision is made for the Ordinance to take effect from 1<sup>st</sup> January, 1970, and remain as a permanent feature thereafter. Provision is also made for the Ordinance to

accord recognition to certain social realities of the nation. In the interpretation section of the Bill, a tenant is defined, and includes among other things a sub-tenant or sub-tenant as the case maybe; the widow or widower of a tenant who was residing with him at the time of his death on the premises let, whether as a dwelling house or not.

However, what we have in the definition of a tenant is a departure from the old legislation and we seek to define a tenant, in the case where there is no such widow or widower, as the reputed spouse residing with the tenant at the time of his death and who was so residing with him for not less than six months immediately prior thereto.

In keeping with the provisions of the legislation that is to be promulgated by this Government and in according recognition to the social realities of the nation to which I have alluded, the definition of tenant has been followed and extended to include, where there is no spouse or reputed spouse, such member of the tenant's family or household as was residing with the tenant at the time of his death, as may be decided in default of agreement by the magistrate.

Lastly, the definition of tenant includes such other person residing with the tenant at the time of his death and who was residing for not less than six months immediately prior thereto and of who the tenant was a dependant. We have found from reports and recommendations of the committees to which I have alluded that there are many persons upon who tenants depend, who are deprived of the tenancy when those tenants die, and this Government thought that if we are to lend reality to that artificial situation, we should extend the definition of tenant to include the person upon whom the tenant is depending and who was residing with the tenant at least six months prior to death. It is clear that there is a new thinking abroad, a thinking of which this legislation is a result of years of activity by this Government, and that thinking now finds expression a place in this legislation before this honourable House.

Under the Amendment, provision is also made to confer upon magistrates as their normal jurisdiction, those functions presently exercised by Rent Assessors, that is, their jurisdiction would be increased to include responsibilities and powers now enjoyed by Rent Assessors. However, the original jurisdiction to the lower and upper courts would remain there and have



one other significant departure. It will be possible for appeals to go to the Court of Appeal as the final appeal court rather than to go to the Full Court. It can be regarded as the most significant and fundamental provision in this legislation.

In the present legislation it would be made compulsory within a specific period, the assessment of the standard and maximum rentals of all premises which are subject to tenancies that fall within the confines of this Ordinance, and in this legislation the following premises would fall within the confines of this legislation: premises which are the subject matter of tenancy on the coming into operation of this legislation and premises which were the subject matter of tenancy prior to the coming into operation of this legislation.

In the latter category, there are two situations to be covered. All the premises erected or reconstructed after 31<sup>st</sup> December, 1964, must be assessed within one year from the commencement of the operation of this Ordinance and all other premises must be assessed when a tenant leaves the premises and a new contract of tenancy is made or when a tenant is succeeded by another tenant, whichever is earlier. That is in respect of the situation post – 31<sup>st</sup> December, 1964 and pre – 31<sup>st</sup> December, 1969.

With reference to situations post – 1<sup>st</sup> January, 1970, such premises must be assessed when the premises become the subject-matter of a tenancy for the first time after the coming into operation of the legislation. Thereafter, on the 2<sup>nd</sup> January, 1970, if the premises are vacated and a new tenant goes in, an application will have to be made for the assessment of the premises when the contract is entered into between the landlord and the tenant entering.

These three situations cover the whole spectrum of the housing situation which must be covered if justice and equity are to be done with the fixation and ascertainment of standard rent. I may remark that when the assessment is carried out and the survey discloses that the standard rental is in excess of \$250, the premises to which such assessment applies would become

decontrolled. The premises would not come within the pale of the Amendment and the landlord can fix whatever rentals he wants to fix in those circumstances. They are not people who normally come within the scope of the low-income group and they receive loans on collaterals and securities for housing construction.

Under the provisions of this enactment, it would be readily known to the tenant the amount of the standard rent. Provision is made for the certificate of rentals to be exhibited in a prominent place in the premises to be rented. Provision is also made to dissuade dilatory and vexatious action. The law as it now stands in Chapter 186 of the laws of this country permits a tenant to bring and initiate proceedings to recover excess rentals to an unlimited extent.

#### 5.45 p.m.

We have found from experience, and this comes from the wisdom of those people who sat down to discuss rent restriction, that there are cases where landlords, because of a little friction between them, have been forcing tenants to pay excess rentals for a number of years as a result of which great harm is done. Now there is a new enactment by which a year's rental may be recovered. This is a departure from the old law where it is permitted to recover rental for an unlimited period.

Under the new Amendment, too, provision is made to ameliorate the difficulty landlords who sue tenants in the Magistrates' Court to recover rentals have. We have found from experience that because of the generous time extensions accorded to tenants, landlords faces the embarrassing situation of going to Court to recover rentals for arrears and at the same time are saddled with arrears on rentals. It is therefore thought necessary that some limitation be made in this respect.

The Principal Ordinance is amended by the insertion of the proviso:

“Provided that the court shall, in the exercise of its powers under this section, refrain from granting to any tenant, without the consent of the landlord, an extension of

any time first granted by the court to the tenant for the payment of any sum due by him as rent for a period in excess of three months, unless the court is satisfied that -

- (a) no rent payable for any period, subsequent to the period in respect of which application for distress is made, is due and remains unpaid at the time of the hearing of the application; and
- (b) "having regard to all the circumstances of the case, undue hardship would thereby be occasioned to the tenant."

In answer to the muted commentary from my friend who now heads the Opposition, the hon. Member Mr. Ram Karran, may I observe that provisions is made in this Ordinance for the Court to take account of any situation which may cause undue hardship on the tenant.

In order to avoid discrimination by the landlord between prospective tenants on the basis of willingness of one tenant to pay some addition to the normal rent, provision is made in the Ordinance for the prevention of this situation. There appears to be a gap in this Ordinance in that a landlord cannot require premiums to be paid to him because that would be an offence but if he does not require but receives them, it is no offence. Therefore, in order to really make effective the provisions which now operate in the Statute Book, it will be necessary to deem as an offence not only where the landlord requires premiums for the removal of tenancy but also to deem illegal where a tenant voluntarily may give him some inducement to secure a contract. There are several recommendations in the Ordinance, recommendations which lend flexibility and elasticity to the Ordinance, to be exercised by whichever Minister is charged with Housing; recommendations which can lend, if the situations my warrant, realism to provisions in the Ordinance which may in the near future prove to be ineffective; if we can find that the sum of \$250 is unreasonable, that is, if after some effluxion of time they are ineffective, the Minister charged with Housing can amend this to bring it to a smaller or higher level to commensurate the position which obtains at that time. There are also recommendations in the Ordinance to provide many other things. I merely refer to that because that is one of the recommendations that can lend flexibility to the working of this organization.

Hon. Members will observe in the Ordinance that there is a heavy penalty to be imposed for the infraction of Clause 6 which relates to the compulsory assessment of premises, the reason for this being that if we are to lend teeth to this Ordinance a heavier penalty must be imposed than that now in the Ordinance and provision for a penalty to be imposed on a landlord who fails to assess premises within a requisite time has been inserted. This has got to be so for if this Ordinance is to effectively worked, if it is to bring social justice and lesion of social justice, a heavy sentence must be imposed on landlords. It is therefore necessary to increase the penalty that is now in the Ordinance from \$480 to \$1,000 for the infraction of relevant sections of the Ordinance and in the case of companies the increase is to \$1,500.

Provision is made in the Ordinance too for the increase in the percentage of money expended for improvement of structural alteration of premises. A percentage of such expenditure is permitted. After considering this matter very exhaustively, Government is of the view that that percentage must be increased if landlords are to operate in a realistic sense. The cost of materials obtained several years ago may have had a low ceiling that was framed having regard to the fact that the rate of interest was at a lower rate than now obtained. The ceiling has been raised from eight per cent to twelve and a half percent. My friends say that this is a concession to the landlord but then as I said this legislation is to effect a happy compromise by providing fair rentals and adequate terms for both.

### 5.55 p.m.

There is one more significant provision to which I look forward. Under the present Ordinance, Chapter 186, tenants are not equally liable for default in mismanagement. We feel that if we are to correct this situation, it will be necessary to put landlords and tenants on the same basis. Therefore, if this Bill is passed landlords and tenants would be equally liable for default and mismanagement. This can be seen in the Interpretation Clause of this Bill before the House where for the purpose of the enforcement of any provisions whereby any liability is

imposed on a landlord, be construed to include any agent having charge, control or management of the premises on behalf of the landlord.

I refer briefly to the main provisions of this Bill. I wish to make this point abundantly clear: This Government does not hope that by enacting legislation it would bring a solution to all the housing problems in this country. We do not say that this enactment *ipso facto* would bring a solution to all the political challenges of the housing problems in this country. And from time to time, I have been making statements in this House and outside of this House, touching on the many aspects of Government's housing programme and policy. I wish to stress here, sir, that this enactment has been initiated by this Government in order to arrest, if not surmount, the housing problems that beset Guyana today.

Most hon. Friends on the other side may argue this point with some plausibility: Why is it there is an Amendment and not a clean sweep of the old legislation? But in response to that argument, may I state that the old provisions have been retained because they have been found useful in the past, and no good can be done by abandoning provisions which have proved successful, practical and effective.

With respect to the situation of spiralling rentals in this country, the Government hopes to initiate legislation to correct this social abuse and social evil that now obtains for the fragmentation of lots and speculation of land in the country. We are not possessed with divine endowment; what we know is the Government will do its best to bring social justice to a situation which has run out offhand in the past. This is a bold, deliberate and studied attempt by the Government to assault one of the critical areas of this country.

Twenty-eight years have passed since the old legislation has been on the Statute Books of this country, and fifteen years have elapsed since the abortive and timid attempts by past administrations to correct this. The Government is proud, after so many years, that there is enactment before this House which seeks to rationalize this outmoded situation and to correct this social abuse.

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5.55 - 6.05 p.m.

In the course of this debate I may refer to some of the other achievements of this Government in the field of housing. I do not wish to bore you, sir, with allusions of the Government and its spectacular housing projects which are seen in this country.

**Mr. Speaker :** Your time is up also, you had better try and finish hon. Minister.

**Mr. Ramsaroop:** Perhaps, for the enlightenment of my learned and hon. Friend I will allude to this. I think it is John Stewart Mill who said:

“When the object is to raise the permanent condition of a people, small means do not merely produce small effects; they produce no effect at all.”

Indeed, the hall-mark to legislation is the greatest good to the greatest and we feel that this legislation would bring the greatest good to those tenants and all who smart under very trying and challenging g housing problems. I hope, in the course of the debate this evening, that my hon. Friends would make some substantial contribution. I hope too, that their contributions would be marked by more light than heat. (*Applause*)

**Mr. Speaker:** The Motion is before the House. The hon. Member Mr. Chandisingh.

**Mr. Chandisingh:** Mr. Speaker, the first thing I would like to observe about this Bill is the very short notice which was given to hon. Members on this side of the House, and even the shorter opportunity or time given for the study of this legislation. Not only was this measure rushed, but also I may think of the general public - particularly the large number of tenants who would be affected by this legislation - who should have been afforded the opportunity to see what were the likely effects of such legislation. Of course, it may be argued by the Government side that such Amendment to the Rent Restriction Ordinance was long overdue and the Government was perhaps trying to get it settled before it would again be necessary to have another resolution to extend the Ordinance.

6.05 p.m.

I do not think that, in these circumstances that argument would hold much water since the point is that this Bill is going substantially to change the old law and make a permanent law. It

would have been more in order for the Government to have given the public an opportunity to consider the legislation properly. It would have been more appropriate for the Government to have apprised the public of the effects of this legislation on themselves.

As I say, this was not done and so, unfortunately, many people today, naturally tenants and particularly in the areas most seriously affected, such as in the City of Georgetown, are allowing themselves to take this legislation at face value, in other words, on faith. People have seen a few reports in the Press which have stated that Government is moving to control rents and everyone is looking forward to this legislation having some practical effect on their rentals, particularly those who feel that they are paying excessive rents.

I think that in many instances such persons will be sadly disillusioned as the legislation begins to take effect and that is one of the reasons I felt that it would have been much more honest with the people for the Government to have this measure publicly debated. We remember the case of the National Insurance legislation, which came through very suddenly. Many people believed that it would help them appreciably. It was only afterwards that they began to see how the thing would work and, for most people, there was dissatisfaction.

In this instance also, I think the Government is taking a lot of people for a ride in leading them to expect there will be rent reduction, strict rent control and so on.

Before I deal further with the actual bill I would like to add a few points to what the hon. Minister said with respect to the history of this scheme. He took us back to the year just before the Second World War. I should like to note that even earlier, in 1922, there was great agitation by the working class of Georgetown to have rents reduced. In other words, we want to see the context in which rent restriction legislation was brought in.

In those days, as is recorded by Mr. Ashton Chase in his book *The History of Trade Unionism in Guyana, 1900 to 1961*, the employers were forcing workers to take cuts in their wages because, allegedly, there was a financial and economic crisis following the First World War. The working class, being forced to take cuts in their wages, demonstrated and the labour union of the day took the cause of the workers into its hands and forced, as it were, the colonial

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Government to pass legislation for rent control. Unfortunately, that first bit of legislation was not kept on the Statute Book very long so that the working people, in Georgetown in particular, from 1930 again had to take up the cudgels for themselves and to march on Government House in order to agitate for the reintroduction of rent control legislation. The fact was that economic conditions were such as to make rent control necessary to relieve some of the burdens that the working class and their families had to bear. Subsequently new legislation was introduced in 1941.

I must recount also, for the record that in 1950 there was a big demonstration outside of Government House in which the women played an active part. Attempts were made to suppress the demonstration by mounted police and persons were charged.

From time to time amendments were made in the legislation and, as the hon. Minister rightly recounted, the last such amendment to the present Rent Restriction Ordinance was made by the People's Progressive Party Government. It extended the Rent Restriction Ordinance to the whole country. As the Minister pointed out also, the situation has really worsened in the last few years.

I would like to point out that it is rather significant that in the early days, the days to which I have referred and which resulted in the passage of the rent restriction legislation, it was the poor working man, so to speak, and his family who agitated and demonstrated for rent control legislation. Such legislation having been passed it was found that the rent restriction legislation needed tightening up in various respects and machinery needed to be created in order to give proper effect to rent restriction in the interest of the working class. There did appear to be need for the Rent Restriction Ordinance to be amended in the interest of the working class and for better administrative measures but, as time went on, presumably from the middle 50s and particularly later, there came a move to amend the Rent Restriction Ordinance which emanated from the landlord element. The landlords, also, have been putting pressure to secure amendments, but the amendments the landlord element was requesting were those which would help to increase rents to enable landlords legally to derive greater rents by working our various



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formulas and so on. Therefore, we have two movements converging on the same thing, both sides wanting changes in the Ordinance.

6.15 p.m.

When the P.P.P. was in office it was also faced with a problem such as I have recounted, that is pressure from landlords and their spokesmen to get the Government to change the Ordinance. In those days, this was the source from which the greatest pressure was coming from. Once again, as the rents are now spiralling – as in the past few years, particularly in the 'sixties; the Minister said from about 1960 – we got the demand from the tenants for rents to be controlled more effectively or for something to be done to amend the Ordinance to control rents. This Government had promised to take note of the extreme concern shown by tenants, particularly in Georgetown, and to do something to curb rent increases.

Even in 1967 we were told - and subsequently in the Speech from the Throne - that the Government would bring legislation to put an end to the unjust practices of spiralling rents. Now we see the result of this big effort. At short notice, as I explained before, we are asked to give approval to this landlords' charter. That is what it actually is, despite the Government's fine words and its efforts at concealment of the fact that, under this new legislation, rents for a majority of tenants are going to go up. That is the hard reality of the situation as far as we can see it.

If this is not going to be the case, let Government give the assurance that is not so but, as far as one can see from several factors, one would regard this bit of legislation as a landlords' charter rather than a rent control Act. As a matter of fact, it may be that there is justification for changing the name of this Act to the "Rent Increases Act". As I said, it would affect a majority of tenants even though, in some cases - particularly the more recently built houses - persons in the middle income bracket, or even the upper middle income bracket, may have certain reductions effected to the very high rents they are paying.

Nevertheless, as I said before – and time will bear me out; we hope we will be around - in the majority of cases this would be a “Rent Increases Act” giving legal cover, so to speak, to landlords to have increases brought about, or to legalize the increases which have illegally been made in the past by devious devices. One has only to look at the explanatory memorandum to the Bill and hear some of the remarks made by the hon. Minister in his speech just now to realize that this is so. In the explanatory memorandum to the Bill it is stated that:

“It is now necessary to correct certain social injustices and abuses that are common to the relationship of landlords and tenants by alleviating the difficulties presently encountered by them.”

The Government seems to be running with the hare and hunting with the hounds.

The hon. Minister has further stated in his remarks that this is necessary for fair and adequate returns to the landlords but, in the context of this Bill, we would feel very strongly that such an even innocent-sounding phrase has the net effect of really favouring landlords against tenants. Of course the hon. Minister also said, “We do not know what will be the effect of this legislation but it is a bold attempt to bring about social justice.” I noted these words particularly, “We do not know what will be the effect of this legislation”.

Perhaps what the Minister meant, at least what I got from these words, was that although certain principles have been worked out, certain yardsticks or factors have been listed, such as what we find in the Schedule from (a) to (m), by which rents will be assessed, although these have been worked out, nevertheless, perhaps what the Minister has in mind is that in the course of giving effect to these new assessments made under the new conditions, the Government itself is not sure of the effect this would have on the actual rents which would be paid, but I am sure that in the various reports which have been submitted there must have been specific cases taken out, there must be some sort of formula worked out – X plus Y divided by Z multiplied by some factor. Here again we do not know what this formula is. The Government has not seen it fit to publish the committee’s report on which, presumably, the Minister was guided in formulating these amendments.

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I wonder whether even those members of the Government, the back benchers, who are genuinely concerned that rents should not go up but should go down, have had any explanations as to how this new rent control Act will operate. Are they satisfied, from assurances given by the Minister that rents are not going to go up? Have they had the opportunity to meet and discuss with the Minister the real effect upon any of their constituents, in the city in particular? I do not know if this has been done and if they are satisfied with this, but I can certainly say that we on this side feel very grave suspicions when we examine the provisions before us.

Of course even before the Government brought this legislation we were prepared to give the benefit of the doubt, so to speak, to the Government, even though we know from experience that most of the time the Government is hitting the small man, rather than the big man. The Government had promised to tackle this question effectively so all we did previously was to urge it to do something as quickly as possible.

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We were prepared to give them the benefit of the doubt but now that we see this measure before us our suspicions seem to have been confirmed. If we look at the Schedule which lists the different factors which will be taken into account to determine the standard and maximum rent, we see the whole host of factors which when taken together add up to the fact that every effort is being made to help the landlords to get higher rents in the vast majority of cases where they are now receiving low rents.

Incidentally, Mr. Speaker, I would like to take the opportunity to ask the hon. Minister to explain to us, or perhaps the hon. Minister, Mrs. Limerick, who we are told will also speak, to indicate how these factors are taken into account in the Schedule, and may we have the assurance perhaps that rents will not go up as a result of this measure?

Now I should like to refer to clause 14 of the Bill generally speaking because it amends section 15 of the Principal Ordinance and in this case also we see that Government is directly permitting an increase in rent.

Whereas in the present Ordinance the landlord is permitted to recover his expenses for extensions and improvements to his house in roughly twelve years, now Government is changing this so that the landlord may recover his expenses by increases in rent in a shorter period, that is, in eight years. This is a direct move which will have the effect of increasing rent and that is apart from the other observations we have made about the Schedule itself.

I would agree that in a few cases the Government has attempted to take into account certain abuses and it has undoubtedly made one or two changes which appear to benefit the tenant. We are not trying to say that everything in this Bill is to help the landlord. But while in a few instances the Government seems to have made an effort to help the tenant, on the other hand it has also put in further restrictions on the tenant. For example, for the non-payment of rent under the present Ordinance, the Court has the discretion to continue extending the time to a tenant in default. Well, this Bill tightens up this provision and the Minister himself pointed out that the Court may not extend beyond three months and period during which a tenant can be in arrears. And so it goes.

I would say whatever benefits may have been put in for the tenants, these may be regarded as mere sops to ease the bitter pill of increased rents for a perhaps overwhelming majority of tenants who are presently paying low rents. I think that in this period, on the eve of the so-called Co-operative Republic, it is very strange that this Government, which claims to be trying to assist the small man to become a real man, seems to be moving particularly against the small tenant.

As I observed earlier, it is quite likely that the bigger type of tenant who is now paying fairly high rents may get some sort of reduction in the rent he now pays. For the person paying \$200 or \$220 now, he may get a reduction of \$20 or what have you, and this may appear to be a benefit. Undoubtedly, it would be, but let us consider that the majority of tenants are those who have been living in houses built pre-1964 and even much earlier and some of these people, it is alleged, are paying peppercorn rentals. We feel in such cases, taking into account the plight of the small tenant, taking into account economic conditions in the country, the fact that unemployment is at a critical stage, the fact that money in fact is being eaten away by the rising

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cost of living and other social conditions in the country, that these would-be increases in rents would be a grave injustice. One could always argue on the point of the poor widow –

**Mr. Speaker:** Is the hon. Member going to be much longer?

**Mr. Chandisingh:** I think it would be best to suspend now.

**Mr. Speaker:** The sitting is suspended until 8 o'clock tonight.

*Sitting suspended at 6.33 p.m.*

8.08 p.m.

*On resumption --*

**Mr. Speaker:** When the suspension was taken the hon. Member Mr. Chandisingh was still speaking. I think that it is wise that a Motion be moved.

**Mr. Ram Karran:** I beg to move that the hon. Member be given an additional fifteen minutes to continue his speech.

**Mr. Remington** *seconded.*

**Mr. Chandisingh:** Mr. Speaker, at the time of the Adjournment, I was referring to the eve of the Co-operative Republic. We are seeing co-operation certainly, but co-operation with the landlord against the tenant, particularly in the case of the smaller tenant who will now in many cases have been afforded some measure of protection even under the existing Ordinance. Generally speaking, any increases for this type of tenant will further push up the cost of living and with the rising cost-of-living, prices and so on, we can see that this will be a particular burden to such a tenant. It may be asked: Why do we feel so strongly that this Bill before us will affect certain increases in rent? Apart from other observations I already made I would like to refer to the sort of thought that has come from the Government side such as the need to provide adequate returns, *et cetera*, in order that landlords or persons who wish to invest in houses may be encouraged to erect houses for letting. There should be no other interpretation or arguments from the Government side than the one I adduced.

Another point which I would like to make in passing is that the rates are going up from time to time and we all know that the tenant bears this burden exclusively. In other words increases in rates are justified for increases in rents and the whole amount of these increases is put on the backs of the tenant. In this case I would like to appeal that since tenants have to bear the burden in all increases of rates that the Government should take action to see to it that landlords keep their premises in a state of good repair. In other words the tenant has to bear such burdens and, in many cases, landlords are getting away by not keeping their houses in a fit state of repair. We know that this is supposed to be done according to the law even as it stands at the moment, but it is also a fact that in practice, the provisions are not applied. I would urge that Government make use of certain legal provisions even to carry out repairs where landlords are not honouring their obligations and have the cost of these repairs charged to the landlord. We feel that this is only just and fair.

We would also like to make the point that the Government should provide better machinery so that tenants can bring injunctions wherever necessary against landlords who try to inconvenience tenants by removing part of a building – steps, the roof – in order to put pressure

**8.15 p.m.**

on tenants. My colleague, the hon. Dr. Ramsahoye will deal with this in more detail. I would like to also make the observation that while the law is there in many cases the machinery is not available to implement the law. May I refer in passing to the question of magistrates who are now going to be made into rent assessors? It would appear to me that the burden which will fall on magistrates would be very heavy indeed. As a matter of fact a few days ago I discussed this with the hon. Minister (Mr. Ramsaroop) outside and made some suggestions whereby other persons would be trained to carry out these assessments and speed up the assessments once there is a genuine desire to have all assessed.

I feel that there will be a big bottleneck for the magistrates who would not be able in my opinion to spend enough time to carry out assessments.

This is apart from the other observations made, that is, that the whole procedure for assessment, and the factors to be taken into account lead us to the conclusion that in many cases it will not benefit tenants.

We also wonder why Government sees it fit to alter the provision that exists – to restrict the time in which the tenant has to make claims for excess charges by landlords. In the present Ordinance, there is no limit. It appears that the Government is changing this so that tenants would have to make claims within a period of one year. This is another disadvantage which I think that the present Bill has introduced against the tenant. This is apart from the other observations made, that is, that the whole procedure for assessment, and the factors to be taken into account leads us to the conclusion that in many cases it will not benefit tenants.

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There is the question of de-controlling of houses where the assessed rental is over \$250 per month. Presumably the Government has its own reasons for this. Perhaps it feels that only rich people would be able to pay rents for houses over \$250 per month. It seems that the idea behind this is to, let us say, not interfere and encourage persons to build houses where they would not have to be bothered about rent control. But I am wondering if the Government has thought out all the implications of this and whether it has not considered whether the opposite effect might ensue. In other words, what I am wondering is whether the landlords or investors in property may not be encouraged to undertake construction of houses which could be assessed over \$250 per month. There again, they may say that this does not matter; there would be few people who would be willing to pay over \$250 per month. Bearing in mind the fact that in recent years people have been paying very large rents; even though those rents may be assessed on a lower rental, the fact is people have been forced to pay very high rents – higher than they would normally pay and the rents form a large portion of such persons' income. Thus it may be that as

a result of this de-control, taking into account too, the shortage of houses, and the pressure that exists, that landlords may wish to invest in this type of high priced houses in the expectations that there will be some persons – the middle income people – who because of the dire need for housing, will be prepared to pay a very high rent. I have just posed this point for consideration by the hon. Minister.

Generally speaking, I think that Government's whole outlook on this question is wrong. The Government seems to be adopting the attitude that private builders should be encouraged to create housing for the people. We feel that this is not the correct way of looking at it. We feel that the Government itself should undertake full responsibility for providing good houses, especially for the low income people. We know that although the Government has stated its intention to do this time and again, we have seen in this House and outside that the end result where it has to do with Government's guaranteeing and financing of certain projects such as the TUC Housing project and others, that the price of these houses which start out supposedly for low income persons end up beyond the reach of such low income persons. So that in effect, we can say that all the efforts of the Government or most of the efforts, have resulted not in low income housing but at least in middle and even the upper income groups – bearing in mind the financial, socio-economic conditions of the masses of the people. This is one of the responsibilities which we feel that the Government has sadly neglected.

Second, we are of the view that in order to tackle this question, Government should also make provision for facilities, industries and so on, job opportunities in the rural areas which will help to prevent persons leaving the rural areas and coming to the city in search of employment. As a matter of fact, hon. Members may recall that in this connection, the hon. Leader of the Opposition (Dr. Jagan) in discussing the Local Government Bill made reference to this point: that is to provide facilities equivalent or nearly equivalent to those in the urban areas in the rural areas – developing the rural areas. In other words, in the countryside, so that the facilities of the city would not unduly attract the population – especially the youth – away from the country side. These are two fundamental points which have to embrace any attempt at solving the problem of housing in this country, especially urban areas.



Mr. Speaker, in concluding my remarks on the general principle of the Bill, I should like to make the position very clear on the matter. As I have indicated earlier, it would seem that in certain cases, particularly in the case of the newer houses, this Bill may result in lower rent at least to a certain extent, that is for the higher priced houses. But it is our view that taking all things into account, the rents for the majority of persons who now benefit by low rents under the existing Rent Restriction Ordinance will go up.

**8.25 p.m.**

We did not bargain for this. Our party has been calling for strict curbs on rent increases and a reduction of rents where these have gone up unduly. We did not bargain for increases at the same time and that is what it seems this measure will do. While it may reduce some rents others will go up, and the ones that are likely to go up will be the ones which are presently low rents. In other words, it will affect more severely persons in the low income group, working-class persons. The Bill, therefore, does not do what we envisaged should be done, that is, to consider only the question of rising rents. That being so, we cannot be a party to any increases in rents that this Bill envisages.

We would have liked to have supported fully, without any qualifications, a proper Rent Restriction Bill, or Rent Control Bill, whatever the name may be but, as I said, this measure is in many respects against the principles for which our party stands and I hope our position on this matter will be made very clear. We are not opposing rent restriction. We are all for it, but we are against increases of rents, particularly for the small man. That is the position we take on this matter.

**Mr. Speaker:** The hon. Member Mr. Sutton.

**Mr. Sutton:** Mr. Speaker, amendment of the Rent Restriction Ordinance is, no doubt, long overdue. The fact that Government has seen the necessity, which has been clear for a long time, to talk about rent control rather than rent restriction makes one think that it is seized with the responsibility of improving the situation. But, Mr. Speaker, if this Bill is to help us and to help the country along the lines envisaged, it must be realistic and it must take all the factors

concerned into consideration. All of us must realize that the building of houses to help low income groups to get homes will never be achieved by wishful thinking and by ignoring the hard facts of the situation.

The points I am going to make are based on the fact that I believe that Government would like as much involvement as possible of the private sector in the building of houses for rental by the people in low income brackets. If we look facts in the face, this question of rental for people in the low income brackets has not been touched; it has not even been scratched upon. We know there is a minimum wage of \$4 a day. For the purpose of easy calculation, let us call it \$25 a week, that is, approximately just over \$100 a month. Let us address our minds to what is a realistic figure that a person should pay for the rent of a house in relation to his earnings. Do we expect a person to pay 50 percent of his earnings for rent, 60 percent, 5 percent, 10 percent or 20 percent? Let us look at this matter objectively and then we will be able to come to some conclusion about what we are, in fact, setting out to do and admit that we cannot solve this problem wholly. Do not let us fool ourselves that we are solving the problem wholly. Let us see what part of the problem we are really tackling.

Let us accept that the average wage of people in the low income group is \$100 per month. These are the people, I believe, to whom the members of the Government are referring when they talk about “making the small man a real man”, the man whom they expect will be helped by the co-operative sector in our coming Co-operative Republic. He will be given a degree of self-respect which he has not now got when it is possible for him to own things and not have housing that he is not ashamed of.

Now, the Government accepts that the proportion of salary that one must pay for rental is 10 percent. We know that 10 percent in today’s context cannot be realistic. It is possibly nearer 20 percent, or 25 percent. Let us look at the facts: A man who is working for \$100 a month, what hope has he of getting a house to rent for \$10 a month? I would say that it is even difficult for him to get a proper house to rent for himself and a small family for \$20 a month.

Let us look at this Rent Restriction Bill to see to what extent it is setting out to help the person who finds it very difficult to help himself. We are told, in the first place, that houses

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rented for \$250 a month and upward will take care of themselves. If we look around the town we do not have to ask which are the low cost tenants for rental. By their general condition of dilapidation we can recognize them at a glance. Let us visit Albouystown; let us visit Lodge; let us visit certain places at Kitty, Central Georgetown, North and South Cummingsburg, where there are in. We all know that landlords bend over backward to scrap such places in order to build other houses, because they find them unremunerative.

We notice in the Schedule that a set of guidelines are laid down for rent assessors, who appear to be the Magistrates under this Ordinance, in order to arrive at the level at which rents must be fixed for any building or property brought to them. We have read it from beginning to end and we find that although there are certain guidelines laid down, nobody seems to want to look the gift horse in the face. Whether we like it or not, whether we accept it or not, no person who wants to invest money at all is going to invest it voluntarily except some return can be guaranteed him.

We on this side of the opposition would like to submit that this matter should be viewed realistically. We know that the type of person who goes in for building property for the purpose of renting is usually the conservative type, the non-speculative type who will say, "I rent my house; I get a rent of so much and this is my return." That person should be told in advance, "Look, this is a proposition where you will get a return of "X" percent. The Government would like you to go into it."

All the guidelines are laid down but a rent assessor is not asked to protect the landlord to the extent of 2 percent, 4 percent, 5 percent or any percent. It is unrealistic for us to leave that matter in the open. The people who can help the Government in building low cost houses for rental are conservative and if a percentage were fixed as a maximum return, rather than go to the Banks and get 7½ percent for fixed deposits, they would go into housing and get 8 percent or 9 percent, as the case maybe. I would ask the Government to address its mind to putting a guideline to the effect that the net return on the assessment for rental for the landlord should not be less than, say, 10 per cent, because the Government, I believe, would welcome help and is

inviting help from the private sector. That being so, a person who is investing in housing for the purposes of rental should know what return he is permitted. It is not mentioned in the Bill.

What do we find? The psychological effect of the Rent Restriction Bill which has been in operation now for nearly 30 years, is that people who have been compelled to rent houses to low-income families are anxious to get out of that. We want to try to get the private sector to help the Government; we do not want it to run away from the exercise of building low cost houses for rental.

We find, as I said before, the limit for non-control is set at \$250. We on this side of the Opposition would submit that by setting that limit of \$250 the Government is defeating the purpose it is setting out to achieve. Why? Because those who can afford to build will set out to build houses above the \$250 limit and the people who cannot rent houses at \$250 a month will soon find there are no houses to rent.

It would appear at first glance that you must set a fairly high limit at which de-control or non-control takes place, but if it is examined carefully you will find it is an illusion. You should set the limit fairly low. I will suggest what I feel is a reasonable limit. I am starting low just to illustrate my point. If you set your limit at \$100 a month, the people who are afraid of rent restriction will endeavour to build houses to be rented at \$120 a month and, as result, people who can rent houses between \$100 and \$120 a month will still find some houses are being built for them.

Think of it how you like, the people who can and do build houses for rental are not people who are feeling for \$5. They want a good conservative investment. People who are prepared to go in for speculative investment invest their money in company shares and in other enterprises and certainly not in building for rental, unless they know what return they will be permitted. In today's context, a return of 10 percent is not considered a particularly high return. It is just a shade above what is known as the conservative level. The person who is ultra-conservative will take his money, put it in a fixed deposit in the Bank or in the New Building Society and take 7½ percent on it.

The person who for some reason or the other does not like that may be attracted to go into housing if he can get a guaranteed 10 percent.

When the building in the semi-private sector, that is aided building by Government, catches up – if it does catch up and it may catch up – with the demand, you will find that these things will level themselves out. Of course the duty of the Government is to protect those people who, in an atmosphere of supply not being equal to demand, must get protection, but the people who need protection most are not getting it at all, because no one is being encouraged to build a house to rent it for \$20 to \$25 per month, or \$30 to \$40 per month.

In the various building schemes that are now being put up, the person who can pay \$150 and \$200, with a little bit of effort, can invest in a building scheme and own his own house. I believe it is the Government's intention, eventually, that as many people as possible should own their own houses and it is a fact that the people paying %150 and up are in a position, if they look well, to build and get a small house for \$10,000 and \$12,000 in the building schemes. Those who can pay a rent between \$150 and \$200 per month can make arrangements to own such a house without much difficulty, but the person that you particularly want to protect is the person who cannot afford to pay \$150 per month.

If you leave those level at \$250 per month, you will be giving no protection whatsoever to the people who need protection most. Why? Because you cannot stop the people who can afford to build from building how they want to build. What is going to happen if you do not make it possible for the people who have houses, which have to be rented now at \$25, \$30, \$40, and \$50 per month, to make 10 percent on their investment? We will continue to see what a common sight is now. Those houses could not be in any more dilapidated condition than they now are. I plead with the Government to look at this question realistically. No person who can afford it will really be hurt by leaving the level at \$250 per month.

It is well known that all the people with small rooms, with ranges, are leaving them without repairs, as the hon. Member Mr. Chandisingh pointed out. It is quite true. Government should have legislation where people do build such houses or have such houses to force them to keep them in a good state of repair. This is all well and good but, certainly, you cannot expect to get co-operation from people if you expect them to invest money like in any other investment and get nothing from it – 1 percent or 2 percent in a particular area of investment where you have a lot of bother dealing with several small people.

I would submit that among the guidelines you should put in your Schedule is “not exceeding a return of 10 percent.” This will encourage some help from the private sector because the conservative person in the private section will probably go for housing, but if you leave it as it stands he will go for housing in the bigger bracket for which there is a terrific demand, as you probably know, and the people whom you are trying to help will get no help at all.

If we were to look facts in the face, we must admit that, up to now – of course we cannot solve all of our problems in a moment – the person in the very low income bracket is not being helped at all because where is he going to go to get a house to pay \$10 or \$15 per month which is being paid today?

We look forward to the day when the Government will do like other Governments in certain parts of the world. Ghana and Nigeria are building what they call projects, houses, big apartment buildings with 150 apartments, and when you build a project like that, because you have one roof and other things are duplicated for several families, it is only then that you can bring the cost down to the minimum. In building houses for low cost rental, it must be borne in mind that the trend is for the lengthening of mortgages and the improvement of mortgage facilities whereby a person who was not hitherto interested in owing his own house and was renting a house, now thinks of owning a house. Therefore when you think of rent restriction to protect the man at the bottom, you must mean the man who cannot take advantage of your long term mortgage terms. The Government is trying, I hope, primarily to take care of the person who

finds it still impossible to talk of buying a house on an 80 percent mortgage and 20 or 10 percent deposit.

I am aware that building entrepreneurs who are thinking of coming to Guyana are coming on the basis of 10 percent deposit and 90 percent mortgage over 20 and 25 years. That will help a certain sector in our population, the low income persons who are not now being helped. But if we are to be realistic, this rent control Bill will improve the situation for certain groups but the group that can pay \$250 can help itself. The group that can pay \$150 can also take care of itself with 20 to 25-year mortgages and 10 to 20 percent deposits. The people who cannot take care of themselves cannot pay \$150, and if the Government does not encourage conservative people in the private sector to build for that group by guaranteeing 10 percent on their return, it would mean that the Government is accepting the fact that the help which our community needs can only come from the Government whenever it gets around to solve the problem.

We believe that some help could be got for the Government from the private sector because there are all kinds of conservative, ultra conservative and not so conservative people. People will not invest in housing to get a return of 3 or 4 percent or nothing. When a new tenant is going in, an owner might resolve, "that house, it will have to drop down. I will repair it to the minimum." You want an atmosphere of possible co-operation and wherever possible give a return on low cost housing to encourage at least a portion of the private sector to give as much help as possible.

Another point I would like to make coming back to the question of encouragement is the fact that it has been mentioned that a person will be allowed a 12 1/2 percent increase in order to take care of capital investment in housing or for improvements. As you know, it is desirable that as much as possible our local materials should be used although there is a school of thought which would be able to develop the point that a lot more of local materials should be exported to greater advantage to earn exchange to buy foreign materials which are more suitable for low cost

building than our wood would ever be. The demand for our woods, the degree of turning timber into order to buy suitable building materials for tropical low-cost building, but be that as it may, I am prepared to accept the Government premises that local materials should be used wherever possible in order to help import substitution.

This 12½ percent is to be the return on capital improvement over eight years. I would submit that it is not easy, more often than not very difficult, to put up an improvement in local materials, which are the materials 90 percent of the real low-cost building would be done in, with a depreciation spread over 8 years. People who have had this problem have found that a realistic figure is nearer 20 percent than 12½ percent. That is one of the reasons why we find low-rental houses in such a dilapidated condition. There are many people who prefer them to become so dilapidated that they are condemned, than to repair them and receive the rents for them. We must ask ourselves why this is so. If a Government gave in any country of the world, a fair return of 10 percent, it would get help in developing a low-cost sector. If no improvement is being given along those lines, I am afraid help from the private sector will have to be of necessity very little or possibly non-existent.

It is unfortunate under present conditions when the Government is carrying nearly 100 percent of the responsibility for low cost building and I am trying to avoid the Government having sooner or later to face this problem of how the people who are earning a minimum wage of \$4, \$5 or \$6 a day are to be housed. Sooner or later that problem has to be tackled and if there are improvements in the condition in this Bill, the Government will receive a certain degree of help from the private sector.

**8.55 p.m.**

Therefore, I would like the Government to give this serious consideration: rather than setting the limit at \$250 a month set it at \$250 a month. As I said before, the only persons who will then benefit are the people of the lower-income bracket because you will be increasing the probability of houses being built for them whenever new ones have to go up. Let us go, as the



Hon. Mr. Chandisingh went, to the rural areas. So far the projection of my thoughts has applied only to the situation in the urban areas.

**Mr. Speaker:** If the Hon. Member wishes to continue, he must have an extension.

**Mr. Sutton:** I will finish in five minutes, sir.

**Mr. Speaker:** All right. You may proceed.

**Mr. Sutton:** Let us examine the position in the country areas. I am sure that nobody in this House can point to 20 buildings being put up in the rural areas where rentals of \$7, \$8, and \$10 a month are obtained. In all the cases where those rentals could be had it is from people whose tenants have removed and they take \$10 to \$15 rather than leave the houses empty. But in order to encourage the building of houses in the rural areas it is necessary to guarantee a minimal return. I therefore plead with Government to enter into their schedule a guide line not exceeding ten percent on the householder if they are to get help from the private sector and then the Rent Restriction Ordinance will serve the purpose of helping a sector of the population which it will not help if the limit is left at \$250.

**Mr. Speaker:** The Hon. Member Dr. Ramsahoye.

**Dr. Ramsahoye:** Your Honour, the production of this bit of legislation brings to mind very strongly the fact that housing in this country is possibly inadequate and the further fact that housing schemes are not making sufficient way to house the growing population. It is expected that by 1975 the population of Guyana will be in the vicinity of 900,000 people. This is a tremendous increase upon the figures which we knew only recently; the housing of this expanded population must be conceived to prevent great problems.

The greatest problems, of course, are in connection with urban housing. So far as urban housing is concerned there is no doubt that what we have is inadequate and that many derelict

buildings which are around will be left, whereas in more competent hands it would have been possible to make accommodation out of the sites they occupy. The Hon. Minister of Housing (Mr. Ramsaroop) now has great responsibilities. The P.P.P. Government had been advised that the area which is known as the Green Belt was to be reserved and those workers' houses were to be built to the south of Georgetown in the area of the T.U.C. ville Scheme and beyond. The sugar Barons who have held all the lands around Georgetown and who continue to do so have been maintaining over the years that they still do not have enough land for sugar much less for giving up lands for housing.

The University has gone to Turkeyen and the 100 acreage which was given to the P.P.P. Government of that time for that University will soon be very inadequate in relation to the University's growing needs. The time has come when this Government, in duty and conscience, should let the public know that the lands north and south of the University should be reserved for University expansion only. The area is a mining ground for speculators and they are waiting expectantly. The Green Belt is to be lifted but that will cause successive generation very great hardships. We must all warn the Government, so far as the University is concerned, that those lands should be reserved for that expansion. Now the lands south of Georgetown ought also to be reserved and they should be reserved with provision made for price control so that speculation might be prevented. Some of the proposals which we heard from the Hon. Minister of Finance (Dr. Reid) today may, in certain cases, have the effect of reducing speculation in land but they will not be enough. What we need is a conscious statement of policy and the execution of that policy leading to a result which will be that certain lands will be definitely reserved for working-class houses and that the prices of those lands will be rigidly controlled; so far all workers' housing schemes have failed and we have seen clearly that the houses now being erected for workers are only available for the better class and this is far from right. There is also a problem of controlling the prices of building materials. The Government ought, in relation to its housing, to decide about imposing controls on the selling prices of building materials if only to ensure that poorer people who want houses will have them constructed at reasonable cost. These things I say because I think that they provide the background against which we are operating in relation to this legislation. This is not even touching the surface of the problem. As a result, when the

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magistrates begin to work it will be very clear that the provisions of those Amendments will cause rents to be increased. It will be with some trepidation that I would venture the opinion that the landlords will make any great profit out of it. Maybe some of them will, but this does not necessarily follow. However, this one is certain and that is that this legislation will create additional burdens for the poorer people; their rents are certainly going to go up and, in the context of our time, increases in rents like increases in foodstuffs and increases in relation to clothing could create hardships and be oppressive. While, therefore, the Government is presenting this legislation which they hope will relieve the situation, we venture to think that far more needs to be done in relation to housing in this country.

9.05 p.m.

These Amendments are not really going to solve the housing problems that we face in this country. We need to have a more conscious effort to provide housing for the expanding population. This country is till a country of great inequality; so many people appear to suffer – persons with skill appear to be getting less than they deserve; the poor workers appear to be getting less than they deserve. The time has come when we should try to set our sails right. It is, I think, our duty to assist tenants, the majority of them who happen to be working people, by making sure that we do so much more for them than we do at the moment. I sincerely hope that I would live to see legislation executive power in this country. The Government should be bold enough to control the prices of land upon which workers build their houses and to control the materials which will be used for the construction of those houses. Unless people get that sort of courage we would never be able to make provision for those who need to be provided for.

The legislation which is before us has, no doubt, been carefully worked out. Landlords in this country tend to have, by and large, an awful reputation. This is particularly so in relation to the keeping of houses. As a practitioner in the Courts, I have come across many cases of perfect non-departure from - - - I have had clients whose steps and roofs have been taken away in an attempt to force them out of the houses. I have had clients who have complained bitterly that the landlords have refused to do a stitch from the health point of view for the tenants and their families. I have, therefore, sought to negotiate with the Hon. Minister Amendments which will

enable some of these problems to be overcome. I must say that he has shown great willingness in this connection.

Second, the landlords all over this country ought to take serious note of this: A tenant will be able to effect certain repairs which are reasonably necessary and to further be able to deduct the cost of these repairs from the rent. In future, in this country, a tenant need not have to suffer the ravages of sun, wind, and rain because of a grudging, recalcitrant landlord. We have also a reports about the jurisdiction of a magistrate from preventing owners from taking off - - - and Amendments have been negotiated which will enable tenants to proceed in High Court.

It is a great pity that on this occasion I must feel some regret that we still are not doing as much as is necessary for the tenants, but I look forward to hearing from the Hon. Minister some definite assurance about the reservations of lands for the working-class housing. Incidentally, about reservation of the Green Belt, I wish the Hon. Minister would also give an assurance that if the lands north and south of the University are to be used, it would be reserved in the first instance, for the expansion of the University.

**Mr. Speaker:** The Hon. Member Mr. Balchand Persaud.

**Mr. Balchand Persaud:** Mr. Speaker, the Bill itself is a clear indication of the Government trying to offer palliatives because as far as we can observe the Government is trying to tackle problems, not from the roots, but probably at such a level that it does not want to have arrange relationships existing among its friends, the ruling-class. One would have expected that the Government would have brought certain information to this House, for instance, how it would be able to solve the housing problems. Also, one would have thought that it would have been able to tell this house how many persons are homeless and what plans the Government has with respect to solving the problem of housing, because, unless the Government is able to do something about it, the landlords tend to take advantage over the tenants. Mr. Speaker, what we have here today is only half way to approach finding the solution to this great problem. One would have expected that the Hon. Minister would be in a position to tell us how many houses

would be needed in the next ten years; how many houses we are going to have from private enterprises, persons, Corporations, or what have you.

**9.15 p.m**

How many houses does the Government intend to build every year to solve the housing problem? So far, it is not tackling the roots of the problem, but is showing a sort of "Sam Dopey-sightedness". It is a reflection of the size of the minister. Nevertheless, one would expect that we would be in a position to have a clear understanding of our problems. The Government must be able to tell us because, no matter what amendment is proposed, as long as the landlord controls the houses and as long as the landlord has a right to rent a house to persons of his choice – rent restriction will be there but a landlord will have the right to rent a house to a person of his own choosing – even though the rent is \$50 a month the landlord can ask, "Do you have a family? How big is your family? I am only renting this house to a man, his wife and one child and nobody else.

”

Working-class persons have large families and the cheaper the house the more restrictions there will be. A landlord will be able to take advantage of the tenants. The Government has not been tackling this problem. One would have expected that a progressive Government would have been able to have a planned economy. One would have expected that the Government would have been able to tell us clearly every year, "We will be able to building 100 houses in five years and we will solve our problems."

We must know this. Do not bring this type of arrangement. It is clear that the Government is not really thinking. The Government is only offering limited provisions by which it hopes to win the sympathy of workers and people who are renting houses. It is not really tackling the problem. As the Budget has been introduced and will be discussed next year one would have expected that the Government would have looked into this question of housing and would have been able to tell us quite clearly what is the problem so that we would have a clear understanding of how the Government is moving.

The Government should ease the working class. It is only satisfying the whims and fancies of the landlords. We wish to appeal to the Government not to have this type of "Sam Dopey-sightedness". This will not solve our problems. I hope that the Minister will make the necessary changes to provide housing for Guyanese.

**Mr. Wilson:** Mr. Speaker, I think I should give the Minister an opportunity to make a statement on this aspect of the housing problem when he is going to reply. The Bill is called the "Rent Restriction Bill", but the problem is not only in relation to control of rents; it relates to the provision of houses for lower income groups. As a matter of fact, even the United Force member (Mr. Sutton) mentioned this problem, though in a different way. He was pleading for some kind of adequate return for persons who invest their money in providing houses for people in the low income groups.

I think that the Government should try to tackle this problem in a more fundamental way and not only scratch the surface by talking about control of rents. What is the Government doing? We would like to hear from the Minister what plans the Government has for providing houses for persons in the lower income group. It is clear that houses for such persons cannot be provided on an economic basis, that is to say, these houses are to be subsidized houses for persons working for \$4 a day, that is, \$25 a week.

I have been looking through the Estimates, especially the provisions under Local Government, and I not seen any funds provided for –

**Mr. Speaker:** Let us not anticipate the debate on the Budget.

**Mr. Wilson:** I should like to hear from the Government whether it has made provision for funds to be available to local authorities for subsidized council houses.

**Mr. Speaker:** May I say that I have allowed Hon. Members a considerable amount of latitude to move away from the main purpose of this Bill, that is, rent restriction or rent control, to deal with other aspects, simply because I think it is a matter which affects many people. However, if we are now going to channel our thoughts towards what should be proposed in the

Budget then I will have to be firm and say I will not permit any further discussion. Is there any other Hon. Member who wishes to speak? (*Pause*). The Hon. Minister may wish to reply.

**Mr. Ramsaroop:** (replying): I have listened to my Hon. Friends and I would seek, in the few remarks I propose to make at this stage, to realise this debate from the level of lunacy which has characterized it substantially, after the speech from the Hon. Member Mr. Balchand Persaud. It is probably a matter of great significance that the Hon. Member hails from that county that houses the mental asylum.

When I closed my general remarks this afternoon I admonished my friends that I would wish that there would be light rather than heat in this debate. I am shocked to observe that there has been neither light nor heat, but a lot of smoke has been thrown into this house today, so much smoke that sometimes I found it very difficult to comprehend the apparently considerable ideas floating between the two sections of the Opposition.

I find it difficult to reconcile the statements of the two sections of the Opposition. At one stage I thought that the contention was very vigorously made by the Hon. Member Mr. Ranji Chandisingh that this was a landlord charter. On the other hand, I thought the Hon. Member Mr. Sutton was saying that this amendment possessed no incentives for the landlords. But, I am not here to separate the good from the bad in this debate. I am here to debunk the efforts of my friends who may not possess the necessary wit and intelligence to make substantial contributions. However, I think it would be useful if I were to reply to some of the points raised by two members of the Opposition whose contributions smacked of substance.

The Hon. Member Mr. Chandisingh said that this is a landlords' charter. This is a piece of histrionics and I proceed to say so because, while speaking, he betrayed a piece of ... when he said that, as far as he is concerned, rent restriction and rent control do not matter, that they amount to one and the same thing. I think the Latins had a way of putting it when they say ... meaning that in these little utterances you can see the level of intelligence. Rent restriction and rent control are two different concepts and the mere fact that my Hon. Friend did not appreciate the fact that this is a measure designed to introduce rent control, is some indication of his appreciation of the general scheme of this legislation.

I made abundantly clear in my introductory remarks this afternoon that rent control imports the concept of controlling rentals as from now and rentals which fall back to a certain period of time. Rent restriction, on the other hand, connotes the restriction of rentals or freezing of rentals that obtains at a certain period of development in the country. There is this fundamental element which differentiates the two legislative concepts. One has had the element of volition or willingness to assess premises, that is the landlord or the tenant was not bound to see over it of his or her willingness, at his or her request to have the rentals assessed. That was in the case of rent restriction.

Rent control is another concept. This concept is introducing the element of compulsion in our law and making it necessary that premises be assessed within a certain time. I merely refer to this subtle difference between the two to enlighten my friends so that they can really appreciate the substantial difference between the two bits of legislation.

There had been some reference to the question of increases permitted under the head. The increase under the Amendment is from 8 percent capital expenditure for improving, for structural alteration, to 12½ percent. I want to stress the point here that this increase to 12½ percent is a ceiling increase. It does not necessarily mean that when an application is before the court that Magistrate would grant 12½ percent as an increase. Twelve and one half percent represents the maximum that a Magistrate can grant. My friend is labouring under the illusion that this means that the Magistrate would willy-nilly impose the ceiling or maximum of 12½ percent on the standard rent. I wish to dismiss that illusion from his mind. This is not a case where there would be imposition whether the tenant likes it or not. All the circumstances of the case must be taken into consideration and when we hear of increases we must realize that these increases are calculated for improvement to the premises. The work must be of the nature of some structural alteration that goes beyond fair wear and tear of the proper maintenance of the building. I wish my friends would appreciate this point.

Reference was made to the question of the factors which are set out in the Schedule appended to this Amendment. Here again it does not seem to me that my friends understand why these factors are there and, maybe to shed some light, I would refer briefly to the reason for this



schedule being inserted in the Bill. It has been discovered, as a result of experience, that in the past rent assessors have had several capricious methods by which a Judge can fix and ascertain standard and maximum rental. Two methods come to mind readily: The comparative method and the profits method. We have examined this and we are of the view that it would be in the interest of all parties concerned, rather than letting the rent assessor apply an arbitrary yardstick or an arbitrary set of criteria, that we ordain what factors must be looked at by the Magistrate when he or she comes to ascertain, fix and certify the standard rental of the premises.

Therefore, we thought that, in the interest of consistency and unity in the method of calculation of rental, it would be good to put factors in the schedule, which factors can be added to or detracted from, as the Minister charged with the responsibility sees fit. Therefore, in the Schedule attached to the Amendment you will find certain factors included therein which factors we hope the rent assessor will have regard to when computation and fixation of rental engages his attention.

My Hon. Friend Mr. Chandisingh, one of the main speakers of the Opposition, again did not seem to appreciate the point that this Government is not depriving a tenant of his right to have an extension of time, but what this Government is saying, by virtue of this instrument, is that the Court will not entertain an application for extension of time for the recovery of rentals unless the Board feels that grave and undue hardship would be done to the tenant in those circumstances. Added to that the tenant must not be in arrears of current rentals, rentals due for a period subsequent to the period for which the tenant is before the court. We are not, by virtue of this provision, depriving a tenant of any right. We are giving the Magistrate elastic discretion to exercise in these circumstances so that justice can be done to situations where deserving tenants merit extension of time.

My friend makes the allegation – and it is no more than an allegation because it is unsupported by a persuasive fact – that rentals will go up as a result of this Amendment, but he did not allude to any logical facts to support his contention and, since there are no facts to which I can reply, I will not say anything on that aspect.

The Hon. Member Mr. Chandisingh is under the impression that this legislation would *ipso facto* defreeze by one fell, one swoop, and the standard rentals that are now foisted on certain premises in this country. That is not the position, but one of the situations to be covered under the Amendment, premises which now bear the 1939 rentals, would come up for reassessment not immediate but when the tenant of those premises vacates the premises or a new contract of tenancy is entered into, whichever is the sooner. This is not the case where this enactment is going to recklessly at this stage bring havoc and injustice to the tenant but in the influx of time it is hoped that all the premises in the country that today enjoy preferential treatment would come within the purview of premises to be realistically assessed.

9.35 p.m.

My Friend, Mr. Ranji Chandisingh, is under the impression that there ought to be an improvement and/or enhancing of the machinery that operates as to the ascertainment of rentals. His statement is understandable in the light of his knowledge as a layman of the principles that govern a rent assessor. I do not desire to attack him for his lack of knowledge of the intricacies and the legal technicalities is a complicated arrangement and the machinery if insufficient to deal with the subject can be extended.

In ascertaining rentals, the person must have regard to certain principles and if one should put a layman there, one could imagine the havoc and mischief that would be done. Added to that, all of these assessments are subject to appeal and it is very difficult to conceive that a layman would be able to write a reason for decision in case there is an appeal and it is for this reason that the provision under the law that a matter can be referred to an advisory committee has been retained.

My friends in their contentions before this House seek to chide this Government for not embarking on a sufficiently dynamic approach to the need for housing and although comparison are odious, I have been able to get a few figures, which figures I will compare with the volume and momentum that go to the Government in this administration. In this year, this administration has constructed and/or commenced 217 houses for low-income group, but let us compare this figure with the achievement or lack of achievement by that party that dominated the political

scene from 1957 to 1964, much to their frustration and ignominy. In 1959, the records disclose that there were no houses built by the Government in power. In 1960, no houses were built by the Government in power. In 1961, 1981 houses were built, in 1962, its best year, 230, in 1963, 28 houses and in 1964, 29 houses were built.

I cannot for the life of me fathom the incongruity that characterizes those opposite. I am not very inclined to make comparisons but I have done this so that in future when my friends make these spurious affirmations they will have the facts in order to counter and substantiate these allegations.

**Mr. Hon. Friend**, whose contribution was the only one that smacked of substance, the Hon. Member, Dr. Fenton Ramsahoye, made reference to certain matters which are at this very moment engaging the attention of this Government. Lest I prejudice the recommendations that are in train, I will refrain from making observations. I will give the assurance which he asked for, that the control of land values is actively engaging the Government's attention.

The Hon. Member, Mr. Balchand Persaud, a man whose greatest asset is his uncultured voice has made some spurious references but for his own enlightenment, because I think his remarks were founded more on ignorance than rascality, I think that is the word, the fact that he is ignorant to a situation that now is made public to all and sundry in this country is a fact for which I forgive him, possessed as I am of some divine trait. He chides us for not planning a programme, but I want him to know that we are very much in this direction and there is a census afoot to discover the number of housing needs and the areas of housing needs.

I have in all humility and in a spirit of providing knowledge, in a spirit of educating, in a spirit of letting them know the truth, referred to this so that in future their contributions to this house would smack of substance rather than shouting. With respect, Your Honour, I commend the Second Reading of the Bill to this House and I hope that the rest of the debate will characterize the juncture of our development in this House as we go through the Bill Clause by Clause.

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**Mr. Speaker:** Hon. Members, I shall now put the Question.

9.45 p.m.

*Bill read a Second time.*

*Assembly in Committee.*

*Clauses 1 to 3 agreed to and ordered to stand part of the Bill.*

*Clause 4*

**Mr. Sutton:** Mr. Chairman, I beg leave to move the Amendment standing in my name and I would not say much more on it except to repeat what I said a moment ago that the higher the level this control is set at, the less likely it is for the private sector to build houses for rental below that figure. If thought is given to it the low-increase group particularly need help with housing said, although it is impossible to set it down at this stage to the figure most helpful, I do feel that reducing \$250 to \$150 would make it possible for a wider set of people to be served.

*Amendment*

That the words “one thousand, eight hundred dollars” be substituted for the words “three thousand dollars” in the penultimate line of the proviso to be inserted.

*Put, and negatived.*

*Clause 4, as printed, agreed to and ordered to stand part of the Bill.*

*Clause 5 to 10 agreed to and ordered to stand part of the Bill.*

*Clause II*

**Mr. Feilden Singh:** Mr. Chairman, there is no Amendment in respect of this Clause but I would like to commend this Clause to the Government of recommendation. It seems to be almost a charter for the prosecution of landlords because what the Government is doing is

imposing on the landlord the onus of exhibiting a notice on the prescribed form as to the standard rents of the lots. The premises are being lived in by the tenant. The Government is telling the landlord that he must keep the form exhibited on the premises which is in the control of the tenant. The tenant is entitled to be there; the landlord cannot go in as he likes, yet he has an obligation to keep this form on the premises. The tenant could always pull this form down. Tenants are not always favourably disposed to landlords and the Government is leading the way for tenants to get together to tear down a notice and report a landlord and then he would incur a penalty of a \$250 fine as stated in subsection 4:

“(4) A landlord who falls to comply with the provisions of subsection (3) shall be guilty of an offence and liable on summary conviction to a fine not exceeding two hundred and fifty dollars.”

The landlord is not in possession of the premises. The tenant is in possession and can tear it down but the landlord must pay a fine. Mr. Chairman, the section already provides protection as it is. At the present moment this seems to be additional protection which is sought but the section does provide at the moment in section 12(1):

“The landlord of any premises to which this Ordinance applies shall, on being requested in writing by the tenant thereof, supply him with a statement in writing as to what is the standard rent of such premises.”

So that there is standard provision existing right now whereby the rent is known at any time. The landlord, if he does not on request by the tenant supply the statement of the standard rent, incurs a penalty. The Government is now adding two subsections to section 12.

I commend to the Hon. Minister (Mr. Ramsaroop) the deletion of Clause 11 as there is already protection in the Ordinance. Why make it so onerous on the landlord to keep this notice on premises not under his control?

**The Chairman:** The Hon. Member Dr. Ramsahoye.

**Dr. Ramsahoye:** Your Honour, I think that my Hon. Friend has a point. I have hope that the Hon. Minister will see the difficulty in the landlord becoming obliged to keep this notice on the premises under the control of the tenant. The legislation is very strictly worded. I think that landlords will be convicted all the time. I would say that no harm would be done by removing the whole Clause.

**The Chairman:** The Hon. Minister Mr. Jack.

**Minister without Portfolio (Mr. Jack):** Your Honour, on this question of the notice which seems to be causing some anxiety to my Hon. Friend on the other side, I do not think that their fears will be realized in the first place. If a landlord puts up the notice the only way it is likely to come down is if the landlord rakes it down or if as my Hon. Friend contends, the tenant takes it down. Those of us in the Courts know that our Courts are reasonable and if a landlord were charged, he would be able to put himself in order. If it occurred again then it would show that the tenant took it down. There is nothing to be apprehensive about.

9.55 p.m.

**Mr. Ram Karran:** I wonder if we are to depend on the reasonableness of the Court, or whether we should make every effort to see that the law is in such a way as to be observed. If, as the Hon. Minister on the other side suggests, that a notice has been put up and it has been removed by the tenant – and can be removed by the tenant – we cannot rely on the reasonableness of the Court because today it might be reasonable and tomorrow it might not be.

**The Chairman:** Shall we proceed with putting the question for this Clause?

*Clause 11, as printed, agreed to and ordered to stand part of the Bill.*

*Clause 12 and 13, as printed, agreed to and ordered to stand part of the Bill.*

*Clause 14*

**Mr. Sutton** *rose* --

**Dr. Ramsahoye** *rose* --

**The Chairman:** We have two Amendments; one is by the Hon. Member Dr. Ramsahoye and the other is by the Hon. Member Mr. Sutton. Whose is first? The Hon. Member Dr. Ramsahoye.

**Dr. Ramsahoye:** I beg to move the Amendment standing in my name:

Substitute a semi-colon for the full stop appearing at the end of paragraph (b) and add the following paragraphs as paragraphs (c) and (d) --

(c) by re-numbering subsection (2) as subsection (4); and

(d) by inserting the following subsections (2) and (3) --

“(2) Where a landlord fails to keep any premises to which this Ordinance applies in good and tenantable repair a tenant who is not in arrears of rent may, after the failure of the landlord to comply with the notice mentioned in subsection (3) and, at his own expense, effect such repairs as may be reasonably necessary to fulfil the obligation of the landlord to keep the premises in good and tenantable repair and may deduct the cost thereof from any rent payable by him to the landlord.

(3) The tenant before effecting any repairs pursuant to subsection (2) shall send by registered post to the landlord at his last known address notice - - - estimated cost of the repairs - - - .

**The Chairman:** Is the Government willing to accept the Amendment.

*The Hon. Minister indicated in the affirmative.*

*Amendment put and agreed to.*

**Mr. Sutton:** I beg to move the Amendment standing in my name. I make the point that in his type of building over ninety percent of the improvement is in wood and I do not know if anyone here knows this but it is considered almost impossible for one not to re-repairs in five years

rather than eight years which would be an encouragement to keep the building in the best possible condition.

*Amendment –*

Substitute the word “twenty” for the words “twelve and one-half” in the first line of paragraph (a)

*Put and negatived.*

*Clause 14, as amended, agreed to and ordered to stand part of the Bill.*

*Clauses 15 and 18, agreed to and ordered to stand part of the Bill.*

*Clause 19*

**Dr. Ramsahoye:** I beg to move the Amendment standing in my name:

(a) re-letter paragraph (b) as paragraph (c); and

(b) insert as paragraph (b) the following –

(b) by the substitution of a colon for the full stop appearing at the end of subsection (1) and the addition thereto of the following proviso -

Provided that where an equitable remedy is sought (whether or not in conjunction with any other remedy) such claim or other proceedings may be made or instituted in the High Court.

*Amendment put and negative*

*Clause 19, as amended, agreed to and ordered to stand part of the Bill.*

*Clause 20 to 22, as printed, agreed to and ordered to stand part of the Bill.*

**Mr. Chairman:** The Schedule. The Hon. Member M. Sutton.



**Mr. Sutton:** Mr. Chairman, I move the Amendment standing in my name. As I said before if the Amendment is accepted it would be an inducement to a certain section of the investors to possibly invest in comparatively low cost housing because of the minimum guarantee. On the other hand, I submit that if no such clause is put in they would have no leg to stand on and because they could get this which would guarantee them up to seven and a half percent there would be certainly no attraction in that type of housing.

*Amendment ---*

Re-letter paragraph (m) as paragraph (n), and insert the following as paragraph (m):

(m) a return of approximately ten percent of the capital value of the property.

*put and negatived*

*Schedule, as printed, agreed to and ordered to stand part of the Bill.*

*Assembly resumed.*

*Bill reported with Amendments; as amended, considered; read the third time and passed.*

**10.05 p.m.**

### PRIVATE BILL

#### GEORGETOWN CHAMBER OF COMERCE (AMENDMENT) BILL

A Bill intituled:

An Act further to amend and Georgetown Chamber of Commerce Ordinance

**Mr. S.M. Saffee for Mr. D.A. Singh.**

**Mr. Speaker:** Hon. Members, Mr. Singh is not here as it is necessary, I believe, for him to be at another function where the Lord Chief Justice of England is being feted. I understand the hon. Member Mr. Saffee has been deputed by the Hon. Member Mr. Singh to take his place in moving the Second Reading.

**Mr. Saffee:** I beg to move the Second Reading of the Georgetown Chamber of Commerce (Amendment) Bill, Bill No. 29 of 1969. This Bill seeks to amend the Georgetown Chamber of Commerce Ordinance, Chapter 200, by removing the limit of \$20,000 which is at present the maximum value of property which may be held by the Chamber. It also changes the name of the Chamber from "The Chamber of Commerce of the City of Georgetown" to "The Georgetown Chamber of Commerce". I beg to move the Second Reading of this Bill.

**Mr. Speaker:** Does any Hon. Member wish to second the Motion for the Second Reading of the Bill?

**Mr. Fowler** *seconded.*

**Mr. Speaker:** The Bill to further amend the Georgetown of Chamber Commerce Ordinance has been duly moved and seconded. Does any Hon. Member wish to speak to the question? The Hon. Member Mr. Balchand Persaud.

**Mr. Balchand Persaud:** I wish to make a few observations in relation to the aims and objectives of the Georgetown Chamber of Commerce and also to make some additional points about what role the Chamber of Commerce should play in Guyana today.

**Mr. Speaker:** I am afraid that will not be in relation to what we have before us. What we have before us is not a Bill for the incorporation of the Chamber of Commerce of the City of Georgetown. If we did have such a Bill before us it would be quite competent for any Hon. Member to delve into aims and objects of the Chamber. What we have before us is a simple Amendment to make changes. We either agree to make the changes or reject the application to make changes. I would like the Hon. Member to confine himself to what is before us in the Bill.

**Mr. Balchand Persaud:** The amendments proposed under the Bill deal in part with the aims and objects. Clause 3 states:

"Section 6 of the Principal Ordinance is hereby amended by the substitution for the first object of the following object—

‘first, the promotion and protection of the national, commonwealth and foreign trade and of the manufacturers and industries of Guyana;’

The Chamber of Commerce Ordinance was made way back in 1890, nearly 80 years ago. Surely at this time in the history of our country we must ask whether the amendments proposed by the Government are adequate.

**Mr. Speaker:** This is a Private Bill.

**Mr. Balchand Persaud:** I wish to ask whether the mover will be able to tell us, since Guyana is moving toward a Co-operative Republic, what role the Chamber will play. First, will the Chamber represent co-operative societies? Secondly, will membership be obtained in the agricultural sector of the country? These are very important points, and since Guyana is fast becoming an agricultural country I think consideration should be given to them.

There is another amendment which the mover is seeking. Clause 4 states:

“Section 9 of the Principal Ordinance is hereby amended by the substitution of the words ‘all paid employees’ for the words ‘all salaried offices and servants’.

Section 9 (2) of the Principal Ordinance states:

“The council shall have the management of the income, funds, and property, if any, of the Chamber, and may appoint and dismiss at their pleasure all salaried officers and servants,”

The words “all salaried officers and servants” will now read “all paid employees”. I have submitted an amendment and I hope it will be given consideration.

**Mr. Speaker:** That will be dealt with in the Committee stage.

**Mr. Balchand Persaud:** I must make some points in relation to the Amendment. I think that the words “at their pleasure” are very offensive and a colonial inheritance. The mover should give consideration to this and have it amended. The words “at their pleasure” reflect gravely on the mentality of these people. The Prime Minister said some time ago that we must

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have a psychological emancipation. To have the words “at their pleasure” embraced in this section is very offensive. I hope that the mover will be in a position to have the necessary amendment made.

**Mr. Speaker:** Does any other Hon. Member wish to speak? (*Pause.*) Does the Hon. Mover wish to reply or shall I put the question?

*Question on put, and agreed to.*

*Bill read a Second time.*

*Assembly in Committee.*

*Clauses 1 to 3 agreed to and ordered to stand part of the Bill.*

*Clause 4*

**Mr. Balchand Persaud:** I wish to move an Amendment to insert the words “at their pleasure” before the words “all salaried officers and servants” in the third line of this clause. I have already stated why I think this Amendment is necessary. I hope that it will receive proper attention.

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*Amendment -*

That the words “at their pleasure” be inserted before words “all salaried officers and servants” in the third line of clause 4.

*put, and agreed to.*

*Clause 4, as amended, agreed to and ordered to stand part of the Bill.*

*Clauses 5 to 14 agreed to and ordered to stand part of the Bill.*

*Assembly resumed.*

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*Bill reported with an amendment to clause 4; as amended, considered; read the Third time and passed.*

**Mr. Bissember:** I have not had occasion to speak to the Opposition on this matter, but the Motion which was circulated this afternoon dealing with the International Labour Organisation is purely a formal one and I am instructed that it ought to be passed before the end of the year. I do not know if there is any opposition; if there is I cannot proceed to get approval from you, but rather than coming back ---

**Mr. Speaker:** Would you like to go outside and discuss it with the Hon. Acting Leader of the Opposition? I can wait a while.

**Mr. Ram Karran:** I can make it quite clear that this is one of the most controversial issues that were ever brought to this House and while I am in co-operative mood tonight I cannot think of disposing of this matter before it is properly thought out.

**Mr. Speaker:** It will have to remain on the Order Paper.

**Mr. Bissember:** Well then I will move that the House do now adjourn to Monday, 29<sup>th</sup> December, 1969, at 2 o'clock in the afternoon when this Motion which was circulated will be discussed.

**Mr. Speaker:** Hon. Members, before I adjourn the sitting, I should like to mention before I returned to the House that members of the Police Force on duty outside of Parliament Buildings were stopping all cars that were proceeding in and around the square and that Members had to indicate that they were Members of Parliament before the Policemen allowed them to cross the corner in coming to the yard.

Now I recall that a long time ago this matter was raised firstly with my predecessor in office and subsequently with me and I think that the Hon. Leader of the House had indicated that some arrangement was being made whereby some insignia would be provided for Members of Parliament to be placed on their motor vehicles so that they would not be stopped by Policemen when they are on duty in the Assembly. The fact that they have been held up this evening – I

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myself was almost held up, the Policeman was actually at the point -- is indicative that this is a matter which should be dealt with promptly. If we cannot have metal insignia to be placed on the front and rear of our vehicles in order to prevent us being held up this way, then perhaps someone would arrange for printed cards which can be placed on the windscreen for the time being with the letters "M.P." or something like that having the crest of the country which could be easily seen by members of the Police Force. That would of course be the easiest way until you have got metal insignia. Just as doctors have got the "M.D." insignia on their cars to enable them to move faster to get to their patients, I think those of us who are Members of the highest forum of the land ought to be protected from being molested in the streets in this fashion. I hope something is done about it.

### CHRISTMAS GREETINGS

The second point is that since the motion for the adjournment will take us beyond Christmas itself, I feel that this is a useful opportunity for me to wish all Members of the National Assembly a very happy Christmas for both themselves and their families and trust that you will return after the Christmas Holidays renewed in spirit so that we may tackle this measure which has been referred to by the acting Leader of the Opposition as being one of the most controversial ever to be placed before the House. I feel sure that if we come with the spirit which ought to permeate at Christmas time, no matter how controversial the subject is, we ought to dispose of it in the spirit which he referred to this afternoon as the co-operative spirit, because if we are moving onto the Co-operative Republic, let us begin to co-operate in the National Assembly.

**Mr. Bissember:** With your permission, I should like to say that I am grateful for the remarks you just made about the motor-cars and I shall certainly convey them, as a matter of urgency, to the Hon. Minister of Home Affairs.

May I also take this opportunity to wish all Hon. Members Merry Christmas? Members have been very co-operative tonight. We have got on very well and if the same spirit prevails which will prevail during this season, the season of peace and goodwill, I think we will have a

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good post-Christmas debate in this House when we come to discuss the Budget. I want to extend Christmas greetings to all Hon. Members, to the staff, the Official Reporters, the Clerk, the Deputy Clerk, the Sergeant-at-Arms, and all the messengers and I hope they will enjoy themselves in the true spirit of Christmas.

10.25 p.m.

**Mr. Ram Karran:** I, on behalf of my colleagues, thank you most sincerely for the kind wish to Members of the House and reciprocate those kind wishes.

**Mr. F. Singh:** May I on behalf of this section of the House wish you and your staff the very best for the Christmas, a very good and very happy “under-emphasized” Christmas. With all the wishes expressed by the Hon. Members, I wish to associate myself.

**Mr. Speaker:** Hon. Members, I thank you very much on my own behalf and on behalf of the staff of Parliament. We are always very happy to be in a position to serve Hon. Members of the House and to know that our efforts are appreciated. May I now finally on behalf of the

Assembly, being of course the sovereign body of nation, use this opportunity to extend best wishes to the Guyanese nation.

#### ADJOURNMENT

This Assembly now stands adjourned until Monday, 29<sup>th</sup> December, 1969, at 2 0'clock in the afternoon.

*Adjourned accordingly at 10.27 p.m.*

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