

**NATIONAL ASSEMBLY**  
**MINUTES OF PROCEEDINGS**  
**OF THE 36<sup>TH</sup> SITTING OF THE NATIONAL ASSEMBLY OF THE SECOND**  
**SESSION (2002-2004) OF THE EIGHTH PARLIAMENT OF GUYANA HELD**  
**AT 2.00 P.M.**  
**ON THURSDAY, 22<sup>ND</sup> JULY, 2004**  
**IN THE CONVENTION CENTRE, OCEAN VIEW INTERNATIONAL HOTEL,**  
**LILIENDAAL, GREATER GEORGETOWN**

**MEMBERS OF THE NATIONAL ASSEMBLY (68)**

**Speaker (1)**

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

**Members of the Government (37)**

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

**(ii) Non-elected Ministers (2)**

**(iii) The United Force (1)**

The Hon. Samuel A.A. Hinds, M.P., Prime Minister and Minister of Public Works  
and Communications

The Hon. Reepu Daman Persaud, O.R., J.P., M.P., Minister of Parliamentary Affairs

The Hon. Clement J. Rohee, M.P., Minister of Foreign Trade and International Co-operation

The Hon. Harripersaud Nokta, M.P., Minister of Local Government and Regional Development

The Hon. Gail Teixeira, M.P., Minister of Culture, Youth and Sport

The Hon. Dr. Henry B. Jeffrey, M.P., Minister of Education

The Hon. Saisnarine Kowlessar, M.P., Minister of Finance

The Hon. Shaik K.Z. Baksh, M.P., Minister of Housing and Water

The Hon. J. Ronald Gajraj, M.P., Minister of Home Affairs  
(Region No. 3 -Essequibo Islands/West Demerara) (Absent - on leave)

The Hon. Rev. Dr. Ramnauth D.A. Bisnauth, M.P., Minister of Labour, Human Services and  
Social Security

The Hon. Clinton C. Collymore, M.P., Minister in the Ministry of Local Government and  
Regional Development

The Hon. Satyadeow Sawh, M.P., Minister of Fisheries, Other Crops and Livestock  
(Region No. 5 - Mahaica/Berbice)

\* The Hon. S. Rudolph Insanally, O.R., C.C.H., M.P., Minister in the Office of the  
President with responsibility for Foreign Affairs (Absent - on leave)

\* The Hon. Doodnauth Singh, S.C., M.P., Attorney General and Minister of Legal Affairs (Absent)

The Hon. Dr. Jennifer R.A. Westford, M.P., Minister of the Public Service

The Hon. C. Anthony Xavier, M.P., Minister of Transport and Hydraulics

The Hon. Bibi S. Shadick, M.P., Minister in the Ministry of Labour, Human Services and  
Social Security (Region No. 3 - Essequibo Islands/West Demerara) (Absent)

\*\* The Hon. Manzoor Nadir, M.P., Minister of Tourism, Industry and Commerce

The Hon. Carolyn Rodrigues, M.P., Minister of Amerindian Affairs (Absent)

The Hon. Dr. Leslie S. Ramsammy, M.P., Minister of Health

Mr. S. Feroze Mohamed, M.P., Chief Whip

Mr. Cyril C.L. Belgrave, C.C.H., J.P., M.P. (Region No. 4 - Demerara/Mahaica)

Mr. Donald R. Ramotar, M.P.

Mr. Husman Alli, J.P., M.P. (Region No. 7 - Cuyuni/Mazaruni)

Mr. Komal Chand, C.C.H., J.P., M.P.

Mrs. Indranie Chandarpal, M.P.

Mr. Bernard C. DeSantos, S.C., M.P. (Region No. 4 - Demerara/Mahaica) (Absent)

Mrs. Shirley V. Edwards, J.P., M.P.

Mr. Odinga N. Lumumba, M.P. (Absent - on leave)

Mr. Heeralall Mohan, J.P., M.P. (Region No. 2 - Pomeroon/Supenaam)

Mr. Ramesh C. Rajkumar, M.P. (Region No. 6 - East Berbice/Corentyne)

Dr. Bheri S. Ramsaran, M.D., M.P. (Absent - on leave)

Mrs. Philomena Sahoye-Shury, C.C.H., J.P., M.P.,  
Parliamentary Secretary, Ministry of Housing and Water

Mrs. Pauline R. Sukhai, M.P. (Region No. 1 - Barima/Waini)

Mr. Zulfikar Mustapha, M.P.

Mr. Neendkumar, M.P. (Region No. 4 - Demerara/Mahaica)

Mr. Khemraj Ramjattan, M.P. (Region No. 6 - East Berbice/Corentyne) (Absent)

\*Non-Elected Minister

\*\*Elected Member from The United Force

**Members of the Opposition (30)****(i) People's National Congress/Reform (27)**

Mr. Robert H.O. Corbin, M.P. (Absent - on leave)

Mr. Winston S. Murray, C.C.H., M.P. (Absent - on leave)

Mrs. Clarissa S. Riehl, M.P., Deputy Speaker of the National Assembly (Absent - on leave)

Mr. E. Lance Carberry, M.P., Chief Whip (Absent - on leave)

Mr. Ivor Allen, M.P. (Region No. 2 - Pomereroon/Supenaam) (Absent - on leave)

Mrs. Deborah J. Backer, M.P. (Absent - on leave)

Mr. Deryck M.A. Bernard, M.P. (Absent - on leave)

Mr. C. Stanley Ming, M.P. (Absent - on leave)

Mr. Vincent L. Alexander, M.P. (Region No. 4 - Demerara/Mahaica) (Absent - on leave)

Mr. Raphael G.C. Trotman, M.P. (Absent - on leave)

Mr. Basil Williams, M.P. (Absent - on leave)

Mrs. Volda A. Lawrence, M.P. (Absent - on leave)

Dr. Dagleish Joseph, M.D., M.P. (Absent - on leave)

Miss Amna Ally, M.P. (Region No. 5 - Mahaica/Berbice) (Absent - on leave)

Miss Sandra M. Adams, M.P. (Region No. 10 - Upper Demerara/Berbice) (Absent - on leave)

Mr. Jerome Khan, M.P. (Absent - on leave)

Dr. George A. Norton, M.P. (Absent - on leave)

Miss Myrna E.N. Peterkin, M.P. (Region No. 4 - Demerara/Mahaica) (Absent - on leave)

Mr. James K. McAllister, M.P. (Region No. 3 - Essequibo Islands/West Demerara)(Absent - on leave)

Dr. Carl Max Hanoman, M.P. (Absent - on leave)

Miss Lurlene A. Nestor, M.P. (Region No. 4 - Demerara/Mahaica) (Absent - on leave)

Mr. Abdul Kadir, J.P., M.P. (Region No. 10 - Upper Demerara/Berbice) (Absent - on leave)

Mr. Ricky Khan, M.P. (Region No. 1 - Barima/Waini) (Absent - on leave)

Mrs. Rajcoomarie Bancroft, M.P. (Region No. 8 - Potaro/Siparuni) (Absent - on leave)

Mr. Nasir Ally, J.P., M.P. (Region No. 6 - East Berbice/Corentyne) (Absent - on leave)

Miss Judith David, M.P. (Region No. 7 - Cuyuni/Mazaruni)(Absent - on leave)

Miss Genevieve Allen, M.P. (Region No. 4 - Demerara/Mahaica) (Absent - on leave)

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

Mrs. Sheila V.A. Holder, M.P.

Mrs. Shirley J. Melville, M.P. (Region No. 9 - Upper Takutu/Upper Essequibo)

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

Mr. Ravindra Dev, M.P. (Absent - on leave)

**OFFICERS**

Mr. Sherlock E. Isaacs, Clerk of the National Assembly

Mrs. Lilawtie Coonjah, Deputy Clerk of the National Assembly

**COMMENCEMENT OF SITTING**

The Sitting commenced at 2.05 p.m.

**PRAYERS**

The Clerk read Prayers.

**ANNOUNCEMENTS BY THE SPEAKER**

**Leave:**

The Speaker announced that leave had been granted to:

Mr. Odinga Lumumba,

Mr. Bheri Ramsaran,

27 Members of the People's National Congress/Reform,

and

Mr. Ravindra Dev, for that day's sitting.

**QUESTIONS TO MINISTERS -**

**For Written reply**

1. **CONTRACT EMPLOYEES IN THE PUBLIC SECTOR**

Mrs. Sheila Holder asked the Minister of the Public Service the following question:

Would the Minister please list by name, position, duration and remuneration the persons employed by the Government of Guyana, on contract in the public sector and State controlled agencies during the last five years and would the Minister say whether their remuneration was subject to the payment of income tax?

**(Notice Paper No. 84 (Q48 Opp 48) published on 2004-02-02)**

**Written reply submitted by the Minister of the Public Service:**

Please note that as the Minister of the Public Service, I am legally constrained from divulging for public scrutiny, information which forms part of the confidential records of Public Sector Employees.

Be advised that within the Public Sector, there are several categories of workers ranging from Cleaners to Permanent Secretaries, who are employed on a contractual basis.

Be it known that Income Tax is deducted from all salaries paid by the Treasury to Public Sector Workers.

A point to note though, is that some categories of workers employed on projects funded by International Organisations, are exempted from Income Tax deductions on their salaries as a result of underlying bilateral agreements.

**For Oral replies****2. FISCAL MANAGEMENT AND ACCOUNTABILITY (FMA) BILL**

Mrs. Sheila Holder asked the Minister of Finance the following questions:

- (i) \*Did the Minister of Finance consult with the Attorney General's Chambers and the Office of the Auditor General to ensure that the Fiscal Management and Accountability (FMA) bill approved by the National Assembly on December 15, 2003 was not in conflict with the Constitution of the Co-operative Republic of Guyana?
- (ii) \*Would the Minister say why the Fiscal Management and Accountability Act assented to by President Jagdeo on December 16, 2003 makes no provision for the audit of Central Government's accounts?

**(Notice Paper No. 86 (Q50 Opp50) published on 2004-02-02)**

**Oral replies received from the Minister of Finance:**

- (i) The Auditor General's Chamber which drafted the Bill have confirmed that the Fiscal Management and Accountability Bill approved by the National Assembly on December 15, 2003, is not in conflict with the Constitution of the Co-operative Republic of Guyana.
- (ii) It is not true that the Fiscal Management and Accountability Act assented to by President Jagdeo on December 16, 2003, makes no provision for the Audit of the Central Government's accounts.

The Honourable Member, Ms. Sheila Holder, will do well to refer to Clause 74 of the Bill which is clear on the submission of Consolidated Financial Statements to the Auditor General and Clause 73 which defines the Consolidated Fund and which cover the accounts of the Central Government.

3. **WITHHOLDING TAX**

Mrs. Sheila Holder, asked the Minister of Finance the following question:

\*Will the Minister say if the Revenue Authority is deducting withholding tax retroactively from persons receiving retirement gratuities and, if so, on what basis?

**(Notice Paper No. 87 (Q51 Opp51) published on 2004-02-02)**

**Oral reply received from the Minister of Finance:**

The Revenue Authority is not Withholding Tax actively or retroactively from persons receiving retirement gratuities.

**STATEMENTS BY MINISTERS-**

**TRADE IN SUGAR BETWEEN GUYANA AND THE EUROPEAN UNION**

The Minister of Foreign Trade and International Cooperation made the following statement:

“ Mr. Speaker,

On July 14, 2004 the European Commission issued an internal communication to the European Council and European Parliament titled:

**“Accomplishing a Sustainable Agricultural Model for Europe through a Reformed CAP - Sugar Sector Reform”**

However, approximately one month earlier, the first draft of the said document was leaked to the media in Europe.

The leaked document provided an indication of the line of thinking within the Commission with respect to the much anticipated Reform of the EU Sugar Regime.

The key elements contained in the communication stipulate that a new EU Sugar Regime must be:

- 1: subjected to the same reform requirements of the Common Agricultural Policy (CAP);
2. market-oriented and internationally competitive while allowing for the production of ethanol and isoglucose and at the sametime, result in a reduction in price, facilitate quota mergers, and quota transferability, as well as the abolition of the intervention agency and intervention price;

The Reform of the EU Sugar Regime also envisages abolition of refining aid and the production levy, incorporation into the single farm payment system and retention of the Sugar Protocol but with the guaranteed price equated with a new reference price;

Moreover, the reform package envisages the restructuring of the refining industry through conversion; and the maintenance of border measures in order to protect the internal reference price and to limit access;

The Communication proposes the reduction in price in two stages; 20% for the first two years 2005-2007 and a cumulative reduction of 33% in the third year 2008. This means that white sugar price will be reduced from £637/t to £421/t while ACP raw sugar price be reduced from 523/t to 329/t, a reduction of 37%.

Moreover, the refining aid of £29/t currently paid directly to the refiners from the EU budget will be deducted to arrive at the price of £329/t for the ACP Sugar Protocol price.



Mr. Speaker,

When translated to the Guyana context, it means that out of Guyana's quota of 167,000 tonnes of Sugar exported to Europe we would lose approximately US\$37 million annually.

In terms of social costs it will adversely affect the livelihoods of some 20,000 field, factory and clerical workers; 100,000 who are associated indirectly with the Industry as well as 5,000 private cane farmers who supply canes to GUYSUCO.

Mr. Speaker,

Under the new arrangements, European beet producers will be compensated 60% of the loss in revenue resulting from the price reduction. But for the ACP, the EU is not proposing direct compensation, instead it is proposing adjustment and re-structuring assistance for the ACP sugar industries..

This proposal for adjustment and re-structuring assistance is short-term. It follows the same treatment extended to the defunct Banana Protocol which has been much criticized and decried because it has not worked and nothing has been disbursed so far. In fact, the Sugar Protocol and the Banana Protocols are two totally distinct arrangements. ▲

In any case, the proposal should be rejected. It is potentially divisive.

Mr. Speaker,

These Reform proposals were drafted by the Department of Agriculture of the European Commission. They were then submitted to the Commission for consideration. Subsequently, the

Commission cleared the release of the document on July 14, 2004 for onward transmission to the European Council for consideration by July 19<sup>th</sup>, 2004.

Mr. Speaker,

I must emphasize that the EU's internal decision-making procedures will not allow the adoption of the relevant regulation on this matter before July 2005.

Mr. Speaker,

It is important to note that long before the unofficial disclosure of the proposed Reform package, Caricom Ministers at the level of specially convened Meetings of Ministers with responsibility for Sugar - Jamaica, June 30, 2003 and at the level of the ACP Special Ministerial Conference on Sugar, Fiji, 21-24 July 2003, engaged in discussions and strategy sessions aimed at formulating responses to treat with the impending Reform of the EU Sugar Regime.

In addition, lobbying Missions were undertaken by Ministers to a number of European Capitals to sensitize our European counterparts about our anxieties and views on the matter.

Having been personally and directly involved in these activities, and recognizing the national importance of these matters, I deemed it my duty to always report to the Guyanese populace through press conferences and TV interviews on my return to Guyana about the outcomes of these engagements.

Mr. Speaker,

The European Union Inter-Services Group issued the discussion paper in September 2003. In that paper it made reference to three options as regards the Reform of its Sugar regime; These were:

- (i) An extension of the present regime;
- (ii) A reduction of the EU's internal price;
- (iii) A complete liberalization of the Regime;

The E.C's preference was for option (ii) i.e. a reduction of its internal price. The rationale for this option was that a price reduction from EUROs 637 to EUROs 450 (now EUROs 421) for white sugar would result in the balancing out of supply and demand.

In response, ACP Sugar Supplying States decided on a multi-faceted counter strategy in an attempt to ensure that our economies would not be adversely affected in any reform package.

We established alliances with stakeholders to try to influence EU decision-makers to adopt the reform option which we in the ACP had a preference for i.e. the extension of the present regime and to develop new and appropriate arguments to counter the EU's proposed option.

Accordingly, we worked to maintain a close collaborative relationship with European Beet Producers, Sugar Refiners, European NGO's, Farmers' Organizations and the Least Developed Countries (LDCs) with a view to developing common positions for our engagements with the E.U.

Mr. Speaker,

The ACP Consultative Group on Sugar submitted its views on the E.U's 'options' paper on May 15, 2003 to the Commission's Inter-Services Group. Subsequently, a revised ACP option paper was submitted on May 18, 2004 building on the previous May 2003 submission.

Our position, meaning the ACP has always been in favour of option one viz; a return to fixed quotas, and a guaranteed price with the aim of maintaining an orderly, stable and remunerative market.

We deemed this vital to facilitate the restructuring/modernization programme of ACP Sugar industries and to enable them to attract essential investment finance.

At the same time, we stated that any new reform regime should cover a relatively long time frame and further, any price decrease should be slow and gradual.

Mr. Speaker,

It is apposite to remind this Honourable House about the Special Status of the Sugar Protocol. This Protocol provides for a guaranteed price, quantity, access to the EU market and of indefinite duration.

Article (1) of the Protocol states:

**"The Community undertakes for an indefinite period to purchase and import at guaranteed prices, specific quantities of cane-sugar raw or white, which originate in the ACP States and which these States undertake to deliver to it."**

Further, in Article 22 of the Act of Accession the EU committed itself to:-

**“Have as its firm purpose the safeguarding of the interests of the countries referred to in this Protocol whose economies depend to a considerable extent on the export of primary products and particularly of Sugar”.**

Mr. Speaker,

The negotiations of the Cotonou Agreement which replaced Lome 1, 2, 3 and 4 took into consideration the vital socio-economic importance of these long standing arrangements and consequently, the need to safeguard the benefits derived therefrom. This is reflected in Article 36.4 of the Cotonou Agreement which states:

**“In this context, the Parties reaffirm the importance of the Commodity Protocols attached to Annex V of this Agreement. They agree on the need to review them in the context of the new trading arrangements, in particular as regards their compatibility with WTO rules, with a view to safeguarding the benefits derived therefrom bearing in mind the special legal status of the Sugar Protocol.”**

Mr Speaker,

I must emphasize that **“Review”** referred to in this article does not in any way imply our commitment to re-negotiate the Sugar Protocol. Nor does it envisage any shifting of the burden of the EU’s Common Agricultural Policy Reform and its wider trade liberalization initiatives to the small, vulnerable economies of the ACP Sugar Supplying States.

Mr. Speaker,

I specifically chose to highlight these firm, legal and moral commitments not only because of their relevance, but particularly because the proposals by the EU to reform its Sugar Regime, if implemented will be unilateral, discriminatory and contrary to the letter and spirit of our Privileged ACP-EU Partnership Agreement and the provision of Article 36(4) of Cotonou.

Mr. Speaker,

Now that the European Commission has formally adopted the proposals, actions decided upon by Ministers and Heads of State and Government of the ACP and the Caribbean Community at their recent encounters in Maputo, Mozambique and Grand Anse, Grenada as well as at the just concluded Ministerial Meeting on Sugar held in Mauritius will now be initiated.

These actions suggest a wide array of political and diplomatic interventions at the bilateral and multilateral levels.

Mr. Speaker,

Concern has been expressed in some quarters that if the ACP discussed the issue of compensation publicly, it could be seen as tacitly **conceding the proposed price cuts.**

In this regard, there are three possible approaches.

- i. Refusal to discuss compensation'
- ii. Discuss the principle of compensation but not the modalities;
- iii. Discuss the modalities of compensation at a later stage

Within the ACP there is an emerging consensus that option two would be the most appropriate at this point in time.

However, I must emphasize that on this particular matter, one fundamental principle stands out:

Assistance packages, such as those offered to rum and rice, in the case of sugar were woefully inadequate. Minor one-off pittances cannot possibly be considered as taking the place or somehow alleviating the threatened loss of a solid, continuing, remunerative trading arrangement like the Sugar Protocol: It is foolishness or hypocrisy to pretend to suppose that such palliatives would make up for what would be lost. The only principle that would make any sense whatsoever is that ACP sugar suppliers receive equitable and comparable treatment to that which may be accorded to European domestic producers if/when they suffer adverse effects from sugar "reform" provisions. The timing and composition of any compensatory mechanism for European farmers should find a comparable and practical parallel for ACP sugar suppliers. After all, the price received by the ACP is a direct function of that paid at the European domestic level and certainly the ACP suppliers should find themselves comparatively no worse off after any "reform" than before.

Mr. Speaker,

What is the way forward?

As I have pointed out Heads of State and Government of the ACP and the Caribbean Community have chartered a course that is both strategic and tactical in nature. Ministers with responsibility for ACP matters are fully on board and have set themselves clear objectives as well. Naturally, these measures will be adjusted as the situation evolves.

However, there is no room for complacency and it will certainly not be business as usual as regards our relationship with the European Union so long as this Sword of Damocles hangs over our Sugar Industry and the livelihoods of our people.

At the same time, we have to look to the future with confidence and optimism.

We have said time and again that globalization and trade liberalization bring opportunities and challenges in its wake.

The impending changes to the EU Sugar Regime and its negative impact on countries such as ours is a case in point.

But just as David Rudder has called on us to rally behind the West Indies Cricket Team in the same way, I say we must now rally behind our Sugar Industry.

All hands must be on deck to confront this challenge - it is one of the greatest ever since our Independence.

Thank you.

## **INTRODUCTION OF BILLS**

### **Presentation and First Reading**

#### **FISCAL MANAGEMENT AND ACCOUNTABILITY (AMENDMENT) BILL 2004 - Bill No.**

**11/2004**

The Minister of Finance, on behalf of the government, presented the following Bill which was read the first time:

A BILL intituled AN ACT to amend the Fiscal Management and Accountability Act 2003.



**PUBLIC BUSINESS**

**BILLS - Second Readings**

**ITEM 1 - TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING BILL 2004 - Bill**

**No. 9/2004 published on 2004-06-09**

The Minister of Education, moved the second reading of the following Bill:

A BILL intituled AN ACT to provide for the promotion of technical and vocational education and training, and for purposes connected therewith.

**(Read a first time on 2004-07-08)**

The following Members spoke to the motion:

Mrs. Sheila Holder

The Minister of Labour, Human Services and Social Security

Mrs. Shirley Melville

Thereafter, the Minister of Education replied.

The motion was then put and carried.

The Bill was read a second time and was thereafter taken through its remaining stages and passed as printed.

**ITEM 2 - THE NATIONAL ACCREDITATION COUNCIL BILL 2004 - Bill No. 10/2004**  
**published on 2004-06-09**

The Minister of Education, moved the second reading of the following Bill:

A BILL intituled AN ACT to provide for the establishment of the NATIONAL ACCREDITATION COUNCIL to vest in that body the power to grant recognition to awards obtained in Guyana and elsewhere, to determine the equivalence of all awards for the purpose of establishing acceptable standards within the Caribbean Community and for purposes connected therewith or related thereto.

**(Read a first time on 2004-07-08)**

The following Members spoke to the motion:

Mrs. Sheila Holder

The Minister of Labour, Human Services and Social Security

Thereafter, the Minister of Education replied.

The motion was then put and carried.

The Bill was read a second time and was thereafter taken through its remaining stages and passed as printed.

**ADJOURNMENT**

At 3.39 p.m., on a motion by the Minister of Parliamentary Affairs, the sitting was adjourned to 2.00 p.m., on Thursday, 5<sup>th</sup> August, 2004.



**HON. HARI N. RAMKARRAN, S.C., M.P.,**

**Speaker of the National Assembly**

**PARLIAMENT OFFICE,**

**Public Buildings,**

**Georgetown.**

**22<sup>nd</sup> July, 2004.**