

National Assembly Debates

PROCEEDINGS AND DEBATES OF THE NATIONAL ASSEMBLY OF
THE SECOND SESSION (2002-2006) OF THE EIGHTH PARLIAMENT
OF GUYANA UNDER THE CONSTITUTION OF THE CO-OPERATIVE
REPUBLIC OF GUYANA HELD IN THE PARLIAMENT CHAMBER
PUBLIC BUILDINGS, BRICKDAM, GEORGETOWN

89TH SITTING

2.05 PM

Tuesday, 2nd March 2006

MEMBERS OF THE NATIONAL ASSEMBLY (69)

Speaker (1)

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

Members of the Government (38)

People's Progressive Party/Civic (34)

Non-elected Ministers (3)

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 Home Affairs*

The Hon. Dr. Henry B. Jeffrey, M.P.

- *Minister of Education*

The Hon. Saisnarine Kowlessar, M.P.

- *Minister of Finance*

The Hon. Shaik K. Z. Baksh, M.P.

- *Minister of Housing and Water*

The Hon. Rev. Dr. Ramnauth D.A. Bisnauth, M.P.

- *Minister of Labour, Human Services and
Social Security*

The Hon. Clinton C. Collymore, M.P.

- *Minister in the Ministry of Local
Government and Regional Development*

The Hon. Satyadeow Sawh, M.P.

- *Minister of Fisheries, Other Crops and Livestock
(Region No. 5-Mahaica/Berbice)*

*The Hon. S. Rudolph Insanally, O.R., C.C.H., M.P.

- *Minister in the Office of the President
with responsibility for Foreign Affairs*

*The Hon. Doodnauth Singh, S.C., M.P.

- *Attorney General and Minister
of Legal Affairs*

The Hon. Dr. Jennifer R.A. Westford, M.P.	- Minister of the Public Service
The Hon. C. Anthony Xavier, M.P.	- Minister of Culture, Youth and Sport (Absent)
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)
**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. Harry Narine Nawbatt, M.P.	- Minister of Transport and Hydraulics
The Hon. Dr. Leslie S. Ramsammy, M.P.	- Minister of Health
Mr S. Feroze Mohamed, M.P.	- Chief Whip
Mr Cyril C. 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.	
Mr Heeralal Mohan, J.P., M.P.	-(Region No. 2 - Pameroon/Supenaam)
Mr Ramesh C. Rajkumar, M.P.	-(Region No. 6 - East Berbice/Corentyne)
Dr Bheri S. Ramsaran, M.D., M.P.	
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)
Dr. Moti Lall, C.C.H., M.P.	-(Region No. 3 - Essequibo Islands/ West Demerara)
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)

* Non-Elected Minister

** Elected Member from The United Force

Members of the Opposition (30)

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

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

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

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

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

Mr Ravindra Dev, M.P. *(Absent)*

OFFICERS

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

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

Thursday, 2 March 2006

PRAYERS

The Clerk reads the Prayer.

PRESENTATION OF PAPERS AND REPORTS, ETC.

The Speaker: Hon Minister of Foreign Affairs.

Hon S Rudolph Insanally: Mr Speaker, I have the honour to put before this House, the Motion standing in my name regarding the ratifications of the Caribbean Treaty on Mutual Legal Assistance and Serious Criminal Matters.

ANNOUNCEMENT BY THE SPEAKER

Thanks to the Chairman of the Public Accounts Committee

Before we go on to Questions to Ministers I want to thank Honourable Member Mr Winston Murray for laying the Report of the Public Accounts Committee of the National Assembly of Guyana for the Public Accounts for the year 2006.

Mr Winston S Murray: Thank you very much, Mr Speaker.

QUESTION TO MINISTERS

The Speaker: Under Questions to Ministers, there is only one question in the Supplementary Order Paper by the Honourable Member Mrs Shirley Melville. Question for Oral Reply to the Minister of Home Affairs.

Honourable Members, would you like to ask questions, please?

The Honourable Member Mrs Melville.

Mrs Shirley J Melville: Thank you, Mr Speaker ...

Birth Certificates for Indigenous Peoples

Could the Hon Minister say what measures would be put in place to insure that Indigenous Peoples who reside mainly in the Hinterland are not disenfranchised given that many of them are not holders of Birth Certificates and can not be registered.

Hon Ms Gail Teixeira: Mr Speaker, should I proceed?

The Speaker: Hon Minister of Home Affairs, sorry.

ORAL REPLY

Hon Ms Gail Teixeira: Thank you, Mr Speaker. In response to the Honourable Member Mrs Melville's question, I would like to assure her of what has been done already; it is not a question of what is going to be put in place.

As a result of discussion with GECOM, the Ministry of Home Affairs and the Guyana Registry Organization in November we were able to, with the Ministry of Amerindian Affairs, put a system of operations in

place which is in operation presently.

That is, we have hired the Community Development Offices in Regions 1, 2, 7, 8, and 9, for the Indigenous areas, to be able to assist us in going into the Communities and we were able to do registration. So we are specifically in this period, because of the Continuous Registration Process, focusing on those that are aged seventeen and over. However, when we go to the Communities persons who require Birth Certificates whether they were under age seventeen or over we collect their documents and bring them in.

Just to let Parliament in ... In Region 1 there are two CEO's; these are Mr Victor Boyer and Mr Ramon Atkinson. In Region 7 there is Mr Norman Walker; in Region 8 Mr Madison Williams and Victor Peio; in Region 9 Ms Sacemaro and Christophe Duncan; in Region 2, forgive me, I did not take the person's name. So, that is being done in those Regions.

Let me go to the Berbice and Demerara Rivers. The Ministry of Amerindian Affairs is helping us to work in Berbice and Demerara Rivers. I should say, the arrangement with the Ministry of Amerindian Affairs is that regardless of whether the area is Amerindian or not, or is considered an Amerindian Village or not, once we are working in that given Region, we are covering all the people in that Region. So because the Ministry of Amerindian Affairs has a structured programme that allows us to work with the villages, the Toshoas and all the other villages. So that programme has started, Honourable Member Mrs Melville

We have, also, the Essequibo Office of the GRO, Berbice Office of the GRO and, of course, Georgetown. To assure you further, what we did not have in 2003, although there is a large number that we are dealing with, we also had exercises in the Interior areas in Region 9 where a total of 2196 Certificates were issued in villages like Pakanaro, Wepakarie, Nakie, Carishari, Cuomu and Wamari; excuse me, if I do not pronounce them correctly. In 2004, we had outreaches to Moruea in Region 1; Cara Cara and Hug Island in Region 3; and Wamarie in Region 10 -

Demerara River.

We were able in 2004 to collect from Region #1, 103 late registrations and 404 applications for birth certificate or renewal, as a number of older people in the villages have the long-forms. So they get a shortened form, because some of them are getting old and tattered. In Region #3, we were able to cover a much smaller amount of 37; in Region 10 in the Berbice River in 2004 we were able to do over 735 persons who needed birth Certificates of which 59 were for late birth registration. For this period since it has been started, we were able to issue 1278 Birth Certificates in Region 9; these went in last week, with Minister Rodriguez assisting us. So that is 1279 birth certificates that were completed and sent in.

We are trying to fulfill the request, because we know that a number of people in the Interior areas have difficulties getting their Birth Certificates, to begin with. What we wish to say is, if this system works well that we have been experimenting with the Ministry of Amerindian Affairs; then what we would like to do, is make it a more permanent feature. So that persons will be paid, through the GRO and Ministry of Amerindian Affairs to be able to on a regular basis, deal with those problems; instead of the people crossing back and forth at the borders.

There are problems in some of the Regions. In Region 6, for example, some of the Certificates are coming late and we have not fully dealt with them as yet. We have a couple of thousands that came in January that we are completing. We have hired more staff in the GRO and we are trying to deal with those. For the CEO's who have been hired, they would be receiving seventy-five dollars for each properly documented late birth registration, with the affidavit and everything; they would be getting seventy-five dollars for each one that they submit. We are assisting the Ministry of Amerindian Affairs with some of its costs for transportation. For registration, there are about 100-plus birth registrants all over Guyana, most of whom are Community Health Workers or Nurses. They are paid fifty dollars for each new live birth registration that takes place.

So you would find the largest percentage of those who are not registered are those who were born prior to 1987 and also, of course, the elderly who are the most complicated, because sometimes there are very few people who can validate where they were born and their names and so on. So, we have devised a simple system through the Ministry of Amerindian Affairs, with Affidavit and so on that would help to speed-up the process. I hope that satisfies your query. Thank you.

PUBLIC BUSINESS

BILLS – SECOND READING

The Speaker: Honourable Members, we will now proceed with the Second Reading of the Income Tax Amendment Bill, brought by Hon Minister of Finance.

Hon Saisnarine Kowlessar: Mr Speaker, I rise to move that the Income Tax Amendment Bill 2006, Bill No. 5/2006, be now read for the second time. Mr Speaker, as we all are aware in the 2006 National Budget the Government of Guyana announced the following measures:

- (i.) An increase in Personal Income Tax Allowance from \$240,000 to \$300,000 per annum with effect from the year-of-income 2006, an increase of twenty-five percent (25%).
- (ii.) The replacement previous rates of Personal Income Tax of twenty percent, thirty-three-and-one-third percent, with a single rate of thirty-three above thirty percent. This measure proposes to amend Sections 8 [1], [4], [20], [36] and [61] of the Income Tax Act, Chapter 81-01.

Sections 8 [1], [4] [20] and [61] deal with Personal Income Tax Allowance; *Section 8* [36] deals with Personal Income Tax to be applied. The previous position was:

- (i) The Personal Income Tax allowance at \$240,000 per annum since the year-of-income 2003.
- (ii) Tax on Income in excess of the Allowance of \$240,000 and up to \$300,000 was charged at a rate of twenty per cent.
- (iii) Tax on Income in excess of the Allowance \$300,000 and up to in excess of \$350,000 was charged at a rate of thirty-three-and-one-third percent.

Mr Speaker, this measure by the Government will result in benefits to the Tax Payer and the Tax Administration. It will now mean that every Tax Payer will benefit from higher take-home pay, ranging from five thousand dollars to a maximum of twelve thousand dollars per annum. Approximately twenty thousand Tax Payers will no longer be required to file Income Tax Returns.

This will allow for the free-up of resources in the GRA in the administration, to concentrate on other Tax areas like Tax in relation to the self-employed and so on. It will result in simplification of the Tax calculation, as a result of the use of a Single Tax Rate and to facilitate faster and more accurate computations. Also, it will result in a reduction in the number of Income Tax Returns to be processed and it is anticipated that higher compliance will be effected. In addition, as far as GRA is concerned, it will result in an ease in the administration of Income Tax, as a result of this Single Tax Rate. However, as a result of this measure, approximately \$8 Million more of disposable income will now be in the hands of Tax Payers, as a result of a reduction in the projected collection of Personal Income Tax.

Mr Speaker, over the years, the Government has steadily increased the threshold, as part of an ongoing process. On its own, this latest increase in the threshold is the most commendable initiative and it is one that will benefit every single Guyanese. But, Mr Speaker, I will go further and say that the benefits flowing from this measure must be viewed in con-

junction with all the other initiatives implemented by the Government, to increase the economic circumstances of all Guyanese. These include:

- Steady increases to Public Sector minimum wage
- Vastly improved provisions of Social Services, such as Public Healthcare system, Education and the National Housing Programmes resulting in thousands of new home owners across the country.

Mr Speaker, this measure is indeed a positive measure. I believe it is a step in the right direction. I, therefore, commend this Bill to this Honourable House for its support and approval. Thank you. *[Applause]*

The Speaker: Honourable Member Mr Winston Murray.

Mr Winston S Murray: Mr Speaker, we of the PNC/R agree with the Minister that this measure he seeks to put into Laws derives from the Budget proposals he made during his Budget Presentation for the year 2006.

However, we have a different perception as to what this proposal actually does. The first point I wish to make in that regard is that the Act has two parts which should be separated. It has one part under which the Minister is increasing the threshold of allowance from \$240,000 per annum to \$300,000. That is a good and positive move theoretically on behalf of the workers of Guyana. But we believe that \$25,000 per month is not an adequate level for exemption of Tax by workers. If you all were to attempt to disaggregate a salary of \$25,000 per month, into the component needs of a family of even two, one could see that it is hardly even a subsistence earning.

In other words, people will still have to depend upon barrels and receiving monies from overseas to really survive and survive at the barest of minimum. Mr Speaker, I repeat, we welcome what has been done on that aspect, which is to increase the exemption threshold of the Personal Income Tax from \$240,000 per annum to \$350,000 per annum, but we

think that measure could have gone further. For example, we believe that it should have gone to a minimum of \$360,000 per annum, or \$30,000 per month.

I understand what the Government has represented and indeed, it is a fact that this measure is exempting twenty thousand workers, who will now have an extra \$12,000, if they are at a minimum wage per month, to take home. This costs money; the Minister set out a figure of \$8 million dollars as the total benefit that will go to workers. I will have a word to say on that in a minute.

The other aspect of this measure has to do with what cannot be disguised as anything other, or cannot be presented, as anything other than an increase in the rates of Tax. I want to stress that, because I have heard it said in some places, by some Government persons, that this has been a Tax-free Budget. That is not true. There is an increase in rates of Tax for a certain category of persons. Anyone who earns between \$300,000 per annum and \$350,000 per annum, whereas he hitherto paid twenty percent on that sum of \$50,000, he will now be called upon to pay Tax at the rate of thirty-three-and-one-third percent on that income. That is an increase. While you have a shifting of the threshold from \$240,000 to \$300,000 per annum, you have removed that \$110,000 band between \$240,000 and \$350,000; leaving it there. *[Interruption: 'Calculate it. How did you arrive at that?'* “ I know Mathematics better than you, I believe; so you believe what I say and you test it tomorrow”. *[Laughter]* The \$50,000 over and about \$300,000 – up to \$350,000 is now subject to a rate of Tax at thirty-three-and-one-third percent. That, by any measure, increases the Taxation that has to be paid by anyone who falls within there. Sir, the only point I wish to make here, is that this budget measure has two aspects to it.

I have worked the sums out; \$12,000 will be saved if you were earning between \$240,000 and \$300,000, that is \$60,000, which will now be tax-free. You will get benefit of the twenty percent, which you used to pay and one-fifth of that sum is \$2400, because it has gone from \$240,000 to \$350,000. So, on that \$60,000 you get a Tax rate of \$2400

per annum. That is reduced, once you earn up to \$300,000 or over \$350,000 or beyond. What has increased is that band of \$50,000 between \$300,000 and \$350,000; you will now have to pay thirty-three-and-one-third percent on that band, amounting to \$16,667. Whereas, before, on that same band, you were paying twenty percent and you would have paid \$10,000 on that band. So that now you are going to have an increase of \$6,667 on that income band of \$50,000, once you are in that bracket. What it means in effect, Mr Speaker, this is without disputation, the \$12,000 which is being spoken about as the benefit you get; it is being reduced once earn an income in excess of \$300,000 and up to \$350,000, by the sum of \$6,667. So the benefit you will get is \$5,233 per annum or \$444 per month.

One can say as a total measure, when you are taking two components together; there is a Net benefit of \$444 per month. That has to be understood to have just what I say it is has, two components; one component of which is Tax-relieve and another component of which is an increase in the Tax burden. The Net effect of which is to leave you with \$444 per month better-off. That is it. That is what I wanted to explain to the public, Mr Speaker.

Now, I come to some other things. I heard the Minister said, *'There were other benefits, which must be taken into account in assessing the impact of this measure.'* I would like to tell you about some 'dis-benefits' [*Laughter*] that are extant to some ordinary working person; of which this Government, well, I was going to say pretends, but arrogates itself as the champion of. [*Laughter*]

Sir, in the year 2005, inflation on the Government's Accounting was eight-point-three percent. They said that they have been granting Wage increases, to ensure that the workers are no worst off and that they take account of Inflation. But two things happened there. First of all, they paid a Wage increase of seven percent, so that Wage increased lags behind the rate of Inflation for the year 2005. That is the first point. Secondly, by paying that increase at the end of the year, the worker has had to cope with an eight-point-three accumulative effect of Inflation

over the year, in advance.

We therefore do not know, whether he would have had to borrow money from the bank; we do not know, by what measure he would have kept himself in fund to be able to cover his need. What we do know is that we got a seven percent increase at the end of the year; so it has had two negative effects:

(i.) To push him to a point where he had to finance himself, rather than, await the outcome of a wage increase;

(ii.) When he does get a wage increase, at the end of the year, he got one that was one-point-three percent below the rate of Inflation. Therefore, he was not fully compensated in his wages.

The second thing I wish to say, Sir, is that the Government has increased Contributions to NIS from workers and that also is an additional cost to the worker. When we are going to factor in benefits increase, we must also factor in these additional costs that the worker would have to bear.

Finally, I wish to make this point. If the Government cannot afford to pay more, because it represents to this National Assembly and to this Nation that it does not have the wherewithal to pay more; then the Government must accept that the buck stops with them and they have been unable to cause the Economy to grow, in such a way that the coffers of the Government could be reinforced by additional resources; not by way of raising Tax to workers, but by way of expanding the Tax base through growth in the Economy.

What have we found over the years? We found the Government took a positive rate of growth in 1992 of some seven-point-two percent per annum and in spite of their poor policies, the Economy continued to grow because of the momentum created in the pre-1992 period. But when the Economy ran out of steam; alas, there was nothing there to reinforce those measures and policies which had borne fruit up to 1992 and beyond. *[Applause]* So the Government coffers could garner more resources, to make a larger Income Tax break available to the Income

Tax Payers of this country. You say, '*you represent the workers of Guyana,*' but you are not putting in place measures and policies that will enable the Economy to grow; so that the workers can truly benefit from a larger and growing Public purse. I say, '*the buck stops with you!*' I do not care what you say or on whom you want to lay blame; just remember that you accept that the buck stops with you.

Sir, in closing, I wish to say that the People's National Congress-Reform notes and appreciates the increase in the Threshold being given to workers; regrets that the Government saw it fit to impose a further thirteen-and-a-half percent Rate of Tax on a meagre \$50,000 between \$300,000 and \$350,000, which is below \$30,000 per month. It squeezes and eases back out from these very workers that you say upfront that you are giving Tax-break too; to ease back out of them some thousand of dollars. That is why, Sir, in my name, seconded by Honourable Member Mr Lance Carberry, are proposed Amendment to this Bill, so to restore only for those \$50,000; so that workers are n worst off, who earns beyond \$300,000 and up to \$350,000 per month, that they are no worst off than they were under the previous Tax Regime.

Sir, we urge and hope that the Government will not see it fitting to penalize workers by insisting on imposing the thirty-three-and-a-third percent rate on this meagre sum of \$50,000. I call upon them, Sir, at the appropriate time, to support our Amendment, so the workers would not get worst off. Thank you, Mr Speaker. [*Applause*]

The Speaker: Honourable Member Mrs Sheila Holder.

Mrs Sheila VA Holder: Mr Speaker, I rise to add my two-bits, so to speak, to the proposed Income Tax Amendment Bill before the House this afternoon. Unlike the Honourable Member Mr Winston Murray, I do not think that there is any justification for me to express appreciation to the Honourable Minister of Finance. Since from my perspective, what the unification of the Income Tax Rate to thirty-three-and-a-third percent does, in fact, is cancelled out the raising of the Threshold by approximately \$5000 monthly.

I agree completely with the Honourable Member that what it in fact does is perform a slight-of-hand; it gives with the one hand and it takes back with the other. That is not at all good enough for the workers of this country.

Mr Speaker, I would like to make one additional point. Given the fact that we are on the threshold of the CARICOM Single Market and Economy, this is going to have a deleterious effect on our skilled and professional workers. This means that it will increase immigration to the Caribbean countries and leave us worse off than we are at the moment. I, therefore, do not support this Bill and would urge the Minister, to seriously consider what the Honourable Member Mr Winston Murray has proposed in his Amendment. I thank you. [Applause]

The Speaker: Honourable Minister of Finance.

Hon Saisnarine Kowlessar: Mr Speaker, I think we need to, firstly, analyze what is a good Tax? We need to do the analysis in terms of the introduction of a Tax measure. My education in terms of Economics, tells me that a good Tax is one in which, no one is worst off at the end of the day. [Laughter] And that the Tax Payer takes home more than he previously had, before we introduced the Tax measure. [Applause] So, the whole thing about us taking away the benefit in terms of raising the threshold, giving with one hand and taking with the other, does not hold water. It is not true.

You have to take the whole thing in perspective as a total package. If we keep the twenty percent rate, then perhaps we would have to reduce quantum of the Tax threshold that we are giving. So we have to take the thing in a total package; it has to be examined in that way. Our analysis shows that not Tax Payer, given the introduction of the measure, would be worst off; that is the bottom line. [Applause] Every single Tax Payer will benefit.

Maybe the measure has not gone far enough, to get a bigger take home for the workers or for the Guyanese Nation, but we are making a start.

It is this Government, which has expanded the threshold from \$48,000 to \$300,000 today. *[Applause]* It is the same Government which has increased wages from what it was \$20 US, to \$123 US today. *[Applause]* So, this point about the \$25,000 not being enough, we agree. We have kept the threshold issue under constant review over the year.

It is not a question that we have not been able to examine it; we have. So, we have moved it from \$240,000 to what it is today. The question has to do with affordability. We talked about the economy not performing or growing; we have to examine the threshold in terms of what the economy can afford and that is what we have done exactly. So, the measure must be seen for what it is.

We have also said that we would have to forgo \$800 Million by this measure alone. If we were to take up the Amendment, which the Honourable Member Mr Winston Murray is introducing, we would have to forgo another \$700 Million. We have done the analysis. So we have to look at the whole question of affordability, what it is we want to do with the country, what it is we want to do with the overall perspective that we are setting and that we have to provide for Social Services and all that. So, if we are to give up \$1.5 Billion, at this point in time; then we would have to forgo the expenditures in terms of the Social Services and so on.

Mr Speaker, the point that Honourable Member Mr Winston Murray made about the wage increase being at the end of the year, we cannot tell what the Rate of Inflation would be until maybe early in the New Year. We cannot say what the inflation rate would be, because have to take into account, what the December rates would be? Very often, what we have done is to cater for Inflation from the year before. That is why we are having the payment of the minimum wage, at the end of the year. So, Mr Speaker, we have to see this measure as a very positive measure. There is progressivity in it; there is no regressivity, because regressivity means that the lower income group will pay the same rate as the higher income group. There is no such thing. The lower wage group is going to benefit much more than the higher income group in this case. *[Applause]*

Thursday, 2 March 2006

Mr Speaker, I call upon this House to support this measure and I now ask that the Bill be read a second time. *[Applause]*

Question put and agreed to.

The Speaker: Honourable Members, I now put the question that the Bill is read a second time.

Motion put and carried.

[Bill read the Second time]

The Speaker: Honourable Members, we will now resolve ourselves into Committee to consider the Bill, Clause by Clause.

IN COMMITTEE

Clause 1

The Chairman: I now propose the question that Clause 1 stands part of the Bill. I do not know if anybody has anything to say? [Pause] I now put the question.

Motion proposed, put and carried.

Clause 2

I now propose the question that Clause 2 stands part of the Bill. I now put the question that Clause 2 stands part of the Bill.

Motion proposed, put and carried.

Clause 3

I now propose the question that Clause 3 stands part of the Bill. I now put the question that Clause 3 stands part of the Bill.

Motion proposed, put and carried.

Clause 4

I now propose the question that Clause 4 stands part of the Bill.

The Honourable Member Mr Murray.

Mr Winston S Murray: I rise to move the Amendment in my name. It is seconded by Honourable Member Mr Carberry. I now propose that the word *proposed* in the Amendment be left out of the question, that is to say, the words *rates of thirty-three-and-one-third percent* are deleted.

The Chairman: I now propose the Amendment.

Motion proposed, and defeated.

I will therefore not proceed to put the inclusion.

I now propose the question that Clause 5 stands part of the Bill. I now put the question that Clause 5 stands part of the Bill.

Mr Winston S Murray: Mr Speaker, did you put Clause 4 as it stands originally in the Bill?

The Speaker: No, I did not. Thank you, Honourable Member Mr Murray. I did not put

Clause 4 as it stands.

I now put the question that Clause 4 stands part of the Bill.

Motion put and carried.

The Chairman: Clause 4 should now stand part of the Bill, and so should Clause 5 which was just put. Thank you very much, Honourable Members. *[Pause]* Honourable Members, I now put that the Bill be

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reported to the National Assembly.

Motion proposed, put and carried.

The Speaker: Let the Assembly resume.

RESUMUMPTION OF ASSEMBLY

The Speaker: Honourable Minister of Finance.

Hon Saisnarine Kowlessar: Mr Speaker, I beg to report that the Income Tax Amendment Bill 2006, Bill No. 5/2006 was considered in Committee, Clause by Clause and was passed without amendments. I now ask that the Bill be read a third time and pass as printed.

The Speaker: Honourable Member, the question is that the Bill be read a third time and passed as printed.

Motion proposed and carried.

[Bill read the third time and passed as printed]

ITEM 2: CARIBBEAN COMMUNITY (MOVEMENT OF FACTORS) BILL 2006,

BILL No. 2/2006

The Speaker: Thank you, Honourable Minister. We can now move to the second reading of the Caribbean Community (Movement of Factors) Bill 2006 – Bill No. 2 of 2006. The Honourable Minister of Foreign Trade and International Cooperation.

Hon Clement J Rohee: Mr Speaker, I wish to move the second reading Bill No. 2 of 2006, Caribbean Community (Movement of Factors) Bill 2006. Mr Speaker, in the Preamble of the revised Treaty of the Caribbean Community, including the CARICOM Single Market and Economy, there are certain recitals that calls upon the Members-of-State of the Community, to be engaged in a number of activities that would result in competitiveness, attaining food security, achieving structural diversification and improving the standard of living for the peoples of the Community. The Preamble, Mr Speaker, also refers to a Resolution to facilitate the Nationals of each Member State, to the collective resources of the Region on non-discriminatory basis. Finally, it speaks about creating an economic environment that is conducive to investments, including cross-border investments and the competitive production of good and services in the Community.

Mr Speaker, I refer to this Treaty, because this is what creates the legal framework for the Bill which we have before us this afternoon. This Bill, Mr Speaker, is divided basically into six parts.

Part 1

The Rights And Obligations Of CARICOM Nationals

In that respect, it addresses the Right of the CARICOM Nationals to establish a Service in any Member State that is a party to this Treaty; that is to say, the right to provide a Service and the right to move Capital, into and within Guyana and out of Guyana to other Member States without discrimination on the grounds of Nationality.

Mr Speaker, in terms of the Obligations; the Members of State are obliged to notify whether there are any Restrictions to the Right of Establishment and the Right to movement of Capital in and out of Member States.

Part 2

The Right Of Establishment

Each Country, under this Section, was obligated to establish a programme to remove Restrictions to the Right of Establishment. In that respect, Mr Speaker, the Members of State in the Community brought up the issues for the removal of these Restrictions. This was to have been implemented in three phases; in the short-term, by 31 December, 2003; in the medium-term, by 31 December 2004; and in the long-term, by 31 December 2005.

Guyana's position on this subject was too opted for the removal of all the Restrictions, by 31 December 2005; in other words, for the long-term. In that respect, Mr Speaker, forty-two Restrictions were identified in our National Territory, as inhibiting persons from other Member States having the Right to establish a Service in this Country.

These Restrictions, Mr Speaker, had to do fundamentally with work permits. While Member States are permitted to maintain regulatory and the Regulation, for example, in respect to Medical Practitioners, Dentists and so forth, the main issue was to remove the work permit Restriction. So that CARICOM Nationals from any other Member State other than Guyana would have the Right to establish a Service in this Country; in other words, to be a Service Provider in our National Territory. *[Pause]*

Mr Speaker, some of the Restrictions required Amendments to the Law, since they were Restrictions that was linked to the question of citizenship and residency. The Bill that we have before us is aimed at addressing that as well. Mr Speaker, notwithstanding the fact that we are called upon, by virtue of our commitment to the Treaty and, may I mention, that in Jamaica on 30 January, 2006 on the occasion of the inauguration of the Single Market and Economy; six Member States, Antigua & Bermuda, Dominica, Grenada, St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines were there up to 30 June, 2006 to become Single Market Compliant. Whereas, the other Member States, namely Guyana, Jamaica, Barbados and Trinidad & Tobago at by that time had become Single Market compliant and had signed the prerequisite documenta-

tion. At the recent Meeting of the Intergovernmental Heads of State in Trinidad and Tobago, the Bahamas become a party to the Treaty, thus signalling the implementation of the Treaty.

Part 3

The Right To Provide A Service

In that respect, it also draws attention to what kind of Services could be provided by a National of another Member State. In other words, that individual ought to enjoy what we call '*national treatment*', in the same way as a Guyanese enjoys *national treatment* in this jurisdiction. Since we have a situation where other Member States are Single Market compliant, it is expected that those Rights and Obligations will be reciprocal. That is, the same way that we grant them national treatment in our jurisdiction to provide a Service, in the same way they would grant us national treatment in their jurisdictions to provide a Service, in their territories.

Mr Speaker, the next Part of the Bill addresses the question with respect to:

Part 4

The Right To Move Capital Across Borders

I will consider this, Mr Speaker, to be one of the more important aspects of this Bill. Because clearly, without the movement of Capital, linked together with the movement of Persons to establish a Service, it is obvious that the intricacies of the Single Market would not come to bear. Therefore, the movement of Capital is clearly a key ingredient to making the Single Market a critical partner. Again, Mr Speaker, notwithstanding the fact that provisions have been made for the Right to moving Capital across borders; there are certain safeguard measures that are provided for in the Bill which deal with, for example, Restriction to safeguard Balance of Payment in respect of Trade, Imports, the Right to establishment of a Service, *et cetera*.

Mr Speaker, in the Treaty that I refer addresses the question of:

Article 156 [2]

The establishment of a Regime for disadvantaged Countries, Regions and Sectors

Let me give you an example. *Article 156* speaks to the application to the special regime to highly indebted, poor countries. It states:

COTED to an extent necessary, for a period to be determined, shall apply the Provisions of the special regimes for the less developed countries that are highly indebted.

Which, in a sense, provides Guyana with parity to the NDC or OACS; in other words, the same Right that the NDC Countries enjoy, under this particular Chapter 2, those same merits would be enjoyed by Guyana.

Part 5

Safeguard Measures

Further to that, Mr Speaker, there are Provisions in this Treaty which address the question also of safeguard measures; Article 150 of the Treaty addresses the question of safeguards measures and that to a large extent is reflected in the Bill, *vis-à-vis under Part 5*.

Part 6

General Provisions

In this respect, this is the Section that addresses the Institutions of the Caribbean Community. Institutions of the Communities are extremely important, because they are the body that will monitor various aspects of the Community's activities, for example, the Accreditation. I spoke earlier about the movement of National Persons to provide a Service in one jurisdiction or the other. But for that to happen, Mr Speaker, there is first the need for the establishment of a Regional Accreditation Body

which will receive from National Accreditation Bodies the necessary documentation to endure those persons who are coming to establish a Service are properly accredited; so that you do not have any bogus Doctors, or Medical Practitioners, or Lawyers practising. I think the word for *lawyer* is *canta*. [Laughter]

Mr Speaker, another Institution has to do with Caribbean Regional Organization of Standards and Quality. This is another important Institution of the Community, because it has to treat with the question of the Standards and Quality of the Service that would be provided by someone. There is also, Mr Speaker, the Caribbean Animal Health and Food Safety Agency, which is also a Regional Institution to deal with sanitation. This is an important Institution, which deals with sanitary and macro-sanitary measures affecting Production and Trade of Agriculture Goods within the Region.

There is, also, the Caribbean Community Competition Commission that has not yet been established, but which we know that the Honourable Minister Nadir has brought a Bill to this House to treat with the establishment of Competition Commission in Guyana. Finally, there is the Caribbean Court of Justice, which has been established to treat disputes, particularly with respect to trade and other matters that may arise from time to time between Member States.

So then, Mr Speaker, what we have before us, is a very comprehensive Bill aimed at addressing the movement of Factors of Production, within the Caribbean Community; thus enabling and at the same time solidifying Guyana's compliance with respect to the Caribbean Single Market.

Mr Speaker, the Schedule that is part of the Bill, addresses those particular areas that need to be amended by Law, so as to ensure those Restrictions that currently exist in our Law Books are removed. Thus, facilitating not only CSME compliance, but at the same time enabling Guyana to be part of the project of ensuring that the Single Market and Economy becomes a reality and that Guyanese benefit from it; given the special status which we enjoy under Chapter 2 of the Treaty, and that

other Nationals of the Region also benefits, as a result of the passage of this Bill in our country. Thank you. [*Applause*]

The Speaker: Thank you, Honourable Member. Honourable Member, Mr Jerome Khan.

Mr Jerome Khan: Good afternoon to you, Sir. Mr Speaker, having listened to my colleague, the Honourable Minister Clement Rohee, I get the impression somehow that he is painting a picture that this piece of Legislation, under his imprimatur, is somehow the paramecia that would bring major success to Guyana; as a party to the Caribbean Single Market and Economy. Missing from the Presentation was any mention of what negative impact this piece of Legislation would have on our Country, or what are the direct benefits we can gain, from this Legislation.

Sir, I wish to start by saying, from this side of the House, we are aware that since CARICOM was established by the Treaty of Chaguaramas on 1 August, 1973, the Caribbean Community has grown and expanded to include, I believe, eleven other countries, including Trinidad, Suriname and Haiti. We are also aware, Sir, that CARICOM was established with the purpose of facilitating the Economic and Social development of Member States and unifying the Caribbean.

The Caribbean Single Market and Economy was born out of the desire to facilitate the novel objectives of 1 August, 1973. It involves the free flow of labour, goods and capital participating Member States. We are told, Sir that the emergence of this Single Market and Economy means that Legal and Administrative Restrictions affecting Trade, Labour and Technology within CARICOM will be a thing of the past. We must acknowledge, however, Mr Speaker, that what will emerge as a major issue for each State, is whether its existing businesses and workforce can survive the increased competition, when businesses that are larger, better financed, and have access to cheaper financing enters the economic market place.

We must not delude ourselves, Mr Speaker, in believing that everything

will go smoothly, or that there will be no economic dislocations. We can guarantee that there will be economic dislocations and those businesses which do not have the resources or capacity to compete will be affected; others will be pushed aside by forces working with discounted money, discounted financing facilitated by cartels and money laundering. So, while in principle, we do not have a major fundamental disagreement with the piece of Legislation, there are areas of concern which needs to be highlighted.

First, we are concerns about overlapping roles of Government Ministries. We know that this Legislation was introduced by the Honourable Minister of Foreign Trade and International Cooperation. But we know that there seems to be overlapping roles being played both the Ministry of Foreign Affairs and the Ministry of Foreign Trade and International Cooperation. Sir, I wish to refer to you a grid that was presented to us at the Parliamentary Sectoral Committee on Foreign Relations, which identifies the roles and responsibilities of these two Ministries. I know my colleague, Honourable Member Mrs Backer, is trying to whisper a few points to me. These points, I believe, deals directly with the role of CARICOM. If you look at this Bill, Sir, the Ministry of Foreign Trade and International Cooperation has responsibility for CARICOM. Likewise, Foreign Relations has responsibility for CARICOM.

I make this point because, if we are to look at *Page 5* of the proposed Legislation, we find that the Minister responsible for the Provisions of this Act is deemed to be the Minister of Foreign Trade and International Cooperation. This particular Ministry is new, Sir, and may be transient in nature. It does not have the same profile as the Ministry on Foreign Affairs. For example, it seems to also be pouching into the areas of the Ministry of Finance and Ministry of Home Affairs.

A new Government, Mr Speaker, may not want or may want to work to disband altogether the Ministry of Foreign Trade and International Cooperation as it appears to be poaching, as I said, on other areas including on the Senior Ministry of Foreign Affairs. If anything, some have argues that it only exist as an irritant and a nuisance element in Guyana's

attempt to forge strong ties in CARICOM and elsewhere. I wish to point out, Sir, this is not directed to any individual, [*Laughter*] because I know some of us on this side of the House, when we assume office shortly, may not have the opportunity to serve in that Ministry. [*Laughter*] It is not about any individual. This is not a time for low-blow; this is time for dealing with issues. Sir, I will ask your kind permission to allow me to remove five-hundred dollars from my wallet, which I wish to donate to my friend over there, who seems to be suffering from withdrawal symptoms of White-Rum. [*Laughter*] You can have this, to go and enjoy yourself. [*Laughter*]

On Page 21, Part 4, Mr Speaker, I wish to direct your attention to Clause 26, this particular Clause states:

Nothing in this Act can be construed to preventing the Minister from taking measures for:

- (a.) *Protect the essential security interests of Guyana.*
- (i) *Relating to the supply of services carried out directly or indirectly, for the purpose of provisioning and military establishments.*
- (ii) *In a time of war or other public emergencies, or discharge the obligations of Guyana for the maintenance of international peace and security.*

It appears as though this particular Clause, Mr Speaker, may usurp the responsibility of several other Governmental Agencies, among which are:

- (b.) *The Office of the President itself; the President of the Republic, is the Commander-in-Chief of the Armed Forces and is ultimately enshrined with constitutional powers to act to remove whatever hindrances it, to en*

sure the integrity of our Military Establishment remains

so.

Integrity here has a wide meaning; to include unhindered access to and supply for the purposes of the positioning of our Military Establishment. It cannot be *a* Military Establishment as is stated in the Proposed Amendment; as that speaks to the possibility of *another* Military Establishment. It has to be *our* Military Establishment. This here leads to more questions than answered. It also appears that this particular Clause is usurping the role of the Defence Board, with its mandate and duly constituted representations. It may also usurp the role of Cabinet. [Laughter] I believe we have to revisit it and look at it very carefully.

Mr Speaker, Clause 4 on Page 8, identifies the Right of national of a Member State in respect to establishment of Services and Capital. If we were to look at *Section 1 B*, on Page 8, it states here, '*there is a Right to move capital.*' We have to be very watchful, Mr Speaker, of how this Legislation can be manipulated to facilitate all sorts of nefarious conduct, specifically as it relates to money laundering.

Against the background of this Draft Legislation, Mr Speaker, which are in the hands of Builder of Hotels and Casinos and a virtual free-for-all in the granting of permits for Hotel with Casino; and against the US State Department's most recent Report, *the Volume of Trade and Transaction in the Underground Economy*, states that:

Our Country must stand on guard against abuse and manipulation using the legal umbrella of this Legislation to move Capital. While the premise is that the movement of Capital should be unhindered and not based on nationality that can be used as an escape mechanism by some to claim discrimination on the basis of nationality.

This Section ties in directly with *Part 4* on Pages 13 and 14 to which I wish to draw your attention. Mr Speaker, if you look on Pages 13 and 14, you will see that:

Clause 15 (1)

Removal of restriction of Capital movement, subject to the Provisions of this Act, Restrictions on Capital payments and on all part payments, including payments for Goods and Services, and other currant transfers to Member States shall be removed.

They provided a list. I wish to draw your attention to:

Clause 15 (1) (e)

Repatriation of proceeds from the sale of assets

Clause 15 (1) (f)

Other transfers of payment

While we have no major quarrel with an investor, Mr Speaker, having the ability to repatriate proceeds of his investment and to transfer payments relating to this investment flows; we must guard ourselves against unscrupulous investors, foreign exchange money market players and the potential for sudden withdrawal form our domestic economy. This can have a dramatic effect on our Exchange Rate, as happened in the Far-East that led to the Asia Financial Crisis. The same accord in Mexico, Mr Speaker, and Argentina, where sharp outflows through the withdrawal of portfolio investments, severely affected the economy of those two countries.

One of the by-products of Globalization has been the rapid development of the Capital market, throughout the world and this is also taking place in the Caribbean. We know that the expansion of the Foreign Exchange Markets and Capital Markets are necessary prerequisites for the International transfer of Capital. However, the versatility in the Foreign Exchange Markets and the ease with which funds can be withdrawn from countries, have often times created panic situations. Mr Speaker, what applies to Trade in the Globalize Economy may not necessarily, apply to finance in a full measure. It is heartening, however, to note that Clause 17 *coordination of our policies and information exchange*; recognizes in some measure the need to have a watchful eye

for potential pitfalls.

Under the safeguard measure in Sections 18 and 19, on Pages 15 and 16, we are pleased to see that due recognitions were made, for the need to protect economic well-being and stability of Guyana. I wish to particularly point out Section 19, which recognizes under the caption, '*Incident and Notification Restrictions*' in determining the Incident of Restriction mention in Section 18 above:

The Minister may occurred priority to activities, which are essential to the economic stability of Guyana, but such Restrictions shall not be adopted or maintained for the purpose of protecting a particular Sector, due regard being paid to any special factors which may be affect the reserves of Government or its needs fro reserves.

Mr Speaker, we ought not to delude ourselves that folks within CARICOM, will not act in their self-interest and that each State is operating in altruistic philosophy. As selfish as it may sound, Guyana has had bad experiences with respect to our Rice and Cash Crops. For some more developed economies than Guyana's; Guyana has become a dumping ground for their products. So, we have to guard ourselves against raiding our Treasury. These same concerns have been expressed in Grenada by the Grenadian, in St Vincent and the Grenadines and elsewhere. We must not therefore, slavishly follow the mantra of Globalization, which essentially means the integration of economies and societies through cross-country flows of information, ideas, technology, goods and services, capital, finance and people. It must seek, while we are participants in the process, to protect what we have built and not expose our gains to predatory practices, without having the necessary protective armor of the economy of our country.

We do have a slight problem with Clause 21 that I wish to draw your attention; *Application of the Restrictions on exercise to resolve difficulties*. In this Section, it is stated:

The Minister may consider appropriate measures in order to resolve the difficulties or alleviate the hardships.

Mr Speaker, I cannot envision a situation where the normal dispute resolution process cannot be activated, prior to such discretionary application by the Minister. Capital Flight may be one, but the early warning signals would have been triggered and to leave this Clause would have a negative reaction as they take the power from the Institution, some of them mentions by the Minister, the Caribbean Court of Justice and put those powers in the hands of the Minister. It is not investor friendly and if anything, it is discouraging to potential investors.

Finally, Mr Speaker, [*Applause*] I wish to direct your attention to Page 34 of the Explanatory Memorandum, where Restrictions on interring and residing in Guyana by spouses immediate, dependent, family members and staff of a National of another Member State, who are seeking to establish an economic enterprise or provide services; there is particular Section there. While the intent, Mr Speaker, is to prevent restrictions in the above mentioned categories, hopefully, it would serve as a pellet to remove adverse restriction on the movement of people within the Caribbean.

The experiences of Guyanese Nationals at the Airports of Barbados and, to a lesser extent, Antigua leaves much to be desired. At best, it is degrading; at worst, some actions appear to be actuated by racial consideration, as was recently reported by the Honourary Counsel, Mr Ferrier I think his name is, in Barbados.

So, in giving support to this particular Bill, Caribbean Community Movement of Assets Bill 2006, we would hope that our Government takes note of our concerns and understand that we treat this Legislation with great seriousness. We from this side of the House will have to supervise its application, when we move into Government not too long in the future. Thank you, Sir. [*Applause*]

The Speaker: Thank you, Honourable Member. Honourable Minister of Tourism, Trade and Industry.

Hon Manzoor Nadir: Mr Speaker, I stand to give my support to the Bill that is before us; to make some comments that I think would further justify Guyana going deeper into the process of the *Integration*, especially the economic integration of the CARICOM Countries.

Mr Speaker, I personally believe that we should follow slavishly the issue of Free and Fair Trade. We should follow slavishly all of the economic principles, which point to the fact that if we can benefit from the efficiencies of comparative advantages that can be gained from Free Trade among countries, then global GDP can grow between three to six percent. We all understand that the Free Trade we are speaking about has much unfairness in it; and we are not speaking about Free Trade among equal parts. That is why in many of the Free Trade Agreements, many of the agreements for economic union, there are Provisions that have safeguards and will deal with the unevenness, in terms of development that is sure to come in some areas and the underdevelopment in others.

Mr Speaker, I listened to Honourable Member Mr Khan when he spoke about disbanding the Ministry of Foreign Trade and International Cooperation or question the relevancy of it, because in his argument, he thought that we had people pouching and squatting on other Ministers' areas. I wish to remind him that when CARICOM was established, if my memory serves me right ... [*Interruption: 'Well you know that is going, going, gone!' "I know it is going ..."*] there were three fundamental reasons for the establishment of CARICOM. The first was the Common Market, which has since been expanded to become a Single Market and Economy; which deals specifically with Trade issues and the relevance of the Ministry of Foreign Trade and International Cooperation, the Ministry of Finance and the Ministry of Commerce.

The second principle in the establishment of CARICOM was Foreign Policy Coordination. That is why the second highest organ of the Com-

munity is the Council of Ministers, which is the Council of Foreign Ministers; and COTED deals with the Ministers of Trade. The other principle in the establishment of CARICOM was Functional Cooperation. In those other areas - Legal, Education, CXC, Meteorology, Tourism ... whatever; those are the three areas. So, in this Single Market, one can accept and see the relevance of the inter-agencies, the inter-ministries discussions and the overlaps that would happen; and why all of the Ministries would work in-sync with each other. In fact, to the credit of His Excellency, the President, when he split the Ministry of Trade to the Ministry of Foreign Trade and Commerce; that has to allow Guyana to have the benefit of a dedicated Ministry for Foreign Trade and Economic Cooperation. *[Applause]*

Only recently, in the House, one of our former Members, the Honourable Member Mr Trotman mentioned, when he went to Berimont in Brussels that Minister Rohee was highly praised for the work he has done. *[Interruption: 'Nobody heard him say that though' "He said it right here in the House"]*. So, I just wanted to make a comment about the relevance of that comment made at the Honourable Member Mr Khan about the overlap. *[Laughter]*

The issue of the free movement of the Factors of Production, Mr Speaker, also dealt with the fundamental issue of investment in Guyana. When we had CARIFTA, the forerunner of CARICOM established by the three B's then - Burnham, Barrow, and Bird. The issue there would be a free trade area, where the goods would trade in the area. What we are moving here with these series of Bills to effect the Caribbean Single Market and Economy, is to allow the factors of production to move freely. If the factors of production move freely, one can accept that in the future, perhaps in the near future, we will see more investments in production facilities right here, because of those movements of the factors of production. Thereby, increasing investments in Guyana and increasing employment; thereby increasing the Quality of Living of Guyanese. Similarly, we will have Guyanese companies that can go in any part of the Single Market and Economy and exploit comparative advantages, with

our factors of production invested in those countries; and perhaps then, the profits repatriated to Guyana.

I do not see a fear that there could be in Guyana, in the common market, issues of eminent collapse in the financial systems because of running the economy. I have said this during the Budget Debate, Guyana have been able to restore Debt burden and our Foreign Reserves have been kept above what is required by the IMF, through the prudent financial management as exists in the economy. Mr Speaker, you are going to see monies moving; and this talk about us being disadvantaged or our money being depleted because drug money and illicit money will be invested in Guyana and then repatriated out as clean-washed money. I think it is a bit far-fetched; because, even today, as we sit in this House, we have circulated another document, *the Caribbean Treaty of Mutual Assistance for Criminal Imperial Matters*. The common market allows us now to collaborate even further to deal with the issues of money laundering and also, tracking illicit gains wherever and however they are earned.

Mr Speaker, I am concerned that while Guyana is moving headlong into fully implementing the CSME, we see the tardiness of some countries with respect to dealing with reciprocating. Guyana has never held the position that we are going to hold back, in terms of putting the Provisions in place for the full implementation of the CSME, until the other countries did it. In terms of good faith, the Government of Guyana and previous Governments, has signed on to the Treaty of Chaguaramas. The Treaty of Chaguaramas has bound all of us to certain principles. So, we are moving ahead, but we have to be concerned. I think, Clause 25 on Page 19 is a lot of cause for concern, because you are going to see the use of that particular Clause by my countries, to still try and put in place non-tariff barriers to the movement of the factors of production. We would have to be very, very observant. We in Guyana have to continue to press our case.

If the Honourable Member Mr Khan had said to me, we have to develop a good charter of qualified, technical persons to deal with the

economic integration matters, to track the issues of dumping, to look at subsidies, to ensure that Member State's economies will benefit from the cost of production at the same price, and I am speaking specifically of Trinidad and Tobago, where their oil should be available to other manufacturing entities in the country at the price of Trinidad's Industry; I think those very valid issues for us to pick up. Guyana's Poultry Exports to Trinidad after twenty-four months still cannot be resolved. Guyana's Exports to Grenada, in terms of Beef, is still hanged up because of non-tariff barriers. These are not issues that the Minister of Foreign Trade and International Cooperation is idly sitting by and allowing to slide. If you check the last COTED Meeting, these issues are properly and effectively being taken up in all of the relevant organs of the Common Market; so that Guyanese Producers, Guyana's factors of Production, of producing goods and services, can access the market wherever they are.

So, I see that the Provisions in this Bills here today, the Movement of Factors of Production Bill, Cross-queue Bill, the Fair Trading and Competition Bill and the soon-to-be-tabled Consumers Protection Act, and the Caribbean Court of Justice Bill, we have now further deepened the process of this Single Market and Economy. We are putting in place all of the Institutions, not only to promote greater Movement of Production or Movement of Factors, but to tackle redress issues within the Community. As such, once all of the countries can follow the example of those Countries that met in Jamaica only recently and further deepened the process, all CARICOM consumers, and I want to make this point again, integration and common markets are more about consumer welfare, providing better products at more reasonable prices and choices to the consumer, is what this is about, *the consumer*. All of that can happen as we further engage in strengthening the Common Market and Economy within CARICOM.

So, Mr Speaker, it is my honour this afternoon, to give my full support to the Bill before us. Thank you. *[Applause]*

The Speaker: Thank you Honourable Minister.

Honourable Member Mr. Winston Murray.

Mr Winston S Murray: Mr. Speaker, I rise to, first of all, point out that the People's National Congress-Reform has always been and continues to be, a very ardent and strong supporter of the deepening process with CARICOM. [Applause]. It would be recalled that Guyana was one of the Founding Members of the bursting of this Movement. So, we feel a sense of achievement and pride, together with the Government in the Single Market and Economy as an onward movement to even greater Integration. So, we rise to say that we are very supportive of the Caribbean Community (Movement of Factors) Bill 2006.

Sir, I nonetheless wish to make these observations, which I hope would be taken in the spirit in which they are made in order that we may have the best possible Act, the Caribbean Community (Movement of Factors) Bill, Sir, also taking into account that we are part of the Caribbean structure. It is important, while I share the observation of Minister Nadir that this is about the consumer eventually, giving them goods of a higher quality, giving them goods at cheaper prices whether or not this is achieved, it calls for an equal commitment on the part of all the participants in the Movement. It is true that Guyana has led the way from the early days of this Movement; we have been at the forefront of instituting measures, of adopting policies in the interest of CARICOM. But over the years of our being in the Movement, we have also been made painfully aware that there are others in the Movement who, perhaps, have come along on much more recusant basis and not as committed and therefore, do not move at the same pace that Guyana has moved and continues to move by way of a Bill such as this.

What I, therefore, want to draw attention to is the need for Guyana to be vigilant and ensure that as we take these measures to deepen the process we are not so far in front that we end up being handicapped, rather that advantaged in the process. The point therefore is, there are some questions that I would like to pose:

Is there an understanding of a common date by which Members who have declared their commitment to introduce these measures will do so, so that we know that we are moving together? Are we simply opening up Guyana to

the influx of the creation of services and establishments here, and are we still being denied? Our citizens will complain that, while we allow the entries, in keeping with the spirit and Laws of the Movement, they are being denied being given reciprocal Rights and treatment, in the territories of the other sister CARICOM Countries. So, to me, what is important is, whether a measure like this has a common timeframe for implementation. If not, the PNC/R says, while we pass this measure through the House, it should not be assented to until such time as the others, who have given equal commitment to undertake these measure, also put it on their Law Books. So we can say to the people of Guyana, truthfully and honestly that reciprocity is yours and whatever we give here, you can get with equal certainty in another member territory. That is the first point I wish to make, Sir.

The second point I wish to make is, in the Definition Clause of this Bill, where we say *Minister* means, '*Minister assigned responsibility for Foreign Trade and International Cooperation*.' I have absolutely nothing against my friend, the Honourable Minister of this particular Ministry. [Laughter] Sir, we have defined, if you look at the Interpretation Clause, we have defined *Community*. All that we need to say in the Minister's Definition is *Minister* means *the Minister assigned responsibility for Community Affairs*. Because, Mr Speaker, it is quite possible that as CARICOM matters become deeper and more entrenched in our system, we may even contemplate a *Minister of CARICOM Affairs*, because there would be need for such great coordination, in all the areas of activities relating to CARICOM. Then, we would not have to amend the Law, because as it is the case now, the Minister with responsibility for CARICOM is the Minister of Foreign Trade and Economic Cooperation. We do not need to say *that Minister*, per se. We should simply say *Minister* means *the Minister assigned responsibilities for Community Affairs*; wherever that sits, at any point-in-time that shall be the Minister who will have the responsibility. Sir, I will plead with the Government, to please accept this proposed suggestion, because I think it will be more generalized and proper for and moves on.

Another point I wish to make, Sir, is with respect to *Clause 5*. Obvi-

ously, we have to change the year 2005, because this Bill says: *The Minister shall not be appointed before 5 December 2005 ...* That is past ... I do not know ... he may have done it by that date in which case that is a done fact ... I do not know ... so we need to put a future date in there. As it is, I believe, it is not appropriate. Mr Speaker, perhaps the Minister, when he speaks, will inform us whether he has already done this act; in which case, he is seeking to cover retroactively for what he has already done. He should tell us that, when he gets up to reply. My colleague is drawing to my attention, Sir that this Act comes into operation from 1 January 2006. Is that intentional to cover Acts already done, and making it retroactive? That is not normal and if so, some explanation should be forthcoming so that we can deal with it. If not, Sir, I suggest we amend this and put in it a prospective rather than a retroactive take to the Bill.

Clause 10 (2) (e) – Community Standards

Clause 10 (2) (e) of the Bill talks about implementing Community Standards, to ensure the protection of the interest of Partners; Sir, I believe that Community Standards are not defined anywhere in this Bill. It should be Community Standards as agreed to by some forum of the Movement; it could not be Community Standards in a vacuum. So there is need to hinged the Community Standards to the a decision of the relevant forums of the Movement, so that it is not left there undefined, unspecified and cannot be traced as to the source of these Standards.

Remember, Sir, these Clauses when this Bill becomes an Act, are justifiable the Caribbean Court of Justice; they are not simply justifiable here. We can go right up to the Caribbean Court of Justice. We, therefore, ought to ensure that what we write into the Law here is as sound as it can possibly be, because our legal craftsmanship and the quality of our Law are going to be subject to scrutiny of the CCJ, ultimately. So, please understand and take what we say here, from this side of the House, in the spirit of how I am saying it. It is not intended to obstruct, but to facilitate that we do the best we can.

Section 12 - Collateral Activities

Section 12 talks about collateral activities and here, Sir, there is an obvious error in the Clause. It reads as follows:

Without prejudice to the Provisions relating to the Right of Establishment, a National exercising the Right to provide service in Guyana may.....

It clearly means, a National from another Member State; it does not mean a National of Guyana. So, it has to be taken here explicitly, if not, there is ambiguity at best, in terms of what is really meant.

Sir, I want to refer you to the Schedule. There is a particular Clause in this Bill which deals with the Schedule. In fact, as the Minister who introduced this Bill pointed out, it is intended to amend other Laws, to give CARICOM Nationals equal treatment with Guyanese in other areas of activity. When they come into the Airport and they come to undertake an establishment, or to provide a service, that will be facilitated at the Airport. So the Immigration Act is to be amended. That is fine, Sir. But I noticed that the Minister writes into the Law that he may by Order, subject to Negative Resolution in the National Assembly, amend this Schedule. Sir, my request would be that the Minister agrees to make those Orders, subject to Affirmative Resolution. That enhances transparency and it enables it to be debated whenever the Minister proposes the change and it gives us all an opportunity to buy into it, on a very transparent basis. I hope that the Minister will, in fact, take that on board, because we are talking about Amendments to serious Laws and that I think should be as transparent as possible.

Section 25 - Exceptions to Remove Restrictions

Lastly, Sir, I want to say that *Section 25*, as pointed out by Minister Nadir, is a wholly important Section. It allows the Minister to take measures to exceptions to remove Restrictions. Now, we have to and here I agree very strongly with Minister Nadir that we have to, in fact, ensure that we set up a cadre of young, qualified persons who will understand

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this very comprehensive Treaty from cover to cover, who will understand all of these Laws, who will monitor what other territories are doing and signal us as early as possible, about the need to take measures or to raise issues at the various forums of the Movement, so that Guyana's interests are always being served with the paramountcy they deserve, in the national interest of Guyana. Thank you very much, Sir. *[Applause]*

The Speaker: Thank you, Honourable Member.

Honourable Members, I think this is an appropriate time that we will take the suspension for the Minister to consider all of this.

Suspension of Assembly

Resumption of Assembly

The Speaker: Hon Minister of Foreign Trade and International Cooperation.

Hon Clement J Rohee: Mr Speaker, one of the important issues I think we have to recognize when treating with this Bill is that the Bill is not the be-all and the end-all, of the CSME Project, it is a constituent part of a constituent whole; because the Movement of Factors Bill has to be tabled in conjunction with other Bills that will constitute part and parcel of the Single Market Economy Project. The Movement of Factors Bill should not be seen as *'the'* CSME Bill, *per se*. I think Honourable Minister Nadir quite correctly pointed out that we have Consumer Protection Bill, the Competition Policy Bill and so many others, which I would not wish to repeat. I thought I should emphasize that, because the Honourable Member Mr Jerome Khan, in speaking, seems to have lost the perspective in that respect.

Mr Speaker, clearly, the Single Market will pose challenges and opportunities. I have heard this said in naivety in both this Honourable House and at other forums in the wider Society. I think it would be politically naive for anyone to believe that the Single Market and Economy would be the panacea for any country, needless to say in respect of Guyana's

social, economic or, for that matter, political problems. It will obviously present opportunities and it will obviously present challenges. That is why I have difficulties with, for example, the suggestion that was made by the Honourable Member Mr Murray, when he said that while we might agree on the Bill to this House, we should delay the Presidential assent to the Bill until such time as the other Member States come on board.

Why I disagree with this, is precisely because we might very well be shortchanging our Nationals. I would not wish to see, Mr Speaker, this Honourable House take a decision that puts our Nationals at a disadvantage in the sense that, if we were to go down that road and we were to wait on all the other OECS Members State ... *[Interruption: 'That is not what I was saying']* Well, let me recap, to see if I understand properly what this Honourable Member was saying, lest I be misconstrued. Now, there are Guyana, Barbados, Jamaica, Trinidad, Belize and the Bahamas; six countries who are party to this Treaty, by affirming their signatures to it. Now, it means, therefore, that when the Presidential assent is given to the Bill, and when it becomes an Act, a national from this Country - a Hairdresser with a Beauty Salon - could move to Barbados, because in Barbados they have passed similar Legislation. *[Interruption - 'You never mentioned that'. "Permit me to correct that omission". 'Those countries are CSME compliant by virtue of the fact that by passing the other pieces of Legislation they are also part of the Movement of Factors Bill Legislation'. "I am sorry for that omission"]* Mr Speaker. So I think that those six Member States who have passed the Movement of Factors Bill, are countries which we would potentially benefit from, when we sign on to the process by virtue of the passage of this piece of Legislation. I misunderstood the Honourable Member to mean that we should leave the Presidential assent until the other delinquent Member States have signed on. So, I think I have that clear now.

Mr Speaker, in terms of Economic Dislocation, the architects of the Single Market found it necessary to treat the question of Economic Dislocation. That is why, when formulating *Chapter 2*, treating with disad-

vantaged Countries, Industries and Sectors, they built in a Provision which is *Article 156*, treating with the Regional Development Fund. I think a lot has been said about this Regional Development Fund publicly and otherwise. In the sense that, once Guyana by virtue of its having this status, under *Article 156*, stands to benefit in the same way as the OECS Countries stand to benefit, by drawing-down so to speak, from the Regional Development Fund. So that, if there is any Sector or Sub-Sector in Guyana that finds itself disadvantaged by virtue of competition, or whatever the case might be, we have a right to invoke this *Article 156*, which would trigger *Article 158* treating with the Regional Development Fund, apart from the questions dealing with safeguards, under *Article 150*.

I think, Mr Speaker, what we have to do is to be able, and I quite agree with the suggestion that was made, supported by the Hon Minister Nardir; if we can have Specialists, fair enough, but we have to build up a cadre of experts – young, bright and intelligent Trade and Legal Experts. So that when they go to the Caribbean Court of Justice, they can defend quite effectively Guyana's National Interests. This is one of challenges, the Human Resource problems that will arise from implementing the Single Market and Economy. It will require of us to train and provide a new generation of professionals who can represent this Country effectively, either at the level of the Council of Trade and Economic Development or the Council treating with Financial Ministers or whatever the case might be.

Mr Speaker, I think this is where the evidence of the Regional Development Fund comes in. The question is, is there an alternative to the Single Market? The way in which the Honourable Member Mr Khan was arguing was as though we have other options. But, I was very pleased when I heard the Honourable Member Mr Murray put greater emphasis on the more positive side of what the CSME was all about. I totally agree; I do not think anybody should argue about the contribution, which the previous Administration made, in respect of the formation of CARIFTA and CARICOM. We may have disagreement on the thrust of CARIFTA and CARICOM and so on; but I think it is generally ac-

cepted in our Society that there is unanimity and national consensus on going the way in relation to Caribbean Affairs and CARICOM Single Market and Economy.

I think the Honourable Member Mr Khan, was being very mischievous when he sought to introduce, by way of digression and he went into an excursion of what he perceives to be overlapping responsibilities, in respect of the various Ministries. Mr Speaker, in the Bill that is currently before us reference is made of the names of certain Institutions or Organs of the Community. There are two main Organs within the Community that will be addressing issues in relation to the Movement of Factors Bill, because it is an Economic as well as Trade issue. They are now built into the system within the Regional Development Fund for which a Commission will be established to manage how this Fund will be utilized by Member States. It will therefore reinforce the role of the Council for Financial Planning and Management, of which the Ministry of Finance is the focal point, and for Trade and Development issues, which fall under the Ministry of Foreign Trade and International Corporation. I do not think there is much to change that.

However, we all know, Mr Speaker, as experienced politicians, because many of us have been in the Government before, that in the same way that Governments come and Governments go, that decisions are taken to reconfigure the Ministries, to close Ministries and to reestablish new Ministries. That is the natural order of things in relations to governance. The PNC, when it was in Government, chose to close down some Ministries, to establish some Ministries and to reconfigure certain Ministries. The PPP/Civic chose to do the same thing, when they came in to Government. Recently in Barbados, Mr Speaker, there was a Cabinet reshuffle and the Hon Prime Minister of Barbados established a new Ministry of Economic Planning and Development. So, this is a natural order of things in relation to governance. I do not think you need to make a hue-and-cry of it.

The main thing, Mr Speaker, is that there must be inter-Ministerial coordination; this is where the inter-agency mechanism comes in. For exam-

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ple, we have had a very effectively functioning Council for Social Work in the Ministry of Health, Ministry of Labour and Human Resources, Ministry of Education, and all other Social Ministries work together to attain this; even though there might be a perception that that is not so. Mr Speaker, I do not think, in addressing those concerns, which I thought are very contentious and nothing of substance in relation to the Bill, that the Honourable Member Mr Khan was really making a serious contribution, if I may say so, as he made his point.

Mr Speaker, the question of Movement of Capital would usually create suspicions and questions in some *vitals* of this House. I fully agree that Member States ought to put in place the necessary mechanisms (Guyana, I think, has already done so) to ensure that the movement of capital is not only regulated and monitored, but is conducted in a way that it does not harm the national interest. The introduction of terms such as fairness of activities resulting from the Movement of Capital across borders, I think, is a mere political statement that has actually no substance or connection and I should not respond to that.

In Clause 21 (1) of the Bill I think reference was made to this particular one as it relates to the application; because of how it is written, it presents some difficulty. I think if you read this Clause very carefully you will see, first of all, in Sub-Section 2 where it says:

If the Minister intends to apply Restrictions pursuant to Sub-Section 1, the Minister shall, prior to applying the Restrictions, notify the Organs of the Community of the Minister's intentions and the nature of the Restrictions.

So, the first thing you need to do is to *notify* the other Member States of what you intend to do. If the circumstances do not permit you to go through the process of notification of the competent Organ, you go to the next stage, which is to apply the Restriction forthwith, notify the competent organs of the application and then you have to go on. It says here that:

The Minister shall, at the time of applying the Restriction mentioned in Sub-Section 21, submit to the Council for Trade and Economic Development or the Council for Financial Management, as the case may require, a programme setting out the measures to be taken by Guyana to resolve the difficulties.

In other words, you do not get off scot-free. So that while you are free to apply the Restriction, you are still bound to go either to COTED or CLOFA, depending on what the issue is, to present a case to show what steps you intend to take to alleviate the hardships and the difficulties, because you have to be able to convince these people that this Restriction will not be in place forever; that you intend to put a programme in place to address those Restrictions by certain measures.

Having said that, Mr Speaker, I think the Government's position on this is clear. At the last Heads of Government Meeting Sessions held in Trinidad, Guyana's delegation was led by His Excellency the President. Again, he called for the establishment of a Database, which must show the number of persons refused entry and the reasons why they were refused entry. We have put on record that we are against any arbitrary denial of entry into another country. So far, we are not aware that any Database has been generated. But I can assure this Honourable House that the Government of Guyana will seek to insist on this, at the relevant forums. I do not think we need to make much ado about that. I want to assure this Honourable House that as Guyanese Nationals, while sitting in this House, we are not going to allow our Nationals to be ill-treated by other Member State, because we certainly do not want that for our nationals at all.

Mr Speaker, I want to go quickly to some of the proposals and suggestions that were made. I have already addressed the suggestion that we should delay the assent of the Bill by the President. In respect of Page 9, Clause 5, of the date to notify of the Restrictions:

The Minister shall, not later than the 31 December 2005,

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notify COTED or CLOFA, as the case may require, of any remaining Restrictions

Well, it is COTED that we have to notify in the case of Restrictions. I would wish to make changes to this date, Mr Speaker. The date should now read 31 July 2006. We did not do so, because we did not get the passage of the Bill in time. We were hoping to ... [Interruption: 'Which Clause are you talking about?'. "Clause 5, on Page 9"] We want to change this to 31 July 2006. Well, why I was suggesting that we go to 31 July, Mr Speaker, is that there are provisions that would implement this Act, by which we could implement the Bill. Mr Speaker, however, by reconsidering 6 July, I think we can do it earlier, because the next Meeting of COTED would be in May. Therefore, I think rather than July, I want to suggest that we change this date to 31 April [Interruption: 'April does not have 31 days' "30 April. Sorry!"] [Interruption: 'This year?'. "Yes, 2006 "]

Now, Mr Speaker, in relation to the question that was asked about the *Community Standards*, this question will be addressed quite shortly. Wherever we see Regional Standard Affairs or CARICOM Standard Affairs, what we are referring to here is Regional Standards that are enshrined in the cross-queue mandate, to ensure that standards in respect of goods and services are at the level as adopted by the cross-queue, endorsed by COTED and finally agreed by the Conference.

Clause 12, Mr Speaker, which raised the question of whether it is treating with Guyanese or CARICOM Nationals; thank you, Mr Gopaul remembers it. I would, with respect to the recommendation that was made on the question of the nature of the Resolution. Mr Speaker, I would want to stick to maintaining a Negative Resolution in this instance and leave it at that. Because I believe, the amendments that we are proposing are severely limited and it does not give us any room to improve. So, in that respect, Mr Speaker, I would respectfully suggest that we maintain the Negative Resolution in respect to the Schedule.

Finally, Mr Speaker, I think that was the issue that was raised. If we

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adjust the date of 31 December 2005 I think it would, in a sense, address the other dates which were referred to, that is 1 January 2006. Having notified, then I think Movement of Factors Bill would come into operation.

So, Mr Speaker, to conclude, I would wish to thank the Members of the other side of the House for supporting this Bill and for pointing out some of the issues, which required clarifications and some which probably required some amendment along the way. Thank you, Mr Speaker. [*Applause*]

The Speaker: Thank you, Honourable Member.

Honourable Members, the Question is that the Bill be read a second time.

Question put and carried.

Bill read the Second time.

The Speaker: The Assembly will now resolve itself to Committees to consider the Bill, Clause by Clause.

IN COMMITTEE

The Chairman: Honourable Members, I propose the Question for parts of this Bill that need amendment.

Mr Winston S Murray: Sir, I like the Minister's very detailed response. We can take them all and quote him.

The Chairman: I will take *Section 1*, Paragraphs 1-4. Honourable Members, I propose that Paragraphs 1-4 stand part of the Bill. I now put the Question that Paragraphs 1-4 stand part of the Bill.

Motion proposed, put and carried.

Honourable Members, I propose the Question that Paragraph 5 stands

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part of the Bill. Honourable Minister ...

Hon Clement Rohee: Mr Chairman, there is an amendment to this Clause.

The Chairman: Then you will have to move against it.

Hon Clement Rohee: Mr Chairman, I would like to Move that Clause 5 should read:

The Minister shall, not later than the 30 April 2006 ...

The Chairman: You are now moving that the words *31 December 2005* be substituted by the words *30 April 2006*?

Hon Clement Rohee: That is correct, Sir.

The Chairman: Honourable Members, I now propose that the words *31 December 2005* be deleted. I now put the Question.

Motion proposed, put and carried.

I now propose that the words *30 April 2006* be inserted. I now put the Question.

Motion proposed, put and carried.

I now propose that Clause 5 as amended stands part of the Bill. I now put the Question.

Motion proposed, put and carried.

Honourable Members, I now propose that Clause 6 to Clause 31 stand part of the Bill. I now put the Question that Clause 6 to Clause 31 stand part of the Bill.

Motion proposed, put and carried.

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I now put the Question that the Schedule stands part of the Bill.

Motion put and carried.

Honourable Members, I now put the question that the Bill be reported to the Assembly.

Motion put and carried.

The Chairman Let the Assembly hear the Report.

Honourable Minister of Foreign Trade and International Cooperation

Hon Minister Clement J Rohee: Mr Speaker, I wish to report that **Bill No. 2/2006 , Caribbean Community (Movement of Factors) Bill 2006**, was examined Clause by Clause and was passed as amended.

The Chairman: I now move that the Bill be read a third time and passed as amended. Honourable Members, the Question is that the Bill be read a third time and passed as amended.

Motion put and carried.

Let the Bill be read a third time and passed as amended.

Bill read the third time.

The Speaker: Thank you very much, Honourable Member.

ITEM 3 - CARIBBEAN COMMUNITY BILL 2006, BILL NO. 3/2006.

The Speaker: Honourable Members, we can now move to the second reading of the Caribbean Community Bill 2006, Bill No. 3/2006. Honourable Attorney General and Minister of Legal Affairs.

Hon Doodnauth Singh: May it please you, Mr Speaker. This Bill seeks to give legal effect to the Revised Treaty of Chaguaramas establishing the Caribbean Community including the CARICOM Single Market and Economy, signed in the Bahamas on 5 July, 2001. This Treaty may well be termed 'the new Testament' pointing the way to Caribbean Cooperation and Economic Integration. It is hoped that it provides the embryonic beginnings that one day would lead to greater political unity. The Treaty strikes an affirmative note of hope. Everywhere it may be seen by close observers of how much expectation is pinned to this Treaty. Already, the Single Market is a *fait accompli* and within no time the Single Economy will come into being. It is hoped that these two fundamental factors will lead to further Caribbean Cooperation. Gone are the days when the sentiments were echoed, 'CARI come and CARI gone.' No longer are such views publicly expressed, because of the confidence that the Caribbean people have of the way forward under the Treaty.

Clause 3

The Revised Treaty now has 288 Pages and shall have the force of Law in Guyana and the Caribbean Community shall have full juridical personality in Guyana.

Clause 4

Funds to be paid by the Government under the Revised Treaty shall be charged on and the Funds received under the Treaty shall be paid into the Consolidated Fund.

Clause 5

The Minister responsible for CARICOM Affairs may, by Regulations, make Provision for implementing any Community obligation of Guyana under the Treaty, including enabling of any Rights enjoyed by Guyana under the Treaty.

Clause 6

In any legal proceedings the question concerning the termination or application of the Treaty shall be treated as a question of Law to be referred to the Caribbean Court of Justice. Where the proceedings of the issue is considered a decision of the question is necessary to deliver the judgment.

Clause 7

Where the Treaty is amended in accordance with Article 236, the Minister responsible for CARICOM Affairs shall, by Order, amend the Treaty accordingly.

Clause 8

Where there is any inconsistency between the Provision of this Act and operation of any other Law other than the Constitution of Guyana, the Provisions of this Act shall prevail to the extent of the inconsistencies.

Also under this Clause,

The President may, by Order, before 31 December 2007 amend or repeal any Law other than the Constitution, to bring the Law into conformity with the Act.

Mr Speaker, I have been advised that the CARICOM Secretariat has circulated to the Members of the National Assembly the Revised Treaty, which I adverted to, comprising 288 pages; and has circulated the Revised Treaty as well, to the wider Community. At this point in time we have not incorporated the Revised Treaty, as such, into the Bill, but it is expected that in the future, at some point-in-time, it will be done.

I now Move that the Bill be read a second time. [*Applause*]

The Speaker: The Honourable Member Mrs Riehl.

Mrs Clarissa S Riehl: Mr Speaker, I rise to offer a few thoughts on this Bill. The last point made by the Honourable Attorney General concerning this merging, as it were, of the Treaty with the Act should have been done simultaneous with this and the bringing of this Bill. Is that not so, Mr Attorney General? I thought it should be a part of this Bill; merging as it were, the Treaty that was laid in this Parliament. *Suffice it to say*, the Attorney General said, *it would be done at some point in the future.*

Mr Speaker, I note that the Institution of the CARICOM Single Market and Economy has come into effect at the beginning of this year; and this Legislation, I thought, should have been passed by the end of last year. I wondered why, in our Country, we are always among the late-comers in bringing these Legislations. This is a very simple Act, in my opinion and one that should have been brought since last year end and not make the Act retroactive to 1 January 2006, apart from the Act that has brought into being the Caribbean Court of Justice. I think these two Acts brought here to the House today are the only other two pieces of Legislation regarding the Revised Treaty and the CARICOM Single Market and Economy. We have a way to go.

The Honourable Minister of Foreign Trade has alluded to the fact that the previous Bill, Caribbean Community (Movement of Factors) Bill, is only one Bill and there are several other pieces of the Legislation to go. We all remember that there were nine Protocols amending that Treaty and so, there are several areas in which the Government still has to bring Legislation. For instance, there is the Agricultural Policy, Rules of Competition Bill; all of these things still have to come to this Honourable House. But the essential question is why we are so late?

Clause 4

The CARICOM Revised Treaty speaks of Guyana being one of the MDC's, one of the More Developed Countries of CARICOM. I think that as such, we should behave more responsibly. In addition to that, we have the Secretariat here. We should be more, to use an American thing,

bullish on the issues of CARICOM, because we have the Secretariat here and we are listed as one of the more developed countries in CARICOM. I understand from a Matrix of the CARICOM Secretariat that Barbados has almost completed the whole regime of Municipal Legislation to bring into being this Revised Treaty. So, I urge the Government and I will come to that a little later, to try and hurry up to bring all of these Legislations. In Article 3, *the Treaty shall have the force of Law in Guyana*. Well, that is in fact bringing it into being in our Municipal Laws and I note that *'the Community has a juridical personality.'*

As you know, Sir, when you sue a company, which is also a legal person in Law, the Company Act states, *the Secretary of the Company takes charge*. I note in the Section here dealing with Legal Proceedings, under Section 6, that although Guyana can sue, you do not know who is the person that will take responsibility for the action as such, whether it is Secretary General who stands in the place of the Secretary of the Company. That part seems to be missing. Perhaps, the Attorney General will tell us something about that.

Clause 6

I note the point in Clause 6 of the Bill, which corresponds with Article 212 dealing with the Caribbean Court of Justice that it is the entity which gives Advisories on any aspect of the Treaty,

For the purpose of legal proceedings, any question concerning the interpretation and application of the Treaty, or concerning the validity or application of the Treaty, shall be treated as a question of Law and shall be referred to the Caribbean Court of Justice.

That corresponds with what Article 212 of the Treaty says. But I am wondering, since we are on the verge of establishing a Commercial Court in Guyana and I suppose that is meant to synchronize with the Single

Market and Economy, since all of this is done or is going to be done, whether there is no time limit; even though it is a superior Court and one would expect that Court to act responsibly in giving Advisories. I do not know whether any time limit would be put on the Caribbean High Court, or else it might be another excuse for our Municipal Judges and other aspects of delay tactics built into the delivery of Judgment. That is just a thought. If we have to wait on Advisories from the Caribbean Court of Justice before delivering a Judgment or Decision and that is not forthcoming expeditiously you might find yourself with a little in-built delay.

Clause 5

I want to speak a little also on backtracking Sir. In this Bill,

The Minister charged with the responsibility of CARICOM Affairs may, by Regulations, subject to Affirmative Resolution...

We have heard other Speakers in this Honourable House this afternoon on this. In the previous Bill, the Minister of Foreign Trade, Hon Minister Clement Rohee, who is across the way there, and I think my colleague, Honourable Member Mr Jerome Khan, pointed out that in foreign relations we have two Ministers saddling CARICOM Affairs; both the Minister of Foreign Affairs and the Minister of Foreign Trade. So, I was wondering who is the person, according to this Act, who will be responsible for CARICOM Affairs?

I think, Honourable Member Mr Murray also alluded to the fact that this Ministerial business, we should not get it all confused. Honourable Member Mr Winston Murray suggested that instead of the Minister of Foreign Trade in the Caribbean Community (Movement of Factors) Bill we should have the Minister who is assigned responsibility. Here we have in Clause 5, the Minister charged with the responsibility for CARICOM Affairs; as if we have one single Minister. I note the Minister assigned to bring this Bill and to speak on it this afternoon, is the Attorney General. So I am wondering, where are we, in terms of responsibility for these

matters, generally.

Another aspect I want to touch on, Sir, is the aspect of *Regulations*. Now, we are considering this matter of Regulations, Sir, in the Bradford Report and now we are considering it in the Special Select Committee - Needs Assessment Committee of Parliament. There is a Recommendation that is being considered where the Bradford Report speaks of having Regulations. I think Honourable Member Mr Winston Murray spoke on this issue, obliquely, when he referred to asking the Honourable Minister in the previous Bill – The Caribbean Community (Movement of Factors) Bill, to lay the Regulations; not on Negative Resolution, but on Positive Resolution. And here, Senator Mr Bradford is saying, for Regulation in Parliament that there should be a Regulations' Review Committee, chaired by whomever. The reason why that change, he says,

There is no formal oversight process for Subsidiary Act, Legislation, Regulation and Administrative Rules made under Host Legislation. The powers in this Statute are significant, even to creating Taxes and penalties et cetera, not proposed under the Legislation.

So the aspect of the Regulation, whether Affirmative or Negative, is very much still up-and-up at this stage.

I wish to say that the Regulations, even though the Act is late, if you take time in bring the Act to Parliament that certainly you can bring the Resolutions also; because the Government is consistently guilty in not bringing Regulations in many, many important Acts. We have, for instance, a number of important Social Legislations passed by the Administration – the Domestic Violence Act, the Medical Termination of Pregnancy Act, even the Money Laundering Bill; I think it still awaits Regulations. So, the Government has been slow to bring these Regulations. I think that they should take some time and bring them; at the same time they are coining the Bill, they should also be sitting down to put together the Regulations. It would make for much easier applicability and implementation of the Legislation.

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So, I think, with those few thoughts, Sir; that is all I would like to say at those points. I would welcome this Bill, because we support all things CARICOM. Like my colleague said, we have always been in the forefront, this Party and the Country as well, of CARICOM affairs. That is why; I would wish to see us not always be the last to bring and implement things, but at the forefront. Thank you, Sir. [*Applause*]

The Speaker: Thank you Honourable Member.

Honourable Attorney General, Minister of Legal Affairs.

Hon Doodnauth Singh: May it please you, Mr Speaker. My learned friend has adverted to *Clause 3* of the Bill. It specifically states:

Clause 3

Subject to the Provisions of this Act, the Treaty shall have the force of Law in Guyana.

I had indicated in my presentation, the Revised Treaty comprises 288 pages and by reference to *Clause 3*; it is incorporated into the Law. With respect to the comments made about *Clause 5*, those are matters which are specifically stated, to be dealt with by the Regulations. It says:

The Minister charged with responsibility

It is the Minister, whoever that Minister is.

In the assignment of duty by the President for CARICOM Affairs, who will then inaugurate those Regulations.

The Regulations specifically state in dealing with this matter:

Implementing in the Community obligation as it arises, enabling any Rights enjoyed or to be enjoyed, or dealing with matters arising out of these Regulations.

So, for us to wait to introduce those Regulations simultaneously with the

Bill will be almost impractical.

Clause 6

With respect to the comments on the proceedings in *Clause 6*, it is whoever is to be instituted for that purpose. All that this Clause is seeking to do is to make a statement, with respect to the party's

Legal processing of any question concerning the interpretation ... the validity... means, who are the parties ...

It cannot stipulate who are the parties to institute those proceedings, so, with great respect to my learned friend, her comment to the incorporation of a Company, et cetera, bears no relevance in *Clause 6* whatsoever. It is merely seeking to ensure that for the determination of those issues the jurisdiction lies with the Caribbean Court of Justice.

I heard my friend speak about the delivery of the Judgment. I do not know if it is suggesting that we could legislate in Guyana to determine the time period within which the Caribbean Court of Justice would be required to deliver a Judgment. That would be an extra-territorial type of jurisdiction, as such. But in any case we have a Provision in our Constitution, which deals with the issue of all Justices who are required to give a judgment within a reasonable time. Regrettably, we have not stipulated what is a reasonable time. But with the greatest respect to my friend, we cannot legislate imposing on the Caribbean Court of Justice a time limit for the delivery of judgment. It is expected that that Court will deliver Judgment. In fact, in the single matter which has been raised before that Court, the judgment was delivered as it was, almost immediately. It is expected that that is what would be done, in the future.

Sir, with those comments, I wish to request that this Bill be read for the second time. [*Applause*]

The Speaker: Thank you, Honourable Member.

Honourable Members I thank you for your contribution to this Bill. The

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question is that the Bill be read a second time. I put that the Bill be read a second time.

Motion put and carried.

Bill read the Second time.

The Speaker: The Assembly will now resolve itself into Committee, to consider the Bill, Clause by Clause.

IN COMMITTEE

The Chairman: I will put the Clauses together. Honourable Members, I propose the Question that Clauses 1 to 8, stand part of the Bill. Honourable Members, I now put the Question that Clauses 1 to 8, stand part of the Bill.

Motion proposed, put and carried.

ASSEMBLY RESUMES

The Speaker: Honourable Attorney General and Minister of Legal Affairs.

Hon Doodnauth Singh: Mr Speaker, I wish to Report that the Bill was considered and was accepted, Clause by Clause. I now request it be passed as it is read a third time and passed as printed.

Question put and agreed.

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The Speaker: Honourable Members, the Question is that the Bill be read a third time and passed as printed.

Motion put and carried.

Bill read the Third time.

The Speaker: Honourable Members, this brings us to the end of business for today.

Adjourned Accordingly at 17:45